



## 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  
City Council Chambers

October 3, 2007, 7:00 p.m.  
250 Main Street, Watsonville, CA

### WORKSHOP MEETING MINUTES

- 1. Call to Order, Roll Call of the PVWMA Directors, and Pledge of Allegiance:** The Regular Board Meeting Of Pajaro Valley Water Management Agency was called to order in the City Council Chambers, 250 Main Street, Watsonville, CA 95076, at 7:00 pm. By Chair Dobler.

Board Members Present: Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Osmer, Koenig

Board Members Absent: None

Staff Members Present: Bruce Laclergue, General Manager (GM)  
Mary Bannister, Technical Division Manager (TDM)  
Phil Rodriguez, Grant Administrator & Accounting Supervisor  
Berta Rodriguez, Admin Staff

Others Present: Anthony Condotti, Agency Counsel

- 2. Oral Communications.** Darlene Din thanked the Board for changing this regularly scheduled afternoon meeting to an evening meeting so as to allow more public participation, and reiterated her previous suggestions to televise the meetings live on Channel 70 public television.

- 3. Director and General Manager Comments.** The GM welcomed the large number of public attendees and announced that the Agency is working on a draft refund ordinance that is to be presented to the Administrative/Finance Committee at its October 10<sup>th</sup> meeting. However, he noted that it would be unlikely that the Committee would be able to finish its review and make a recommendation to the full Board at one meeting. The GM then reported that the Santa Cruz County Board of Supervisors had invited him to attend its October 16, 2007 meeting to discuss the Agency's current situation and options that it is pursuing. He added that the Board of Supervisors has placed the possibility of declaring a groundwater emergency on the table. In addition, it has directed the County's Environmental Health and the Water Advisory Commission to report back on this matter on November 20<sup>th</sup>. The GM noted that there would not be a water conservation report at Staff Reports, Item 6.C.3. due to other more pressing demands on the WPC. He mentioned the possibility of changing the November 7<sup>th</sup> Workshop afternoon meeting to an evening meeting, depending upon Board direction.

Director Kegebein asked for a quick legal synopsis on which body, among the Santa Cruz County, Monterey County and the Agency, had the highest statutory authority to declare a groundwater emergency. Brief discussion followed on this issue, with an informal consensus that both Santa Cruz County and Monterey County have statutory authority over land development and that any party could request adjudication over the Pajaro Valley water basin.

- 4. Public Hearing.** Ordinance 2007-01: (1) Repealing Section 4 of Ordinance No. 2003-01 (increasing

the Agency's augmentation charge from \$80/acre-foot to \$120/acre-foot) and Section 4 of Ordinance No. 2004-02 (approving an increase from \$120/acre-foot to \$160/acre foot); and (2) Amending Section 5 of Ordinance No. 2004-03 to make future adjustments to Component 1 of Agency's delivered water charge subject to future Board action. The GM noted that this item had been continued from the previous meeting. He explained that the proposed approach of repealing only those sections of the referenced ordinances would permit the Agency to comply with the Court's decision as well as retain the remaining non-augmentation charge provisions dealing with, for example, meter reads and collection procedures, and recommended approval.

Agency Counsel advised the Board that as a result of the recent Supreme Court's decision denying the Agency's petition for review, the increases adopted by Ordinances Nos. 2003-01 and 2004-02 were found to be invalid; therefore, the Agency was required to take steps to implement the Court's ruling. He explained that proposed Ordinance 2007-01 would invalidate those sections of Ordinance 2003-01 and 2004-02 that had increased the augmentation charge from \$80 to \$120 a/f and from \$120 to \$160/af respectively. Further, the proposed ordinance would amend the language of Section 5 of the Delivered Water Ordinance No. 2004-03 to make future adjustments to the delivered water subject to Board approval.

Board Discussion. The Directors discussed this item in full, with some directors supporting a repeal of only the sections found to be invalid, while other directors preferring a complete repeal of the two ordinances in questions. Director Eiskamp raised the issue of the unchanged \$262 delivered water charge; this issue, as well as whether the demand for delivered water will change significantly as a result of the Supreme Court's ruling, will be considered at a future meeting(s). Agency Counsel pointed out the urgency of acting on this augmentation charge matter. The GM and Agency Counsel answered questions from the Board. The Board then turned to the public hearing.

