



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**

**July 2, 2008 7:00 p.m.
250 Main Street, Watsonville, CA
Special Closed Session: 6:30 p.m.
Regular Session: 7:00 p.m.**

SPECIAL CLOSED SESSION (6:30 p.m.)

Agenda Item

1. Conference with Legal Counsel - Anticipated Litigation

Significant exposure to litigation pursuant to Government Code Section 54956.9(b):
(one potential case)

BUSINESS MEETING AGENDA (7:00 pm)

Agenda Item

Page #

Note: The Board may take action on any item listed on the agenda unless it is identified as "Discussion Only."

- 1. **Call to Order, Roll Call of the PVWMA Directors, and Pledge of Allegiance:** Dennis Osmer (Chair), Marc Cervantes (Vice Chair), John Eiskamp, Dave Kegebein, Rosemarie Imazio, Mike Dobler, Warren Koenig
- 2. **Pledge of Allegiance**
- 3. **Oral Communications:** Audience Members may speak on any item pertaining to the PVWMA's jurisdiction that is not on the agenda. Not to exceed three (3) minutes.
- 4. **Director Comments**
- 5. **Counsel Report**
- 6. **Discussion and/or Action Items**
 - A. Consider approval of contracts with Telstar Instruments, Inc 1-5
 - B. Consider approval of agreement for specialized legal services with Liebert Cassidy Whitmore 6-11
 - C. Consider revenue alternatives 12
- 8. **Written Communication/Correspondence** 13-14
- 9. **Future Meetings and Agenda Items:**
 - A. Strategic Planning & Public Outreach (SPPO) Committee – July 8, 2008, 4:00 pm, PVWMA Conference Room
 - B. Administrative/Finance Committee – July 9, 2008, 4:00 pm, PVWMA Conference Room
 - C. Water Quality and Project Operations Committee - July 30, 2008, 2:00 pm – 4:00 pm, Waste Water Treatment Facility

This agenda is subject to revision and may be amended prior to the scheduled meeting. If amended, a Final Agenda will be posted at the PVWMA offices at 36 Brennan Street, Watsonville, 72 hours prior to the meeting. Copies of the Final Agenda will be available at the Board Meeting. This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the Ralph M. Brown Act (Cal. Govt. Code Sec. 54954.2). Persons requesting a disability-related modification or accommodation should contact PVWMA's Administrative Division Manager at (831) 722-9292 during regular business hours, at least 24 hours prior to the time of the meeting.

10. Closed Session

A. Labor Negotiations pursuant to Government Code Section 54957.6.

Position/employee: Interim General Manager Agency

Designated Representative: General Counsel

11. Adjournment

MEMORANDUM

DATE: June 27, 2008
MEETING OF: July 2, 2008
TO: Board of Directors
FROM: Ad Hoc Executive Committee
RE: **ACTION ITEM 7A:** Consider approval of Contracts with Telstar Instrument, Inc., for 2008 SCADA & Instrumentation Maintenance and SCADA PC and Wonderware Upgrade

BACKGROUND

Supervisory Control and Data Acquisition (SCADA) is the computer-based instrumentation used to control and operate the water supply facilities for the agency and for the Recycled Water Facility (RWF). Annual maintenance services are required from an instrumentation consultant for the regular project operations. In addition, an upgrade to a current version of the SCADA software, Wonderware, is needed to make our software compatible with the RWF version.

Staff and agency engineer Fred Miles obtained quotes from two firms, Corollo Engineers and Telstar Instruments, Inc. for these services, and selected the Telstar as the most responsive and economical option.

FISCAL IMPACT

2008 SCADA & Instrumentation Annual Maintenance- \$25,000
SCADA PC and Wonderware Upgrade - \$28,825

STAFF RECOMMENDATION

That the Board review and approve the recommended contracts and direct staff to execute standard agreement with Telstar Instruments, Inc.

