

City to fight Pajaro's move for federal funds

By STEVE SHENDER

Outgoing Watsonville Mayor Bill Johnston handed over his gavel to incoming Mayor Ann Soldo Tuesday night, but not before launching the City Council on a trajectory that may land it smack-dab in the middle of a court battle with Monterey County.

At Johnston's urging, the council voted 6-1 (Frank Osmer opposed) to authorize City Manager John Radin to protest the recently formed Pajaro Community Service District's application for Economic Development Administration funds.

The district, which Monday severed its 54-year-old fire protection ties to the city, is applying for some \$2 million in EDA and Farmers Home Administration money to upgrade and take over Pajaro's aging water system.

The council's move brought a warning from North Monterey County Supervisor Marc Del Piero this morning that the city was flirting with an anti-trust action.

Council members authorized Radin to write the Association of Monterey Bay Area Governments (AMBAG), which acts as a clearing house for federal grant applications, that the Pajaro EDA application "is duplicating an existing water system that is owned by the City of Watsonville."

(The deadline for comments on the Pajaro EDA application was last week, but Radin said Tuesday night that he had not received word of the application until Monday.)

The letter to AMBAG approved by the council advises the agency that the city "is in the process of upgrading the major distribution main (on Salinas Road) with revenue bond financing," and also states that Watsonville "is ... in the process of filing a grant application to EDA to complete the upgrading of the system within the community of Pajaro."

Last week the council authorized a \$2.8 million revenue bond issue for water system improvements which included \$250,000 to construct a new 16-inch water main from the Pajaro River to Railroad Avenue. The Pajaro main was included in the bond issue as an optional project, which might be abandoned should the Community Service District oppose it.

The AMBAG letter marked the first public indication that the city was interested in improving the rest of the water system, which it has owned and operated in the unincorporated North County community since 1923. Radin and Public Works Director John Cooper said Tuesday night they had only decided to apply for the funds within the last week because it was not until then that they had learned Watsonville was eligible to receive the money.

They said they did not think

Watsonville's application for \$750,000 in EDA money to construct four 14-inch water mains in Pajaro would conflict with the Pajaro Community Services Agency's grant application — aimed, among other things, at improving the same mains. But Del Piero asserted today that the city and Pajaro would apparently be competing for EDA funds made available by Congress this year under the recently imposed five-cent additional federal gasoline tax.

The council authorized Radin to write to AMBAG despite warnings by Osmer that the action might lead to a lawsuit against the city by Monterey County.

"That water system belongs to the city and we have a right to protect our interest," Radin said, after Osmer called his proposed letter "inflammatory."

"AMBAG should be notified," said Johnston, finding quick agreement from Councilman Rex Clark and Mayor-Elect Soldo.

"It's no different from a neighbor hiring a plumber to come in and redo the plumbing in my house," said Clark of the Pajaro district's plans.

"It (the water system) has been there since 1923, and it's our system," said Mrs. Soldo.

Del Piero was sharply critical of the council's action this morning. "It appears," he said, "that there's an effort afoot to inhibit the right of the citizens of Pajaro to self-determination in terms of the public services they receive. I wonder whether they're (the council) really interested in seeing that area (Pajaro) improved, or whether they're just interested in retaining (the water) revenues they've been traditionally collecting."

Del Piero said that if it was indeed the city's intent "to preclude Pajaro from upgrading their water system," Radin's letter to AMBAG was a "very effective way of doing it."

"The way to kill Pajaro's chances for an EDA grant," he said, "is for somebody to raise big objections to it."

Del Piero said the Monterey County Board of Supervisors was squarely behind the Pajaro Community Services District. He suggested that the city might not want "to place itself in a position of attempting to influence public policy in another county," and issued this barely veiled threat:

"If they (the city) are attempting to preclude (the district) from exercising the governmental authority it's been granted, I would hate to think that someone might accuse them of an anti-trust violation, in light of the fact that they're a private (water system) operator in Monterey County."

The North Monterey County supervisor added that he was "certain the city is not interested in ending its relationship with Pajaro in a lawsuit."

REFERENCE