



PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076

TEL: (831) 722-9292 • FAX: (831) 722-3139

email: info@pvwma.dst.ca.us • <http://www.pvwma.dst.ca.us>

**Board of Directors Meeting
February 16, 2011, 7:00 pm**

**City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA**

BOARD MEETING MINUTES

1. Call to Order

- 2. Roll Call of the PVWMA Directors and Pledge of Allegiance:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order in the City Council Chambers, 275 Main Street, 4th Floor, Watsonville, CA, at 7:05 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Eiskamp, Osmer, Lynn, Vasquez

Board Members Absent: Dobler

Staff Members Present: Mary Bannister, General Manager (GM)
Mark Harvey, Administrative Services Manager (ASM)
Others Present: Anthony Condotti, Agency Counsel

3. Pledge of Allegiance

4. Oral Communications: None

- 5. Director Comments:** Directors Eiskamp and Lynn requested a copy of the \$2 million WaterSMART Grant application.

6. Counsel Report: None

7. General Manager Report: None

8. Consent Agenda

- A. Approve January 19, 2011 Minutes
- B. Approve Financial Report for January 2011
- C. Approve Disbursement Ledger for January 2011

Director Imazio noted that in the January 19, 2011 minutes, page 3, Director Dobler and she were not listed as committee members for the Water Quality and Project Operations Committee. Director Osmer requested to pull the minutes for correction.

- ◆ Motion by Director Osmer to approve the Consent Agenda items 8B-C as presented.
Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Lynn, Vasquez

NOES: None

ABSENT: Dobler

ABSTAIN: None

9. Discussion and/or Action Items

- A. Consider recommendation of the Ad Hoc Basin Management Plan Committee for the addition of appointees: GM reported that on October 6, 2010 the board voted in favor of forming an Ad Hoc Basin Management Plan (BMP) Committee to allow the Pajaro Basin community to help guide the development of the BMP update. On January 13, 2011, the BMP committee met. A primary objective of the meeting was to finalize the recommended committee participants. All BMP committee appointments had been made. The appointed BMP committee members participated in the applicant review and selection process. Each of the applicants was given an opportunity to present their application, qualifications, and interest in serving on the committee. GM stated that the BMP committee submitted the recommendation to the Board for their consideration at the January 19, 2011 board meeting. At the meeting, there was significant discussions regarding the Mutual Water Agency category and the applications considered under that category. The primary concern raised was that the Mutual Water Agency category was not originally intended to represent a large water district but was intended to offer a category for the small mutual water agencies to be represented on the Committee. After the discussions, it was decided that the selected applicants in both the Mutual Water District and At-Large categories (Vicki Morris and Ron Duncan) be moved into the appointed categories, and that Skip Fehr and Amy Newell be moved into the applicant categories for Mutual Water District and At-Large positions, respectively.

Given the Board approved changes, the Committee membership is as follows:

1. Director Cavanaugh (PVWMA Board – Committee Chair)
2. Director Imazio (PVWMA Board)
3. Director Osmer (PVWMA Board)
4. John Ricker (County of Santa Cruz)
5. Steve Collins (County of Monterey County)
6. Steve Palmisano (City of Watsonville)
7. Dave Tavarez (Pajaro Sunny Mesa CSD)
8. Dave Kegebein (Monterey County Farm Bureau)
9. John E. Eiskamp (Santa Cruz County Farm Bureau)
10. John Martinelli (Landowner Group)
11. Chuck Allen (Community Dialogue Effort)
12. Vicki Morris (Aromas Water District)
13. Ron Duncan (Soquel Creek Water District)
14. Thomas Karn (Rural Residential)
15. Bob Culbertson (Environmental)
16. Amy Newell (At Large)
17. Skip Fehr (Mutual Water Agency)

Following the Board approved changes to the Committee membership; issues regarding the balance and representation of the Committee were raised by Committee and community members. The primary concern was the balance between agricultural and municipal water users. Several alternatives for restoring the balance of the Committee were considered by the Chair and other committee members with input from the community and Agency staff. This issue was discussed at the Ad Hoc BMP Committee meeting on February 10, 2011 and by consensus the Committee recommended four additional appointed committee members that represent the agricultural interests. The Committee will be responsible for the naming the appointments replacements as recommended by the agricultural stakeholder groups.