ALTERNATIVE:

None

ATTACHMENT

- Proposal for 2008 SCADA & Instrumentation Maintenance
- Proposal for SCADA PC and Wonderware Upgrade

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TELSTAR INSTRUMENTS INC. Contractor License #422364

**CONTROL SYSTEM INTEGRATION • INSTRUMENTATION SALES & SERVICE
SCADA • PLC/HMI • Telemetry • Calibration • Maintenance**

June 16, 2008

Pajaro Valley WMA
36 Brennen St.
Watsonville, Ca 95076

Sent via fax: (831) 722-3139

Attn: Chuy Martinez
Project: 2008 SCADA & Instrumentation Maintenance
Subj: Scope of Work
Ref: 18137

Dear Fred,

Telstar Instruments, Inc is pleased to provide this quotation for your reference. The proposal consists of the following tasks which are undertaking of this fiscal year.

1. Calibration of Instrument in all stations.
2. Integration for recovery water station from Waste Water Treatment Plant.
3. Installation of Wi-Fi antenna and setup the system per specifications.
4. PLC programming and modification in different stations.
5. SCADA cleanup & backup of system.

**The total cost for this project is \$25,000.00
This price includes CA tax and standard shipping and handling costs.**

Delivery of this proposal is immediately.

Telstar will not work over the limit without prior approval by the PVWMA.

For your convenience, we now accept all major credit cards. This price does not include tax or freight. We can commence with this at your direction. This quote is valid for thirty days. This quote is based on information provided to Telstar and may or may not be correct or complete. Please review this proposal for compliance with the complete and final specifications and drawings before acceptance. Our terms are due and payable 30 days from date of invoice. Payments must be made on a minimum of a monthly basis. If payment is not received by the 30th day, a .05% daily service charge (18-3/4% per annum) will be charged on all accounts past due. Rates quoted herein will automatically be increased for overhead and cost of living at a minimum of every year, or at contract renewal, which ever is less. Attorney's fees, court costs and costs of collection will be paid to prevailing party. Permits and bonding are excluded unless otherwise noted herein. Our standard insurance applies unless otherwise agreed to in writing by Telstar. We accept no responsibility for consequential damages and our standard warranty applies. Telstar does not warranty OEM equipment, the standard manufacturers warranty applies. Any labor performed by Telstar due to equipment warranty claims, is due and payable as an extra and/or additional charge to the quote noted herein. Please reference the above stated quote number in all correspondence and purchase orders. This quote is based on standard straight time hours and does not include any prevailing wage rates unless agreed in writing by Telstar. Infrared inspections only include reports on equipment out of specification; any equipment under normal operation will not be reported or photographed.

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1717 Solano Way, Unit 34, Concord, CA 94520 Phone 925-671-2888, Fax 925-671-9507
4212 North Freeway Blvd, Unit 4, Sacramento, CA 95834 Phone 916-646-1999, Fax 916-646-1096
202 South Douty Street, Hanford, CA 93230 Phone 559-584-7116, Fax 559-584-8028

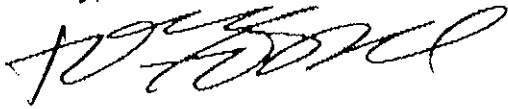
TELSTAR INSTRUMENTS INC. ☆

and/or terrain interference caused by construction of buildings or growth of vegetation, radio path surveys are not covered by our warranty. Vehicle expense will be in addition to the price quoted unless specifically included within the body of this quote. The price quoted herein is for the labor and materials specifically listed within the body of this quote. Service calls and time and materials rates carry a 4-hour minimum per person. Any time over 4 hours is charged as 8 hours. Cancellation charges apply including engineering, labor, materials, quote and estimating time, markup, % of profit, return goods fees, etc. at the time of written cancellation notice to Telstar.

We appreciate this opportunity to offer our equipment and services for your consideration. Telstar Instruments Inc. can provide instrumentation and controls for all of your facility needs. We can also perform maintenance calibration and service/repair on all instrumentation and chemical feed systems.

Should you have any questions in reference to this proposal please do not hesitate to contact me at 916-646-1999.

