



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
January 16, 2013, 7:00 p.m.

City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA 95076

BOARD MEETING MINUTES

1. Call to Order Oath was not administered due to absence of Director Vasquez

2. Roll call of the PVWMA Directors: 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 7:08 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Persoff, Lynn (arrived at 7:15P.M.), Cooley

Board Members Absent: Vasquez

Staff Members Present: Mary Bannister, General Manager (GM)
Brian Lockwood, Staff Hydrologist (SH)
Laura R. Taay, Administrative Analyst (AA)
Teresa Delfino, Administrative Services Manager (ASM)
Others Present: Tony Condotti, Agency Counsel

3. Pledge of Allegiance

4. Election of Board Officers: Action: Director Cavanaugh moved to keep same slate as last year with Rosemarie Imazio as Chair and himself as Vice-Chair, seconded by Director Persoff. Motioned carried by the following voice vote:

AYES: Imazio, Cavanaugh, Lynn, Persoff, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

5. Oral Communications: None

6. Director Comments: Director Imazio reported that she and ASM had attended a California Special District seminar on "How to be an Effective Board Member" it covered all kinds of topics and had some very useful information. Some items covered were ethics training and Brown Act Compliance. They gained a lot of resources and useful information for the board to use in the future.

7. Counsel Report: None

8. General Manager Report: Director Osmer resigned the Board of Directors effective, Monday, January 14, 2013. He cited having a very busy work schedule as the reason. In 2006 Director Osmer was courageous to accept the appointment when Gwen Carroll resigned due to health reasons. He was appointed again 2006 & 2010 in lieu of election for Division "C" which encompasses most of the City of Watsonville. Director Osmer put in more than a lion's share of effort, and his contributions to this agency and the valley are tremendous. Director Osmer chaired the Admin/Finance Committee at a

time when many were unclear of finances of the agency. He oversaw the revamping of the budget and agency finance reporting and a lot of credit is due to him with bringing on transparency that this agency had been missing prior to that time. Director Osmer ran the agency with Dave Kegebein and Mike Dobler when it started to financially and institutionally unravel. Director Osmer put in a tremendous amount of time and effort to helping the agency to stay afloat. As part of the court stipulated settlement requiring a \$11 Million refund, of 16,500 sent invoices, we then had to determine who paid on each of those invoices with reimbursement to those customers in 1/3 payments over a three year period. Director Osmer spent hundreds of hours of effort to make the reimbursement successful and it was an incredible task. With Director Osmer having served as Mayor of Watsonville many of us learned a lot about public service and transparency.

GM also announced that Director Cooley may be going to Australia for a two year job assignment with his firm. Both vacancies will be advertised for those interested in filling out the vacant terms. Council Condotti gave Notice of Vacancy state requirements.

9. Consent Agenda

- A. Approve December 19, 2012 minutes.
- B. Approve Financial Reports for December 2012.

Action: Director Lynn moved approval of the Consent Agenda; seconded by Director Cavanaugh Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Persoff, Lynn, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

10. Discussion and/or Action Items

- A. Consider approval of contract with Carollo Engineers in the amount of \$600,000 for services in support of the Basin Management Plan Update through December 2013.

On June 22, 2011, the Board approved a consultant contract with ESA/Carollo Engineers for basin management plan (BMP) planning services associated with the 2012 BMP Update. To date, the consultant team has worked closely with the Board and Ad Hoc BMP Committee to develop a portfolio of projects and programs to solve the Pajaro basin's overdraft and sea water intrusion problems. The BMP planning is now prepared to enter the next phase of work that will include preparation of a CEQA document, conducting community outreach, and planning "early out" projects of the plan. The purpose of this agenda item is to present to the board a revised project team configuration and contract that reflects the current status of the project and supports the strategy for completing the remaining work on the plan.

While the 2011 consultant contract included a very specific scope of work for the BMP planning, the project has evolved considerably beyond its original description of identifying projects and programs to "solve the basin problem," to including efforts to address issues of concern to the Board, Ad Hoc BMP Committee and the community such as conservation, increased recycled water deliveries, and project phasing/cash flow (impact on agency operating budget).

As a result, staff has been working with the consultant team to assess where we are with the existing project team responsibilities, scope and budget, and has identified changes that reflect the current approach to the BMP planning and improves efficiency of the overall effort (within the existing budget remaining to complete the work). The consultant contract changes proposed include:

1. Closing out the existing ESA contract for activities completed through 12/31/12, and entering into a new consultant contract with Carollo Engineers for completion of the BMP planning, for the budget remaining in the existing ESA/Carollo Engineers contract (approximately \$550,000).
2. Replacing the existing CEQA document preparation team with Denise Duffy & Associates (as a sub-consultant to Carollo Engineers)
3. Modifying existing tasks to include additional work on conservation, selected early-out projects, grant funding applications, and preliminary rate setting analysis.

The closing out of the existing ESA contract and the new consultant contract with Carollo Engineers will be completed for the same budget (\$1,752,000) as the original 2011 BMP planning services contract. The updated contract was brought before the Administrative/Finance Committee on January 8, 2013 and the committee recommended that the updated contract be sent to the Board for consideration.

