



PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076
TEL: (831) 722-9292 • FAX: (831) 722-3139
email: info@pvwater.org • http://www.pvwater.org

Ad-Hoc Funding Committee
February 27, 2014, 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), Kirk Schmidt (Co-Chair), Chuck Allen, Skip Fehr, Paul Faurot, Tom Karn, Stuart Kitayama, John Martinelli, Amy Newell, Steve Palmisano, Dick Piexoto, Stephen Rider

Committee Members Absent: Frank Capurro, Bill Lipe, John E. Eiskamp, Tom Karn

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

Others Present: Joe De Sante Lou Carella
Warren Koenig Pierce Rossum
Jackie McCloud Paul Friedlander

2. Committee comments: Tony Condotti stated that changes to the Brown Act in January 2014 makes it necessary to identify who voted against motions. Chair Cavanaugh read a history of water in our valley and said that the agency is on the right track and that we all need to work together.

3. Public comments: None

4. Consider approval of minutes from January 23, 2014 meeting: The minutes were approved with the following changes: Item 5Aiii – the Committee decided to leave the Delivered Water Rate structure open, and Item 5Av was clarified that the \$60 million is the cost for the first phase of the program and that the entire program cost is estimated at \$66.9 million.

5. Assessments and Special Taxes – legal/legislative framework – Tony Condotti:

Tony presented a Memorandum: Revenue Mechanisms – Legal Background (attached). Tony concluded that neither assessments nor special taxes would appear to be viable to either supplement or replace the augmentation charge as the primary funding source for the development and implementation of the Agency's Basin Management Plan Update. Tony also noted that any deviation to the 2010 model will have the potential to be challenged in court. The committee discussed these

options. Lou Carella presented a slide referring to the Land Based Assessments. After further discussion Co-Chair Schmidt made a **Motion to no longer consider Land Based or Tax Funding options**. Amy Newell seconded the Motion. **A vote was taken: All in Favor, Motion Carried.**

6. Rate Setting Process – BMP Cash Flow Forecast – Carollo Engineers:

Lou Carella and Pierce Rossum presented the PowerPoint to the committee (attached and on the AHFC webpage). After discussion the committee decided that we should continue to look at both uniform and tiered rates. It was proposed to discuss uniform rates next month and tiered rates in April.

7. Basin Management Plan Update:

Mary Bannister reported that final Environmental Impact Report (EIR) for the Basin Management Plan (BMP) was issued Friday. It will go to the Board March 5, 6:00 p.m. Mary also noted the following upcoming PVWMA co-sponsored events: Irrigation and Nutrient Workshop for Ag in collaboration with the Strawberry Commission and the Ag Water Quality Coalition on March 11, the Water Resources Fair in collaboration with the Pajaro Valley Association of Realtors on March 20 and the Drought Extravaganza in collaboration with the RCD-SC, Farm Bureau, and Community Water Dialogue on April 10.

8. Future Agenda Items: Uniform rates, tiered rates.

9. Upcoming Meetings

- A. PVWMA Board of Directors – March 5, 2014 and March 19, 2014
- B. Water Quality and Project Operations Committee – March 5, 2014
- C. Ad Hoc funding Committee – March 27, 2014

10. Adjournment at 5:10 p.m.