



PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Board of Directors Meeting
June 16, 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 7:07 p.m. by Chair Imazio.

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

Board Members Absent: None

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

3. Pledge of Allegiance

4. Oral Communications: None

5. Director Comments: None

- 6. General Manager Comments:** GM reported that the groundwater model was accepted by the Technical Advisory Committee (TAC) on May 28, 2010 and will be presented to the Board in August.

7. Counsel Report: None

8. Consent Agenda

- A. Approve May 19, 2010 Minutes
- B. Consider time extension of contract with Gutierrez Consultants for Proposition 50 Program Administration

(Director Eiskamp requested that item 8B under Consent Agenda be considered as a separate item.)

GM pointed out that Director Cavanaugh was captured in the May 19th minutes as being in attendance, in which he was absent. Thereafter, the following action was taken:

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

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

NOES: None

ABSENT: None

ABSTAIN: None

GM reported that in December 2008, the Agency executed an agreement with Gutierrez Consultants for continued services associated with the administration of the

grant. The contract term was from January 1, 2009 through June 30, 2010 for a fee not to exceed \$193,936. As of May 31, 2010, approximately \$60,000 has been expended, most of which has been reimbursed by DWR. The reduced expenditures were due in part to the state freeze which delayed a significant amount of grant related work. GM recommended that the Board approve Gutierrez Consultants no-cost contract amendment to extend the term of the agreement through December 2010.

Public Comments:

Joe Pendry stated that he does not support the consideration of approval of this contract.

After Board discussion during which Director Eiskamp stated that the contract should not be extended, the following action was taken:

◆ Motion by Director Koenig to approve time extension of contract with Gutierrez Consultants for Proposition 50 Program Administration as presented. Motion carried by the following roll call vote:

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

9. Discussion and/or Action Items

- A. Consider approval of final Budget for FY 2010-2011: GM stated that the Board accepted the Preliminary Budget for Fiscal Year 2010-2011 on April 21, 2010, and conducted a public hearing on May 19, 2010. She stated that there were no requests for changes to the preliminary budget. Adoption of the final budget is required by the end of this fiscal year, June 30, 2010. GM stated that since the public hearing, additional modifications have been made due to the following: 1) payment of the Pajaro Sunny Mesa Community Service settlement 2) inclusion of AB303 grant proceeds 3) update of the Projected fund balances based on more current financials and, 4) update of the FY 2009-10 comparative column to reflect the FY 2009-2010 budget amendment made in April.

Public Comments: None

After Board discussion, the following action was taken:

◆ Motion by Director Koenig to approve Final Budget for Fiscal Year 2010-2011 as presented. Motion carried by the following roll call vote:

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

- B. Consider Adoption of Proposed Delivered Water Charge Ordinance 2010-01: (Before this item was presented, Directed Dobler recused himself at 7:25 pm). GM stated that proposed rate increases to the delivered water charge and augmentation charge were subject to a public hearing on May 19, 2010. No protests were received against the proposed delivered water charge at that hearing. Ordinance 2010-01 adjusting the water charge (from \$262/acre foot to \$306/acre foot) was not adopted as two (2) directors were not present and two (2) abstained. GM stated that the proposed Ordinance is being brought back for consideration by the Board. After discussion the following action was taken:

◆ Motion by Director Osmer to approve Ordinance 2010-01 Adjusting Delivered Water Charges as presented. Motion carried by the following roll call vote:

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

C. Consider Resolution 2010-05, Calling and Giving Notice of the Holding of an All Mail Ballot Election on Tuesday, August 10, 2010 for the Submission to the Owners of Certain Identified Parcels within the Agency of a Measure Relating to the Increase and Revision to the Augmentation Charge: Counsel stated that in 2008, the Agency initiated an Ad Hoc Funding Committee process in an effort to develop a Proposition 218 compliant rate structure. After nearly two years of the Committee process and input from the Board of Directors, the public, and professional consultants, a recommended rate structure was developed that includes an increased consumption-based groundwater augmentation charge. The augmentation charge is being processed as a property-related service charge in accordance with Proposition 218. Counsel stated that the culmination of this process was the preparation of the Proposition 218 Service Charge Report. The report identifies water user categories, anticipated use amounts, costs of service, allocates the costs to the water users, and proposes a rate increase. The Board approved the report at its March 24, 2010 meeting and directed staff to notice a majority protest hearing for the augmentation charge increase. Counsel stated that a public hearing was held on May 19, 2010; at that time staff presented the report and proposed Ordinance Adjusting Groundwater Augmentation Charges. He stated that at the conclusion of the public hearing, staff tallied the number of written protests received prior to the close of the public hearing, which totaled approximately 290- representing 15% of the parcels subject to the proposed augmentation charge, and far less than 965 that would have been required to constitute a majority. As the number of written protests did not constitute a majority of the identified parcels (i.e., parcels with a well) subject to the charge, the Agency may proceed with the adoption of a resolution calling for a mail-ballot special election for landowner voter approval of the increase. Under the procedures adopted by Resolution 2010-03, the mail-in ballots will be weighted according to the proportional financial obligation of a voter’s parcel. Counsel stated that to ensure the integrity of the process, the Santa Cruz County Elections Department has agreed to serve as the “Elections Official” for purposes of conducting and certifying the election results. Voting will be by a secret ballot in accordance with the provisions of the California Elections Code government general municipal elections. The consulting firm of Martin & Chapman, Co., which serves as elections consultants to over 400 cities, counties and special districts, will prepare the ballot materials and, at the close of the election (at 5:00 p.m. on Tuesday, August 10th), conduct the ballot counting process under the Elections Official’s supervision.

Public Comments:

Joe Pendry inquired as to how the Agency came up with the percentage of water usage for non-metered accounts. He stated that he protests this process.

◆ Motion by Director Osmer to approve 2010-05, Calling and Giving Notice of the Holding of an All Mail Ballot Election on Tuesday, August 10, 2010 for the Submission to the Owners of Certain Identified Parcels within the Agency of a Measure Relating to the Increase and Revision to the Augmentation Charge as presented. Motion carried by the following roll call vote:

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

D. Consider Resolution 2010-06, Certifying Compliance with State law with Respect to the levying of the General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees): GM Sated that each year, a management fee is assessed to each parcel within the Agency’s jurisdiction. This charge is \$18 per residential and \$20 per commercial parcel. This charge has been collected using county tax rolls. GM further stated the Counties collect this type of charge on behalf of the Agency through special levy. To enable this collection, the Agency must prepare listings of the parcel charges and submit them by August 1, 2010, along with a request to place these billings on the tax rolls. After Board discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2010-06, Certifying Compliance with State law with Respect to the levying of the General and Special Taxes, Assessments, and Property-Related Fees and Charges (Management Fees) as presented. Motion carried by the following roll call vote:

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

F. Consider approval of Resolution 2010-07, Ordering an Election Requesting Monterey, San Benito and Santa Cruz County and Requesting Consolidation of the Election: GM reported that the terms of office for Director Koenig, representing Division “A”, and Director Osmer, representing Division “C”, expire in December 2010. She further stated that California Election Code requires that all special districts adopt a resolution and order consolidating with the November general election. Special districts are also required to file maps and elections forms with counties to meet specific deadlines. After discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2010-07, Ordering an Election Requesting Monterey, San Benito and Santa Cruz County and Requesting Consolidation of the Election as presented. Motion carried by the following roll call vote:

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

10. Written Communication/Correspondence: May 2010 correspondences were in included in the board packet.

11. Future Meetings and Agenda Items

- A. Board Committee Reports: GM reported on the May 26, 2010 Water Quality Committee Meeting. GM also reported that there was no quorum for the June 8, 2010 Administrative/Finance Committee Meeting.
- B. Staff Reports
 - 1. Facility Operations Report: GM distributed the Production summary report to the Board.

12. Future Meetings and Agenda Items

- A. Water Quality and Project Operations committee Meeting- June 30, 2010, 3:00-4:00 pm, PVWMA Conference Room
- B. Administrative/Finance Committee Meeting- July 13, 2010, 4:00-5:00 pm, PVWMA Conference Room
- C. Board Meeting- July 21, 2010, 7:00 pm, City of Watsonville, 275 Main Street, 4th Floor

13. Closed Session

A. Public Employment


(Pursuant to Cal. Govt. Code §54957.6)

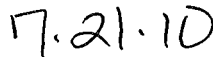
Unrepresented Employee: General Manager

Agency Designated Representatives: General Counsel

The Board recessed to closed session at the conclusion of the open portion of the agenda with Directors Imazio, Koenig, Dobler, Cavanaugh, Eiskamp and Osmer present. General Manager Bannister and General Counsel Condotti were in attendance. The meeting adjourned at approximately 9:00 p.m. No action was reported.

14. Adjourned at: 9:00 pm


Veronica Barboza, Secretary


Date Approved