



**PAJARO VALLEY WATER MANAGEMENT AGENCY**

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**Board of Directors Meeting**  
**June 17, 2015 7:00 p.m.**

**City Council Chambers**  
**275 Main Street, 4<sup>th</sup> Floor**  
**Watsonville, CA 95076**

**BOARD MEETING MINUTES**

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1. **Call to Order:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 7:07 p.m. by Chair Imazio, in the City Council Chambers, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA.
  
2. **Roll call of the PVWMA Directors:**  
  
Board Members Present: Imazio, Cavanaugh, Lynn, Newell, Faurot  
  
Board Members Absent: Persoff, Zamora  
  
Staff Members Present: Mary Bannister, General Manager (GM)  
Brian Lockwood, Sr. Water Resources Hydrologist (SWRH)  
Laura R. Taay, Administrative Analyst (AA)  
Teresa Delfino, Administrative Services Manager (ASM)  
Others Present: Reed Gallogly, Assistant Agency Counsel (AAC)
  
3. **Pledge of Allegiance**
  
4. **Oral Communications:** Ted Remde made a recommendation for PVWMA Board of Director's to authorize a formation of a committee to study the purchase of College Lake in its entirety. Mr. Remde went on to say he thinks it is imperative for this purchase as it would do a couple of things: 1) PVWMA would have complete control and 2) would prevent separation from the supervision of College Lake. The farmers are not in support of wasting the water in the lake and are more receptive to the idea of selling their properties. Possibly have the state brought into the acquisition.
  
5. **Director Comments:** None
  
6. **Counsel Report:** None
  
7. **General Manager Report:** GM shared communications received today concerning the Pajaro River Community Flood Protection Project Planning Update Meeting, June 25, 2015, 8:30 a.m. – 10:30 a.m. City of Watsonville is now lead, under Prop 50, MIG will be facilitating meeting.
  
8. **Consent Agenda**
  - A. Approve May 2015 Minutes
  - B. Approve Financial Reports for May 2015
  - C. Receive Revenue Bond Post Closing Memo

- D. Adopt Resolution 2015-15 Updating the Fund Accounting Policy
- E. Approve No-Cost Time Extension through June 2016 to Agreement with 2<sup>nd</sup> Nature for preparation of Salt and Nutrient Management Plan
- F. Consider adoption of Final Budget for Fiscal Year 2015-2016

**Action:** Director Lynn moved to approve the Consent Agenda; seconded by Director Newell.

Motion carried by the following voice vote:

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

**9. Informational Items – Receive update on Capital Projects Planning and Funding.**

SWRH Lockwood gave a project update. In May Specialty Construction was awarded the Blend Well Pipeline Improvement Project contract and we hope to complete the contract review process and issue a Notice to Proceed within the week. In regards to the Recycle Water Facility we are near completion with the SRF package for submittal to the Water Resources Control Board (WRCB) with one of the final pieces being Item 10 B of this agenda, approving a Resolution, after which the next step would be scheduling an appointment with WRCB to complete final details.

For the K1 Pipeline which went to bid on May 11, 2015, six companies’ submitted bids and Granite Construction came in as low bid, in the amount of \$1,481,686. Engineers estimated the construction cost would be \$2.7M. Due to the significant difference in bid to cost estimate we will double check to make sure the “matching cost” of the grant, to fund this project, is reached. CH2MHill reviewed bids and determined that Granite Construction is the responsible low bidder. The bid was then reviewed by agency attorneys who deemed it to be lowest bid. The contract to Granite Construction will be brought to the board at its July 22, 2015 for final approval. The monitoring wells have been pushed back to after July 1, 2015 due to Maggiora Bros. working on large drilling projects in the Central Valley.

**10. Discussion and/or Action Items**

**A. Consider Approval of Agreement with The Covello Group for Construction Management Services on the Blend Well & K1 Pipeline Projects in the amount of \$415,350.**

SWRH Lockwood shared that two companies, The Covello Group and Ricardo Bedoy, have submitted proposals for Construction Management Services for the Blend Well Pipeline Improvement Project and K 1 Pipeline Improvements Project. Work will begin after growing season, projected for October 2015. Administrative/Finance Committee discussed the construction management services at its June 9, 2015 meeting and recommended Board approval of The Covello Group agreement. GM shared that The Covello Group did the construction management of the Recycled Water Facility.

**Action:** Director Newell moved for the approval of the agreement with The Covello Group for construction management services on the Blend Well & K1 Pipeline Projects in the amount not to exceed \$415,350; Seconded by Director Faurot

Motion carried by the following voice vote:

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

**B. Consider adoption of Resolution 2015-16 Authorizing the Pledge of Funds Throughout the term of the State Water Resources Control Board Financial Agreement under the Clean Water State Revolving fund.**

GM stated this request is a part of the SRF financing application, which is in development, to take advantage of a low interest loan. Primarily the funds will be used for the Recycled Water Tank Project. Also as part of the financial section of the application this resolution dedicates and pledges the augmentation and delivered water revenues to payment of any and all SRF financing for the project. State Water Resources Control Board (SWRCB) is considering a financial agreement that funds the project from Proposition 1 grant funds and a low interest loan. If SWRCB awards the agency the grant funds then the loan amount will be reduced by a similar amount. Once the agency has secured project financing staff will bring a funding agreement for board consideration. The agency would only draw on the loan as projects are constructed.

