



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
November 17, 2010, 7:00 pm**

**City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA**

BOARD MEETING MINUTES

1. Call to Order

- 2. 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, 275 Main Street, 4th Floor, Watsonville, CA, at 7:08 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Eiskamp, Osmer, Koenig, Vasquez

Board Members Absent: Dobler

Staff Members Present: Mary Bannister, General Manager (GM)
Mark Harvey, Administrative Services Manager (ASM)
Veronica Barboza, Administrative Analyst (AA)
Brian Lock wood, Staff Hydrologist (SH)
Others Present: Anthony Condotti, Agency Counsel

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: None

- 6. General Manager Report:** GM introduced Mark Harvey as the new Administrative Services Manager to the Board. She also mentioned that the Agency office will be closed December 27-31, 2010. Lastly, she stated that the new Director, Dwight Lynn and returning Director, Dennis Osmer will be sworn in at the next meeting.

7. Consent Agenda

- A. Approve November 3, 2010 Minutes

◆ Motion by Director Osmer to approve the Consent Agenda as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Koenig, Vasquez

NOES: None

ABSENT: Dobler

ABSTAIN: None

8. Informational Presentations

- A. Receive Presentation by Dr. Rosemary Knight, Stanford University: GM introduced Dr. Rosemary Knight of Stanford University who delivered a power point presentation on the research conducted at the Harkins Slough Recharge Basin.

9. Discussion and/or Action Items

A. Consider approval of Resolution 2010-10, Expressing Appreciation to Warren Koenig for his Service as Director of the Pajaro Valley Water Management Agency: GM stated that effective December 1, 2010, Director Warren Koenig will end his term as Director of the Agency. He was first elected in 1998 and has served with dignity and commitment during his time on the Board. Director Koenig has represented the Agency at community functions, attended conferences and served tirelessly on committees and panels related to his position as director. From his volunteer work for the Agency, dating back to the early 1990's, where he did basin-wide monitoring and sampling, he's brought a technical background and understanding that has been key in many of the key policy decisions made by the Board of Directors. GM recommended that the board approve this resolution for his service as Director of the Pajaro Valley Water Management Agency. After Board discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2010-10, Expressing Appreciation to Warren Koenig for his Service as Director of the Pajaro Valley Water Management Agency as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Koenig, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

(Director Cavanaugh suggested that Item 9F- General Manager Employment Agreement be moved up to 9B. Board agreed by consensus.)

B. Consider approval of General Manager Employment Agreement: Counsel stated that at the July 21, 2010 Meeting, the Directors approved an amendment to the General Manager's employment agreement to extend the term of employment from June 30, 2010 to December 31, 2010. The relatively short extension was based on the mutual desire of the General Manager and Board to revisit this issue after the results of the augmentation charge election was known. He stated that a performance review was subsequently conducted in closed session at the October meeting at which time, by concurrence, the Board directed that an amendment to the current agreement be placed on the agenda for the next meeting. Counsel stated that instead of a specified term, the proposed agreement may be terminated at any time by either the Agency or the GM. After Board discussion, the following action was taken:

◆ Motion by Director Koenig to approve General Manager Employment Agreement as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Koenig, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

C. Consider approval of Audited Financial Statements for fiscal year ending June 30, 2010: Director Osmer stated that the Administrative/Finance Committee had reviewed the audited financial statements at its November 16, 2010 meeting and had recommended for board approval. Stacey Hansen, of Bartlett, Pringle & Wolf, LLP presented the Financial Statements and reported that the audit resulted in a clean opinion, revealing that the Agency's Financial Statements were presented fairly and was found to be in conformity with generally accepted accounting principles.

Public Comments: Skip Fehr inquired as why there was no separate account for the Court of Appeal ruling for augmentation charges refunds.

Director Osmer suggested that Mr. Fehr write a letter to Agency Counsel and Board regarding his inquiry and have Counsel write him a response. He recommended that the item be postponed pending a response to Mr. Feher's inquiry. Board agreed.

No action was taken; item was deferred for next meeting, as the Board will wait for Mr. Fehr's letter.

- D. Receive update on Ad Hoc Basin Management Plan Committee's meeting of November 2, 2010 and consider recommended strategy and approach to establishing committee: Director Cavanaugh stated that the committee is recommending that the board approve the proposed committee composition and appointment/application designation and process. Director Osmer commented that as soon as a committee is constituted, he was willing to give up his seat. On October 20, 2010, the Board recommended and approved the following three Board members to serve on the Committee:

- Director Rosemarie Imazio
- Director Dave Cavanaugh
- Director Dennis Osmer

The Board requested that the newly appointed Committee members initiate the process by developing recommendations on the Committee structure and approach for consideration and approval by the Board. Director Cavanaugh stated that on November 2, 2010, the Ad Hoc BMP Committee held its first meeting. The meeting was open to the public and was publicly noticed and agendized. The committee members discussed and stakeholders discussed the following items:

- Committee composition
- Committee roles and responsibilities
- Committee goals and objectives
- Immediate action items and schedule

After discussion, staff recommended that the board approve the strategy and approach proposed by the committee regarding committee structure, compositions & approach. The following action was taken:

◆ Motion by Director Osmer to approve the strategy and approach to establishing a committee. as presented. Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Eiskamp, Osmer, Koenig, Vasquez
NOES: None
ABSENT: Dobler
ABSTAIN: None

- E. Consider proposal by the Furman Group to provide government relations assistance for a retention fee of \$8,000/month plus expenses: GM stated that there has been an interest on the board and staff in reviewing the needs of the Agency and considering alternatives for government relations assistance. This assistance is required to promote and enhance our ability to receive reimbursement on our Title XVI funding for the Watsonville Area Recycled Water Facility. The Agency's contract with Troutman Sanders Public Affairs Group, LLC, to provide federal government affairs services expires on November 30, 2010. She stated that the Furman Group proposes to build on and broaden the foundation of Congressional support for the Agency and the associated Watsonville Area Recycling Project. They propose further to focus on key congressional members and Administration officials whose support will be necessary to secure continued Title XVI funding, as called out in the agreement with the U. S. Bureau of Reclamation, and to help identify other sources of funding for the project and the Agency. Director Eiskamp expressed his concerns, stating that he felt that the City of Watsonville needs to "step to the plate" and pursue the grant monies. After discussion, the following action was taken:

◆ Motion by Director Osmer to approve a strategy and approach to establishing a committee. as presented. Motion failed by the following roll call vote:

AYES: Imazio, Osmer, Koenig
NOES: Eiskamp
ABSENT: Dobler
ABSTAIN: Cavanaugh, Vasquez

- F. Consider draft amendments to the Agency’s Enabling Legislation: Counsel pointed out that the proposed changes/deletions were omitted from the document. He said that he will send over a clean pdf version and recommended not to take any action on this item. He briefly summarized the draft amendments to the board, stating that the Board had previously reviews a number of proposed amendments to the Agency Act. While the need to update and clarify a number of ambiguities or inconsistencies in the Agency Act were noted, no specific direction was given, perhaps in recognition of the need to focus the Agency’s energy and resources on the then-unfolding rate adjustment process.

Public Comments:

Margie Kay inquired in regards to section 710 – (Purchase and Importation of water) of the Agency Act; supply to Aromas Water District is included, what would be other types of imported water.

David Kegebein stated that the real two things that the Agency needs to get going are 1) the Basin Management Plan and 2) Agency Act. The Agency needs community input to modify the Act. He suggested developing a committee.

Director Cavanaugh suggested to moving forward with the “no brainer” amendments in the Act. Counsel strongly suggested not to approve this item, as the board need to see the “clean version”. Director Osmer stated that he agreed with Mr. Kegebein, the Agency needs more community involvement. He suggested that staff search for state legislature sponsor to help guide amending the Agency Act. After discussion, the following action was taken:

◆ Motion by Director Osmer to direct staff to find a sponsor for a possible legislation amending the Agency Act.
 Motion carried by the following roll call vote:

AYES: Imazio, Cavanaugh, Osmer, Vasquez
NOES: Eiskamp
ABSENT: Dobler
ABSTAIN: None

10. Reports/Information Presentations

- A. Board Committee Reports: GM reported the Water Quality and Project Committee and said that the production summary is included in the packet.
- B. Staff Reports
 - 1. Facility Operations Report: GM was happy to announce that Bradley & Sons had completed the drilling of the three (3) Harkins Slough Monitoring Wells.

11. Future Meetings and Agenda Items

- A. Ad Hoc Basin Management Plan (AHBMP) Committee- December 9, 2010,2:00pm, Water Resources Center, 500 Clearwater Lane , Watsonville, CA 95076
- B. Administrative/Finance Committee – December 7, 2010, 4:00 pm, PVWMA Conference Room

C. Board Meeting – December 15, 2010, 7:00 pm, City Council Chambers, 275 Main St,
4th Floor

12. Closed Session

- A. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *John G. Eiskamp v. PVWMA* – SCSC Case No. CISCV168446
- B. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *Harold Griffith v. PVWMA* – SCSC Case No. CISCV168936
- C. Conference with Legal Counsel: Existing Litigation
(Pursuant to Cal. Govt. Code §54956.9)
Name of case: *Joseph Pendry et.al. v. PVWMA* – SCSC Case No. CISCV169080

The Board recessed to closed session at the conclusion of the open session with Directors Imazio, Koenig, Cavanaugh, Vasquez and Osmer present. General Manager Bannister and General Counsel Condotti were in attendance. The meeting adjourned at approximately 9:40 p.m. No action was reported. Prior to the closed session, Director Eiskamp recused himself due to a financial conflict of interest.

13. Adjourned at: 9:40 pm


Veronica Barboza, Secretary

12-15-10
Date Approved