

PAJARO/SUNNY MESA

P. 1

COMMUNITY SERVICES DISTRICT
136 San Juan Road, Royal Oaks, CA 95076
O (831) 722-1389 | Fax (831) 722-2137
www.pajarosunnymesa.com

AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS
DISTRICT CONFERENCE BOARD ROOM
136 SAN JUAN ROAD, ROYAL OAKS, CA 95076

AUGUST 27, 2020
5:30 P.M.

“Notice of Teleconferenced Meeting”

Pursuant to Governor Newsom’s March 17, 2020 Executive Order [N-29-20](#) regarding COVID-19, members of the Pajaro/Sunny Mesa Community Services District Board of Directors and staff may participate in this meeting by teleconference.

To reduce the spread of COVID-19, members of the public may listen to the meeting via teleconference by calling **1-425-436-6355** and entering passcode **407147** and then the pound sign (“#”). There will be no in-person participation in the meeting under the authority of Governor Newsom’s Executive Order [N-29-20](#). You may also submit written comments in writing either at District Offices in person or by email by 2:00 pm on August 27, 2020.

To submit a comment by email, please send to info@pajarosunnymesa.com and write “Public Comment” in the subject line. Include the item number and/or title of the item in the body of the email and your comments. All comments received by 2:00 pm will be emailed to the Board members and included as an “Add to Packet” on the District’s website before the meeting. Those comments received after 2:00 pm will be added to the record of the meeting and shared with Board members at the meeting.”

The Pajaro/Sunny Mesa Community Services District welcomes you to its meetings regularly scheduled on the fourth Thursday of each month, and your interest and participation is encouraged and appreciated.

Contact the District office at the email address or telephone number above if you believe you require any modification or accommodation for any disability which might impair your ability to participate in the meeting.

Documents provided to the District after the agenda has been published will be available at the District office and available for photocopying during ordinary business hours as Public Records at the cost set by resolution by the Board from time to time. This is ordinarily \$.25 per page. Documents provided to the Board for agenda items will ordinarily be placed on the District website if time permits. Otherwise, late documents will be provided to the Board at the meeting and a copy placed with the agendas available to the Public at Board meetings.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Pajaro Sunny Mesa Community Services District at (831) 722-1389 before the meeting to allow the District to make reasonable accommodations.

1. PLEDGE OF ALLEGIANCE

2. CALL TO ORDER AND ROLL CALL

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

ADMINISTRATIVE STAFF: General Manager Don Rosa _____
 Recorder Judy Vazquez-Varela _____
DISTRICT COUNSEL: Attorney Alan Smith _____

3. ADDITIONS TO AGENDA [SUBDIVISION (b), GOVERNMENT CODE § 54954.2]

The Board may act on items of business not appearing on the posted agenda if (1) three members determine that an emergency (as defined in Section 54956.5 exists), (2) two-thirds vote of the members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present, determine that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was being or (3) the item was posted for a prior Board meeting not more than five calendar days before the date action is taken, and at the prior meeting the item was continued to the meeting at which action is taken. Before discussing any item pursuant to this subdivision, the Board will publicly identify the item.

4. COMMENTS FROM PUBLIC OR MEMBERS OF BOARD ON ITEMS NOT ON AGENDA

Any person may address the Board on any item not on the agenda when recognized by the Board President.

Any Board member may comment on any item not on the agenda.

ACTION ITEMS

Consent Agenda

Any person may comment on any item on the consent agenda.

1. DRAFT MINUTES OF JULY 23, 2020 REGULAR MEETING

Approval of draft minutes for regular meeting on 7/23/2020

Motioned by: Director _____ Seconded by: Director _____
 Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
 Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

Old Business:

1. NONE

New Business:

1. REVIEW AND MOTION TO APPROVE DRAFT FINANCIAL REPORTS FOR JULY 2020

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve Draft Financial Reports July 2020

Motioned by: Director _____ Seconded by: Director _____
 Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
 Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

2. REVIEW AND MOTION TO APPROVE CHECKS AND DIRECT STAFF TO SIGN CHECKS

1. General Fund 605: Check # _____ through check # _____ for a total of \$ _____
2. Water Account: Check # _____ through check # _____ for a total of \$ _____
3. Holding Acct: Check # _____ through check # _____ for a total of \$ _____
4. Street Maint. Acct: Check # _____ through check # _____ for a total of \$ _____
5. Reorganization Acct: Check # _____ through check # _____ for a total of \$ _____
6. Construction Acct: Check # _____ through check # _____ for a total of \$ _____
7. Acct: Check # _____ through check # _____ for a total of \$ _____

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve checks and direct staff to sign checks

Motioned by: Director _____ Seconded by: Director _____
Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

3. WATER RATE STUDY

- Copy of Draft Report
- Consider acceptance of report with possible edits to final report

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Accept Draft Report with edits to final report, completion date of September 24,2020

Motioned by: Director _____ Seconded by: Director _____
Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

4. RESOLUTION # 08-01-20 AUTHORIZING GENERAL MANAGER TO APPLY FOR FUNDING AND SIGN AND SUBMIT APPLICATION FOR FUNDING FROM THE DRINKING WATER STATE REVOLVING FUND

