

# MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on May 23, 2024.

**ROLL CALL:**

President Donald Olsen  
Vice President Sanford Coplin  
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:**

None

**DISTRICT COUNSEL:**

Alan Smith

**ADDITION(S) TO AGENDA:** None

**PUBLIC IN ATTENDANCE:** Marilyn Vierra, Supervisor Church Office Chief of Staff

**PUBLIC COMMENTS:** None

**Action Items**

1. Consider and approve the Minutes of the April 25, 2024, Regular Board Meeting

The motion was made by Director Coplin and seconded by Director Miller to approve the Regular Board Meeting Minutes of April 25, 2024. Motion carried.

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

**OLD BUSINESS:**

None

**NEW BUSINESS:** (Action Items)

1. Review and consider approving financial reports for April 2024

Bookkeeper Saldate reported to the Board of Directors that the Water Revenue in April was 97 percent of the budget projection. The District saw an increase in the Administrative Fees budget due to the property tax and assessment fees to Monterey County. Also, the Worker's Comp. Insurance and Computer Software budget experienced an increase due to the final payment for the fiscal year and annual renewal. Other Income had an increase due to

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lighting, Admin, Audit/Bookkeeping, Legal Reimbursement for annual lighting assessment related expenses. April's Total Income was more than Total Expenses by \$78,958. April's Cash was less than March's Cash by \$26,076. April cash on hand was \$1,167,245.

Bookkeeper Saldate informed the Board that the Net Income for April was \$78,958 mainly because of the low expenses and the lighting reimbursement was collected.

A motion was made by Director Miller and seconded by Director Coplin to approve the financial reports for April 2024. Motion carried.

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

**MONTHLY EXPENDITURES REPORT FOR REVIEW**

**APPROVAL OF PAYMENTS:**

2. Review and consider approving May 2024 payments

1. General Fund 633: Total of \$0.00
2. Operating Account: Check No. 25816 through Check No. 25840 totaling \$171,710.26
3. Reserve Account: Total of \$412.50
4. Street Maintenance Account: Check No. 574 through Check No. 577 totaling \$4,235.45
5. Pajaro Park Account: Total of \$1,644.04
6. COP 2010 Account: Total of \$0.00
7. Debt Service Reserve Account: Total of \$0.00

A motion was made by Director Anderson and seconded by Director Chesterman to approve the May 2024 payments. Motion carried.

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

3. 2024-2025 Pajaro Street Lighting Preliminary Comparison Budget to Previous Year

The 2024-2025 Budget is \$48,750 total increase to the Parcel Assessment of \$7,650 due to the increasing PG&E rates and five percent increase to Maintenance and Administration, based on the approved compensation schedule.

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A motion was made by Director Coplin and seconded by Director Miller to approve the 2024-2025 Pajaro Street Lighting Preliminary Comparison Budget and publication. Motion carried.

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

4. 2024-2025 Street Maintenance/Subdivision Maintenance Preliminary Budget

The 2024-2025 Budget is \$64,300 no change to the Budget this year.

A motion was made by Director Miller and seconded by Director Chesterman to approve the 2024-2025 Street Maintenance/Subdivision Maintenance Preliminary Budget and publication. Motion carried.

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

5. 2024-2025 Pajaro Community Parks/Public Area Preliminary Comparison budget to Previous Fiscal Year

The 2024-2025 Budget is \$25,000 with an increase of five percent in labor expenses based on the approved compensation schedule and a surplus of \$4,290 to be transferred to the Operating Account.

A motion was made by Director Anderson and seconded by Director Chesterman to approve the 2024-2025 Pajaro Community Parks/Public Area Preliminary Comparison budget and publication. Motion carried.

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

6. 2024-2025 Pajaro Park Preliminary Comparison Budget to Previous Fiscal Year

The 2024-2025 Budget is \$90,000. Projected revenue is \$59,000 from Monterey County, \$6,000 from Board of Directors Stipend, and \$25,000 (next four years) from Rio vista Farms, totaling \$90,000. Park Labor Accounts increased by five percent based on the approved compensation schedule and Operating Cost Accounts increased by \$370. This year to begin a Reserve Account of \$22,175.

