



## PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting  
May 18, 2022, 7:00 p.m.

Teleconference

### BOARD MEETING MINUTES

1. Call to Order: The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order at 6:01 p.m. by Chair Newell, via teleconference
2. Roll call of the PV WATER Directors:  
  
Board Members Present: Newell, Culbertson, Bannister, Broz, Rider  
  
Board Members Absent: Zamora, Sánchez  
  
Staff Members Present: Brian Lockwood, General Manager (GM)  
Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)  
Laura R. Taay, Board Secretary  
Nancy Trevino, Interim Finance & Administrative Services Manager (FASM)  
  
Others Present: Tony Condotti, Agency Counsel (AC)  
Alex Geise, Associate Agency Counsel (AAC)  
Tom Rider, Public  
Joe Serrano, Executive Officer, LAFCO Santa Cruz County
3. Pledge of Allegiance
4. Oral Communications: None
5. Closed Session –1 Item:  
Conference with Real Property Negotiators – (Cal. Gov't Code §54954.5 & 54956.8)
  - a. Property APN's and Owners:  
College Lake
    - 1) 051-101-47, 48, 49, Jacqueline L. Copriviza, Successor Trustee of the Tony and Mary Lipanovich 1991 Revocable Trust Dated June 19, 1991;
    - 2) 051-101-10 & 12, Tony T. Lazaro & Lisa G. Lazaro, Husband and Wife as Community Property;
    - 3) 051-101-19 & 18, De Sieyes Brothers LLC;
    - 4) 051-101-20 & 15, Taurino Gomez and Maria Gomez, Husband and Wife;
    - 5) 051-101-13 & 22, Taurino Gomez and Maria Gomez, Husband and Wife;
    - 6) 051-101-11, 24, Janet B. Banovac, Trustee of the Janet Braycovich Banovac Separate Property Trust;
    - 7) 051-101-50, Diffenbaugh Family Farms LLC;

- 8) 051-101-54 & 051-031-28, Glenn C. Noma and Pamela Lynn Noma, Trustees under the Glenn and Pamela Noma 1999 Revocable Trust Dated 2-16-1999, as to an Undivided One Half interest and Brian A. Murakami, Trustee of the Murakami Family Trust, as to an Undivided One Half Interest;
- 9) 051-441-02, Tony T. Lazaro and Liza G. Lazaro Revocable Inter Vivos Trust;
- 10) 051-441-11 & 04, Frank W. Capurro, as Successor Trustee of the Capurro Survivor's Trust UAD June 6, 1984, as to an undivided Twenty Five Percent Interest, Frank W. Capurro, as Successor Trustee of the Capurro Bypass Trust UAD June 6, 1984, as to an Undivided Twenty Five Percent Interest, Paul A. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest and John R. Scherer, An Unmarried Man, an Undivided Twenty Five Percent Interest;
- 11) 051-441-12, Jessie Maragoni, Trustee of the Maragoni Surviving Spouse "A" Trust;
- 12) 051-441-24, David Vasquez and Elia E. Vasquez, Husband and Wife as Joint Tenants;
- 13) 051-441-27 & 28, The Roman Catholic Bishop of Monterey, California, A Corporation;
- 14) 051-651-05 & 01, F. Allen Harryman and Janice C. Harryman, as successor co-trustees of the Janet Imwalle Trust dated February 10, 1994 , subject to exception from Preliminary Title Report  
Pipeline:
  - 1) 018-341-25, Harvest Drive Properties, LLC
  - 2) 051-221-02, Jorge Olivarez and Maria C. Olivarez, Husband and wife as Community Property with Right of Survivorship
  - 3) 051-221-26, Ag Land, Inc., A California Corporation
  - 4) 051-221-30, Ag Land, Inc., A California Corporation
  - 5) 051-221-32, Coast Cooling, Inc., A California Corporation
  - 6) 051-221-33, Taurino Gomez and Maria Gomez, Husband and Wife, as Joint Tenants
  - 7) 051-221-34, Del Mar Farms, A California General Partnership
  - 8) 051-741-01, V. R. Walker Co., An Illinois Corporation
  - 9) 051-741-03, Shikuma Properties, LLC
  - 10) 051-741-05, Richard J. Peixoto, A Married Man, as His Sole and Separate Property
  - 11) 051-741-06, Brian F. Maridon, As Trustee of the Brian F. Maridon Trust Dated April 1994 As To An undivided 66.97% Interest and Russel J. Maridon and Stephanie Maridon, As Trustees for the Russel and Stephanie Maridon Family Trust Dated April 1994 As To An Undivided 33.03% Interest
  - 12) 051-741-07, Randolph K. Repass and Sally-Christine Rodgers 1996 Revocable Trust Dated 6/26/96, Randolph K. Repass and Sally-Christine Rodgers as Trustees, an Undivided 55% Interest and Randolph K. Repass and Sally-Christine Rodgers, Trustees of the Kent-Harris Repass 2020 Irrevocable Trust Dated November 20, 2020, an Undivided 45% Interest
  - 13) 052-243-01, JAL Berry Farms, LLC, A California Limited Liability Company, Subject to Exceptions in Preliminary Title Report
  - 14) 052-243-10, Lakeside Organic Gardens, LLC, A California Limited Liability Company
  - 15) 052-243-15, Watsonville Exchange, Inc., A California Corporation
  - 16) 052-243-16, Watsonville Exchange, Inc., A California Corporation
  - 17) 052-243-17, Lakeside Organic Gardens, LLC., A California Limited Liability Company
  - 18) 052-243-18, Lakeside Organic Gardens, LLC., A California Limited Liability Company
  - 19) 052-243-20, 21, West Coast Pre-Cooling – Watsonville, LLC
  - 20) 052-272-01, John Martin Colendich, A Married Man, AS His Sole and Separate Property; Kara Therese Colendich, A Single Woman, As Her Sole and Separate Property; Connie A. Vukasovich-Haines and Jeanne L. Vukasovich, Trustee of Trust B Under the John M. Vukasovich and Virginia Vukasovich Revocable Living Trust Under Agreement Dated June 5, 1992, Dianna V. Hersch, A Married Woman, As Her Sole and Separate Property; Martin John Vukasovich, A Single Man, As His Sole and Separate Property; Jeanne Vukasovich,

