



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
September 19, 2012, 7:00 p.m.**

**Community Rooms A & B
275 Main Street, 4th Floor
Watsonville, CA 95076**

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, Eiskamp, Persoff, Lynn, Vasquez (arrived at 7:35 pm)

Board Members Absent: Osmer

Staff Members Present: Mary Bannister, General Manager (GM)
Brian Lockwood, Staff Hydrologist (SH)
Jesus (Chuy) Martinez, Sr. Water System Operator (SWSO)
Laura R. Taay, Administrative Analyst(AA)
Others Present: Anthony Condotti (Agency Counsel)

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: None

6. Counsel Report: None

7. General Manager Report: The GM reported the following:

A. Elections – Rich Persoff (Div. B) and Sam Cooley (Div. D) both were appointed in lieu of election as they were unopposed. This leaves \$50,000 unspent in Fund 10 which will be reallocated, perhaps for preparation of an upcoming conservation grant. A budget amendment will be prepared to update the budget numbers.

B. We received the \$4 million grant funds that were obtained for Title XVI reimbursement under the WaterSmart Program today. This will be applied against our City of Watsonville debt for the recycled facility.

3. A potluck bar-b-q was held on September 5 to celebrate the work of the Ad Hoc BMP Committee. It was well attended (about 50 people) the City of Watsonville was thanked for use their Corralitos Filter Plant facilities and Carl Johnson as host.

4. The Santa Cruz County Conservation Coalition sponsored a Water-Wise booth at the County Fair this year. It was staffed with folks from PVWMA, Soquel Creek WD, Scotts Valley WD, City of Watsonville, City of Santa Cruz and Central Water District. It was very well received.

5. While on vacation (Tuesday 9/26 through 10/8), Brian Lockwood will be available for anything as well as Laura who can refer issues to Rosemarie and/or Tony as necessary.

6. Staffing update –Laura Taay was again introduced as the new Administrative Analyst. The position of Administrative Services Manager to Teresa Delfino and she has accepted. She will begin

October 1. Rocio Guerrero is going out on maternity leave shortly so a temporary replacement will fill in for her. And lastly, Janie Martin, the CPA who assisted with the review of administrative controls and has been helping with the audit will provide short term transition help when Ms. Delfino starts.

8. Consent Agenda

- A. Approve August 2, 2012 Special Meeting Minutes.
- B. Approve August 15, 2012 Joint Meeting-Board of Directors and Ad Hoc Basin Management Plan Committee.
- C. Approve August 15, 2012 minutes.
- D. Approve Financial Reports for August 2012.
- E. Approve Extension of Proposition 50 Implementation Agreement with The Nature Conservancy.

Action: Director Lynn moved approval of the Consent Agenda; seconded by Director Cavanaugh

Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Eiskamp, Persoff, Lynn

NOES: None

ABSENT: Osmer, Vasquez

ABSTAIN: None

9. Informational Items

SWSO presented a Powerpoint discussion on delivered water projections and challenges.

10. Discussion and/or Action Items

A. Review results of City of Watsonville Debt Reconciliation

GM gave a full explanation of the recent audit, by Hutchinson & Bloodgood, regarding our payment records to the City of Watsonville. The findings were in our favor in the amount of \$294,954.91.

Director Eiskamp and GM agreed that a formal agreement with the City of Watsonville indicating operation and maintenance cost that PVWMA will be responsible for is to be looked at and brought back to the board for review.

Public comment: Joe Pendry commented he hopes the Directors read the audit as clearly as he did because they are all responsible for the PVWMA budget and recommends that a Director be present when PVWMA meets with the City of Watsonville in putting the final agreement together.

Action: Director Lynn moved for a formal agreement with the City of Watsonville on expenditures and bring back to board for final approval; Seconded by Director Cavanaugh.

