



JOHN A. FANTHAM
DIRECTOR OF PUBLIC WORKS

County of Santa Cruz

0245

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

AGENDA: NOVEMBER 9, 1999

November 3, 1999

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street
Santa Cruz, California 95060

SUBJECT: **PAJARO RIVER FOUR-COUNTY BASIN STUDY**

Members of the Board:

On October 10, 1999, Governor Davis signed into law Assembly Bill 807 (AB 807), which was introduced by Assemblymember Keeley. As indicated in our September 21, 1999, report to the Board of Directors of the Santa Cruz County Flood Control and Water Conservation District - Zone 7 (Exhibit A), the final version of the legislation (included in Exhibit B) contained a termination clause which provides that if a Memorandum of Understanding (MOU) between the eight agencies is approved before December 31, 1999, and a Pajaro River Watershed Joint Powers Agency (PRWJPA) agreement is executed before June 30, 2000, then AB 807 will not take effect, AB 807 stipulates that the MOU must provide "for the identification, evaluation, funding and implementation of flood prevention and control strategies in the Pajaro River Watershed on an intergovernmental cooperative basis."

BACKGROUND

Since enactment of the legislation, the Santa Clara Valley Water District (SCVWD) has initiated a number of staff-level interagency meetings to invoke the termination provisions. In conjunction with these meetings, the SCVWD drafted a proposed MOU, which basically stated that the eight agencies identified in AB 807 agreed to work cooperatively toward a PRWJPA.

DRAFT MOU

In response, the Department of Public Works, working with County Counsel and the County Administrative Office, has drafted a short, but more comprehensive, draft MOU (Exhibit C) protecting our County's interests. Our draft MOU was developed from the premise that AB 807 is now law. Unless downstream agencies gain something beyond the provisions of the legislation, there is no reason to spend scarce staff resources developing a PRWJPA to duplicate the provisions of AB 807. Our draft MOU contains three key elements:

- a funding mechanism based on impervious area
- a public process for expeditiously **drafting** a PRWJPA agreement
- inclusion of all provisions of **AB** 807 by reference

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FUNDING MECHANISM

The main purpose of the PRWJPA should be to manage the Pajaro River watershed in a manner which minimizes the potential for downstream flooding and to fund local share costs of the Army Corps Pajaro River Flood Control Project to provide high-level flood protection to the City of Watsonville and surrounding areas. The key provision excluded from **AB** 807, which should be included in any MOU and PRWJPA agreement, is a **funding** mechanism for these local share costs which does not require voter approval in upstream counties. The proposed impervious area fee approach would address this need. Staff recommends that this funding approach be specified in the MOU, because if the upstream counties cannot agree to a **funding** provision now, we believe it unlikely that they will agree to it later as part of the PRWJPA agreement. **AB** 807 already addresses basin management issues.

PRWJPA AGREEMENT PROCESS

The draft MOU also establishes a process for convening a committee of elected officials in public meetings to oversee the **drafting** of a PRWJPA agreement. Staff believes it is important to include the process in the MOU to ensure an expeditious public process for **drafting** the agreement prior to the June 30, 2000, deadline.

It is important to note that some upstream agencies have already indicated a desire to request the legislature to amend the deadline for the PRWJPA to allow more time to invoke the termination clause. Staff believes this is not in the best interest of Santa Cruz County in seeking a timely solution to the flooding problems plaguing our County. Under current time lines of the Army Corps, local match funds will need to be committed in approximately two years. Unless the **four-**County process moves along expeditiously, it is possible that a lack of local funds could delay the implementation of the flood control project.

OTHER ISSUES

In addition to the provisions identified above, the draft MOU would open the door to participation by cities in the Pajaro River Watershed, as long as equal numbers of representatives from each geographic county are ultimately on the PRWJPA Board. Several cities including **Gilroy** and Morgan Hill have indicated a desire to participate. One advantage of city participation is that much of the current development in upstream counties occurs in the incorporated cities.

The draft MOU has been shared with staff of the other eight agencies and the cities within the watershed, including the City of Watsonville. If it appears that agreement will be reached on an MOU, a special meeting of Zone 7 will be called for December 7, 1999, in accordance with the Zone 7 Rules and Regulations, to facilitate consideration of the MOU prior to the December 31, 1999, deadline imposed by **AB** 807.