**Action:** Director Faurot moved that the Board adopt Resolution 2015-16 authorizing the Pledge of Funds Throughout the Term of the State Water Resources Control Board Financial Agreement under the Clean Water State Revolving Fund; Seconded by Director Newell

Motion carried by the following voice vote:

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

**NOES:** None

**ABSENT:** Persoff, Zamora

**ABSTAIN:** None

**C. Consider Sustainable Groundwater Management Act implications and options.**

GM discussed a letter received today from Kurt Schmidt regarding his opinion of the agency submitting an application to become a Groundwater Sustainability Agency (GSA). Mr. Schmidt believes that there is no down side to the agency applying sooner than later. The Sustainable Groundwater Management Act (SGMA) also provides a list of 15 existing agencies created by statute to manage groundwater that are deemed to be the exclusive local agencies within their respective statutory boundaries with the power to comply with Act. The agency is included in this list and is the only local agency authorized under the SGMA to manage groundwater within its boundaries. GM proposed that this item be brought to the August 2015 meeting for discussion due to SWRH Lockwood being out the week of the July 2015 Board meeting and his involvement in this item is vital. GM would like to have him present for this item. At the July 2015 meeting staff can provide an update and what steps are required to move forward. SWRH Lockwood stated that this item continues to be on our agenda for public interest and comment. He was pleased to report that the agency's 2014 Groundwater Management Plan update has been formally accepted by the Department of Water Resources as an AB 3030 compliant groundwater management plan.

No action was required.

**D. Receive Conservation Program Update.**

Consultant Erin McCarthy, Central Coast Agricultural Water Quality Coalition, presented a power point and gave an update on the pilot BMP Conservation Program. The power point presentation is available at [www.pvwater.org](http://www.pvwater.org)

No action was required.

**E. Consider Approving Resolution 2015-17 Revision to the PVWMA Organizational Chart to include a Water Conservation & Outreach Specialist and Reclassify the Vacant Hydrologist Position to Associate Hydrologist.**

GM had intended to incorporate this item with the Employee Manual but negotiations are in progress with salary surveys and other things related to the Employee Manual. SWRH Lockwood discussed this item being addressed in the Cost of Service report, stating that additional resources are needed to assist with the implementation of the BMP Update. It involves adding one new position, Water Conservation and Outreach Specialist and the reclassifying of Hydrologist to Associate Hydrologist, with both positions reporting to the Senior Water Resources Hydrologist. If approved by the board, the current Water Resources Technician will be promoted to the Associate Hydrologist position and the Water Conservation and Outreach Specialist position will have an open recruitment.

**Action:** Director Newell moved to approve Resolution 2015-17 revising the PVWMA Organizational Chart to include a Water Conservation & Outreach Specialist and Reclassify the vacant Hydrologist position to Associate Hydrologist; Seconded by Director Cavanaugh  
Motion carried by the following voice vote:

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

**F. Consider Approval of Resolution 2015-18 Updating the Cash Reserve Policy for 2015-2016**  
 ASM Delfino stated that in 2013 the agency adopted a Cash Reserve Policy and since then the policy is reviewed annually at budget time. This year the agency is looking to increase cash reserves to a total of \$3.24M.

Director Imazio requested additional numeric information to be included with the Cash Reserve Categories Policy and return to July meeting for review under the Consent Agenda and Board vote.

No further action taken at this time

**G. Consider Approval of Resolution 2015-19, Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees).**

GM shared that since the inception of the agency a management administrative charge for the collection of an assessed Levy is collected from county tax collector offices within the agency jurisdiction. The assessed Levy charge is \$18 per residential parcel and \$20 per commercial parcel. Administrative fee collections are: Monterey County, 0.25%, approximately \$160, San Benito County, \$0.30, approximately \$176.40 and Santa Cruz County 1%, approximately \$176.40.

**Action:** Director Cavanaugh moved for the approval of Resolution 2015-19; seconded by Director Newell:

Motion carried by the following voice vote:

**AYES:** Imazio, Cavanaugh, Lynn, Newell, Faurot  
**NOES:** None

**ABSENT:** Persoff, Zamora  
**ABSTAIN:** None

**11. Monthly Reports/Presentations**

- A. Facility Operations Report
  - 1. Receive 2015 Supplemental Water Production Monthly Summary Report
- B. Board Committee Reports available at [www.pvwater.org](http://www.pvwater.org)
- C. Public Outreach Update

**12. Written Communications/Correspondences**

**13. Future Meetings**

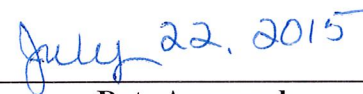
- A. Project and Facility Operations Committee, June 24, 2015, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville, CA
- B. Salt and Nutrient Stakeholder Workshop, July 2, 2015, 10:00 a.m.-1:00 p.m. – Water Resources Center, 500 Clearwater Lane, Watsonville, CA
- C. Administrative/Finance Committee – July 14, 2015 4:00 p.m., *(please note date change)* PVWMA Conference Room, 36 Brennan Street, Watsonville
- D. Board of Directors Meeting – July 22, 2015, 7:00 p.m., *(please note date change)* Watsonville City Council Chambers, 275 Main Street, 4<sup>th</sup> Floor, Watsonville

**14. Future Agenda Items**

Adjourned at 9:26 p.m.



Laura R. Taay, Board Secretary



Date Approved