



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
City Council Chambers

February 3, 2009, 7:00 p.m.
275 Main Street, 4th Floor
Watsonville, CA

BOARD MEETING MINUTES

1. Call to Order

2. **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, 275 Main Street, 4th Floor, Watsonville, CA, at 7:07 p.m. by Chair Imazio.

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

Board Members Absent: Dobler

Staff Members Present: Mary Bannister, General Manager (GM)
Veronica Barboza, Administrative Analyst (AA)
Others Present: Anthony Condotti, Agency Counsel

3. Pledge of Allegiance

4. **Election of Board Officers:** GM stated that the Board must annually elect new Board of Director Officers by the first Board meeting of the year. After discussion the following action was taken:

Administration/Finance (Admin) Committee

Members: Dennis Osmer (Chair), Rosemarie Imazio, Mike Dobler

Schedule: 3rd Tuesday of month at 4:00 pm

Location: PVWMA Conference Room

Water Quality and Project Operations Committee

Members: David Cavanaugh (Chair), Warren Koenig, Rosemarie Imazio

Schedule: 3rd Wednesday of month at 3:00 pm

Location: 500 Clearwater Lane, Watsonville, CA

Technical Advisory Committee (TAC)

Members: **Community members; local and state government representatives. No**

Board Members

Schedule: TBA

Location: UCSC Agricultural Extension Building, Watsonville, CA

◆ Motion by Director Kegebein to approve the above 2010 Board committee composition as presented. Motion carried by the following roll call vote:

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

NOES: None

ABSENT: Dobler

ABSTAIN: None

The GM reviewed the current designated representatives to other organizations, and stated that these appointments should either be continued or changed.

Joint Powers Insurance Authority – Dennis Osmer
 Monterey County Farm Bureau - Vacant
 Pajaro River Watershed Flood Prevention Authority – Dennis Osmer
 Santa Cruz County Farm Bureau – Vacant
 Santa Cruz County Zone 7 Flood Control – Dennis Osmer

◆ Motion by Director Kegebein to approve the above 2010 Board Representatives to Other Organizations as agreed upon. Motion carried by the following roll call vote:

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

5. **Oral Communications:** None

6. **Director Comments:** None

7. **Counsel Report:** Counsel Stated that the opposition brief in the Pajaro Sunny Mesa Community Service District case is due this month and is in the process of being finalized.

8. **General Manager Report:** None

9. **Consent Agenda**

A. Receive Cash Flow Projection

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

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

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

A. Consider approval of Audited Financial Statements for Fiscal Year ended June 30, 2009: GM stated that the agency’s auditor, Bartlett, Pringle & Wolf, LLP (BP&W), has completed the audited financial statements for fiscal year 2008-2009. The audit resulted in a clean opinion, revealing that the Agency’s financial statements were presented fairly and were found to be in conformity with generally accepted accounting principles. The audited Financial Statements were presented to the Administrative/Finance Committee at its January 19, 2010 meeting, and the Committee recommended by consensus that the Board approve the statements. At our January 20, 2010 board meeting Stacey Hansen with BP&W presented a summary of the financial statements and answered questions. After discussion, the following action was taken:

Motion by Director Osmer to approve Audited Financial Statements for Fiscal Year ended June 30, 2009 as presented. Motion carried by the following roll call vote:

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

- B. Receive Presentation on draft Proposition 218 Service Charge Report: GM stated that staff and consultants have completed the draft Proposition 218 Service Charge Report as directed by the Board in December 2009. The purpose of this service charge is to evaluate, explain, and substantiate and update and increase of the augmentation charge and delivered water charges and to provide the documentation necessary to meet Proposition 218 and other legal requirements. GM stated that this report is the culmination of an effort begun in 2008 to re-establish rates in compliance with the requirements of the Proposition 218. Based on the recommendation from the Ad Hoc Funding Committee and input from the Board, public, and legal counsel, fees consisting of construction based pump groundwater charges, similar to the existing augmentation charge, and separate delivered water are proposed. GM then turned over this item to Lou Carella of Carollo Engineers for a power point presentation. Director Eiskamp requested to have copies made for the Board and public.

Public Comments:

- Skip Fehr, San Andreas Water Mutual Company – Stated that he does not agree with the delivered water service rates
- Doug McKinney- Stated that the supplemental wells do not supply supplemental water, they are taking groundwater from an area that is already seawater intruded.
- Harold Griffith- Stated that he does not support the Proposition 218 approach
- Tom Amrhein- Does not support the Proposition 218 vote. He also asked what type of service the Agency is providing his private well.
- Andres Martin Does not support the Proposition 218 vote. Also inquired about the Agency's basin modeling

No action was taken, as this was a discussion item only

Consider Removing 52" Import Pipeline from Revised Basin Management Plan Recommended Alternative:

GM reported that one of the principal objectives behind formation of the Agency in the early 1980s was to secure the Pajaro Valley's historic allotment of Central Valley Project water. While importing supplemental water has been and remains an important potential future solution to balancing the groundwater basin, obtaining a community consensus necessary to adequately fund such a project has proved elusive. Given the Agency's present inability to move forward with this project, directors have asked to consider removing the Import Pipeline from the Revised BMP's Recommended Alternative. After discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2010-02, Removing 52" Import Pipeline from Revised Basin Management Plan, as presented. Motion carried by the following roll call vote:

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

11. Future Meetings and Agenda Items

- A. Water User's Meeting-February 5, 2010, 10:00 am -12:00 pm, UC Ag Extension, 1432 Freedom Blvd, Watsonville
- B. Administrative/Finance Committee Meeting-February 16, 2010, PVWMA Conference Room
- C. Board Meeting- February 17, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4th Floor – **(Director Cavanaugh suggested to make this make this Board Meeting into a Workshop Meeting. Board agreed.)**

12. Closed Session – (Item was pulled)

- A. Conference with Real Property Negotiators
Property: APN: 052-581-06
Agency negotiators: General Manager, General Counsel
Negotiating parties: Susan J. Mine-Neddeau
Under negotiation: price and terms of payment

13. Adjourned at 9:07 pm

Veronica Barboza
Veronica Barboza, Secretary

2-17-10
Date Approved