



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
December 21, 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 7:10 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Persoff, Osmer, Vasquez

Board Members Absent: Eiskamp, Lynn

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

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: None

6. **Counsel Report:** Counsel stated that he is still waiting on Judge Volkmann's statement of decision on the Pendry matter.

7. **General Manager Report:** GM reminded the board that the Agency office will be closed the week of December 26-30, 2011.

8. Consent Agenda

- A. Approve November 16, 2011 Minutes
- B. Approve Financial Report for October and November 2011
- C. Approve Disbursement Ledger for October and November 2011

Action: Director Osmer moved approval Consent Agenda; seconded by Director Cavanaugh, unanimously approved by voice vote.

9. Discussion and/or Action Items

- A. Receive update on Harkins Slough Vegetation and Sediment Removal: GM reported that on June 8, 2000, the Agency received Permit for Diversion and Use of Water #21039 from the State Water Resources Control Board (SWRCB) which allows the use of up to 2,000 acre feet per year of Harkins and Watsonville Slough water during the period from November 1 to May 31 of each year. A water rights permit may be finalized or "licensed" as a water right by the SWRCB after a period of 10 years of beneficial use of the water. She stated that the Agency is now eligible to license water right however the State will typically grant a license only for the maximum annual amount of water utilized during the permit period (to date 1,000 acre feet is the annual maximum diverted). For maximum

benefit to the over-drafted groundwater basin, it is in the Agency's best interest to utilize the full 2,000 acre feet per year available. She stated that staff is requesting an extension of our water rights permit to allow additional time for us to achieve the maximum diversion from the sloughs. GM stated that the lack of maintenance in the sloughs has resulted in sediments and vegetation in-filling the sloughs to the point of seaward flows are impeded and the pumps are no longer able to effectively move water. This is detrimental to the operation of the Harkins Slough Project and affects the circulation and flow in the slough system. GM stated that in July staff met with Santa Cruz County Public Works staff and Eric Zigas from ESA to discuss cooperatively addressing the maintenance work needed at Harkins Slough pump station. The agreement out of that meeting was that the team would attempt to get permits and complete maintenance work around the pumps prior to the winter rains. The group agreed that the County perform the maintenance work and cover costs of engineering and permitting; that the Agency would cover the cost of the water rights extension application; and that coordination costs would be split. It was agreed that the Agency would oversee the work and invoice the county for their expenses. With the anticipation that the permits would be issued November 28, JND Thomas Co. mobilized their dredge and equipment. On Tuesday, November 29 at 9:00 a.m., we were notified that the permit had been issued (attachment D). The project team met, had a pre-construction meeting and began work that afternoon. By mid-day Wednesday, about 75% of the work had been accomplished when the dredge broke down and work was terminated. Approximately 75 cubic yards of sediment was successfully removed from around the pumps.

- B. Consider approval of contract with Hydrometrics for groundwater modeling services in support of the Basin Management Plan update in the amount of \$79,500: GM reported that on October 20, 2010, the Board approved formation of the Ad Hoc Basin Management Plan Committee (Committee) and tasked the Committee with the following responsibilities:

The Ad Hoc Committee will advise the Agency Board of Directors on matters related to the BMP Update. Throughout the development of the BMP Update, the Committee will provide input on the following:

1. BMP Consultant Selection
2. BMP Projects, Programs, and Policies
3. Basin Management Strategies
4. Project Screening/Ranking
5. Project Schedule

GM stated that the Pajaro Valley Hydrologic Model (PVHM) was developed cooperatively by the agency and the United States Geological Survey between 2005 and 2010. The PVHM will be the primary tool used to evaluate the potential impact of BMP projects, programs and policies on the groundwater basin. Model simulations will show the effect of potential projects, programs and policies on seawater intrusion and groundwater storage within the basin. A Request for Qualifications was distributed to the following firms on April 6, 2011:

1. LRM Consulting – Mehrdad Javharian
2. WellWare Consultants – Gerald O'Neill
3. Balance Hydrologics – Barry Hecht
4. Hydrometrics Water Resources Inc. – Derrick Williams
5. 2nd Nature LLC – Nicole Beck

Two Statement of Qualifications (SOQ) were received by the April 15, 2011 deadline: 1) Hydrometrics WRI, and 2) WellWare (electronic version met deadline, hard copy arrived late but was accepted). Due to their extensive familiarity with the PVHM and with the challenges facing the Pajaro Valley, the SOQ of Hydrometrics WRI was chosen over WellWare.