- Springfield Water Project

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve adoption of Resolution # 08-01-20

Motioned by: Director _____ Seconded by: Director _____
Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

5. RESOLUTION # 08-02-20 APPROVING APPLICATION FOR PER CAPITA GRANT PROGRAM

- District staff working with Office of Grants and Local Services (OGALS)
- District has been allocated \$177,952 for Pajaro Park Capital Outlay
- Copy of allocation list
- List of possible project expenditures

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve adoption of Resolution # 08-02-20

Motioned by: Director _____ Seconded by: Director _____
 Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
 Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____

6. 2020-2021 LIGHTING ASSESSMENT

- Set Protest Hearing date for October 22, 2020 at 5:30 pm
- Copy of example notice / letter
- Copy of lighting District information
- Copy of yearly cost comparison

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve 2020-2021 Lighting Assessment and Set Hearing for October 22, 2020

Motioned by: Director _____ Seconded by: Director _____
 Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
 Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Roll Call Vote:

- o (11/21) President Harry Wiggins _____
- o (11/21) Vice President Sanford Coplin _____
- o (11/23) Secretary Robert Moody _____
- o (11/23) Assistant Secretary Darlene Lamboley _____
- o (11/21) Treasurer Michael Moore _____



STAFF/COMMITTEE REPORTS: (INFORMATION ONLY, NO ACTION)

This part of agenda is for the Staff to report to the Board on District operations however no action is agendized and no action may be taken other than asking for an action item to be brought to the Board at a future meeting.

1. Possible grant funding source identified for the purpose of Pajaro Tank #1 rehabilitation
 - Staff working with Karen Nilsen, funding consultant
 - Engineers estimate is \$750k to \$1M

2. Cal-OES
 - Local Hazard Mitigation Plan (LHMP) funding - \$150,000
 - Application has been approved for funding consideration
 - If funded, District will contract with consultant to generate the LHMP

3. District Wide Generator Project
 - Board requested of staff to review project scope and cost in attempt to identify cost saving potential
 - Copy of staff report

4. Local wildland fires – Impact on Operators
 - JPIA recommendations
 - All employees work indoors when poor air quality exists
 - Water quality labs
 - Both labs utilized by the District are available with limited staffing
 - No impact to date

5. District Operations Update: changes due to COVID-19 and “Shelter in Place” order
 - District office will remain open with strict guidelines
 - District Parks have been closed
 - Copies of notice at District Office and list of duties for Office
 - No vendors or members of public are allowed into Office
 - Payments are being received; no change given
 - District has a verbal agreement in place for Mutual Aid with both Castroville Community Services District and Aromas Water District. District Counsel is working on a written agreement.
 - President Wiggins and Vice President Coplin conducted a conference call with District General Manager and Operations Manager to plan for “worst case scenario”
 - President now has District Office keys and alarm codes and has advised staff to have Operations Manuals, keys to facilities and system maps readily available on the conference room table
 - Contact info for all Board Members, employees and vendors are in the binder
 - Notices mailed to customers with May bills indicating that their water is safe and unaffected by COVID-19 (copy included)
 - Office remains closed to public; continuing to take payments by phone or drop-off
 - Office will be at full staffing beginning July 6, 2020 with physical distancing requirements met and health screening protocols in place; masks or face coverings to be worn at all times while indoors.
 - All field personnel to work from home (stand-by) when air quality is bad

- 6. District Operations Report
- 7. Usage Comparison Report 2013/2020

CLOSED SESSION:

A. Public Comments for Closed Session

Any person may address the Board on any item on the Closed Session Agenda after being recognized by the Board President.

Conference with Legal Counsel- Existing Litigation (Government Code § 54957)

- 1. AWC Holdings Trust and AWC II Holdings Trust vs the County of Monterey through its Board of Supervisors et al Case No. 18CV001746, Monterey County Superior Court, filed May 11, 2018
- 2. Steve Pacheco, Trustee of the Salinas Land Holding Trust vs Pajaro/Sunny Mesa Community Services District et al Case No. (consolidated with above case), Monterey County Superior Court, filing date unknown

B. Return to Open Session and Report out of Closed Session

Any final action taken by the Board in closed session required under Government Code § 54957.1 will be reported in open session at this time.

MOTION TO ADJOURN

Next Board meeting date: _____
 Motioned by: Director _____ Seconded by: Director _____
 Ayes: _____ Noes: _____ Absent: _____ Abstained: _____
 Motion passed: _____ Motion Failed: _____ Motion Tabled: _____

Adjournment Time: _____ p.m.

MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors via teleconference was called to order at 4:31 pm on July 23, 2020.