CONCLUSION

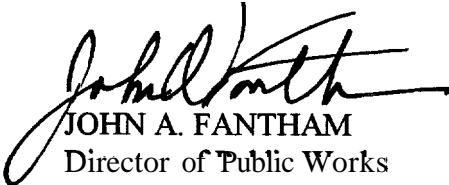
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In conclusion, staff believes that if the funding and process provisions included in the attached MOU are agreed to by the eight agencies, it would be in the County's interest to move forward by adopting an MOU. Otherwise, we believe it would be better to let the legislation take effect. Currently it is anticipated that at least one more staff level meeting will be held on November 10, 1999, in Watsonville to discuss AB 807 and a possible MOU. A public meeting of elected officials **from** the various agencies to discuss these same issues is tentatively scheduled for the week of November 15, 1999, in Watsonville. The public meeting will be a noticed interagency workshop.

It is therefore recommended that the Board of Supervisors take the following action:

1. Accept and file this report on the Pajaro River Four-County Basin Study.
2. Endorse the attached MOU in concept as a basis for negotiations with the other agencies identified in AB 807.
3. Direct staff to coordinate with the City of Watsonville to include its concerns in the discussions.
4. Authorize 4th District Supervisor Tony Campos to act as your Board's liaison in policy level meetings with other agencies.
5. Direct staff to continue participating in discussions with other agencies and to report back on December 7, 1999.

Yours truly, ,


JOHN A. FANTHAM
Director of Public Works

PCR:mg

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Public Works
City of Watsonville
Zone 7 Board of Directors
County Counsel

MOUM

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JOHN A. FANTHAM
DISTRICT ENGINEER

County of Santa Cruz

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FLOOD CONTROL AND WATER CONSERVATION DISTRICT - ZONE 7

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

AGENDA: SEPTEMBER 21, 1999

September 7, 1999

BOARD OF DIRECTORS-ZONE 7
SANTA CRUZ COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: PAJARO RIVER FOUR-COUNTY BASIN STUDY

Members of the Board:

On June 17, 1999, your Board received the last status report (Attachment I) on efforts to work cooperatively with Santa Clara, San Benito, and Monterey Counties to address flood control problems in the Pajaro River Basin. Your Board directed that another status report be presented today.

Since the last report, Assembly Bill 807 (AB 807), introduced by Assemblymember Fred Keeley, has cleared the full Assembly and the Senate Committee on Agriculture and Water Resources. Representatives from Santa Cruz and Monterey Counties have coordinated with Assemblymember Keeley and have testified in support of AB 807 at several hearings over the past few months. The Bill is now slated for consideration by the full Senate and ultimately the Governor.

AB 807 was amended in Committee in August 1999 to include a termination provision, which stipulates that it will become inoperative and will be automatically repealed if the four counties voluntarily act to implement certain requirements. It was amended again in early September 1999 to eliminate the City of Watsonville from the proposed Joint Powers Agency (JPA). At this time, AB 807 will terminate if a memorandum of understanding, meeting the provisions of the Bill, is entered into by the four counties before December 31, 1999, and a JPA is formed prior to June 30, 2000. If enacted, the Bill now calls for a APA with an eight-member board. A copy of the amended AB 807 and the report to the Senate Committee which details the positions of the four counties and other affected agencies are included as Attachments II and III. Santa Cruz County, the City of Watsonville, Monterey County, and the Monterey County Water Resources Agency have all adopted resolutions of support for earlier versions of the legislation. -Santa Clara County, San Benito County, and various agencies within these counties have taken positions opposing AB 807.

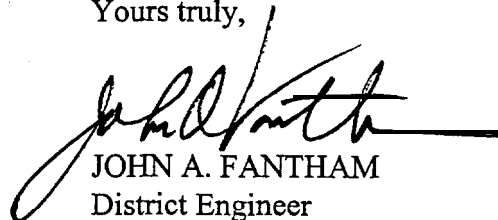
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Staff will continue working with Assemblymember Keeley and his staff in support of AB 807. In addition, we continue to be available to work with neighboring counties to pursue drafting of a memorandum of understanding and a JPA agreement for consideration by your Board and the other jurisdictions in conformance with the provisions of the legislation.