Sincerely,



Tak Koo
Sacramento Manager

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TELSTAR INSTRUMENTS INC. Contractor License #422364

**CONTROL SYSTEM INTEGRATION • INSTRUMENTATION SALES & SERVICE
SCADA • PLC/HMI • Telemetry • Calibration • Maintenance**

May 29, 2008

Pajaro Valley Water Management Agency (PVWMA)
36 Brennan Street
Watsonville, CA 95076

Sent via fax: (831) 722-3139

Attn: Mary Bannister
Subj: SCADA PC and Wonderware Upgrde
Ref: Quote # JH-17690 rev 1

Dear Mary,

Telstar Inc. is pleased to provide this quotation for the above referenced project for your consideration. This project includes the software and materials necessary to upgrade the SCADA system. The current SCADA system will be replaced with a new SCADA PC running the latest version of Wonderware software and the addition of a reporting PC and a remote runtime SCADA node at Harkins Slough. The following cost is based on the Scope of Work that is outlined below.

Scope of Work is as follows:

- Provide SCADA software: Wonderware Full Development Upgrade to ver 10.0 for the Main SCADA work station, Wonderware Runtime License ver 10.0 for the Remote SCADA work station at Harkins Slough and Industrial Sequel Server and Active Factory licenses for the Reporting work station. SCADA alarm upgrade to ver 6.0.
- Installation and configuration of SCADA software for main SCADA and Reporting work stations.
- Field installation and configuration of SCADA software for existing Remote SCADA work station at Harking Slough.
- Conversion of Graphic Screens and minor updates from WW ver 7.1 to WW ver 10.0
- Programming of a Daily, Monthly, and Yearly reports.
- Startup and testing of SCADA system.
- Operator Training on new system.

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4212 North Freeway Blvd, Unit 4 • Sacramento, CA 95834 • 916-646-1999 • Fax 916-646-1096
1717 Solano Way, Unit 34 • Concord, CA 94520 • 925-671-2888 • Fax 925-671-9507
202 South Douty Street • Hanford, CA 93230 • 559-584-7116 • Fax 559-584-8028

TELSTAR INSTRUMENTS INC. ☆

Page 2
May 29, 2008
Mary Bannister

The cost for the above referenced project is.....\$28,825.00
This price includes California Sales Tax, Shipping, and Handling.

Delivery of this project is approximately 2-3 weeks.

EXCEPTIONS/EXCLUSIONS/CLARIFICATIONS:

1. All computer hardware, system OS, and utility programs is provided by PVWMA
2. Original 7.1 Wonderware Full Development License is provided by PVWMA.
3. PC for Remote SCADA work station is provided by PVWMA.
4. SCAD Alarm software is provided by PVWMA.
5. Any other task that is not mentioned in the SOW described above is EXCLUDED.

For your convenience, we now accept all major credit cards. We can commence with this at your direction. This quote is valid for thirty days. This quote is based on information provided to Telstar and may or may not be correct or complete. Please review this proposal for compliance with the complete and final specifications and drawings before acceptance. Our terms are due and payable 30 days from date of invoice. Payments must be made on a minimum of a monthly basis. If payment is not received by the 30th day, a .05% daily service charge (18-3/4% per annum) will be charged on all accounts past due. Rates quoted herein will automatically be increased for overhead, and cost of living at a minimum of every year, or at contract renewal, which ever is less. Attorney's fees, court costs and costs of collection will be paid to prevailing party. Permits and bonding are excluded unless otherwise noted herein. Our standard insurance applies unless otherwise, agreed to in writing by Telstar. We accept no responsibility for consequential damages and our standard warranty applies. Please reference the above stated quote number in all correspondence and purchase orders. Unless otherwise noted, this quote is based on standard straight time hours and does not include any prevailing wage rates unless agreed in writing by Telstar. Infrared inspections only include reports on equipment out of specification; any equipment under normal operation will not be reported or photographed. Due to factors beyond our control, including unlawful radio interference by outside parties, unfavorable climatic conditions, and/or terrain interference caused by construction of buildings or growth of vegetation, radio path surveys are not covered by our warranty. Vehicle expense will be in addition to the price quote, unless specifically included within the body of this quote. Only original or faxed copies of quotes will be honored by Telstar, e-mailed quotes are not valid. The price quoted herein is for the labor and materials specifically listed within the body of this quote. Service calls and time and materials rates carry a 4-hour minimum per person, any time over 4 hours is charged as 8 hours. Cancellation charges apply including engineering, labor, materials, quote and estimating time, markup, % of profit, return goods fees, etc. at the time of written cancellation notice to Telstar.