◆ Motion by Director Eiskamp to approve recommendation of the Ad Hoc Basin Management Plan Committee for the addition of appointees. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Lynn, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

- B. Consider approval of Resolution 2011-01, Amending the Agency’s Deferred Compensation Plan Agreement: GM reported that on December 19, 2011, the Board, by resolution 2001-23 adopted a restated and amended deferred compensation plan and trust/custodial document for public employees. The current laws permit employers to allow employees to take loans from defined contribution plans and we would like to allow employees to take loans from their defined contribution plans with NRS. GM recommended that the board approve the proposed resolution 2011-01 for the amendment to the Agency’s Deferred Compensation (457) Plan Agreement to allow participant loans. Director Osmer noted that the resolution was not attached to the memo. He suggested pulling this item and bringing back at next meeting. Board agreed by consensus.
- C. Consider plan and approach to amending the Agency Act: Counsel stated that at the April 21, 2010 meeting, and again at the meeting of November 17, 2010, the board reviewed a number of proposed amendments to the Agency Act prepared by the General Counsel, and directed staff to seek a sponsor to author the proposed legislation necessary to accomplish an amendment.

Public Comments: Warren Koenig stated that the Agency needs to move a lot faster to meet the January 1, 2015 deadline.

Director Osmer suggested that the Agency form “Committee” with a series of public meetings. He volunteered himself as chair, if someone else would stand along with him. Director Cavanaugh volunteered as well. Director Osmer suggested keeping the committee with board members and inviting the public and keeping public feedback. He stated that staff had made contact with Assembly Member Luis Alejo’s office, and is seeking to determine his interest in sponsoring the bill. The Board also discussed at some length, but made no decisions about the process that would ultimately lead to a board decision about which specific provisions of the Agency Act should be amended.

After Board discussion, the following action was taken:

◆ Motion by Director Osmer to establish an Ad Hoc Agency Act Update Committee. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Osmer, Lynn, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

- D. Consider proposal for Engineering Services with Freitas + Freitas in the amount not to exceed \$28,875: GM reported that under the current Coastal Distribution System (CDS) configuration, in order to provide 80 psi delivery pressure to the pipeline south of Trafton Bluff, the entire system must be pressurized to 140 psi. The addition of a booster pump at Trafton Bluff will allow the entire system pressure to be reduced to 90 psi reducing electrical usage and system wear. The dismantled booster pump equipment from the City Connection will be used for the new facility. The City Connection was no longer needed once the Recycled Water Facility was completed and the potable supply was rerouted

directly into the Treatment Plant.

GM stated that Freitas + Freitas proposes to perform the engineering tasks detailed in the attached proposed, resulting in final bid documents and an engineering estimate for the proposed work. With board approval of the work, the project would be put out to competitive bid. Freitas + Freitas would at that time be retained to oversee construction of the facility.

After board discussion, the following action was taken:

◆ Motion by Director Eiskamp to approve proposal for Engineering Services with Freitas + Freitas in the amount not to exceed \$28,875 as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Lynn, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

E. Consider candidate for LAFCO District Alternate seat; and nominations for Regular Member and Treasury Oversight Committee: GM reported that in the election last month for District Alternate on LAFCO, none received a majority vote, so a run-off election of the top two candidates is being held. The top two candidates are:

- Eric Hammer- Boulder Creek Recreation and Park District
- Art Smith- Scotts Valley Fire Protection District

Director Osmer noted that there was no application information attached for Mr. Art Hammer. Director Osmer directed Chair to select candidate to the best of her judgment after reviewing applications. Board agreed by consensus.