It is therefore recommended that the Board of Supervisors take the following action:

1. Accept and file this report.
2. Authorize the Chairperson of the Board to write to Governor Gray Davis in support of AB 807.
3. Direct that a further status report be presented on January 25, 2000.

Yours truly,



JOHN A. FANTHAM
District Engineer

PCR:mg

Attachments

RECOMMENDED FOR APPROVAL:

County Administrative Officer

copy to: Zone 7 Board of Directors
Congress Member Sam Farr
Assemblymember Fred Keeley
Assemblymember Peter Frusetta
Carlos J. Palacios, Watsonville City Manager
Watsonville Public Works Department
Santa Clara County Public Works
San Benito County Public Works
Monterey County Public Works
Monterey County Water Resources Agency
Public Works

BILL NUMBER: AB 807 CHAPTERED
BILL TEXT

CHAPTER 963
FILED WITH SECRETARY OF STATE OCTOBER 10, 1999
APPROVED BY GOVERNOR OCTOBER 10, 1999
PASSED THE SENATE SEPTEMBER 9, 1999
PASSED THE ASSEMBLY SEPTEMBER 9, 1999
AMENDED IN SENATE SEPTEMBER 7, 1999
AMENDED IN SENATE SEPTEMBER 3, 1999
AMENDED IN SENATE AUGUST 25, 1999
AMENDED IN SENATE AUGUST 18, 1999
AMENDED IN SENATE JULY 8, 1999
AMENDED IN ASSEMBLY APRIL 6, 1999

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INTRODUCED BY Assembly Member Keeley

FEBRUARY 24, 1999

An act relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 807, Keeley. Pajaro River Watershed Flood Prevention Authority.

(1) Existing law authorizes specified entities to provide flood control benefits.

This bill would enact the Pajaro River Watershed Flood Prevention Authority Act, which would grant specified powers to the Pajaro River Watershed Flood Prevention Authority, as created under the act. The bill would designate the boards of supervisors of certain counties and the boards of directors of certain local districts as "appointing authorities." The bill would require the appointing authorities to appoint members to the board of the authority, thereby imposing a state-mandated local program on those specified local boards. The bill would specify boundaries, purposes, and governance of the authority. The bill would authorize the authority to undertake flood prevention and control projects within the boundaries of the Pajaro River Watershed, as prescribed. The bill would authorize the authority to levy and collect assessments and special taxes and to sell bonds in accordance with prescribed procedures. The bill would define terms and prescribe related matters.

The provisions of the bill would become inoperative on July 1, 2000, and would be repealed on January 1, 2001, upon the occurrence of certain specified events.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The Pajaro River Watershed consists of more than 1,400 square miles of land. Much of the watershed is prime agricultural and rangeland, providing a strong base for the region's economy. Much of the land within the watershed provides housing, employment, recreation, and education opportunities for central coast residents

owner within the district to determine the annual amount that he or she would have to pay.

604. When the report is filed with the authority, the board may at a public meeting, tentatively approve the report and schedule a hearing on it not earlier than 30 days and not later than 90 days after the date on which the report is tentatively approved. The hearing may be continued for a period not to exceed six months. Notice of the hearing shall be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation in the area proposed to be assessed, and the first publication shall occur not later than 20 days before the date of the hearing. The notice to be published shall be entitled "Notice of Flood Prevention Assessment Hearing" and shall include all of the following:

(a) The time and place of the hearing on the proposed assessments and bonds.

(b) A general description of the proposed project and the area proposed to be assessed.

(c) A statement that the authority is considering levying annual assessments on lots or parcels of property within the area of the proposed zone to pay for the project.

(d) A statement, if applicable, that the authority is considering issuing bonds to finance the local share of the cost of the proposed project.

(e) The name and telephone number of an employee of the authority from whom a copy of the report can be obtained and who can answer questions concerning the project and the hearing. The authority may charge the reasonable costs of reproduction for copies of the report, and shall make copies available for free public inspection at one or more public places within the area proposed to be assessed.

606. Upon approval in accordance with Articles XIIIIC and XIIID of the California Constitution, and if the board determines to proceed with the levy and collection of assessments and, if applicable, the sale of bonds, it shall adopt a resolution confirming the report, as modified, and ordering the levy of the assessments and, if applicable, the sale of bonds.

