



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
July 22, 2015, 7:00 p.m.

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

BOARD MEETING MINUTES

1. Call to Order: The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 7:05 p.m. by Chair Imazio, in the City Council Chambers, 275 Main Street, 4th Floor, Watsonville, CA.

2. Roll call of the PVWMA Directors:

Board Members Present: Imazio, Newell, Persoff, Lynn, Faurot

Board Members Absent: Cavanaugh, Zamora

Staff Members Present: Mary Bannister, General Manager (GM)
Laura R. Taay, Administrative Analyst (AA)
Teresa Delfino, Administrative Services Manager (ASM)
Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)

Public Present: Others Present: Lauren Valk, Assistant Agency Counsel (AAC)
Warren Koenig, Tom Rider, Steve Stagnaro (Consultant)

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: Director Persoff shared that he did not attend the last Zone 7 Flood Control meeting. The minutes of said meeting showed two people had addressed the flood control in the lower Pajaro River. Director Persoff thinks it is important that PVWMA stays on top of this issue. Director Newell reviewed the contract of Granite Construction and seeing the non-discrimination clause would like for future agreements/contracts to include sexual orientation as being another class of person that cannot be discriminated against.

6. Counsel Report: Agency Counsel provided a legal update summarizing recent developments in the Legislature and Court of Appeal:

- SB 88 was enacted into law, which makes various statutory changes related to water and drought relief. Notably it provides a narrowly tailored CEQA exemption for recycled water pipeline projects and related groundwater replenishment infrastructure. SB 88 also adds monitoring and reporting requirements for permittees who divert 10AF of water or more per year.
- The Court of Appeal issued a decision in *Siskiyou County Farm Bureau v. Department of Fish and Wildlife* which requires any person or entity planning to substantially divert water from a river or stream to notify the Department of Fish and Wildlife pursuant to section 1602 of the

Fish and Game code, requiring streamed alteration agreements. Previously, it was understood that this requirement applied only to physical alterations of a streambed.

- The California Supreme Court granted review of the Court of Appeal’s decision in *City of San Buenaventura v. United Water Conservation District*. This case held that groundwater pumping charges are not subject to Prop 218 because they are considered regulatory charges and not property-related fees. The Supreme Court granted review of the case because earlier cases had held that groundwater pumping charges are property-related fees subject to Prop 218.

7. General Manager Report:

GM welcomed Marcus Mendiola as the agency’s newly hired Water Conservation & Outreach Specialist. GM participated, June 17 & July 21 in a Measurable Objectives Roundtable, summary was included in agenda packet handouts.

GM also shared the following information:

- Agency has purchased iPad’s for Directors and staff will schedule a training workshop.
- A grant update will be given at the August 2015 board meeting
- Community Water Dialogue event, Tuesday July 28, 4p.m. – 7p.m. at Pajaro Dunes
- College Lake discussion with Santa Cruz Land Trust, Ted Remde, Frank Capurro, John Diffenbaugh, Watsonville Wetlands Watch
- In order to capture additional available grant funds the agency may consider going to final design on the remaining CDS segments. GM will report back at August meeting.

8. Consent Agenda

- A. Approved June 2015 Minutes
- B. Approved Financial Reports for June 2015
- C. Adopt Resolution 2015-18 Updating the Cash Reserve Policy of 2015-1016
- D. Consider Amending the Conflict of Interest Code and Adopt Resolution 2015-20
- E. Receive Update on Capital Projects Planning and Funding

Director Imazio requested that Item 8C be removed from Consent Agenda for separate consideration

Action: Director Newell moved to approve Consent Agenda Items A,B,D,E; seconded by Director Lynn.

Motions carried by the following voice votes:

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

Director Imazio said that at the bottom of Page 1, Rate Stabilization Reserve, the policy should state that the amount set aside for the reserve shall be determined annually by the Board of Directors. At the top of Page 3, Methodology, the second sentence should be deleted since the Agency has refinanced the Certificates of Participation, and the words “also” and “other” should be deleted from the third sentence.

Action: Director Newell moved for approval of Item 8C as amended; Seconded by Director Lynn.

Motion carried by the following voice votes:

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

9. **Informational Items** – None

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

A. Consider approval of CEQA Addendum and award of Contract to Granite Construction for the K-1 Pipeline Project

GM explained that CEQA guidelines require an agency to prepare an EIR Addendum when some changes or additions to a project are necessary but none of the factors requiring a subsequent or supplemental EIR have occurred. This K1 pipeline project is part of the PVWMA’s Local Water Supply and Distribution Project that was originally reviewed for compliance with CEQA in the Agency’s 1999 EIR, which was certified by the Board of Directors on May 19, 1999. The analysis in the CEQA Addendum proves that the implementation of the Project would not result in any new significant impacts or a substantial increase in the severity of previously identified impacts above those disclosed in the 1999 EIR.

