



PAJARO VALLEY WATER MANAGEMENT AGENCY

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Board of Directors Meeting
City Council Chambers

November 4, 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 7:02 p.m. by Chair Osmer.

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

Board Members Absent: None

Staff Members Present: Mary Bannister, General Manager (GM)
Veronica Barboza, Administrative Analyst (AA)
Others Present: Richard Shanahan, Proposition 218 Special Counsel

3. Pledge of Allegiance

4. Oral Communications: None

5. **Director Comments:** Director Kegebein commented on the recent article in the Register-Pajaronian's "Letter to the to the Editor"

6. Discussion and/or Action Items

A. Consider authorizing staff to proceed with development of Revised Ground Water Augmentation Charge and Delivered Water Charge as recommended by the Ad Hoc Funding Committee; Consider Approval of Contract with Carollo Engineers for \$90,296 for Phase 2 of Proposition 218 Engineers Report Development and Approval of Engagement with Bartkiewicz, Kronick & Shanahan for Counsel Services: GM stated that the Board had received a presentation on the Ad Hoc Funding Committee (AHFC) recommendation for a funding approach at its October 28, 2009 Board Meeting. At that meeting staff summarized the AHFC's analysis and provided its recommendation on how to proceed with a Proposition 218 Compliant approach to rate-re-establishment, including a summary of:

- Decisions/recommendations made by the AHFC to form funding alternatives;
- Funding alternatives and comparison of alternatives against AHFC objectives;
- Recommended strategy for proceeding with Proposition 218 funding process; and
- A detailed schedule depicting the milestones and activities needed to have a new rate implemented by June 2010 (**Attachment 1**).

GM then introduced Special Counsel Richard Shanahan of Bartkiewicz, Kronick & Shanahan who gave a presentation on the legal framework of a Proposition 218 funding process. After additional Director discussion, the Chair opened the floor for public comments.

Dale Huss requested that in his absence, his letter to the GM dated November 3, 2009 be made part of the record. (attached)

Harold Griffith stated that he does supports a Proposition 218 Compliant approach.

John Ricker, Santa Cruz County Water Resources Division, briefly explained the “what if the Agency would be dissolved” issue and stated that the City of Watsonville would most likely be its successor.

Tom AmRhein inquired what type of services the Agency is providing. He said don’t be shocked at the enormous cost of an adjudication, because the Agency has collected a lot of money and we have gotten nothing for it. Nothing has been done to improve the water on his property. Recycled Water is not new water, and conservation was taken off the table last week.

Marc DelPiero, representing Pajro Sunny Mesa Community Service District (PSMCSD), delivered copies if the Appellant’s opening briefs for the PSMCSD lawsuit appeal.

The Chair then closed public comments.

Director Kegebein moved to treat item 6A as separate items for ease of discussion and voting.

Marc DelPiero, as a rate payer, stated that he had an issue with the lack of bid process and contract.

◆ Motion by Director Kegebein to approve contract with Carollo Engineers for \$90, 296 Phase 2 of Proposition 218 Engineers Report Development as presented. Motion carried by the following roll call vote:

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

Next, the Board considered approval of agreement of Bartkiewicz, Kronick & Shanahan for Special Counsel Services. After discussion, the following action was taken:

◆ Motion by Director Kegebein to approve engagement of Bartkiewicz, Kronick & Shanahan for Special Counsel Services as presented. Motion carried by the following roll call vote:

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

B. Consider 30-day extension of “Past Due Grace Period” referenced in the September 2009 billing until November 30, 2009: GM stated that at its September 16, 2009 meeting, the Board approved Resolution 2009-09 amending policies and procedures for collection of delinquent augmentation charges. The resolution specifies a 30-day grace period from the date that the past due notices is sent, after which interest will accrue at the range of 1-1/2 percent per month. GM further stated that a notice was sent out with the September 2009 billing, informing customers with past due accounts that account would have to be brought current within the 30-day grace period after which interest would accrue. The notice went on to say that account holders who disputed the correctness of a bill were required to prior to the end of the grace period submit a form to be provided by the Agency, along with documentary evidence for Agency consideration. GM stated that the specified “Request for Review of Bill” form was not available to the public until October 19, 2009. Staff recommended an extension of the Grace Period to November 30, 2009. After discussion, the following action was taken:

◆ Motion by Director Imazio to approve 30-day extension of “Past Due Grace Period” referenced in the September 2009 Billing until November 30, 2009 as presented. Motion carried by the following roll call vote:

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

7. Future Meetings and Agenda Items

- A. Ribbon Cutting Ceremony-Watsonville Area Recycling Facility-November 12, 2009, 10:30 am, City of Watsonville Treatment Facility, 500 Clearwater Lane, Watsonville (*Please note: New Entrance to Treatment Facility*)
- B. Water Quality and Project Operations Committee – November 18, 2009, 3:00 pm, (*please note new start time*) City of Watsonville Wastewater Treatment Facility, 500 Clearwater Lane, Watsonville (*Please note: New Entrance to Treatment Facility*)
- C. Board Meeting-November 18, 2009, 7:00 pm, “New” City of Watsonville Council Chambers, 275 Main Street, 4th Floor

8. Adjourned at : 9:01 pm

Veronica Barboza
 Veronica Barboza, Secretary

11.18.09
 Date Approved