



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
May 22, 2013, 7:00 p.m.**

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

BOARD MEETING MINUTES

1. **Call to Order at 7:10 by Chair Imazio.**
2. **Oath was administered to Director Appointee Paul Faurot**
3. **Roll call of the PVWMA Directors:**
 - Board Members Present: Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot
 - 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)
Anthony Condotti, Agency Counsel (GC)
4. **Pledge of Allegiance**
5. **Oral Communications:** None
6. **Director Comments:** Director Imazio and Director Cavanaugh both welcomed Director Newell and Director Faurot. Director Persoff stated he had attended the recent ACWA Conference and that it was a pleasure to have spent profitable time with exhibitors talking about water storage, water treatment, fish migration and a lot of other technical information. Director Persoff also stated it was also a pleasure to hear the Governor speak and state that he and the state water board are taking very positive action towards getting a reliable and sustainable water supply for the state. Director Faurot echoed Director Persoff and thought it was a very important event to attend.
7. **Counsel Report:** New Director handbooks will be distributed at the next meeting.
8. **General Manager Report:** Bureau of Reclamation yesterday announced PVWMA had received \$4 million dollar WaterSMART grant. This being part of the 1999 \$20 million Title XVI Grant. The balance being owed is now \$5 million. We are now required to request payments under a competitive program and have to submit additional grant information under the WaterSMART program each year, since earmarks were ended. The funds we receive are used to pay down the debt to the City of Watsonville for constructing the recycle plant. GM welcomed Director Faurot and Director Newell. An orientation was given two weeks ago to the two new Directors and it was also beneficial for staff and all of us to, once again, hear about policy and changes in the Brown Act along with the organizational chart and different historic documents from the agency. The package that was dispersed to Director's Newell and Faurot will be distributed to all Directors.
9. **Consent Agenda**
 - A. Approved April 17, 2013 minutes.

- B. Approved Financial Reports for April 2013.
- C. Accept Response to Audit Findings report, FY 11/12

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

- AYES:** Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot
- NOES:** None
- ABSENT:** Vasquez
- ABSTAIN:** None

10. Informational Items

A. Receive a presentation on Basin Management Plan Update Effort

GM advised that PVWMA has never funded conservation programs out of augmentation charges. PVWMA is allowed to fund specific activities that surround us, developing new water supplies, monitoring, metering and solving the overdraft problem. We have funded, whatever level, conservation programs out of our management fees where we collect approx. \$350,000 a year on the tax rolls. Overall BMP update includes new projects, improvements to our existing projects and a very aggressive conservation program. These items will be implemented after 2015 when the full BMP implementation takes place and we start moving forward with new rates that will fund the new projects. In August 2012 the Board accepted the portfolio of new projects which had been proposed in August 2012 and included increased recycle water storage, Harkin Slough Recharge Facility Upgrade, College Lake Project of a pipeline to coastal distribution system, Murphy Crossing Project with a Recharge Basin, Watsonville Slough Project similar to the Harkin Slough Project. These projects are intended to develop 12,000 A/F of savings and new supply and of that 12,000 A/F, 5,000 A/F will come from conservation. Today we met with a couple of statistical experts that will assist us in measuring conservation achievements. The importance of achieving this goal would be that the agency would not have to construct some of the more expensive projects that are further down on the list.

Kirk Schmidt presented a PowerPoint presentation explaining in more detail how the statisticians will tease out actual conservation achievements from other influences such as weather and cropping changes. Director Cavanaugh expressed his appreciation to Kirk Schmidt and acknowledged his valuable assistance to the agency.

11. Discussion and/or Action Items

A. Consider Board Committees and Committee Assignments for 2013

New committee assignments as follows:

Administrative/Finance (Admin) Committee

- Members: Rosemaire Imazio (chair), Dwight Lynn, Amy Newell
- Schedule: Monthly
- Date and Time: 2nd Tuesday, 12:30 pm
- Location: PVWMA Conference Room

Water Quality and Project Operations Committee

- Members: Dale Huss (chair), Rosemarie Imazio, Dave Cavanaugh, 4 -10 Grower Members
- Schedule: Monthly to Quarterly
- Date and Time: Varies – typically monthly with quarterly Owner/Grower with Irrigator meetings
- Location: PVWMA Conference Room

Additional discussion:

General Manager Performance Review Committee

The GM currently has no guidelines or written expectations in order to receive a fair performance evaluation. GC and Director Lynn stated a strategic plan, goals and/or objectives should be given by the board and GC would work on a template for evaluation of performance of the last year and reviewing contract terms.

If there is a discrete issue, evaluation process and compensation, an Ad-Hoc Committee could be appointed. Director Lynn stated when he brought up the concept, on last review we really had nothing to go on. No metrics. No base line was ever set down. GM doesn't know what is expected of her and there is no fairness to her. GM and GC to work on a plan and bring back to the board for discussion.

Strategic Planning and Public Outreach Committee

We currently do outreach in our BMP committee and will continue to do so. GM would like to reinstate a speaker bureau as once was done. Director Faurot has a lot of good ideas and is willing to work with staff to accomplish these ideas. No committee was established.

Action: Director Cavanaugh moved to accept the Admin/Fin Committee with Appointment of Director Imazio (chair), Director Lynn and Director Newell; seconded by Director Faurot. Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot

NOES: None

ABSENT: Vasquez

ABSTAIN: None

B. Consider Establishing the Ad Hoc Funding Committee and appoint three Board members to lead the Committee

GM stated in order to maintain a schedule that allows for a new rate structure to be in place by October 2015, PVWMA needs to be prepared to immediately begin the rate setting process following Board adoption of the BMP. GM recommends that a community based approach similar to the prior rate setting and BMP process be implemented for this rate setting phase, including the establishment of an Ad Hoc Funding Committee (AHFC). The AHFC would include three members of the Board, one of which would chair the AHFC. The Board members in the AHFC would initiate the process by seating the community members that would participate on the AHFC.

