



## **PAJARO VALLEY WATER MANAGEMENT AGENCY**

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**Ad-Hoc Funding Committee  
July 10, 2013, 1:00 p.m.**

**36 Brennan Street  
Watsonville, CA 95076**

### **COMMITTEE MEETING MINUTES**

#### **1. Meeting called to order**

**Roll call of Appointed Committee Members:** The Ad Hoc Funding Committee Meeting of the Pajaro Valley Water Management Agency was called to order in the PVWMA conference room, 36 Brennan Street, Watsonville, CA, at 12:03 p.m. by Committee Member Amy Newell.

Committee Members Present: Amy Newell, Paul Faurot

Committee Members Absent: Dave Cavanaugh (Chair)

Staff Members Present: Mary Bannister, General Manager (GM)  
Brian Lockwood, Staff Hydrologist (SH)  
Teresa Delfino, Administrative Services Manager (ASM)  
Laura Taay, Administrative Analyst (AA)

Others Present: Chuck Allen  
John E. Eiskamp  
Margie Kay  
Stuart Kitayama  
Warren Koenig  
Steve Palmisano  
Stephen Rider  
Kirk Schmidt

**2. Committee comments:** None

**3. Public comments:** None

#### **4. Consider applicants for the Ad Hoc Funding Committee Seats:**

Categories that received applications were:

- a. Water Mutual - Skip Fehr
- b. Coastal Landowner – Frank Capurro
- c. Inland Landowner – Dick Piexoto
- d. Coastal Water User – Stuart Kitayama
- e. Inland Water User – John E. Eiskamp
- f. Rural Resident – Ted Remde
- g. Industrial User – Stephen Rider
- h. At-Large-Chuck Allen

**ACTION:** Committee Member Faurot motioned for the approval of applicants 4a through 4e and 4g and 4h, with the exception of 4f. Seconded by committee member Newell. Motioned carried.

**5. Receive Update on Ad Hoc Funding Committee Appointments:**

- a. Landowner Group – John Martinelli
- b. City of Watsonville – Steve Palmisano
- c. Santa Cruz County Farm Bureau – tbd
- d. Monterey County Farm Bureau - tbd

**6. Rate Setting Process:**

Brief introduction to process

2009-2010 Rate Setting Effort presentation – Brian Lockwood gave a presentation that had first been given September 2009 that summarized the rate setting effort and thought process at that time.

Committee Member Faurot asked how the present lawsuit challenging the Agency’s present rate might affect the present effort. Roundtable discussion ensued. If the legality and fairness of a weighted vote fails, the Agency loses its revenue stream and the end result would likely be adjudication. The risk is large. While the City of Watsonville could take over the water supply facilities, they would have to assume roughly \$30 million in debt, which they don’t want, and they’d need to have a Prop 218 election to raise rates. If the City of Watsonville doesn’t take over, the County of Santa Cruz might, but they’d have the same issues. GM planning to ask Dick Shanahan and GC to speak on Prop 218 along with other consultants for the rate setting and engineering .

The Committee agreed: FAILURE IS NOT AN OPTION

**7. Upcoming Meetings and Next Steps**

The committee agreed, in general, that the fourth Thursday of the month, beginning at 2p.m. would likely work best. GM will send out a notice checking availability for the July meeting (24<sup>th</sup> or 25<sup>th</sup>).

Adjourned

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Laura R. Taay, Administrative Analyst

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Date Approved