Trustee, or Her Successor(s) of the Jeanne Vukasovich 2016 Revocable Trust Dated 12/14/2016; and George W. Haines and Connie A. Vukasovich-Haines, Trustees, or Their Successor(s), of the Haines 2020 Revocable Trust Dated October 28, 2020, all As Their Respective Interests Appear of Record

- 21) 052-371-01, 02, JAL Berry Farms LLC, A California Limited Liability Company, subject to Exceptions from Preliminary Title Report
- 22) 052-581-04, Martin Kulish, Trustee of the Domacin Family Trust Dated September 3, 2012, An Undivided Ninety-Two and A Half (92.5%) Interest and Martin Kulish, Trustee of the Luce Domacin Qualified Domestic Trust, Established January 8, 2015, An Undivided Seven and A Half Percent (7.5%) Interest
- 23) 052-581-06, Hoover (CA) LLC, A Delaware Limited Liability Company Doing Business In The State Of California as Hoover Farm LLC, Subject to Exception from Preliminary Title Report
- 24) 052-581-09. David Frederick Willoughby, Successor Trustee of the Jeannette F. Willoughby 1999 Trust Dated 12/30, 1999, As To An Undivided 7.54% Interest, Subject to Exception from Preliminary Title Report, Christopher Michael Willoughby, As To An Undivided 46.23% Interest and David Frederick Willoughby, As To An Undivided 46.23% Interest

Agency Negotiators: Brian Lockwood, Richard Smith  
Under Negotiation: Price, terms of payment or both

Open Session resumed at 7:02 p.m.

Report on Closed Session – AAC Geise reported on one Real Property Negotiations as listed on agenda, no reportable action

6. Director Comments: Director Bannister reported on:
  - Recent attendance at the ACWA Conference, May 4, 2022 in Sacramento. She and GM Lockwood participated in a “big check ceremony” where they received a ceremonial check in the amount of \$7.6 million from Department of Water Resources (DWR) for a Sustainable Groundwater Management Grant Program grant. Director Bannister also mentioned receiving a compliment from John Woodling, ex-DWR employee, about our GM Lockwood. He praised GM Lockwood on doing a great job.
7. Counsel Report: Nothing to report.
8. General Manager Report: GM Lockwood reported on:
  - Attended ACWA Conference including the following ACWA Committee Meetings: Agriculture, Groundwater, Water Management; Listened to presentations from DWR and Department of Conservation, which currently has a \$50 million Multi-Benefit Agricultural Land Repurposing Grant Program for which PV Water has applied. Governor’s office, through the budget revise, is proposing to provide an additional \$40 million towards this program.
  - Upcoming Events include:
    - Groundwater Resources Association’s (GRA) Legislative Day and Groundwater Sustainability Agency (GSA) Summit on June 8 & 9, 2022. PV Water applied for a Stakeholder Outreach Award and have advanced to the 2<sup>nd</sup> round; winners to be announced at the GSA Summit.

- Pajaro Valley Chamber of Commerce & Agriculture is hosting its 60<sup>th</sup> Annual Awards Dinner, Saturday, July 30, 4 pm, at the Fairgrounds. If Directors are interested in attending, please let us know.