If there is any additional information needed, please do not hesitate to contact me at 916-646-1999.

Sincerely,

James Harper
Project Manager

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MEMORANDUM

DATE: June 27, 2008
MEETING OF: July 2, 2008
TO: Board of Directors
FROM: General Counsel
RE: **ACTION ITEM 7B:** Approve Agreement for Special Services with Liebert Cassidy Whitmore

BACKGROUND

Against the backdrop of recent staff cutbacks brought about in response to the Agency's reduced augmentation charge revenues, a need has arisen for specialized legal services relating to personnel matters. Liebert Cassidy Whitmore is a preeminent statewide firm specializing public agency employment and personnel matters. The proposed agreement attached hereto provides for specialized consulting, representation and legal services, on an as-needed basis, as requested by the Agency. The proposed hourly rates for such services are \$160.00 to \$290.00 per hour for attorneys and \$100.00 to \$130.00 for paralegals.

FISCAL IMPACT

Legal services for personnel matters are already anticipated in the Agency's fiscal year 2008/2009 annual budget

STAFF RECOMMENDATION

That the Board review and approve the recommended Agreement with Liebert Cassidy Whitmore

ALTERNATIVE

None

ATTACHMENTS

- Proposed Agreement for Special Services
- Public Agency Fee Schedule

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AGREEMENT FOR SPECIAL SERVICES

This Agreement is entered into between the law firm of LIEBERT CASSIDY WHITMORE, A Professional Corporation ("Attorney"), and the PAJARO VALLEY WATER MANAGEMENT AGENCY ("Agency").

1. Conditions

This Agreement will not take effect, and Attorney will have no obligation to provide services, until Agency returns a properly signed and executed copy of this Agreement.

2. Attorney's Services

Attorney agrees to provide Agency with consulting, representational and legal services pertaining to employment relations matters, including representation in negotiations and in administrative and court proceedings, as requested by Agency or otherwise required by law.

3. Fees, Costs, Expenses

Agency agrees to pay Attorney the sums billed monthly for time spent by Attorney in providing the services, including reasonable travel time.

The range of hourly rates for Attorney time is from One Hundred Sixty to Two Hundred Ninety Dollars (\$160.00 - \$290.00), and from One Hundred to One Hundred Thirty Dollars (\$100.00 - \$130.00) for time of paraprofessional staff. Attorney reviews its hourly rates on an annual basis and, if appropriate, adjusts them effective July 1. Attorneys and paraprofessional staff bill their time in minimum units of one-tenth of an hour. Communications advice (telephone, voice-mail, e-mail) is billed in a minimum increment of three-tenths (.30) of an hour.

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Agency agrees to reimburse Attorney for necessary costs and expenses incurred by Attorney on behalf of Agency. Attorney bills photocopying charges at Fifteen Cents (\$.15) per page and facsimile charges at Fifty Cents (\$0.50) per page. A Public Agency Fee Schedule is attached to this Agreement.

Payment by Agency against monthly billings is due upon receipt of statements, and is considered delinquent if payment is not received within thirty (30) days of the date of the invoice.

The California Business & Professions Code requires us to inform you whether we maintain errors and omissions insurance coverage applicable to the services to be rendered to you. We hereby confirm that the firm does maintain such insurance coverage.

4. **Arbitration of Professional Liability or Other Claims**

Disputes. If a dispute between Agency and Attorney arises over fees charged for services, the controversy will be submitted to binding arbitration in accordance with the rules of the California State Bar Fee Arbitration Program, set forth in California Business and Professions Code, sections 6200 through 6206. The arbitrator or arbitration panel shall have the authority to award to the prevailing party attorneys' fees, costs and interest incurred. Any arbitration award may be served by mail upon either side and personal service shall not be required.

If a dispute arises between Agency and Attorney over any other aspect of the attorney-client relationship, including, without limitation, a claim for breach of professional duty, that dispute will also be resolved by arbitration. It is understood that any dispute as to any alleged breach of professional duty (that is, as to whether any legal

services rendered under this agreement were allegedly unnecessary, unauthorized, omitted entirely, or were improperly, negligently or incompetently rendered) will be determined by submission to arbitration as provided by California law, and not by a lawsuit or resort to court process except as California law provides for judicial review of arbitration proceedings. **Both parties to this agreement, by entering into it, are giving up their constitutional right to have any such dispute decided in a court of law before a jury, and instead are accepting the use of arbitration.** Each party is to bear its own attorney's fees and costs.