Six companies submitted bids for construction of the K1 project. Granite Construction submitted the lowest bid in the amount of \$1,481,686. The two other two lowest bids were Specialty Construction, Inc. at \$1,753, 838, and Garney Construction at \$1,916,535. This project will be partially funded through Prop 84 IRWM Drought Emergency Grant.

Action: Director Newell moved to approve (1) Resolution 2015-21 approving Addendum No. 6 to the Final EIR for the Local Water Supply and Distribution Project, and (2) Resolution 2015-22 awarding a contract to Granite Construction for construction of the K1 Pipeline Project in the amount of \$1,481,686, plus any change order increasing the contract amount by not more than 10% of the contract price, and (3) direct staff to execute the documents necessary to implement the Project consistent with the bid documents; Seconded by Director Lynn.

Motion carried by the following voice vote:

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

B. Consider approval of Agreement with CH2M Hill Engineers for K1 Pipeline Project Engineering Services During Construction in an amount not to exceed \$95,104

GM advised that in support of the K1 project that was just awarded staff has asked our design engineers, CH2M Hill, to provide a scope of work for Engineering Services During Construction. Attached was a modified red lined CH2MHill Scope of Services. The Covello Group, Project Manager will handle all the non-technical change orders.

Action: Director Lynn moved to approve the scope of work with CH2MHill Engineers for K1 Pipeline Project Engineering Services during Construction in an amount not to exceed \$95,104,

and direct staff to execute the standard consultant agreement for the work; Seconded by Director Faurot.

Motion carried by the following voice vote:

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

C. Consider Sustainable Groundwater Management Act implications and options

AAC Valk spoke on the Sustainable Groundwater Management Act (SGMA). Department of Water Resources (DWR) this week released proposed basin boundary regulations and draft Groundwater Sustainability Plan (GSP) regulation development guidelines. The main purpose of bringing this item to the Board is to initiate the process of PVWMA becoming the local Groundwater Sustainability Agency (GSA) for the groundwater basin within its statutory boundaries. SGMA provides 15 local agencies, including PVWMA, with the exclusive right to the GSA in their basins unless they opt out. Staff feels strongly that PVWMA should take steps to submit notification to DWR that it wishes to be the GSA for its statutory boundaries. AAC then suggested two items to consider: 1) whether to limit the boundaries of our GSA to those defined in our Agency Act, or consider expanding those boundaries; and 2) the possibility of designating sub-basins to distinguish between PVWMA's groundwater management area and the aquifers which extend beyond the boundaries of the PVWMA.

The process of applying to become a GSA is not entirely clear since PVWMA is already designated in SGMA as having the standing to be the GSA. For other organization applying to become a GSA, SGMA calls for a Public Hearing process. At the August board meeting staff will bring a staff report outlining the application process for PVWMA to become the GSA for the area within its boundaries, its mission for in accomplishing the goals of SEGMA, a proposed notice to DWR and a resolution declaring PVWMA the GSA for its area.

Included with this agenda item memo was a Table of Key SGMA Implementation Dates.

Action: Director Newell moved to direct staff to initiate the process of designating PVWMA the GSA for its statutory boundary; Seconded by Director Faurot

Motion carried by the following voice vote:

AYES: Imazio, Newell, Persoff, Lynn, Faurot
NOES: None
ABSENT: Cavanaugh, 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
- C. Public Outreach Update

12. Communications/Correspondences

13. Future Meetings

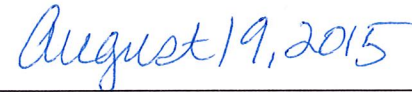
- A. Project & Facility Operations Committee, July 29, 2015, 3:00 p.m., Water Resources Center, 500 Clearwater Lane, Watsonville, CA
- B. Administrative/Finance Committee, August 11, 2015, 4:00 p.m., PVWMA Conference Room, 36 Brennan Street, Watsonville
- C. Board of Director's Meeting, August 19, 2015, 7:00 p.m., Watsonville City Council Chambers, 275 Main Street, 4th Floor, Watsonville

14. Future Agenda Items

Adjourned at 8:21 p.m.



Laura R. Taay, Board Secretary



Date Approved