PAJARO VALLEY WATER MANAGEMENT AGENCY
36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: (831) 722-9292 • FAX: (831) 722-3139
email: info@pvwater.org • https://www.pvwater.org

Ad Hoc Rate Setting Committee Meeting No. 4
May 28, 2026, 1:00 p.m.

City of Watsonville
Water Resources Center
500 Clearwater Lane
Watsonville, CA

DRAFT

AD HOC RATE SETTING COMMITTEE MEETING SUMMARY

AD HOC RATE SETTING COMMITTEE MENBERS	
Present	**Not Present**
Kirk Schmidt, Santa Cruz County, Committee Chair	John Larse, Coastal Water Use
CJ Miller, PV Water, Director of the Board, Committee Vice Chair	
Beau Kayser, City of Watsonville	
Stephen Rider, PV Water, Director of the Board	
Robert Rodoni, Monterey County Farm Bureau	
Don Olsen, Water District Representative	
Paul Lego, Water Mutual Representative	
Richard Opie, Inland Water User	
Aaron Dillon, Inland Landowner (via Teleconference)	
Robert Wall	
Alan Thorne, Coastal Landowner	
Tom Broz, PV Water, Director of the Board	
Doug Daykin, Rual Residential	
Staff and Other Attendees	
Brian Lockwood, General Manager (GM)	Ellen Cross, Consultant - Strategy Driver, Inc.
Nancy Trevino, Finance & Admin Services Manager (FASM)	Ricky Gutierrez, Consultant - Carollo Engineers
Corin Hammond, Executive Assistant/Board Secretary (EA/BS)	Jennifer Ivey, Consultant - Carollo Engineers
Shinehah Bigham, Operations & Maintenance Manager (OMM)	

1. **Call to Order, Roll Call, Introductions**
   The Ad Hoc Rate Setting Committee Meeting of Pajaro Valley Water Management Agency was called to order at 1:14 p.m. by Chair Kirk Schmidt at the Water Resources Center Conference Room, 500 Clearwater Lane, Watsonville, California. Chair Schmidt introduced GM Lockwood who took roll of Committee Members and made an opening welcome statement.

2. **Committee Member Comments**
   Committee Member Daykin expressed concern about ongoing farm water waste, lack of accountability, and ways to help farmers improve water conservation.

3. **Public Comments**
   None

4. **Consider Corrections to March 19, 2026, Meeting Summary**
   No corrections presented.

5. **Consider Draft 2026 Cost-of-Service Rate Study**
   Consultant Jennifer Ivey reviewed the 2026 Cost-of-Service Rate Study, including updated rural residential usage calculations and recommended rates. Discussion confirmed revisions of allocations from the prior study.

   Committee Member Rodoni expressed concern regarding the augmentation charge within the delivered water zone and suggested reconsideration of that portion of the Cost-of-Service Rate Study. Consultants re-reviewed the current draft model; roundtable discussion ensued.

   Action 1: Committee Member Rodoni motioned to reconsider the Draft 2026 Cost-of-Service Rate Study with only a single groundwater augmentation charge. Committee Member Wall seconded the motion. Roundtable discussion ensued. The motion failed by the following voice vote:

AYES:	Rodoni, Wall, Daykin
NOES:	Schmidt, Miller, Kayser, Rider, Olsen, Lego, Opie, Thorne, Broz
ABSENT:	Larse
ABSTAIN:	Dillon

   Action 2: Committee Member Lego moved to approve the Draft 2026 Cost-of-Service Rate Study; Committee Member Olsen seconded the motion. Roundtable discussion ensued. The motion passed by the following voice vote:

AYES:	Schmidt, Miller, Kayser, Rider, Olsen, Lego, Opie, Dillon, Wall, Thorne, Broz, Daykin
NOES:	Rodoni
ABSENT:	Larse
ABSTAIN:	None

6. **Review Draft Resolution Amending Procedures for Public Hearing, Notice, and Protest Concerning Proposed Revisions to Augmentation Charge and Delivered Water Charge**
   GM Lockwood reviewed the draft resolution, including Proposition 218, and Proposition 26 requirements. He stated the 2026 Cost-of-Service Rate Study and draft resolution will be presented at the June 17, 2026, Board of Directors meeting and, if approved, public notices, hearings, and adoption will follow in September.

   Action: No action required.

7. **Review Schedule & Next Steps**
   Staff and consultants reviewed the schedule and next steps.

Adjourned at 2:31 p.m.