



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
December 15, 2010, 7:00 pm**

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

BOARD MEETING MINUTES

1. **Call to Order**
2. **Oaths of office were administered by Clerk of the Board to newly-elected directors: Dwight Lynn, District "A", Dennis Osmer, District "C", Rosemarie Imazio, City of Watsonville**
3. **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 7:06 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Eiskamp, Dobler, Osmer, Lynn

Board Members Absent: Vasquez

Staff Members Present: Mary Bannister, General Manager (GM)
Mark Harvey, Administrative Services Manager (ASM)
Veronica Barboza, Administrative Analyst (AA)
Brian Lockwood, Staff Hydrologist (SH)
Casey Meusel, Water Resources Technician (WRT)
Others Present: Anthony Condotti, Agency Counsel
4. **Pledge of Allegiance**
5. **Oral Communications:** None
6. **Director Comments:** Director Dobler indicated that in the Imperial Valley, Farmers use a lot of water and are using it excessively to preserve their rights to it; it changes his perspective on California water. Director Cavanaugh welcomed new Director Dwight Lynn.
7. **Counsel Report:** Counsel stated that he met with Director Lynn prior to the meeting and gave him a brief orientation.
8. **General Manager Report:** GM introduced Casey Meusel as the new Water Resources Technician to the Board. GM reported on her attendance at ACWA in Indian Wells. She stated that she met with staff from the Bureau of Reclamation regarding Title XVI grant funding. Lastly, she reminded the board that the Agency office will be closed December 27-31, 2010.
9. **Consent Agenda**
 - A. Approve November 17, 2010 Minutes
 - B. Approve Financial Report for October 2010
 - C. Approve Disbursement Ledger for October 2010

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

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

10. Informational Presentations

- A. Receive Presentation by Randy Hansen, U.S. Geological Survey, on the Pajaro Valley Hydrologic Model (PVHM) MODFLOW update: GM introduced Martin Feeney and Randy Hansen, USGS Research Hydrologist who delivered a power point presentation on the Pajaro Valley Hydrologic Model.

Public Comments: Margie Kay inquired if our valley experiences land subsidence from overdraft and the Agency will participate in the State’s SBX76 program requiring groundwater elevation monitoring.

Ken Rieller was intrigued at the possibilities for a linkage between flood control and river flows and water supply opportunities.

11. Discussion and/or Action Items

- A. Consider approval of Audited Financial Statements for fiscal year ending June 30, 2010: After Board discussion, the following action was taken: GM stated that the audited financial statements were presented to the Administrative/Finance Committee at its November 16, 2010, meeting and the committee recommended for board approval. At the November 17, 2010, Board Meeting, Mr. Skip Fehr had some questions regarding the audited financial statements and was asked to present his questions in writing so that they could be addressed prior to the Board approving the audit report. After Board discussion, the following action was taken:

Public Comments: Harold Griffith stated that he had received a collection letter. He argued that the Agency should have a separate account for capital facilities.

Director Osmer stated that the Agency is certainly in compliance with the Agency’s accounting code, the Agency is following the law and the audit is clean.

After board discussion, the following action was taken:

- ◆ Motion by Director Osmer to approve Audited Financial Statements for Fiscal Year ending June 30, 2010 as presented.

Motion carried by the following roll call vote:

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

- B. Consider proposal by the Furman Group to provide government relations assistance for a retention fee of \$8,000/month plus expenses: GM stated that the proposal by the Furman Group to provide advocacy services to the Agency was considered at the November 17, 2010 Board Meeting but was not approved. Chair Imazio and Director Osmer requested that it be brought for reconsideration. She stated that this assistance is required to promote and enhance the Agency's ability to receive reimbursement on the Title XVI funding for the Watsonville Area Recycled Water Facility. The Agency's contract with Troutman Sanders Public Affairs Group, LLC, in which it provided federal government affairs services expired on November 30, 2010. GM stated that the Furman Group proposes to build on and broaden the foundation of congressional support for the Agency's Watsonville Area Recycling Project. GM stated that staff recommended that the Board approve and direct staff to execute standard contract documents for services by The Furman Group for retention of \$8,000 per month, through December 2011. Director Eiskamp re-iterated his concerns regarding this contract, stating that again, he felt that the City of Watsonville needs to "step to the plate" and pursue the grant monies.

Public Comments: Skip Fehr inquired if the staff from the Furman Group will really "do the work" and how many hours will they put into it.

After board discussion, the following action was taken:

◆ Motion by Director Dobler to approve the proposal from the Furman Group to provide government relations assistance as presented. Motion carried by the following roll call vote:

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

- C. Consider amendments to the Agency's Fund Accounting Policy: GM Stated that the agency's Fund Accounting Policy was last updated July 2003 and adopted under Resolution 2003-08. On October 18, 2010, the Administrative/Finance Committee reviewed the FAP and provided comments and update recommendations. The FAP was further revised and the updated amendments and will be reviewed at the December 10, 2010 Administrative/Finance Committee meeting. She stated that a significant modification is proposed in Section IV, Item 5, where allocation of staff salaries and benefits is proposed. In the past, staff salaries and benefits were allocated administratively each year, based on an estimate of percentages of work done on specific tasks. The update proposes that the allocation be based on specific job descriptions and allocation of time as detailed in the Annual Budget.

Public Comments: Harold Griffith inquired if the Fund Accounting Policy satisfies with the Accounting code requirements? Does it have a separate account for capital facilities?

Ship Fehr commented that according to the Scurich case, Agency funds had to be kept in separate accounts.

After board discussion, the following action was taken:

◆ Motion by Director Dobler to approve amendments to the Agency's Fund Accounting Policy as presented. Motion carried by the following roll call vote:

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

12. Written Communication/Correspondences: The November 2010 Chron were included in the board packet

13. Reports/Information Presentations

- A. Board Committee Reports: Director Dobler reported on the Administrative/Finance Committee Meeting. Director Cavanaugh also reported on the Ad Hoc Basin Management Plan Committee Meeting.
- B. Staff Reports
 - 1. Facility Operations Report: GM stated that the final year end report will be distributed at next month's meeting.

14. Future Meetings and Agenda Items

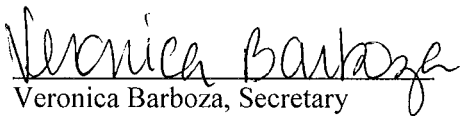
- A. Administrative/Finance Committee – January 11, 2011, 4:00 pm, PVWMA Conference Room
- B. Water Quality and Project Operations Committee Meeting- January 12, 2011, 3:00pm, PVWMA Conference Room
- C. Ad Hoc Basin Management Plan (AHBMP) Committee- January 13, 2011, 2:00pm, Water Resources Center, 500 Clearwater Lane , Watsonville, CA 95076
- D. Board Meeting – January 19, 2011, 7:00 pm, City Council Chambers, 275 Main St, 4th Floor – **Director Imazio made a few suggestions for the coming new year, which included the following: 1) Adding a Board Workshop, 2) Meeting procedures, 3) Adjusting the agenda format (need more specific information on agenda items).**

15. 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 8:40 p.m. with Directors Imazio, Dobler, Cavanaugh and Lynn present. General Manager Bannister and General Counsel Condotti were in attendance. Special Counsel Michael Colantuono appeared by telephone. The meeting adjourned at approximately 9:10 p.m. No action was reported.

16. Adjourned at: 9:10pm


Veronica Barboza, Secretary

1.19.11
Date Approved