A. Public Hearing. The Chair opened the public hearing at 7:20 p.m. Joe Espinola, representing Pajaro / Sunny Mesa Community Services District, hand-delivered a letter for each Director, but he elected not to read, or comment on, the letter. Nick Bolaich asked for an explanation why the two ordinances were not being entirely repealed instead of just sections 4 of each ordinance.

B. Close of Public Hearing. The Chair re-closed the public hearing at 7:24 p.m.

Board discussion resumed. Directors Osmer and Cervantes stated it was important to restore Board credibility and trust and urged a complete repeal of both ordinances. Director Eiskamp's position was that the Supreme Court's decision mandated such a repeal. Other Directors wished to act quickly, in whichever form, so as to bring the Agency in compliance with the Court's ruling. After more discussion, the Board determined that it would prefer a complete repeal of the two ordinances, but maintain the non-augmentation provisions thereof. Thereupon, Agency Counsel proffered the following revisions to Ordinances 2003-01 and 2004-02 so that the effect of proposed Ordinance 2007-01 would invalidate the two ordinances in question in their entirety instead of just repealing Section 4 thereof, but retain the non-augmentation provisions:

p. 3. Revise the language of Section 1 to read as follows:

SECTION 1. REPEAL ORDINANCES No. 2003-01 and 2004-02.

Ordinance 2003-01 and Ordinance 2004-02 are hereby repealed in their entirety.

p. 4, first paragraph, 5<sup>th</sup> line, reword the first full sentence to read as follows:

“... Except for Section 4 of each ordinance and except as amended by any subsequent ordinances including Ordinance No. 2005-01 and this Ordinance, the

Board of Directors hereby readopts the remaining provisions of Ordinance Nos. 2003-01 and 2004-02 by reference, as though set forth in full herein.”

At this juncture, the Board re-opened the public hearing to receive additional public comment on the revised Ordinance 2007-01.

A. Re-opening of Public Hearing. The Chair re-opened the public hearing at 7:48 p.m. by re-reading the revised ordinance. Nick Bolaich thanked the Board for listening to the public with respect to its request for a full repeal. Harold Griffith indicated that his recent letters to the Board had sufficiently conveyed his position that the Court’s ruling required a full repeal of both ordinances. Additionally, he inquired why the Board was not also addressing Ordinance 2002-02, the subject matter of the *Scurich vs. PVWMA* case.

B. Close of re-opened Public Hearing. The Chair closed the public hearing at 7:50 p.m.

Board Action: Thereafter, the Board took the following action.

◆ Motion by Director Koenig to adopt Ordinance 2007-01 as revised by Agency Counsel. The motion carried by the following roll call vote:

<b>AYES:</b>	Dobler, Imazio, Cervantes, Osmer, Koenig
<b>NOES:</b>	Eiskamp, Kegebein
<b>ABSENT:</b>	None
<b>ABSTAIN:</b>	None

**5. Discussion and/or Action Items:**

A. Discuss Format and Schedule for Proposed Public Forums on Pajaro Valley Groundwater Use. Director Osmer summarized the status of the SPPO Committee’s plan to conduct a series of Public Forum on water issues in the Pajaro Valley. He outlined the Public Forum goals, objectives and schedules, with the first such public forum tentatively scheduled for Thursday, November 1<sup>st</sup>, that will feature two technical speakers who will discuss overdraft and seawater intrusion and the other two speakers will cover water law and policy. Directors Dobler and Eiskamp, the other two Director members of the SPPO Committee, elaborated on the work of the Committee, and invited the public to attend the weekly SPPO Committee meetings every Monday at 4:00 pm during the month of October, the purpose of which is to finalize the plans. Counsel advised the Board that these public forum hearings should be noticed as Board meetings to comply with the Brown Act.