607. (a) Upon adopting a resolution pursuant to Section 606, the authority shall record a notice of assessment whereupon the assessment shall attach as a lien on the property assessed.

(b) From the date of the recordation of the notice of assessment, each special assessment levied under this chapter is a lien on the land on which it is levied. This lien is paramount to all other liens, except prior assessments and taxation. Unless sooner discharged, the lien continues for 10 years from the date of the recordation or, if bonds are issued to represent the assessment, until four years after the date on which the last installment on the bonds or the last principal coupon attached to the bonds is due. All persons have constructive notice of this lien from the date of the recordation.

Article 2. Levy and Collection of Assessments

701. The validity of any assessment levied or bond issued under this chapter shall not be contested in any action or proceeding unless the action or proceeding is commenced within 60 days after the assessment is levied pursuant to Section 606. Any appeal from a final judgment in such an action or proceeding shall be perfected within 30 days after the entry of judgment.

702. An action to determine the validity of any assessment or bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. In any such action, all findings of fact or conclusions of the board upon all matters shall be conclusive unless the action was instituted within 30 days after the findings or conclusions were made.

703. After one or more zones have been created by the authority

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for the purpose of imposing assessments pursuant to this chapter, the board may, by resolution, provide for the levy of the assessments using the method for apportioning the assessment and for setting the rate of the assessment as set out in the report confirmed pursuant to Section 606. The clerk of the authority shall file a list of all parcels subject to assessments levied pursuant to this chapter and the amount of the assessment or assessments levied against each parcel, with the county auditor on or before August 10 of each tax year. The assessments shall be collected in the same manner as ordinary property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ad valorem taxes.

704. (a) In the event of nonpayment of any assessment levied pursuant to this chapter, and not later than four years after the due date of the last installment of principal, as a cumulative remedy, the amount when due and delinquent may, by order of the board, be collected pursuant to an action brought in the superior court to foreclose the lien.

(b) The lien of an assessment levied pursuant to this chapter on tax-deeded land may be foreclosed in the same manner as the foreclosure of other real property. The action shall be brought in the name of the authority.

(c) The costs of the action shall be fixed and allowed by the court and shall include reasonable attorney's fees, interest, penalties, and other charges and advances as provided by this chapter. The costs shall be included in the judgment. The amount of penalties, costs, and interest due shall be calculated up to the date of judgment.

(d) The court may adjudge and decree a lien against the lot or parcel of land covered by the assessment for the amount of the judgment and may order the premises to be sold on execution as in the sale of other real estate by the process of the court, with the same rights of redemption.

(e) The board may, by resolution adopted prior to the issuance of bonds, covenant for the benefit of bondholders to commence and diligently prosecute to completion any foreclosure action regarding delinquent installments of any assessments or reassessments that secure the bonds that are to be issued, or to employ a trustee to do so on behalf of the bondholders.

Article 3. Bonds

801. The board may sell bonds or notes of the authority to finance projects as set out in the report confirmed pursuant to Section 606. The board shall authorize the issuance of bonds by adoption of a resolution which provides for all of the following:

(a) The denominations, form, and registration provisions of the bonds.

(b) The manner of execution of the sale of the bonds.

(c) The par amount of the bonds to be sold.

(d) The appointment of one or more banks or trust companies within the state having the necessary trust powers as trustee, fiscal agent, paying agent, or bond registrar.

(e) The execution of a document or indenture securing the bonds.

(f) The pledge or assignment of the designated assessment revenues to the repayment of the bonds.

(g) The interest rate to be borne by the bonds.

(h) Any other terms and conditions determined to be necessary by the board.

802. The bonds shall be signed by the chairperson of the board, and countersigned by the trustee. The bonds may be authenticated by a paying agent selected by the board, and the signatures of the chairperson and trustee may be facsimile signatures. If any officer whose signature appears on the bonds ceases to be an officer at any time, the signature shall nevertheless be valid and sufficient for

all purposes.

803. The board may sell bonds pursuant to this chapter at public or private sale at not less than 95 percent of par value. The proceeds of the sale of the bonds shall be placed on deposit with the trustee to the credit of the authority and the issuing assessment district, and the proper records of the transaction shall be placed upon the books of the authority. The bond proceeds shall be used exclusively to finance or refinance projects

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and to pay incidental expenses pursuant to the report confirmed pursuant to Section 606.

