

MINUTES

The Special meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on December 14, 2023.

ROLL CALL:

President Donald Olsen
Secretary Paul Anderson
Assistant Secretary Clinton Miller
Treasurer Donald Chesterman

ADMINISTRATIVE STAFF:

General Manager Judy Vazquez-Varela
Operations Manager Sergio Ochoa
Bookkeeper Amy Saldate
Recorder Rocio Fernandez

ABSENT DIRECTOR(S) & STAFF:

Vice President Sanford Coplin

DISTRICT COUNSEL:

Attorney Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: None

PUBLIC COMMENTS: None

Action Items

1. Consider and approve the Minutes of the November 16, 2023, Special Board Meeting

The motion was made by Director Anderson and seconded by Director Chesterman to approve the Special Board Meeting Minutes of November 16, 2023. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
 Noes: None
 Absent: S. Coplin
 Abstain: None

OLD BUSINESS:

1. Review and consider approving the revised proposed Pajaro/Sunny Mesa Community Services District Purchasing Ordinance (does not include Public Works)

General Counsel briefly described the Purchasing Policy into categories beginning with General Manager's duties, Emergency Contracting, Exemptions from Bidding-Informal and Formal, Professional Services Contracts, and how to Dispose of District Property.

Director Anderson pointed out that the Professional Services was raised to \$15,000 in the previous revisions. Also, under the Formal Bid Protest Procedures second line should be "by the seventh day following the date of intent to award." Lastly, under the Rejection of Irresponsible Bidder the "reasonable period" needs to be changed to one year.

The motion was made by Director Miller and seconded by Director Olsen to approve the Pajaro/Sunny Mesa Community Services District Purchasing Ordinance as amended. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
 Noes: None
 Absent: S. Coplin
 Abstain: None

2. Review and consider approving the 2022-2023 Audit Final Draft

Director Anderson commented on the well written notes at the end of audit.

The motion was made by Director Chesterman and seconded by Director Miller to approve the 2022-2023 Audit Final Draft. Motion carried.

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Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

NEW BUSINESS: (Action Items) None

1. Review and consider approving financial reports for November 2023

The Bookkeeper Saldade reported to the Board of Directors that the Water Revenue for November is at 92 percent of budget projection, which is normal for this month. The District saw an increase in Salaries and Wages due to the 3 pay period within the month. The License and Certifications budget experienced an increase due to water operator education courses and renewal of a backflow certificate. The Water System Repair and Maintenance budget had a decrease due to no major repairs being necessary. The Connection Fees budget had an increase due to a new 1-inch connection in the Sunny Mesa Water System. November's Total Income surpassed Total Expenses by \$59,310. November's Cash was more than October's Cash by \$55,563. November's Cash on Hand was \$893,093. The Net Income for November is \$59,310 mainly due to low expenses and connection fees.

30, 60 and 90-day delinquency overall are slightly higher than the previous month.

Director Miller commented on the cost increase in vehicle expenses and in membership dues.

In November, the District received a total of \$2,576 from LIHWAP which was applied to 5 accounts.

A motion was made by Director Anderson and seconded by Director Miller to approve the financial reports for November 2023. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

MONTHLY EXPENDITURES REPORT FOR REVIEW

APPROVAL OF PAYMENTS:

2. Review and consider approving December 2023 payments

1. General Fund 633: Total of \$0.00
2. Operating Account: Check No. 25652 through Check No. 25671 totaling \$90,778.50
3. Reserve Account: Total of \$8,991.04
4. Street Maintenance Account: Total of \$1,164.04
5. Pajaro Park Account: Total of \$3,562.32
6. COP 2010 Account: Total of \$0.00
7. Debt Service Reserve Account: Total of \$0.00

A motion was made by Director Chesterman and seconded by Director Anderson to approve the December 2023 payments. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

MINUTES OF SPECIAL BOARD MEETING – December 14, 2023

3. Elect Board Officers for 2024

District Counsel informed the Board of the possibility of running a slate election.

Motion was made by Director Chesterman to nominate Director Miller for President; Director Miller declined.

Motion was made by Director Miller to nominate Director Anderson for President; Director Anderson declined.

Director Chesterman nominated Director Olsen for President; Director Olsen accepted. Nominations for President closed. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

Motion was made by Director Anderson to nominate Director Coplin for Vice President. Nominations for Vice President closed. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

Motion was made by Director Olsen to nominate Director Anderson for Secretary; Director Anderson accepted. Nominations for Secretary closed. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

Motion was made by Director Chesterman to nominate Director Miller for Assistant Secretary; Director Miller accepted. Nominations for Assistant Secretary closed. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

Motion was made by Director Olsen to nominate Director Chesterman for Treasurer; Director Chesterman accepted. Nominations for Treasurer closed. Motion carried.