Action: Director Persoff moved to Establish the Ad Hoc Funding Committee with appointment of Director Cavanaugh (chair), Director Newell and Director Faurot and seconded by Director Lynn. Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot

NOES: None

ABSENT: Vasquez

ABSTAIN: None

C. Consider taking position in opposition to SB 553 (Yee) concerning property-related fee elections **No action is recommended at this point.**

D. Consider Ordinance No. 2013-01 amending Meter Read and Maintenance Policy

The Agency currently uses meter agreements to obtain landowner permission to access private property for the purpose of maintaining and reading its meters. The meter agreements also provide landowners with notice of time and place of entry. The proposed ordinance would replace the meter agreement template with a process for notice and an opportunity to object to providing access, thereby essentially serving the same function as a meter agreement without the administrative burden and expense associated therewith.

Action: Director Newell moved for approval of Ordinance 2013-01 amending Meter Read and

Maintenance Policy; seconded by Director Cavanaugh. Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot

NOES: None

ABSENT: Vasquez

ABSTAIN: None

E. Consider Response Options to recent Drought-Like Conditions

Conservation efforts are currently funded out of management fees (which generate total revenues of about \$350,000/year for general Agency administration), as use of augmentation charges is restricted by the Agency’s enabling legislation. Because of this limitation, legal challenges and the refund effort, very limited funds have been available in the recent past for conservation. As a result, Agency efforts have been limited to participation in the county-wide water conservation coalition, various events such as the County Fair and newsletter and media pieces. The Preliminary Fiscal Year 2013-14 budget presently has \$25,000 budgeted for conservation efforts.

To spread awareness of the dry conditions, reduce the impact to the over drafted aquifers, staff has developed several approaches for consideration:

- identify and coordinate with the various agencies and organizations that provide resources to growers to support increased irrigation efficiency. These include the NRCS and Resource Conservation District of Santa Cruz County
- Begin a public relations campaign using radio, newspapers, the PVWMA website and social media to educate the public about the drought and the resources available to assist with improved irrigation efficiency.
- Consider establishing a Conservation Committee to provide recommendations to the Board regarding irrigation efficiency strategies and approaches, such as the Conservation Questionnaire provided in Resolution 2000-03
- Consider implementation of programs such as nozzle replacement for agriculture and the spigot nozzle / aerator program for household water conservation
- Provide budget to apply for grant funding as available to procure funds to implement recommended programs

In addition to the \$25,000 in the proposed FY 2013-14 budget, from Management Fees (Fund 10), an estimated \$75,000 is proposed to accomplish the outreach and committee activities summarized above. This includes \$25,000 for a grant application, should a funding opportunity be identified. A more detailed cost estimate will be prepared for the June board meeting with tasks and associated costs summarized.

Action: Director Newell moved to adopt Staff recommendation of approving the allocating of \$75,000 to the conservation fund and direct staff to develop a work plan and cost estimate to accomplish the drought response tasks as summarized above; Seconded by Director Dave Cavanaugh.

Motion carried by the following voice vote:

AYES: Imazio, Cavanaugh, Persoff, Lynn, Newell, Faurot

NOES: None

ABSENT: Vasquez

ABSTAIN: None

F. Consider candidates for 2013 Runoff Election of Special District Member and Alternate on LAFCO

In March, Chair Imazio was authorized to cast votes for the two vacancies. Neither candidate received a majority vote so a runoff election between the candidates who received the top two vote counts. The board considered the candidates for the second regular member and the alternate special districts member to LAFCO.

The two runoff candidates for the regular member seat that ends on May 1, 2017 are:

- Jim Anderson Felton Fire Protection District
 - Edward Banks Pajaro Valley Cemetery District
- The two candidates for the alternate member term that ends on May 1, 2017 are:
- Arthur Smith Scotts Valley Fire Protection District
 - John Hunt La Selva Beach Recreation and Park District

Action: Director Imazio was provided with voting instructions for the two runoff candidates of the Regular member and Alternate member positions. No Motion required.

12. Public Hearing: Conduct Public Hearing on Preliminary Budget for FY2013-14
No public comments were received.

13. Monthly Reports/Presentations received from Brian Lockwood, Agency Hydrologist

- A. Facility Operations Report
 - 1. Receive 2013 Supplemental Water Production Monthly Summary Report
 - 2. Receive Harkins Slough Project Update
- B. Board Committee Reports available www.pvwater.org

14. Communication/Correspondence: April 24, 2013 to May 10, 2013

15. Future Meetings

- A. Administrative / Finance Committee — Tuesday, June 11, 2013, 12:30p.m. –1:30p.m. PVWMA Conference Room, 36 Brennan Street, Watsonville.
- B. Board of Directors — Wednesday, June 19, 2013, 7:00 p.m., City Council Chambers, 275 Main Street, Fourth Floor, Watsonville.

16. Future Agenda Items - None

15. Closed Session

- A. Conference with Legal Counsel: Anticipated Litigation, carried over from last meeting, Initiation of litigation pursuant to Cal. Govt. Code § 54956.9 (1 potential cases)

Adjourned at 9:37 p.m.



Laura R. Taay, Administrative Analyst



Date Approved