5. File Retention

After our services conclude, Attorney will, upon Agency's request, deliver the file for the matter to Agency, along with any funds or property of Agency's in our possession. If Agency requests the file for the matter, Attorney will retain a copy of the file at the Agency's expense. If Agency does not request the file for this matter, we will retain it for a period of seven (7) years after this matter is closed. If Agency does not request delivery of the file for this matter before the end of the seven (7) year period, we will have no further obligation to retain the file and may, at our discretion, destroy it without further notice to Agency. At any point during the seven (7) year period, Agency may request delivery of the file.

6. Assignment

This Agreement is not assignable without the written consent of Agency.

7. Independent Contractor

It is understood and agreed that Attorney, while engaged in performing the terms of this Agreement, is an independent contractor and not an employee of Agency.

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8. Authority

The signators to this Agreement represent that they hold the positions set forth below their signatures, and that they are authorized to execute this Agreement on behalf of their respective parties and to bind their respective parties hereto.

9. Term

This Agreement is effective July 1, 2008, ongoing and may be modified by mutual agreement of the parties. This agreement shall be terminable by either party upon thirty (30) days written notice.

LIEBERT CASSIDY WHITMORE,
A Professional Corporation

PAJARO VALLEY WATER
MANAGEMENT AGENCY

By Cynthia O'Neil

By _____

Title Partner

Title _____

Date June 25, 2008

Date _____

I. PUBLIC AGENCY FEE SCHEDULE

Hourly Rates (As of Contract Date)

Partners	\$260.00 - \$290.00
Of Counsel	\$240.00 - \$260.00
Associates	\$160.00 - \$240.00
Labor Relations Professional	\$170.00 - \$200.00
Paraprofessionals	\$100.00 - \$130.00

II. COST SCHEDULE

1. Photocopies \$0.15 per copy

2. Facsimile Transmittal \$0.50 per page

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MEMORANDUM

DATE: June 27, 2008
MEETING OF: July 2, 2008 Board Meeting
TO: Board of Directors
FROM: Ad Hoc Executive Committee
RE: **DISCUSSION ITEM 7C:** Consider revenue alternatives

BACKGROUND

The purpose of this agenda item is to initiate discussion concerning the future revenue needs of the Agency. As the Board is aware, with the court-mandated reduction and refund of the augmentation charge, the Agency's current revenue sources will not generate sufficient funds to meet debt service requirements and fulfill the Agency's long-term basin management responsibilities. Development and implementation of a new revenue stream is critical to the Agency's continued viability. As the refund process unfolds over the next several weeks, the Board needs to move forward with development of a replacement revenue program. To be successful any new revenue source must be the product of a collaborative effort involving substantial public outreach and input. Although the augmentation charge remains in effect at \$80/af as a result of court rulings, part of the discussion must include serious consideration of whether the augmentation charge as it currently exists should be repealed in its entirety. Some alternatives for the Board's consideration include:

- Leaving the existing \$80/af charge in place and supplementing with a new revenue source that fully complies with the requirements of Proposition 218;
- Develop a new revenue program that, once adopted, will replace the augmentation charge; or
- Repeal the existing augmentation charge prior to the development of a new revenue program.

RECOMMENDED ACTION

Direct staff and legal counsel to prepare a comprehensive report to be presented at the August meeting providing alternatives and recommendations for development of a new revenue program for the Agency.

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Chronicle of Incoming Letters Board Meeting

6/10/2008	Board of Directors	Don Champion, PH.D., M.P.A	Support for 2008 LAFCO Open Board Seat
6/16/2008	Agency	Nicolas Papadakis, AMBAG	Composition of the AMBAG Sanctuary Technical Advisory Committee

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**Chronicle of Out going Letters
Board Meeting**

6/10/2008	Michael Higgins Regional Water Resources Control Board	TDM & David Koch, City of Watsonville, Public Works Director	Comments on Draft Master Reclamation Permit No. R-3-2008-0039
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