A motion was made by Director Chesterman and seconded by Director Miller to approve the 2024-2025 Pajaro Park Preliminary Comparison Budget and publication. Motion carried.



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

7. Capital Improvement Plan-10 Year Look-Ahead

Staff Report included the pending 2023 Flood damage Repair and Replacement of the Motor Controls Pannels at Pajaro and Sunny Mesa Well Sites, the Manzanita Well pump replacement (Normco Water System), Blackie Road #18 replacement of a hydropneumatics tank and booster pump, and the Langley/Valle Pacifico electrical panel replacement.

The Annual Reserve target is \$250,000, Staff explained that the new target was mistakenly not carried over to the Capital Reserve and Expenses spreadsheet.

A motion was made by Director Coplin and seconded by Director Chesterman to approve the Capital Improvement Plan 10-year look ahead and the 2024-2025 work plan. Motion carried.

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

8. 2024-2025 Operating/Water Preliminary Comparison Budget to Previous Fiscal Year

Staff reported the notes to the budget and noted two columns one for an eight and a four percent increase to Water Rate Revenue, side by side comparison. General Manager Vazquez-Varela also noted that the Capital Reserve was mistakenly not updated to the new target reserve of \$250,000. changing the Operating Reserve in the eight percent column to \$306,322 and \$198,642 to the four percent.

A motion was made by Director Miller and seconded by Director Anderson to approve the 2024-2025 Operating/Water Preliminary Comparison Budget and publication. Motion carried.

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

9. Proposed Water Rate Increase

Although Staff recommended the 4 percent increase due to Board's concern with the Pajaro community, Staff stated that an eight percent increase would keep the District on track.

Director Coplin is concerned that FEMA has not reimbursed the District for flood losses and stated that although he had mentioned that he did not want to increase water rates, he

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recognized that an eight percent increase is necessary. Director Anderson agreed with him in stating that the District needs the eight percent increase to stay solvent, and Director Miller believes an eight-percent increase is important for District's vitality.

Director Chesterman recommended a rate increase of four percent.

A motion was made by Director Coplin and seconded by Director Anderson to approve an eight percent Water Rate increase for fiscal year 2024-2025 starting July 1<sup>st</sup>, 2024. Motion carried.

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

10. Noland, Hamerly, Etienne & Hoss Attorney Engagement Agreement

District Counsel Smith informed the Board that Attorney Quinn would not be available to attend the Board meetings until January 2025 and will begin reviewing agendas starting July 2024.

A motion was made by Director Miller and seconded by Director Anderson to approve the Attorney Engagement Agreement. Motion carried.

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

11. Consideration, Discussion and Motion Giving Direction Regarding Proposed Public Works Ordinance

District Counsel Smith explained to the Directors that the State law and Special District law requires the District to have a Purchasing and Public Works Ordinance. He provided a draft for the Board to consider.

A motion was made by Director Coplin and seconded by Director Miller to direct Staff and General Counsel after Board review of proposed Pajaro/Sunny Mesa CSD Public Works Ordinance, and to be brought back for first reading. Motion carried.

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

**STAFF/COMMITTEE REPORTS:** (Informational Only)

1. 2023 Flood Damage Report
  - Staff is preparing responses to California Governor's Office of Emergency Services (Cal OES).

## **MINUTES OF REGULAR BOARD MEETING – May 23, 2024**

2. Citation and compliance order received from State Water Boards
  - Pajaro and Sunny Mesa Water Systems received a compliance order due to failure to test all backflow preventers annually for 2023. General Manger Vazquez-Varela plans to petition for a reconsideration since staff focus in 2023 was flood recovery and expects State Water Boards to accept plan for 2024 testing prioritization of the two water systems.
3. Water Conservation Program
  - Springfield Water System home toilet and shower head replacement project has been completed, replacing 6 shower heads, 19 toilets, and 7 leaks were repaired at no cost to the water customers.
  - Staff attended the kickoff meeting on April 29, 2024, to begin the same project in the Sunny Mesa Water System to also include meter replacement.
4. Blackie Road #18 Water System Easement Inquiry
  - The new property owner is inquiring about the well site located on his property, District Counsel provided a Monterey County recorded map locating the easement dedicated to water appurtenances.

