



PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076

TEL: (831) 722-9292 • FAX: (831) 722-3139

email: info@pvwma.dst.ca.us • http://www.pvwma.dst.ca.us

Board of Directors Meeting
City Council Chambers

September 16, 2009 7:00 p.m.
275 Main Street 4th Floor
Watsonville, CA

MEETING MINUTES

1., 2, 3. 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 7:06 p.m. by Chair Dennis Osmer.

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

Board Members Absent: Imazio

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

4. **Oral Communications.** Joe Pendry stated that he was pleased to hear that the Agency had put out a bid for the Prop 218 Engineering Study.
5. **Director Comments.** Director Dobler encouraged the public to participate in the Prop 218 Compliant Rate Re-Establishment effort.
6. **Counsel Report.** Nothing to report.
7. **General Manager Report.** Nothing to report.
8. **Consent Agenda**
 - A. Approve August 26, 2009 Minutes
 - B. Approve Financial Reports for August 2009
 - C. Approve Disbursement Ledger for August 2009

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

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

9. Discussion and/or Action Items

- Receive Presentation from Lonnie Odom with Stinson Securities, LLC, regarding refunding of the 1999 Certificate of Participation: GM Suggested to pull this item from the Agenda, the Board agreed.

- Receive Grant and Loan Update: GM updated the Board on the following grant reimbursements:
 - \$8.4 M **Proposition 50** grant reimbursement package submitted to DWR. Package includes \$380,000 in PVWMA reimbursements and \$6.1 M in Recycled Water Treatment Facility reimbursements. All invoices have been reviewed and approved. Final approval of the entire package is expected by 9/18/09. Payment expected by the end of November. City of Watsonville will reimburse PVWMA for the \$1.7 M July debt service payment when they receive grant reimbursement.
 - \$310,000 **Proposition 50** grant reimbursement package submitted to DWR. All reimbursements are for CDS. DWR has not completed their review of the package yet.
 - \$183,000 **Proposition 13** reimbursement check should be cut soon (within 30 days); all reimbursements are for CDS.
 - \$147,000 **Proposition 13** reimbursement package submitted to DWR. All reimbursements are for CDS. DWR has not completed their review of the package yet.
- Consider Contract with Carollo Engineers for Phase 1 of Proposition Study in the amount of \$60,818: GM stated that the Ad Hoc Funding Committee has been meeting since late 2008 to develop and select a Proposition 218 compliant funding alternative for Board consideration. She further stated that an engineer's report detailing the service provided and benefit received will be needed to be compliant with Proposition 218. Preliminary engineering (phase 1) services that will be required to support the Proposition 218 process include:
 - Evaluation of the Agency's projects and budgets
 - Assessments of the benefits and beneficiaries of the Agency's projects and operations; and
 - Analysis of potential funding alternatives, including the recommended alternatives currently being developed by the Ad Hoc Funding Committee

GM further stated that requests for qualifications were solicited from the following three engineering firms in February 2009: **RMC Water and Environment, Boyle Engineering, and Carollo Engineers**. Both RMC Water and Environment and Carollo Engineers submitted proposals. She pointed out that Carollo Engineers (Carollo) was identified as most responsive and was invited to interview with two members of the Ad Hoc Funding Committee, Agency Staff, and General Counsel. Following the interview, Carollo Engineers was selected as the engineering firm to be recommended for board approval. After discussion, the following action was taken:

◆ Motion by Director Koenig to approve Contract with Carollo Engineers for Phase 1 of Proposition 218 Study in an amount of \$60,818 as presented. Motion carried by the following roll call vote:

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

Consider approval of Resolution 2009-09 Amending Policies and Procedures for the Collection of Delinquent Accounts: Counsel stated that the Agency has not been active with collections for 2yrs; as a result it has affected the Agency's cash flow. Counsel further stated that on April of 2005 the Board of Directors adopted Resolution 2005-04 amending the process for collection of delinquent augmentation charges. While that amendment significantly simplified the collection process from what had been in place previously, given

current staffing levels and the number of delinquent accounts the process is still too cumbersome to be administered effectively. He said that the current process provides for a past due notice to be sent to all accounts that have not been paid within 30 days. The past due notice also constitutes notice of hearing before the General Manager that must take place between 15 and 30 days from the date of the notice, then the Agency may commence legal action. The decision is final, with no further right to appeal. Counsel stated that under the proposed amendment, the collection process would still be initiated by the Agency sending a past due notice. However, rather than conducting a formal administrative hearing in each case, under the proposed amendment the notice of delinquency will become final and the Agency will be able to initiate a collection action after thirty (30) days, unless the account holder requests an administrative review of the bill by submitting a written request detailing the basis for disputing the bill amount. After an initial determination is made by the Agency, an account holder who is still dissatisfied with the determination may request a hearing before General Manager or her designee. The decision of the General Manager, or his or her designee, shall be final. Director Osmer then opened for public comments.