804. The board may include in the aggregate principal amount of the bonds to be issued an amount for a reserve fund for the payment of the bonds. The amount to be included for the reserve fund shall not exceed the amount permitted by law. The reserve fund and all interest earned on it shall either be used for the payment of debt service on the bonds, if there is a deficiency, and then only to the extent of the deficiency, or the funds may be transferred to the redemption fund for the bonds for advance or final retirement of the bonds. Notwithstanding any provision of this section, the amount and disposition of the reserve fund may conform to the provisions of the Internal Revenue Code or the regulations of the United States Department of the Treasury.

805. Any bonds or notes issued pursuant to this chapter may be refunded when and to the extent necessary as determined by the board.

PART 4. TERMINATION

Article 1. Repeal

901. If all of the following events occur, as described below, this act shall become inoperative on July 1, 2000, and, as of January 1, 2001, is repealed, unless a later enacted statute that is enacted before January 1, 2001, deletes or extends the dates on which it becomes inoperative and is repealed:

(a) The entities described in Section 301 attend regularly scheduled meetings for the purposes of subdivisions (b) and (c).

(b) Both of the following occur on or before December 31, 1999:

(1) All entities described in Section 301 enter into a memorandum of understanding that provides for the identification, evaluation, funding, and implementation of flood prevention and control strategies in the Pajaro River Watershed on an intergovernmental, cooperative basis.

(2) The memorandum described in paragraph (1) is submitted to the Chief Clerk of the Assembly and the Secretary of the Senate.

(c) On or before June 30, 2000, both of the following occur:

(1) A joint powers agency is formed as authorized under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, pursuant to a joint powers agreement entered into by all entities described in Section 301, for the purpose of accomplishing the objectives listed in paragraph (1) of subdivision (a).

(2) Evidence of the formation of a joint powers agency pursuant to paragraph (1) is submitted to the Chief Clerk of the Assembly and the Secretary of the Senate.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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MEMORANDUM OF UNDERSTANDING
to guide creation of a
PAJARO RIVER WATERSHED JOINT POWERS AUTHORITY

This agreement is entered into this ____ day of December, 1999 by and among the County of Santa Clara, County of San Benito, County of Monterey, County of Santa Cruz, the Santa Clara Valley Water District, the San Benito County Water District, the Monterey County Water Resources Agency, and the Santa Cruz County Flood Control and Water Conservation District Zone 7 (hereinafter referred to as "Parties") to formalize a process for establishing a Pajaro River Watershed Joint Powers Authority (PRWJPA) with purpose, goals and powers as stated herein.

WITNESSETH:

Whereas, the Pajaro River Project was authorized for study by the federal government in Section 6 of the Flood Control Act approved June 22, 1936 and Section 5 of the Flood Control Act approved August 28, 1937;

Whereas, the Pajaro River Project was authorized for construction by the Flood Control Act approved December 22, 1944 (Public Law No. 534-78) and for modification by the Flood Control Act of 1966;

Whereas, in support of the Pajaro River Project, in 1947 the counties of Santa Clara, Santa Cruz and San Benito and the Monterey County Flood Control and Water Conservation District passed resolutions to: 1) provide all lands, easements and rights-of-way necessary for construction of the project; 2) make at their expense all necessary changes to utilities and highway and railway bridges; 3) hold and save the United States free from damages resulting from the project; and 4) maintain and operate all works in accordance with the operations manual;

Whereas, the Parties are each legally empowered to plan, develop, maintain and provide facilities for the control of flood waters; and

Whereas, the Parties desire to plan for the control of flood waters within the Pajaro River Watershed and to participate in a coordinated regional effort to provide and maintain facilities and work to ensure a reasonable and prudent level of flood protection in the Pajaro River Basin; and

Whereas, the Parties desire to accomplish the purposes set forth herein by jointly exercising their common powers in the manner set forth in this agreement.

NOW, THEREFORE, the Parties, for and in consideration of the mutual benefits, promises and agreements set forth herein, agree as follows:

Section 1. Purpose

This Memorandum of Understanding (MOU) is established in response to and in compliance with Assembly Bill 807 (AB807) enacted on October 10, 1999, and incorporated herein by reference. This MOU sets forth a process for developing an agreement establishing a Pajaro River Watershed Joint Powers Authority to provide coordinated regional flood control planning, protection and funding as provided herein. In addition, this MOU establishes the basic minimum powers, goals and financing provisions to be incorporated into the agreement establishing the PRWJPA. The purpose of the PRWJPA shall be flood control management within the Pajaro River Watershed Basin including identifying, designing and funding solutions to flooding problems in the vicinity of the City of Watsonville and the town of Pajaro.