Motion carried by the following voice vote:

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

NOES: None

ABSENT: Osmer

ABSTAIN: None

B. Consider approval of audited financial statement for fiscal year ending June 30, 2011

The GM noted that the agency's auditor, Bartlett, Pringle & Wolf, LLP (BP&W), completed the audited financial statements for fiscal year 2010-2011, and presented them to the Board on January 17, 2012. Based on the BP&W recommendation at that time, the audit was not finalized pending a third party review and reconciliation of one item; the debt owed to the City of Watsonville for the Recycled Water Facility. This reconciliation was conducted by a local audit firm, Hutchinson & Bloodgood. Results of the City of Watsonville debt reconciliation were summarized in the previous agenda item and are included in the final audited financial reports.

The audit resulted in a clean opinion, revealing that the Agency's financial statements were presented fairly and were found to be in conformity with generally accepted accounting principles.

Action: Director Lynn moved for approval of the audited financial statement for fiscal year ending June 30, 2011; Seconded by Director Eiskamp

Motion carried by the following voice vote:

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

NOES: None

ABSENT: Osmer

ABSTAIN: None

C. Consider Driscoll proposal to Fund Agency Retrofit of Driscoll Grower Meters with Digital Output Units

Driscoll's is committed to monitoring water use by well for their growers in the Pajaro Valley, in the interest of maximizing irrigation efficiency. Their concept is to use the PVWMA meters already in place to accomplish this. They have researched our meters specifications and identified a vendor specializing in the data package needed to download the digital output.

Staff has met with Driscoll's and their software consultant and discussed this concept with Water Specialties, our meter supplier to review their proposal. Their proposal involves them financing the retrofit of meters that are on their growers ranches with telemetry units capable of transmitting real-time water usage. PVWMA would contract to have the work done with Agency contractors, and oversee all aspects of the work. Meters will continue to have analogue display for Agency quarterly meter reads but with the added capability of telemetry reads.

Should the Agency eventually convert to digital output, software, download and billing functions would need to be upgraded to adapt to the new meter reading method. In the same way that growers now may use Agency meters to gauge their water use, the data being transmission from their properties would continue to be available to Driscoll's. Measures would be taken to ensure confidentiality of all other meter data –Driscoll's would only have access to their own meter data. The Agency could also, at that time, consider giving a telemetry credit for those meters already converted, similar to how we now give a meter credit when a landowner has their own meter installed for our use.

Should the proposal be acceptable, staff will prepare a budget and work plan to research Agency use of digital output and the needed upgrades to our billing software.

Action: Director Eiskamp motioned to conditionally approve with affirmation in a written agreement to follow after legal review; Seconded by Director Cavanaugh

Motion carried by the following voice vote:

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

NOES: None

ABSENT: Osmer

ABSTAIN: None

D. Consider Approval of Resolution 2012-08 Expressing Appreciation to the Members of the Ad Hoc Basin Management Plan Committee for their service to the Board and Community

The Board of Directors wish to express to the Ad Hoc Basin Management Plan Committee its appreciation for their extraordinary commitment and contribution of their time and energy for planning a secure water future for our Valley, its citizens and agriculture.

Action: Director Eiskamp moved for approval of Resolution 2012-08; Seconded by Director Cavanaugh

Motion carried by the following voice vote:

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

NOES: None

ABSENT: Osmer

ABSTAIN: None

11. Written Communication/Correspondences: The August 2012 Chron was included in the board packet.

12. Future Meetings and Agenda Items

A. Water Quality Project and Operations Committee-Wednesday, September 26, 2012, 3:00- 4:00 p.m. PWMA Conference Room, 36 Brennan Street, Watsonville.

B. Administrative/Finance Committee — October 9, 2012, 12:30 p.m. – 1:30 p.m., PVWMA Conference Room, 36 Brennan Street, Watsonville, CA.

C. Board of Directors — October 24, 2012, 7:00 p.m., City Council Chambers, 275 Main Street, Fourth Floor, Watsonville, CA.

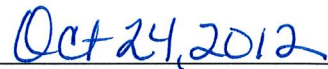
GM proposed a change in meeting dates for Administrative/Finance Committee, October 19 and Board of Directors, October 24 and for November and December meetings. AA to confirm availability with the City of Watsonville.

13. Future Agenda Items. None

14. Adjourned at 8:47 p.m.



Laura R. Taay, Administrative Analyst



Date Approved