Public Comments:

- Skip Feher suggested that if a customer is disputing a bill, they should be able to speak to the General Manager directly, rather than “his or her designee”.
- Joe Espinola, Pajaro Sunny Mesa Community Services District, stated that moving forward with a Proposition 218 and resuming collections is not the way to approach the public.

After further discussion, the following action was taken:

◆ Motion by Director Dobler to approve Resolution 2009-09 Amending Policies and Procedures for the Collection of Delinquent Accounts as written in the Policy. Motion withdrawn by Director Dobler

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

◆ Motion by Director Dobler to approve Resolution 2009-09 Amending Policies and Procedures for the Collection of Delinquent Accounts as stated by Counsel, Amending: Section 5B- add “days” to 15; Section 5E- delete “his/her designee”. Motion carried by the following roll call vote:

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

Consider ACWA Region 5 Board Ballot of Officers and Board Members; GM stated that ballots for ACWA region 5 Officers and Board Members are due by September 30, 2009. The offices are Chair, Vice Chair, and five board members for the 2010-2011 term. It is required that our Board President sign the ballot.

- ◆ Motion by Director Dobler to approve the ACWA Region 5 Board Ballot of Officers and Board Members as presented. Motion carried by the following roll call vote:

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

10. Reports/Informational Presentations

A. Board Committee Reports

1. Report on Ad Hoc Funding Committee Meeting. Director Kegebein commented on the August 31st meeting and stated AHFC materials were included in the Board meeting packet. He mentioned the next meeting was set forth for September 21, 2009, with a new start time of 3:00 pm, same location.
2. Report on Administrative/Finance Committee Meeting. Chair Osmer reported that this committee had met on September 15, 2009 and details of the meeting had already been reported out during discussion of this evening's other agenda items.
3. Report on Water Quality & Project Operations Committee Meeting. The GM indicated that she did not have a report inasmuch as the committee had not met since the last Board meeting. The committee will meet on September 30, 2009

B. Staff Reports

1. Facility Operations Report. The GM stated that she would email the Facility Operations Report to the Directors this week.

11. Written Communication/Correspondence. The Chron letters for August and September were included in the Board Packet.

12. Future Meetings and Agenda Items

- A. Ad Hoc Funding Committee- September 21, 2009, 4:00 pm, PVWMA Conference Room
- B. Water Quality & Project Operations Committee – September 30, 2009, 2:00 pm, City of Watsonville Wastewater Treatment Plant
- C. ACWA Region 5 Networking Reception & Meeting, Thursday & Friday, October 1,2, Walnut Creek
- D. Administrative/Finance Committee – October 20, 2009, 4:00 pm, PVWMA Conference Room
- E. Board Meeting – October 21, 2009, 7:00 pm, “New” City of Watsonville Council Chambers, 275 Main St, 4th Floor

13. Closed Session

- A. Conference with Legal Counsel – Anticipated Litigation - initiation of litigation pursuant to Government Code Section 54956.9(c): (1 potential case)
- B. Conference with Legal Counsel – Pending Litigation
Pursuant to Government Code Section 54956.9(a):
Name of Case: Pajaro Sunny Mesa CSD, et al., v. PVWMA (SCSC Case No. CV 159506)

The Board adjourned to closed session at approximately 8:15 p.m. Directors Osmer, Kegebein, Koenig, Dobler and Eiskamp present. General Manager Bannister and General Counsel Condotti were in attendance. Director Eiskamp left the closed session after discussion of Item A concluded at approximately 8:30 p.m. The meeting adjourned at approximately 8:40 p.m. No members of the public were present and no action was reported.

14. Adjourned at 8:40 p.m.


Veronica Barboza, Secretary

10.28.09
Date Approved