### 5. District Operations Report

#### Springfield

- The staging area agreement was drafted by UC Davis Staff and has provided it to North Monterey County School District for their review, to be considered at their next Board meeting. Monterey County LPA has approved the conditions of compliance for the Coastal Development permit. The Constructing Funding application is complete and under review by the State, this is usually a six-month period, funding should be awarded by November. Staff and MNS Engineers will begin the bidding procedure and award the project to lowest responsible bidder, pending notice to proceed until funding agreement is executed.

#### Pajaro Park

- In communication with Marilyn Vierra, Chief of Staff Supervisor Church, Monterey County will contribute \$59,000 per year to the Pajaro Park, until the Parks Master Plan is complete.

#### Multi Community Bottled Water Project

- January and February's 2024 reimbursement were received this month totaling \$20,622.

#### ACWA JPIA 2023 Wellness Grant

- District Staff met on May 9, 2024, at 10 am for an informational presentation from the Blue Zones Project representative. Grant funds awarded were spent on gift cards to sporting goods stores that were distributed to the employees as prizes.



## **MINUTES OF REGULAR BOARD MEETING – May 23, 2024**

### LIHWAP

- The District received \$74,512. The District received a final disbursement of \$17,047 of which \$991 will be returned due to closed accounts. The final amount of \$16,056 will benefit 81 customers.

### Pajaro Long-term Recovery

- Recovery assistance program has ended. Staff applied and may be eligible to receive \$85,000 for recovery assistance and \$15,000 for beautification. A total of 90 applications were received for the Small Business Assistance Program.

### Current Water System Repairs

Blackie Road #18 WS:

Langley/Valle Pacifico WS:

Moss Landing Harbor WS:

- Operations Manager Ochoa reported that the Variable Frequency Drive for booster pump #3 failed, Electrician is to repair.

Normco WS:

Pajaro WS:

Springfield Road WS:

- Main line leak was repaired by contractor and staff on April 30, 2024.
- On May 5, 2024, the well pump and motor were replaced by contractor.

Sunny Mesa WS:

Vega Road #01 WS:

- On April 26, 2024, a customer hit a two-inch water main line, it was repaired by staff on the same day.

Vierra Estates WS:

- Sala Brothers provided three loads of hauled water to Arrowhead storage tanks and one into the Matterhorn storage tanks due to a six-inch water mainline leak on Vierra Canyon Road. The leak was repaired by the contractor on May 8, 2024.

### 6. Usage Comparison Report 2023/2024-April

- Usage is up in three systems Pajaro, Sunny Mesa and Vierra Estates. District wide we saw a 13.8 percent increase in usage compared to this month last year.

**CLOSED SESSION:** None

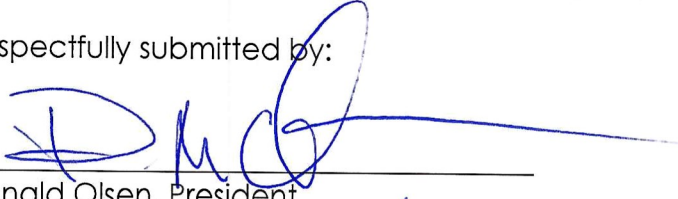
**NEXT BOARD MEETING:**

The next Regular Board Meeting is to be held on Thursday June 27, 2024, at 5:30 pm at the District Office.

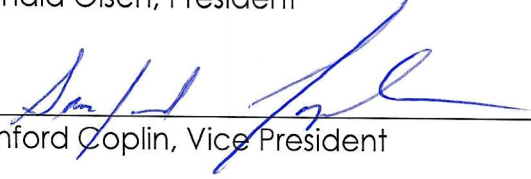
There being no further business, the Regular Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 7:05 pm with motion made by Director Chesterman seconded by Director Miller. Motion carried.

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Respectfully submitted by:

A handwritten signature in blue ink, appearing to be 'D. Olsen', written over a horizontal line.

Donald Olsen, President

A handwritten signature in blue ink, appearing to be 'Sanford Coplin', written over a horizontal line.

Sanford Coplin, Vice President

A handwritten signature in blue ink, appearing to be 'Rocio Fernandez', written over a horizontal line.

Rocio Fernandez, Recorder