Roll Call Vote: Ayes: D. Olsen; P. Anderson; C. Miller; D. Chesterman
Noes: None
Absent: S. Coplin
Abstain: None

Election of Officers 2024 concluded as follows:

Office: President-Donald Olsen
Office: Vice President-Sanford Coplin
Office: Secretary-Paul Anderson
Office: Assistant Secretary-Clinton Miller
Office: Treasurer-Donald Chesterman

STAFF/COMMITTEE REPORTS: (Informational Only)

1. 2023 Flood Damage Report

- Staff reported that Cece with JPIA was in the final stages of loss verification and would have a final loss report by next week.
- District Counsel reported that FEMA still owes Santa Cruz County \$75 million from the CZU fire, with no clear date of when they will be paid. He also described the JPIA and their process of receiving and approving claims.

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- Director Anderson would like to send a letter to JPIA letting them how displeased the District is with the amount of time it is taking to complete the damage report, if we do not have an answer from them by the next meeting.
2. The Long-term Recovery for Pajaro final Proposal list of projects was approved by the Board of Supervisors last week. Staff and Directors are all glad to see that Pajaro Park remains on the list.
 3. The District Office will be closed December 25, 2023, and will reopen January 2, 2024. Operators will work on a limited basis and will be available for water emergencies.
 4. Directors Anderson and Chesterman have mistakenly been reappointed for only 3 years. The reappointment will go back before the Board of Supervisors on January 9, 2024, for correction to a 4-year term.
 5. District Operations Report

Springfield

- 90 percent plans have been submitted to State for review.

Generator Project

- PG&E completed electrical work in Moss Landing in preparation for the generator installation.

Multi Community Bottled Water Project

- The District has received the \$84,600 and received notice of approval of the July through September reimbursement request.

LIHWAP

- The District has received \$51,062 to date from LIHWAP.

Current Water System Repairs

Langley/Valle Pacifico WS:

- The fire tanks overflowed due to the valve not shutting off, possibly due to debris preventing it from closing.

Moss Landing Harbor WS:

- The Staff is waiting for Maggiora Bros to schedule the well pump replacement.

Normco WS:

- A hydrant in Avenida Los Altos was hit by a vehicle on December 2, 2023, and it was replaced on December 5, 2023, damage costs will be invoiced to the drivers insurance.

Springfield Rd WS:

- Patch/pave was completed on December 11, 2023.

Sunny Mesa WS:

- A new connection was installed at Heritage Circle.

Vega WS:

- The Andreas faulty booster pump #1 was replaced.
- Marie Lane had the mainline repaired.
- Oakleaf Drive had a line repaired; the delivery driver drove off road breaking a service line. We did not receive information on the delivery truck.

Vierra Estates WS:

- Patch/pave was completed on December 11, 2023.

6. Usage Comparison Report 2022/2023-November
 - A typo was discovered on the usage comparison report, on both charts the Pajaro usage should be 5,005,616 gallons for a 10 percent drop in usage compared to this month last year.
 - Usage is down in 3 systems, district wide the usage is down by 3.8 percent.

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CLOSED SESSION:

- A. Public Employment (§ 54957)
⇒ Title: General Counsel

- B. Public Employee Performance Evaluation (§ 54957)
⇒ Title: General Counsel

- C. Conference with Labor Negotiators (§ 54957)
⇒ Agency designated representatives: Donald Olsen, Sandy Coplin
⇒ Unrepresented employee: General Counsel

Board met in closed session, opened at 6:35 pm
Adjourned closed session at 6:51 pm

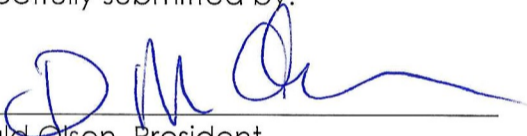
District Counsel Smith reported that the Board of Directors considered all 3 items on the agenda with no final action and gave direction to Counsel.

NEXT BOARD MEETING:

The next Regular Board Meeting is to be held on Thursday January 25, 2024, at 5:30 pm at the District Office.

There being no further business, the Special Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 6:54 pm with motion made by Director Chesterman seconded by Director Anderson. Motion carried.

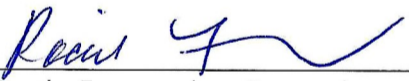
Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Rocio Fernandez, Recorder