Hydrometrics Water Resources Inc provided a scope of work and Estimated Budget for modeling services in support of the BMP development. Derrik Williams, president and lead contact for Hydrometrics WRI, served on the Technical Advisory Committee that guided the development of the PVHM and as such is very familiar with this particular model. In addition, he is familiar with the Pajaro Valley and the challenges the agency and community face. Director Osmer expressed his concerns, stating that he felt that the contract was “premature” to approve and that the scope of work was not detailed enough, he requested that this item be brought back with a more detailed scope of work. Board agreed.

- C. Consider proposal by The Furman Group to provide governmental assistance for a retention fee of \$8,000 per month plus expenses: GM reported that The Furman Group has provided federal government affairs for the Agency since 2010. This assistance is needed to promote and enhance our ability to receive reimbursement on our Title XVI funding for the Watsonville Area Recycled Water Facility. The original Title XVI grant amount was \$20 million of which about \$7 million has been reimbursed, leaving \$13 million outstanding. GM stated that as explained in their scope of work, The Furman Group proposes to build on and broaden the foundation of Congressional support for the Agency and the associated Watsonville Area Recycling Project. They propose further to focus on key congressional members and Administration officials whose support will be necessary to secure continued Title XVI funding, as called out in the agreement with the U. S. Bureau of Reclamation, and to help identify other sources of funding for the project and the Agency. Of particular significance is the help they will provide in gaining support for our \$4 million WaterSmart Grant application (due in January) that is the mechanism currently to acquire funding for authorized Title XVI grants. After discussion, the following action was taken:

Action: Director Osmer moved approval of proposal by The Furman Group to provide governmental assistance for retention fee of \$8,000 per month plus expenses; seconded by Director Vasquez, unanimously approved by voice vote.

- D. Consider request by Central Coast Regional Water Quality Control Board to make presentation at their February 2, 2012 meeting in Salinas: GM stated that Roger Briggs, Executive Officer of the California Regional Water Quality Control Board (Regional Board), in a letter dated August 9, 2011 to the Ad Hoc BMP Committee, recommended improved agricultural irrigation efficiency as an integral “project” for consideration by the Committee. He also noted that the Regional Board considers seawater intrusion in the Pajaro Valley to be high on their priority list. Mr. Briggs also referenced a July 5, 2011 letter in which additionally inquired as to the willingness of the PVWMA to impose pumping restrictions to “...preserve water quality and the long-term sustainability of the aquifer...” He also requested an update from us at their regular meeting scheduled for December 8, 2011 in Watsonville – Monterey Bay area meeting has now been rescheduled for February 2, 2011 in Salinas. Regional Board staff has requested that we prepare a report to their board and make a presentation at their meeting in February. Director Osmer suggested agendaizing pumping restriction that before the Central Coast Regional Water Quality Board February meeting. Tony said that he will provide a legal analysis. Director Cavanaugh volunteered to accompany the GM to the Central Coast Regional Water Quality Board meeting.

10. Reports/Informational Presentation

- A. Project Operations Report
1. Project Deliveries- GM distributed the water production summary report. Also, staff mailed out a water demand survey to assess demand for project water next season. Director Osmer suggested adding a column with acreage being used/billed for groundwater in the delivered water zone.
- B. Board Committee Reports
1. Administrative/Finance Committee- GM reported on the December 13, 2011 meeting.
 2. Ad Hoc BMP Committee- Director Cavanaugh reported on the December 8, 2011 meeting

- C. Grants Update- GM was happy to announce that on December 1, 2011, the Agency received a check for \$2.5 million for the Proposition 13 final payment.

11. Written Communication/Correspondences: November 2011 Chron was included in the board packet

12. Future Meetings and Agenda Items

- A. Ad Hoc Basin Management Plan (AHBMP) Committee- January 5, 2012, 2:00 pm, UC Cooperative Extension, 1432 Freedom Blvd, Watsonville, CA- **(Meeting was rescheduled for February 2, 2012)**
- B. Administrative/Finance Committee – January 10, 2012, 12:30 pm, PVWMA Conference Room
- C. Board Meeting – January 18, 2012, 7:00 pm, City Council Chambers, 275 Main St, 4th Floor

13. Future Agenda Items: None

14. 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

Counsel pulled closed session from agenda

15. Adjourned at 8:44 pm

Veronica Santana, Secretary

Date Approved