F. Consider PVWMA’s status as “responsible agency” in Delta Stewardship Council’s CEQA Notice of Preparation for the Council’s Delta Plan EIR: Counsel stated that during the Counsel Report at the last meeting, the state Delta Stewardship Council has included PVWMA on the Council's list of Responsible Agencies in its Notice of Preparation of an Environmental Impact Report for the Delta Plan. Responsible Agencies, under CEQA, are those agencies that have been determined by the Lead Agency (in this case the Council) to have some interest in the project that the Lead Agency is evaluating. He stated that in November 2009, the California Legislature enacted SBX7 1 (Act), one of several bills passed at that time related to water supply reliability, ecosystem health, and the Delta. This legislation, also known as the Sacramento-San Joaquin Delta Reform Act of 2009 (Delta Reform Act), requires the development of a legally enforceable, comprehensive, long-term management plan for the Delta, referred to as the Delta Plan. The Delta Stewardship Council (Council), an independent agency of the state created by the Act, will develop, adopt, and commence implementation of the Delta Plan by January 1, 2012. The Delta Plan will define an integrated and legally enforceable set of policies, strategies, and actions that will serve, among other things, to restore the Delta. Counsel recommended that Board, by motion, direct staff to send a letter to the Delta Stewardship Council, requesting that the Agency be removed from the list of Responsible Agencies for the Delta Plan.

◆ Motion by Director Osmer direct staff to send a letter to the Delta Stewardship Council, requesting that the Agency be removed from the list of Responsible Agencies for the Delta Plan as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Lynn, Vasquez
NOES: None
ABSENT: Dobler

ABSTAIN: None

- G. Consider Resolution 2011-03, adopting Director Handbook establishing protocol for conducting Agency Board meetings: Counsel introduced the item and suggested that the board not take any action, as the attached resolution is not specific to resolution 97-4. Counsel requested to bring this item back with more specifics. Board agreed by consensus.

10. Written Communication/Correspondences: The January 2011 Chron were included in the board packet

11. Reports/Information Presentations

- A. Board Committee Reports: GM stated that the Administrative/Finance and Water Quality Committee reports were included in the board packet, in that a draft agenda for the February 24, 2011 Owner/Grower Meeting was also included.
- B. Staff Reports
1. Facility Operations Report: GM reported that staff is still pumping from Harkins Slough and is going very well. However, there has been a lot of vegetation along the slough and staff is trying to get the County of Santa Cruz County to clean up, but have been unsuccessful.

Director requested to agenda this issue at next meeting.

12. Future Meetings and Agenda Items

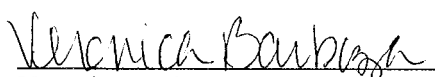
- A. Owner/Growers Meeting- Coastal Distribution System Delivered Water Users- February 24, 2011, 10:00 am-12:00 pm, UC Cooperative Extension, 1432 Freedom Blvd, Watsonville, CA 95076
- B. Ad Hoc Basin Management Plan (AHBMP) Advisory Committee- March 3, 2011, 2:00 pm, UC Cooperative Extension, 1432 Freedom Blvd, Watsonville, CA 95076
- C. Administrative/Finance Committee – March 8, 2011, 12:30 pm, PVWMA Conference Room
- D. Board Meeting – March 23, 2011, 7:00 pm, City Council Chambers, 275 Main St, 4th Floor

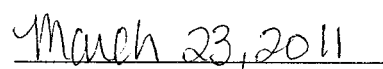
15. Closed Session

- A. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *John G. Eiskamp v. PVWMA* – SCSC Case No. CISCV168446
- B. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *Harold Griffith v. PVWMA* – SCSC Case No. CISCV168936
- C. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *Joseph Pendry et.al. v. PVWMA* – SCSC Case No. CISCV169080

The Board recessed to closed session at 8:05 p.m. with Directors Imazio, Cavanaugh, Lynn, Vasquez and Osmer present. General Manager Bannister and General Counsel Condotti were in attendance. The meeting adjourned at approximately 8:15 p.m. No action was reported.

16. Adjourned at: 8:15 pm


Veronica Barboza, Secretary


Date Approved