Darlene Din expressed her hope that the public forums will serve to unite the community and that the Board will listen to the public with an open mind. Doug McKinney took exception to Darlene Din’s remarks. He reminded the Board of his interest and involvement with the Agency since 1997 and does not perceive much progress.

**6. Discussion Items:**

A. Counsel Reports

1. Litigation update. Counsel reported that the parties had participated in a case management conference on September 21<sup>st</sup>, at which time, the consolidated lawsuits were discussed. The Court continued the matter for an additional sixty (60) days to give the parties more time to meet and discuss a potential settlement.

B. Board Committee Reports. Director Osmer stated that his report on the SPPO had been covered at Item 5 above, and that the next Administrative/Finance Committee will be held on Wednesday, October 10<sup>th</sup>.

C. Staff Reports

1. Project Operations report. The TDM reported that the Agency was delivering water at a very aggressive rate of approximately 10 acre-feet of water per day. Directors Dobler and Eiskamp requested that future reports include a written summary such as the type the Engineer produced when reporting on the level of activity at the Recharge Basin.
2. 2006 BMP Construction Program Update.
  - a. Coastal Distribution System. The TDM reported that most of the pipe was now in the ground, that the project was being buttoned-up for the winter. The next stage involves mobilizing the turnout crew to install appurtenances at each turnout location as well as begin the pipe pressure testing.
  - b. Recycled Water Facility. The TDM reported on the progress of the construction of the RWF, stating that almost all of the foundation is virtually above ground; and that the contractor is testing the tanks for leaks. The TDM expressed some concern that the rainy season would start before the testing and filling the areas around the RWF is completed, as rain would definitely make the construction schedule slip. The TDM stated that the Agency had submitted the required Title 22 Engineer's Report and the revised water users handbook to the State Department of Public Health, and that the Water Quality & Operations Committee is reviewing these two documents. The technical staff is about to begin installation of appurtenances at the turnouts located throughout the newly laid CDS pipeline as well as educating/training the growers and irrigators on what it will take to start distributing recycled water. She concluded that the Agency is closely monitoring newly proposed state regulations that could be more restrictive than current ones to determine how, if passed, would affect the system.
3. Water Conservation report. None.
4. Consolidated Grants update. The Grant Administrator updated the Board on the status of the Prop. 50 grant. He reported that the Agency is still working with all local project sponsors to finalize agreements; further, that preliminary reporting information had been submitted to DWR, which in turn is circulating that information to regional boards for feedback. Staff anticipates returning to the Board with final Prop. 50 grant documents for its consideration and approval within the next two months.

**7. Written Communication/Correspondence:** The Chair called out the several letters dealing with the augmentation charge ordinances found invalid by the Court as well as the proposed Ordinance 2007-02.

**8. Future Meetings and Agenda Items**

- A. Administrative/Finance Committee – October 10, 2007, 3:00 pm, PVWMA Conference Room
- B. Projects Committee – October 17, 2007, 4:00 pm, PVWMA Conference Room
- C. Board Meeting - October 17, 2007, 7:00 pm Watsonville Council Chamber
- D. Water Quality and Operations Committee - October 18, 2007, 10:00 am, Wastewater Treatment Facility
- E. Strategic Planning/Public Outreach Committee- Every Monday in October, 2007, at 4:00 pm, PVWMA Conference Room [*until further notice*]
- F. Board Meeting –November 7, 2007, 1:30 pm, Watsonville Council Chamber

**9. Closed Session**

- A. Conference with Legal Counsel: Liability Claims  
Claimant: Melgoza Farms

Claim against: Pajaro Valley Water Management Agency

The closed session convened at approximately 8:40 p.m. with Directors Dobler, Imazio, Eiskamp, Kegebein, Cervantes, Osmer and Koenig, along with Staff Members Laclergue and Condotti. During the closed session the Board took the following reportable action: By motion (Kegebein, 7-0) approved the liability claim of Melgoza Farms in the amount of \$22,132.12, which pertains to crop losses in connection with the CDS construction project.

**10. Adjourned** at 8:45 p.m.

---

Bruce Laclergue, General Manager  
- for -  
Linda Contreras, Secretary

---

date approved