



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
City Council Chambers

February 6, 2008, 7:00 pm
250 Main Street, Watsonville, CA

MEETING MINTUES

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 7:04 p.m. By Chair Osmer

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

Board Members Absent: Kegebein

Staff Members Present: Mary Bannister, Technical Division Manager (TDM)
Veronica Barboza, Administrative Analyst (AA)

Others Present: Anthony Condotti, Counsel

2. Oral Communications. None

3. Ad Hoc Executive Committee Comments: Director Dobler commented that the Administrative/Finance Committee is making progress on the financial projections.

4. Consent Agenda

- A. Approve 90-day contract with financial consultant Gary Knutson for a fee of \$13,500
- B. Approve Resolution 2008-05, service awards of \$1,000 for 5 years of service to Berta Rodriguez, Nancy Trevino and Veronica Barboza
- C. Appoint Michael Dobler as Board Treasurer

(Director Eiskamp requested that item 4A under Consent Agenda be considered as a separate item.)

◆ Motion by Director Dobler to approve the Consent Agenda with item 4A as a separate item.

Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Eiskamp, Imazio, Dobler, Koenig

NOES: None

ABSENT: Kegebein

ABSTAIN: None

The Board next considered item 4A. After discussion, the following action was taken:

◆ Motion by Director Eiskamp to approve item 4A as presented. Motion carried by the following roll call vote:

AYES: Osmer, Cervantes, Eiskamp, Imazio, Dobler, Koenig

NOES: None

ABSENT: Kegebein
ABSTAIN: None

5. Discussion and/or Action Items:

A. Consider promotion of Brian Lockwood to Hydrologist: TDM stated that Jonathan Lear resigned as agency Hydrologist in January. Brian Lockwood has worked under Jonathan for nearly 3 years as Hydrologist Assistant. TDM added that Brian has a Bachelor of Science Degree and a Master's Degree in Earth Science from U.C. Santa Cruz and as Hydrologist Assistant, he has been involved in all aspects of surface and ground water monitoring, sampling, and reporting, and update of the Agency's Modflow Hydrology Model. Lastly, TDM stated that Brian is very well qualified to function as Hydrologist for the Agency.

◆ Motion by Director Dobler to approve promotion of Brian Lockwood to Hydrologist as presented. Motion carried by the following roll call vote:

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

B. Consider approval of Resolution 2008-06, revising agency organizational chart to eliminate five staff positions: TDM reported that as a result of the adverse court ruling in the augmentation charge litigation and the pending refund of all invalidly collected charges, it is necessary to review all current expenditures in an attempt to identify cost saving to match the Agency's reduced revenue. Director Osmer stated that the Ad Hoc Executive Committee recommended elimination of the following five positions:

1. Hydrologist Assistant
2. Water Programs Coordinator
3. Contract & Grant Administrator (aka Supervising Accountant and Grant Administrator)
4. Field Technician
5. Secretary

After further discussion, the following action was taken:

◆ Motion by Director Cervantes to approve Resolution 2008-06 as presented. Motion carried by the following roll call vote:

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

C. Discuss Settlement Summary: Counsel reported that the recently announced litigation settlement resolves four lawsuits challenging the validity of the Agency's augmentation charge and management fee. Counsel further stated that the terms of the settlement are subject to and conditioned upon approval by the Superior court in the consolidated litigation. A motion for entry of judgment pursuant to the terms of the stipulated settlement has been filed and is scheduled for hearing on February 22, 2008. Lastly, he added that the settlement would be in full force and effect

when the terms have been approved and stipulated judgment has become final.

- D. Consider Introduction of Ordinance 2008-01 Establishing Procedures and Limitations Period for Filing Refund Claims, and establishing February 20, 2008 at 7:00 pm as the date and time for a public hearing to consider adoption of said ordinance: Counsel introduced this item to the board and noted that in the previous staff report, the proposed settlement of the pending augmentation charge litigation contemplates a full refund of all charges collected pursuant to the now-repealed 2003 and 2004 augmentation charge increases. Counsel further stated that the proposed ordinance clarifies the Agency's commitment to refund all charges invalidly collected under the 2003 and 2004 increases, provided that a proper claim is filed within one year of the ordinance's adoption.

Public Comments:

Darlene Din: Inquired of what sort of notices will the Agency be sending to the ratepayers

Nick Boliach: Inquired why the Agency needs to verify the refund claims.

After further discussion, the following action was taken:

- ◆ Motion by Director Dobler to hear Ordinance 2008-01 on February 20, 2008 public hearing. Motion carried by the following roll call vote:

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

6. Discussion Items

- A. Board Committee Reports: Director Osmer reported that at the January 30, 2008 Administrative/Finance Committee Meeting, the committee requested that counsel handle crop loss claims with outstanding balances and possibly adopt a policy. Director Osmer also reported on the February 5, 2008 Strategic Planning & Public Outreach (SPPO) Committee Meeting, that David Koch from the City of Watsonville inquired if the Agency was interested in co-sponsoring a local water summit.

7. Written Communications/Correspondences: None

8. Future Meetings and Agenda Items

- A. Climate Change Forum – February 8, 2008 – 7:00 – 9:00 pm, Capitola City Hall 420 Capitola Ave. (in the village)
- B. Administrative/Finance Committee – February 12, 2008, 3:00 pm, PVWMA Conference Room
- C. Projects Committee – February 20, 2008, 4:00 pm, PVWMA Conference Room
- D. Board Meeting – February 20, 2008, 7:00 pm, Watsonville Council Chambers
- E. Water Quality and Project Operations Committee – February 22, 2008, 2:00 pm, Watsonville Wastewater Treatment Plant Conference Room

9. Closed Session

Conference with Legal Counsel: Liability Claims

Claimant: Willoughby Farms, Inc
Navarro Farms

Sundance Farms
Claim against: Pajaro Valley Water Management Agency

The closed session convened at approximately 8:50 p.m. with Directors Osmer, Imazio, Cervantes, Eiskamp, Dobler & Koenig. Prior to the commencement of the closed session, Director Dobler announced that he would recuse himself from consideration of the Dole Berry Company matter due to a financial conflict of interest. Technical Division Manager Bannister, Consultant Richard B. Smith and General Counsel Condotti were present.

During the closed session the Board took the following actions: By motion (Dobler, 6-0), the Board accepted the liability claims of Steven Rodoni (Springfield Farms) in the amount of \$48,446.64. By motion, (Cervantes, 5-0), the Board accepted the liability claim of Dole Berry Company in the amount of \$7,530.02. Director Dobler was not present during consideration of the Dole Berry Company item. Both claims pertain to crop losses resulting from the Coastal Distribution System (CDS) construction. The closed session concluded at approximately 9:30 p.m. with no members of the public present.

10. **Adjourned** at 9:30 pm

Veronica Barboza
Veronica Barboza, Secretary

2/20/08
date approved