



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
September 8, 2010, 7:00 pm

“Old” City Council Chambers
250 Main Street
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 7:02 p.m. by Chair Imazio.

Board Members Present: Imazio, Cavanaugh, Eiskamp (7:05 pm), Dobler, Osmer, Koenig

Board Members Absent: None

Staff Members Present: Mary Bannister, General Manager (GM)
Veronica Barboza, Administrative Analyst (AA)
Others Present: Caio Arellano, (Filling in for Agency Counsel)

3. Pledge of Allegiance

4. Oral Communications: None

5. **Director Comments:** Director Dobler commented on the news media articles that were included in the Directors' packets. He expressed his opinion regarding rural residential billing, feels that the Agency should not bill these customers, as they are not part of the “over draft” problem.

6. **General Manager Report:** GM introduced Caio Arellano to the Board who was filling in for General Counsel. She also introduced Dwight Lynn, who will be replacing Director Koenig when his term expires on December 31, 2010.

7. Consent Agenda

- A. Approve August 18, 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, Dobler, Osmer, Koenig

NOES: None

ABSENT: None

ABSTAIN: None

8. Discussion and/or Action Items

- A. Consider approval of Resolution 2010-09 declaring and certifying the results of the augmentation charge election conducted on August 10th, 2010 in accordance with the requirements of California Constitution, Article XIID (Proposition 218): Director Eiskamp recused himself from this item, due to a conflict of interest. GM reported that in late 2007 the Board initiated the Ad Hoc Funding Committee process in an effort to develop a Proposition 218 compliant rate structure. After over two years of

workshops, hearings and community forums and input from the Board of Directors, the public, stakeholders and professional consultants, a recommended rate structure was developed based on proposed increase in the Agency's augmentation charge. GM stated that a majority protest hearing was accordingly noticed and conducted on May 19, 2010. At that time, staff presented the Proposition 218 Service Charge Report and a proposed Ordinance Adjusting Groundwater Augmentation Charges. 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 290 and represented approximately 15% of the parcels subject to the proposed augmentation charge. She stated that in order to constitute a majority so as to defeat the augmentation charge at that stage, a total of 965 protests would have been required. To ensure the integrity of the mail-in ballot process, the Santa Cruz County Elections Department then agreed to oversee the process of conducting and certifying the elections results. Voting was conducted in accordance with the provisions of the California Elections Code. A total of 1,929 ballots were mailed out to owners of parcels subject to the proposed charge in late June. At the close of the elections, a total of 946 ballots were received, of which 933 were counted representing a total weighted vote of 6,787,945 votes, and 13 were disqualified. Of the total weighted vote, 5,050,983 votes were in favor and 1,736,962 were opposed, representing approval of the augmentation charge increase by a margin of approximately 75-25%. Under Ordinance No. 2010-02, the new rate structure will take effect on the first day of the month following the Board's declaration of the election results. Director Osmer suggested that the Board re-visit the sunset provision of Ordinance 2010-02 at the next meeting. After Board discussion, the following action was taken:

◆ Motion by Director Osmer to approve Resolution 2010-09 declaring and certifying the results of the augmentation charge election conducted on August 10th, 2010 in accordance with the requirements of California Constitution, Article XIII D (Proposition 218) as presented. Motion carried by the following roll call vote:

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

- B. Identification and prioritization of Agency work elements and planning and project objectives: GM went over the ongoing work elements and new work elements. She reported that with the successful election in August, the Agency can now move forward with a focus on fulfilling its mission and doing so efficiently and effectively. The new rates go into effect in October and will first be billed in January 2011. She stated that immediate efforts are needed to restore administrative and financial management capacity necessary to move forward with the Agency work that has been suspended for some time due to our precarious situation. GM stated that in order to assess capacity building needs, it is necessary first that the goals and priorities of the Board are considered as well as reasonable timelines for accomplishment. Director Koenig suggested that the Board starting working on updating the Basin Management Plan (BMP) and have staff prepare RFPs (Request for Proposals) for selection of a consulting group. The Board discussed and generally concurred with the steps and approach outlined by the GM. The Board agreed to move the September 22, 2010 meeting to October 6, 2010.

Public Comments: Joe Pendry was happy to hear that the Agency is planning to bring back water conservation program.

Eder Tostado stated that he works for Cypress Coast Irrigation and a lot of "big" companies are starting to take control of their water usage, many of them are now using flow meters and drip irrigation. He fully supports a conservation program.

Rich Persoff stated that in his opinion "water is dirt cheap", farmers use up to the last increment of water.

9. Written Communication/Correspondence: The August 2010 correspondences were included in the board packet.

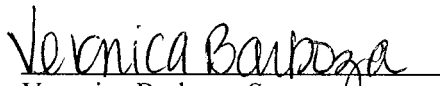
10. Future Meetings and Agenda Items

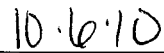
- A. Board Committee Reports: None to report
- B. Staff Reports
 - 1. Facility Operations Report: GM reported that staff has delivered 2200 a/f of water, of that, 1500 a/f is recycled water.

11. Future Meetings and Agenda Items

- A. Administrative/Finance Committee Meeting- September 14, 2010, 4:00-5:00 pm, PVWMA Conference Room
- B. Board Meeting- September 22, 2010, 7:00 pm, City of Watsonville, 275 Main Street, 4th Floor (**The Board agreed to move this meeting to October 6, 2010**)
- C. Board Meeting- October 20, 2010, 7:00 pm, City of Watsonville, 275 Main Street, 4th Floor

12. Adjourned at: 8:23pm


Veronica Barboza, Secretary


Date Approved