Action: Director Lynn moved for approval of the contract with Carollo Engineers in the amount of \$550,000 for services in support of the Basin Management Plan Update through December 2013 with the \$50,000 contingency removed, (Exhibit B). Seconded by Director Cavanaugh. Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Lynn, Persoff, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

B. Receive update on the Basin Management Plan CEQA effort.

In accordance with the provisions of the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the Pajaro Valley Water Management Agency (PVWMA), as CEQA Lead Agency, is preparing an Environmental Impact Report (EIR) for its proposed 2012 Basin Management Plan Update (2012 BMP). The 2012 BMP represents a comprehensive set of actions, including individual projects, policies and basin management strategies, to stop seawater intrusion and overdraft of the Pajaro Valley groundwater basin while providing an adequate water supply to meet annual demands within the basin.

To comply with CEQA and maintain consistency with past Board actions, PVWMA staff, in consultation with legal counsel, recommended a subsequent Programmatic (or Program) EIR.

Staff, legal counsel, and CEQA experts agree that the 2012 BMP involves substantial changes to the project and circumstances that may result in new significant environmental impacts; therefore, a subsequent EIR is considered to be required pursuant to CEQA Guidelines Section 15162. PVWMA staff believes that the subsequent EIR should focus on the substantial changes to the project and circumstances, and any significant new information.

To consider the need for project-specific CEQA analysis at this time, the BMP team assessed the level and adequacy of existing CEQA analysis on the immediate or near-term projects, including:

- Water Conservation Program
- Increased Recycled Water Deliveries
- Increased Recycled Water Storage
- Harkins Slough Optimization Project

Each of these immediate or near-term projects are adequately analyzed in the 2002 BMP EIR and require minimal, if any, additional CEQA analysis. All other BMP components will not be

implemented for several years and are more appropriately reviewed at a program level at this time. Therefore, staff is recommending the preparation of a subsequent Program EIR that updates and revises the 2002 EIR and focuses on the project changes, changes in project circumstances and new information. Subsequent project level analysis can tier off of the previous EIRs or this EIR, when projects design/technical information have been more thoroughly developed and discretionary action by the Board is imminent.

Staff recommends proceeding with a subsequent Programmatic EIR and to commence EIR scoping utilizing the Draft Notice of Preparation.

Action: No action required

AYES: None

NOES: None

ABSENT: Vasquez

ABSTAIN: None

C. Receive summary of Responses to Comments to the Board Review Draft 2012 Basin Management Plan.

The Board Review Draft Basin Management Plan 2012 was distributed to the Board for review in November 2012. No comments to the summary of draft responses to the comments received to date were made. These will be incorporated into the Public Review Draft 2012 Basin Management Plan which will be distributed later this month.

Action: No action required

D. Consider approval of contract with ZAG Technical Services, Inc., in the amount of \$90,000 for IT support services and equipment through December 2014

Information Technology (IT) is the backbone of Agency. IT is responsible for storing and protecting data, at the same time as making it as close to 100% reliable as is possible. Maintaining a secure, efficient and reliable IT program is of the utmost importance to Agency operations. Included in the program are the Agency's firewalls, servers, desktops, laptops, remote connections, etc. Since 2004 Agency staff has relied upon ZAG Technical Services, Inc. (ZAG) to provide the kind of expert IT support necessary to keep the Agency running smoothly.

The type of equipment purchased through ZAG includes servers, desktops, laptops, uninterruptible power supplies (UPS), backup drives, etc. Software, such as Microsoft Office suite and Symantec Antivirus Corporate Edition, is also usually purchased through ZAG. ZAG's internal sales team have assisted staff in selecting the most appropriate equipment at the same time as providing competitive pricing. Planned near-term purchases include a server to replace the aging Citrix server system, which allows secure remote access to the exchange server. Funds were allocated in the current fiscal year's budget to replace the aging Citrix server.

Director's Lynn and Cavanaugh highly praised the support that ZAG has given to the agency staff.

Action: Director Persoff moved to approve the contract with ZAG Technical Services, Inc., in the amount of \$90,000 for IT support services and equipment through December 2014. Seconded by Director Cavanaugh. Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Lynn, Persoff, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

E. Appoint Board Representatives to Other Organizations for 2013

Action: Director Cavanaugh moved to continue with current organization assignments and recommendation of appointing Director Persoff to Santa Cruz County Zone 7 Flood Control to fill vacancy left by the resignation of Director Osmer. Seconded by Director Lynn.

Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Lynn, Persoff, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

F. Establish Board Committees and Committee meeting dates for 2013

Action: Director Cavanaugh moved to leave slate of current Admin/Finance and Water Quality and Project Operations Committees assignments and date and times as is. Seconded by Director Lynn.

Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Lynn, Persoff, Cooley

NOES: None

ABSENT: Vasquez

ABSTAIN: None

11. Monthly Reports/Presentations

A. Project Operations Report

1. Receive 2012 Project Delivery Update
2. Receive Harkin Slough Project Update

B. Board Committee Reports available www.pvwater.org

12. Written Communication/Correspondences: The December 2012 Chron was included in the board packet.

13. Future Meetings

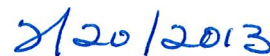
- A. Water Quality Project and Operations Committee — January 30, 2013, 4:00pm.
PVWMA Conference Room, 36 Brennan Street, Watsonville
- B. Administrative/Finance Committee-Tuesday, February 12, 2013, 12:30-1:30p.m.
PVWMA Conference Room, 36 Brennan Street, Watsonville.
- C. Board of Directors — February 20, 2013, 7:00 p.m., City Council Chambers, 275 Main Street, Fourth Floor, Watsonville, CA.

14. Future Agenda Items

Adjourned at 8:19 p.m.



Laura R. Taay, Administrative Analyst



Date Approved