9. Consent Agenda

- A. Adopted Resolution 2022-11, Re-Authorizing Remote Teleconference Meeting of the Legislative Bodies of the Pajaro Valley Water Management Agency Pursuant to Brown Act Provisions
- B. Approval of April 20, 2022 Minutes
- C. Approval of Financial Reports
- D. Adopted Resolution 2022-12, Ordering an Election and Requesting Santa Cruz County to Conduct the Election, and Requesting Consolidation of the Election
- E. Approval of Director's Request to Attend the Groundwater Resource Association's Law & Legislative Forum, June 8, and Groundwater Sustainability Agency Summit, June 9, in Sacramento

Action: Director Rider moved to approve the Consent Agenda; seconded by Director Bannister.

Motion carried by the following voice vote:

AYES: Newell, Culbertson, Bannister, Broz, Rider

NOES: None

ABSENT: Zamora, Sanchez

ABSTAIN: None

10. Informational Items

- A. Received Presentation on Local Agency Formation Commission (LAFCO) Service and Sphere Review of PV Water
- B. Received Basin Management Plan Implementation Update from GM Lockwood

11. Discussion and/or Action Items

- A. Conduct Public Hearing on Preliminary Budget, Fiscal Year 2022-2023  
GM Lockwood summarized the projected revenue and expenditures for Fiscal Year 2022-2023. The proposed Final Budget will be brought to the June 15, 2022 Board meeting for final approval.

No public comments received.

- B. Consider Changing the Effective Date of Delivered Water Charge and Augmentation Charge  
Staff recently applied, and received a recommendation for funding, for a \$7.6 million grant under the "Department of Water Resources (DWR) Budget Act of 2021 Sustainable Groundwater Management (SGM) Grant Program Sustainable Groundwater Management Act (SGMA) Implementation – Round 1 grant." Following informal notification of the recommendation for funding, staff and consultants utilized PV Water's financial model to evaluate the effect of the grant award against current College Lake Project cost estimates, an 8% rate of inflation, and a delay in the effective date of the increase in the rates from July 1 to December 1.

PV Water's rate setting consultant reported, "[PV Water] will have to issue more debt to cover the inflated capital costs and make up for the delayed revenue increases, but if [it] can still defer principal payments until construction is complete, [it] will be able to meet or exceed [its] coverage requirements. However, once [it] starts repaying the principal, the coverage will start decreasing pretty quickly so [it] would need additional rate increases beyond FYE 2026 (~3 percent per year

works through FYE 2030, which is when this model stops)”, unless PV Water secures additional grant awards (holding all else equal).

Ordinances (2021-01 and 2021-02) set the limit that PV Water can increase rates and the earliest effective date. The Board has authority to lower and or delay rate increases by resolution (one-time change) or by amending the ordinance (permanent change). The Board considered a resolution to change the effective date for the upcoming fiscal year, and an ordinance, to change the effective date through 2026.

Action: Director Broz moved for the Board to adopt Ordinance 2022-01, Amending Effective Date of Delivered Water Charge and Groundwater Augmentation Charge Rate Increases; seconded by Director Culbertson.

Motion carried by the following voice vote:

AYES: Newell, Culbertson, Bannister, Broz  
 NOES: None  
 ABSENT: Zamora, Sanchez, Rider  
 ABSTAIN: None

C. Consider Cost of Living Adjustment for Fiscal Year 2022-2023

The consumer price index leaped 8.5% annually for the 12 months ending March 31, 2022, marking the fastest pace since December 1981. The rate of inflation has attained a new 40-year high for five straight months. In an effort to boost morale and retain staff, who have been diligently performing essential services with much dedication throughout the pandemic, and with inflation driving up costs, staff had recommended the Administration and Finance Committee consider recommending to the Board an adjustment to the annual Cost of Living Adjustment (COLA) increase for Fiscal Year (FY) 2022-2023.

Action: Director Broz moved for the Board to approve the Administration and Finance Committee’s recommendation to increase wages for staff by 8.5% effective July 1, 2022; seconded by Director Bannister.

Motion carried by the following voice vote:

AYES: Newell, Culbertson, Bannister, Broz, Rider  
 NOES: None  
 ABSENT: Zamora, Sanchez  
 ABSTAIN: None

12. Monthly Reports/Presentations

A. Facility Operations Report

1. Received 2022 Supplemental Water Production Monthly Summary Report

B. Board Committee Reports available at [www.pywater.org](http://www.pywater.org)

C. Public Outreach Update

13. Correspondence

14. Future Meetings

- A. Project & Facility Operations Committee, Wednesday, May 25, 2022, 3:00 p.m. Teleconference
- B. Administrative/Finance Committee, Tuesday, June 7, 2022, 3:00 p.m., Teleconference
- C. Board of Directors, Wednesday, June 15, 2022, 7:00 p.m., Teleconference
- D. Project & Facility Operations Committee, Wednesday, June 29, 2022, 3:00 p.m., Teleconference

Adjourned at 8:35 p.m.



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Laura R. Taay, Board Secretary



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Date Approved