



## PAJARO VALLEY WATER MANAGEMENT AGENCY

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**Ad-Hoc Funding Committee**  
**August 22, 2013, 3:00 p.m.**

**500 Clearwater Lane**  
**Watsonville, CA 95076**

### AD-HOC FUNDING 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 City of Watsonville Water Resources Center Conference Room, 500 Clearwater Lane, Watsonville, CA, at 3:05 p.m. by Committee Chair Dave Cavanaugh.

Committee Members Present: Dave Cavanaugh (Chair), Amy Newell, Paul Faurot, Skip Fehr, Frank Capurro, Stuart Kitayama, Dick Piexoto, Tom Karn, Stephen Rider, Chuck Allen, Steve Palmisano, Kirk Schmidt, John Martinelli

Committee Members Absent: John E. Eiskamp and Bill Lipe

Staff Members Present: Mary Bannister, General Manager (GM)  
Brian Lockwood, Senior Water Resources Hydrologist (SWRH)  
Teresa Delfino, Administrative Services Manager (ASM)  
Laura Taay, Administrative Analyst (AA)  
Tony Condotti, Agency Counsel (AC)  
Lauren Valk, Agency Counsel Substitute (ACS)

Others Present: Rosemarie Imazio  
Warren Koenig  
Daniel Mountjoy

2. **Committee comments:** None

3. **Public comments:** None

#### 4. Consider approval of minutes from July 25, 2013 meeting:

The minutes of the meeting were accepted, noting on Page 2, Item 7. Rate Setting Process, near end of the paragraph, the word "service" needed to add to "Cost of *Service* Study".

#### 5. Consider Vice-Chair appointment to the Ad Hoc Funding Committee:

Chair Cavanaugh briefly described the role and responsibilities of vice-chair and asked if any committee members would like to volunteer for the position. With no one speaking out, he asked that they consider volunteering.

#### 6. Rate Setting Process - Review:

AC summarized the Proposition 218 rate setting process. The protest hearing and weighted ballot vote were addressed along with the difference between the valley-wide augmentation charge and the delivered water user charge. Roundtable discussion included past and pending lawsuits, weighted verses un-weighted vote structure, rural residents, and the difference between the east and west side of the San Andreas Fault Zone (the fault is recognized as a groundwater divide).

**7. Review of Basin Management Plan (BMP) Update & Environmental Impact Report (EIR):**

GM and SWRH gave a presentation (available on the website) summarizing the key dates in the history of Pajaro Valley groundwater, the BMP Update projects and programs and an example of a cash flow model. They updated the committee on the status of the companion EIR, noting the Public Review Draft is scheduled to be completed in about a month, and after which there will be a minimum 45 day public review and comment period. Roundtable discussion about the projects and cash flow analysis ensued.

**8. Consider options for selection of an Engineering/Rate-Setting Consultant**

GM introduced the item and summarized the role of the consultant in the rate setting process. Afterward, GM described some of the methods available to retain consultants and the pros and cons of each. Three methods described include: 1) Sole-Source, 2) advertise and a Request for Qualifications (RFQ); 3) advertise a Request for Proposals (RFP). Roundtable discussion considering how to retain the consultant ensued. In response to a question as to whether the Agency could sole-source the work or if it was required to obtain statements of qualifications from multiple consultants that would then be interviewed, AC responded the work could be sole-sourced. GM stated the Agency is obligated to go with the most qualified consultant, not necessarily the least expensive. The committee requested staff prepare a RFQ and that once received, statements of qualification would be reviewed by the committee.

**9. Upcoming Meetings and Next Steps**

- A. Administrative/Finance Committee – September 10, 2013, 12:30 p.m.-1:30 p.m., PVWMA Conference Room, 36 Brennan Street, Watsonville, CA
- B. Board of Directors Meeting – September 18, 2013, 7:00 pm, City Council Chambers, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA
- C. Ad Hoc Funding Committee Meeting – September 26, 2013, 3:00 p.m.- 5:00 p.m., City of Watsonville, Water Resources Center, 500 Clearwater Lane, Watsonville, CA

**10. New Business:**

None

**11. Adjournment at 4:45 p.m.**

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Brian Lockwood, Sr. Water Resources Hydrologist

September 26, 2013

Date Approved