Section 2. Definitions

All definitions shall be consistent with those set forth in AB807.

Section 3. Proposed PRWJPA Formation Process

The Agencies hereby agree to the following process for preparing a PRWJPA agreement:

- A. Convene an eight member Pajaro River Watershed Committee (PRWC) made up of representatives from the Appointing Authorities consistent with AB807 to negotiate and develop necessary documents for establishing a Pajaro River Watershed Joint Powers Authority (PRWJPA) in accordance with this MOU and to accomplish the goals of AB807. In addition to representatives from the eight Appointing Authorities, it is recognized that a more comprehensive membership which includes representatives from the incorporated cities within the Pajaro River Watershed, while maintaining equal total representation from within each of the four counties, would be beneficial; to this end, the PRWC shall at its first meeting initiate discussions to facilitate such participation by the incorporated cities.
- B. The PRWC shall meet monthly on the last Thursday of each month at 1:30 p.m. beginning on February 24, 2000. The location of the meetings shall rotate each month between the four Counties, with the first meeting in Santa Clara County followed by Santa Cruz, Monterey and San Benito Counties.
- C. Each Appointing Authority shall contribute (during the month of January 2000) \$5000.00 to a trust fund to be established by _____ County, for the purpose of funding necessary administrative, secretarial and legal support services for the PRWC.
- D. All meetings of the PRWC, including without limitation regular, adjourned regular and special

meetings shall be called, noticed and conducted in accordance with the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code)

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E. _____ County shall contract with a private firm acceptable to a majority of the Administrative Officers or General Managers of the Appointing Agencies to provide legal/administrative/secretarial services for the PRWC. This firm shall schedule, notice and record all meetings of the PRWC. As soon as possible after each meeting, the firm shall provide a copy of the minutes to each Appointing Agency.

Section 4. PRWJPA Agreement Provisions

A. The agreement establishing the PRWJPA shall minimally contain the following provisions. Nothing herein shall limit the PRWC from including additional provisions and/or more detailed information in the agreement establishing the PRWJPA, acceptable to the Appointing Authorities.

1. The PRWJPA shall be established pursuant to California Government Code Sections 6500, et seq., relative to the joint exercises of powers by the Parties and with all the powers and provisions set forth in Assembly Bill 807, except as modified herein.
2. The Appointing Authorities hereby agree that more comprehensive participation in the PRWJPA than mandated by AB807 would be beneficial. Inclusion of the incorporated cities within the Pajaro River Watershed as additional Appointing Authorities shall be pursued, while maintaining equal voting representation on the PRWJPA between the four respective counties.
3. The PRWJPA agreement shall provide that an "Impervious Area Impact Fee will be assessed by the PRWJPA and/or all development permitting agencies within the Pajaro River Watershed on all new development within the Pajaro River Watershed. In addition, each Appointing Authority shall make an annual contribution (during the month of August) to the PRWJPA; These contributions shall be divided between the Appointing Authorities based on the approximate percentage of impervious area currently within the Pajaro River Watershed of each authority. The total of these revenues shall be sufficient to fund local costs of the design and construction of the flood control project to increase flood protection in the vicinity of the City of Watsonville and the town of Pajaro as provided in the Federal Flood Control Act of 1966, or as said project may be redefined by future federal authorizations and to fund administrative and other costs of the PRWJPA. Currently the estimated local cost of the Project is \$50 million.

Section 5. Term of Agreement

A. This MOU shall take effect upon approval of all Appointing Authorities and shall terminate on June 30, 2000, or upon execution of the PRWJPA agreement, whichever occurs first.

ATTEST:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their proper officers as of the day and year first above written.

County of Santa Cruz

By: _____

County of Santa Clara

By: _____

County of San Benito

By: _____

County of Monterey

By: _____

Monterey County Water Resources Agency

By: _____

San Benito County Water District

By: _____

Santa Clara Valley Water District

By: _____

SCCFC&WCD - Zone 7

By: _____