



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**

**August 13, 2008, 7:00 p.m.
250 Main Street, Watsonville, CA**

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

Agenda Item

1. Labor Negotiations

Pursuant to Government Code Section 54957.6.:

Position/employee: Interim General Manager

Designated Representative: General Counsel

The closed session commenced at 6:30 p.m. with Directors Imazio, Koenig, Kegebein, Osmer and Cervantes. Technical Division Manager Bannister and General Counsel Condotti were also present. No action was reported.

BUSINESS MEETING MINUTES (7:00 p.m.)

- 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, at 7:05p.m. by Chair Dobler.

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

Board Members Absent: Eiskamp, Dobler

Staff Members Present: Mary Bannister, Technical Division Manager (TDM)
Veronica Barboza, Administrative Analyst (AA)
Nancy Trevino, Financial Analyst (FA)
Rocio Guerrero, Customer Service Representative

Others Present: Anthony Condotti, Counsel

- 2. Pledge of Allegiance**
- 3. Oral Communications:** Guy George expressed his concerns regarding the claim form and inquired if anything in the claim form will prevent full refund payment as stated in the court settlement.
- Harold Griffith stated that in the settlement agreement, it does not indicate that Ordinance 2002-02 of the \$80 Augmentation Charge is still effect. He also stated that the Agency needs to be honest.
- 4. Director Comments:** Director Osmer responded to Guy George and stated the claim form will be discussed at the next Board Meeting. He also introduced Tracy Billington and Natalia Dierdorf from the Department of Water Resources who were in attendance.
- 5. Counsel Report:** Counsel reported that a case management conference with Pajaro Sunny Mesa Community Service District is still set for August 25, 2008.
- 6. Technical Division Manager Report:** TDM reported that staff has delivered at 1200 a/f of water from the coastal distribution system.

7. **Report of Chair on Ad Hoc Funding Committee:** Director Osmer announced that Directors: Kegebein, Cervantes and himself will comprise the Ad Hoc Funding Committee.

8. **Consent Agenda:**

- A. Approve June 19, 2008 Minutes
- B. Approve July 2, 2008 Minutes
- C. Approve Disbursement Ledger for May & June 2008
- D. Approve Financial Reports for May & June 2008
- E. Grant Update
- F. Accept Final Budget FY 2008-2009, as adopted June 19, 2008
- G. Receive Santa Cruz County’s draft Staff Recommendation to Santa Cruz County Board of Supervisors regarding a Ground Water Emergency

◆ Motion by Director Koenig to approve the Consent Agenda with item 8G as a separate item. Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Kegebein, Imazio, Koenig
NOES: None
ABSENT: Eiskamp, Dobler
ABSTAIN: None

Thereafter, the Board discussed item 8G from the consent agenda: Director Osmer stated that the Santa Cruz County Board of Supervisors recommended holding a Public Hearing declaring a Ground Water Emergency in the Pajaro Groundwater Basin on August 19, 2008.

Public Comments: Marc Del Piero, Counsel for Pajaro Sunny Mesa Community Service District, inquired as to what basis would the county want to declare a groundwater emergency.

After further discussion, the following action was taken:

◆ Motion by Director Koenig to approve Item 8G for Staff Recommendation to the Santa Cruz County Board of Supervisors regarding a Groundwater Emergency as presented. Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Kegebein, Imazio, Koenig
NOES: None
ABSENT: Eiskamp, Dobler
ABSTAIN: None

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

- A. Consider Approval of Appointment of Mary Bannister as Interim General Manager and Employment Agreement: Counsel reported that the Board had met in the closed session and stated that there were a few minor edits in the Interim General Manager employment agreement and with that, recommended the Interim General Manager appointment.

◆ Motion by Director Cervantes to approve appointment of Mary Bannister as Interim General Manager and Employment Agreement as amended. Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Kegebein, Imazio, Koenig
NOES: None
ABSENT: Eiskamp, Dobler
ABSTAIN: None

- B. Consider Approval of Contract with Gutierrez Consultants, Inc in the amount of: TDM reported stated that Gutierrez Consultants currently provides program management services in support of the Agency Administration, facility operations, capital projects implementation, and basin management planning. She further stated the contract with Gutierrez Consultants expired in July 2007. This item is for consideration of approval of a new contract with Gutierrez Consultants to continue these services for the amount of \$172,100. After discussion, the following action was taken:

◆ Motion by Director Imazio to approve Contract with Gutierrez Consultants, as presented. Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Kegebein, Imazio, Koenig
NOES: None
ABSENT: Eiskamp, Dobler
ABSTAIN: None

- C. Consider staff evaluation of alternative approaches to existing \$80 augmentation charge and Ordinance 2008-03 Repealing \$80/af Augmentation Charge: TDM reported that at the previous July 2, 2008 Board Meeting, the Board directed General Counsel to prepare a memorandum evaluating the legal implications of repealing the existing \$80 augmentation charge. TDM presented a slide presentation in summarizing the drawbacks and advantages of repealing versus keeping the existing \$80 augmentation charge. Counsel then summarized the legal implications to the Board. Director Osmer then opened Public Comments:

Open for Public Comments at 8:26 pm:

Mayor Kimberly Peterson, City of Watsonville: Stated that the Agency has made progress in working with the City of Watsonville projects. Supports the Agency and recommended maintaining the existing \$80 Augmentation Charge.

Dave Cavanaugh, Santa Cruz County Farm Bureau: Stated that the Santa Cruz County Farm Bureau supports the Agency, and to maintain the existing \$80 Augmentation Charge.

Doug McKinney: Inquired if the Ordinance 2002-02 was in compliance with Proposition 218.

Harold Griffith: Inquired, how a rural residential user will benefit from the Agency. He also noted that Proposition 218 requires that there be a water hook-up for a majority protest to be appropriate, and that special benefits must be separated in an assessment.

Nick Buliach: Expressed his concerns about the Agency's lack of transparency and dishonesty to the community. Does not support the Agency maintaining the existing \$80 Augmentation Charge.

Dale Huss, Ocean Mist Farms: Stated that he farms on Beach Rd and receives delivered water and has been successful. He supports the Agency to maintain the existing \$80 Augmentation Charge.

Ellen Prire, Santa Cruz County Board of Supervisors: Stated that the Agency needs to build more trust within the community. She supports the Agency to maintain the existing \$80 Augmentation Charge, in order to meet the huge financial obligations it has.

Stuart Kitayama: Stated that when his wells had saltwater intrusion, the Agency immediately took action and now receives delivered water and has been successful. He supports the Agency to maintain the existing \$80 Augmentation Charge.

Closed Public Comments at 8:49 pm

Board Comments:

Director Kegebein expressed his concerns over the \$80 Augmentation Charge and stated that as a business owner, he is dependent on the delivered water that his business receives from the Agency.

Director Koenig: Stated that he is in favor of continuing the \$80 Augmentation Charge and further stated that the sunset provision should have a date and a Prop 218 compliant process should be completed as quickly as possible.

Director Imazio: Stated that she supports the \$80 Augmentation Charge and the Board needs to reach a consensus.

Director Cervantes: Expressed his concerns on issues of miss-trust in the community. He further stated that the public should give the Agency suggestions or input on a Prop 218 mechanism.

Director Osmer: Stated that he felt that the Agency has tackled the “blackmail” and “dishonesty” issues brought from the community, and that the current board is committed to doing the tough job of completing the Agency’s mission. He inquired as to any input from the public about a better way of getting the job done or of a better approach in view of the monumental challenges facing the Agency and the Valley.

◆ Motion by Director Kegebein to direct staff to implement a majority protest with a sunset provision on \$80 Augmentation Charge with a recommendation for the next board meeting. Motion carried by the following roll call vote:

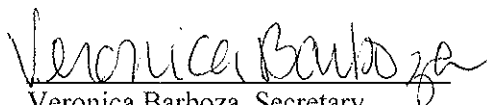
- AYES:** Osmer, Cervantes, Kegebein, Imazio, Koenig
- NOES:** None
- ABSENT:** Eiskamp, Dobler
- ABSTAIN:** None

10. Written Communication/Correspondence: None

11. Future Meetings and Agenda Items

- A. Water Quality and Project Operations Committee – August 27, 2008, 2:00 pm – 4:00 pm, Waste Water Treatment Facility
- B. Administrative/Finance Committee – September 2, 2008, 4:00 pm, PVWMA Conference Room
- C. Board Meeting – September 3, 2008, 7:00 pm, “Old” City of Watsonville Council Chambers

12. Adjourned at : 9:20 pm


Veronica Barboza, Secretary

9.17.08
Date Approved