ROLL CALL: President Harry Wiggins
Vice President Sanford Coplin
Secretary Robert Moody
Assistant Secretary Darlene Lamboley

ADMINISTRATIVE STAFF: General Manager Don Rosa
Bookkeeper Amy Saldate
Recorder Judy Vazquez-Varela

ABSENT DIRECTOR(S) & STAFF: Treasurer Michael Moore

DISTRICT COUNSEL: Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: None

PUBLIC COMMENTS: None

Action Items

1. Consider and approve the Minutes of the June 25, 2020 Regular Board Meeting

Motion was made by Director Wiggins and seconded by Director Coplin to approve the Regular Board Meeting Minutes of June 25, 2020. Motion carried.

Roll Call Vote: Ayes: H. Wiggins; S. Coplin; R. Moody; D. Lamboley
Noes: None
Absent: M. Moore
Abstain: None

OLD BUSINESS: None

NEW BUSINESS: (Action Items)

1. Review and consider approving the Financial Reports for June 2020

Motion made by Director Moody and seconded by Director Lamboley to approve the June 2020 Financials and Checks. Motion carried.

Roll Call Vote: Ayes: H. Wiggins; S. Coplin; R. Moody; D. Lamboley
Noes: None
Absent: M. Moore
Abstain: None

MONTHLY EXPENDITURES REPORT FOR REVIEW

APPROVAL OF CHECKS:

2. Review and consider approving of checks and directing Staff to sign checks
 1. General Fund 633: None
 2. Operating Account: Check No. 24396 through Check No. 24434 for a total of \$182,374.41
 3. Reserve Account: Total of \$47,374.41
 4. Street Maintenance Account: Check No. 521 for a total of \$241.58
 5. Pajaro Park Account: Total of \$1,085.04
 6. COP 2010 Account: Total of \$365,574.13
 7. Debt Service Reserve Account: None

Motion was made by Director Wiggins, seconded by Director Lamboley to approve the June 2020 Checks, and direct Staff to sign checks. Motion carried.

Roll Call Vote:	Ayes:	H. Wiggins; S. Coplin; R. Moody; D. Lamboley
	Noes:	None
	Absent:	M. Moore
	Abstain:	None

3. Review and consider District Wide Generator Project: Finance decision for use in Water Rate Study

General Manager Rosa would like for the Board to agree on a method of financing the District Wide Generator Project to include the information in the Water Rate Study and review proposed rate increase. Although bond issuance causes high debt for the District, it would be lower impact on the rate payer. General Manager Rosa presented the Board with bond issuance examples to discuss the potential monthly impact on the rate payer.

- 30 year-\$6.16
- 25 year-\$6.75
- 20 year-\$7.67

General Manager Rosa also presented the Board with the Santa Cruz County Bank Finance proposal, potential monthly impact on rate payer.

- \$13.00

General Manager Rosa suggested choosing 20-year bond to be integrated into rate schedule. The Board members discussed financing for the least amount of time and the burden this would place on the rate payer. Also, discussed option of 25 years bond for an approximate \$1.00 less impact on rates and a finance increase of \$200,000.

The Board Directed General Manager Rosa to prepare a proposal exploring options where cost saving can be realized with the goal of providing backup power to all areas in need of it and present it to the Board in the next meeting.

Motion was made by Director Moody, seconded by Director Lamboley to approve the District Wide Generator Project to be financed over a 25-year Bond issuance, assuming for now the project cost is 1.44 million dollars. Motion carried.

Roll Call Vote: Ayes: H. Wiggins; S. Coplin; R. Moody; D. Lamboley
Noes: None
Absent: M. Moore
Abstain: None

4. Review and consider Resolution No. 07-01-20 Annual Compliance

Motion was made by Director Moody, seconded by Director Lamboley to approve Resolution No. 07-01-20 Annual Compliance. Motion carried.

Roll Call Vote: Ayes: H. Wiggins; S. Coplin; R. Moody; D. Lamboley
Noes: None
Absent: M. Moore
Abstain: None

STAFF/COMMITTEE REPORTS: (Informational Only)

1. Water Rate Study

- Project is on schedule. NBS will finalize preliminary report by early September.
- Regular communication between NBS and District Staff.

2. Homeowners Insurance in Rural Areas-Harry Wiggins

- Insurance carriers are discontinuing coverage to some homeowner's in our service area
- The two apparent reasons being discussed are:
 - o Wildfire risk
 - o Poor ISO (Insurance Service Office) rating, for the local fire department
 - o Rating is based on Fire Department capabilities and availability of water supply

The District's water infrastructure met all requirements from Monterey County and Fire Department in the time of construction

General Manager Rosa informed the Board that Costco is writing policies in our service area at reasonable rates, compared to the rate mentioned at the last meeting

3. District Operation: changes due to COVID-19 and "Shelter in Place" order

- District office will remain open with strict guidelines.
- District Parks have been closed.

- Copies of notice at District office and list of duties for office.
- No Vendors or members of the public are allowed into office.
- Office is staffed daily by General Manager and one administrative employee.
- Payments are being received; no change given.
- District has a verbal agreement in place for Mutual Aid with both Castroville CSD and Aromas WD. District Counsel is working on a written agreement.
- Staff is currently working with ACWA-JPIA to draft and indemnity agreement for liability.
- President Wiggins and Vice President Coplin conducted a conference call with General Manager and Operations Manager to plan for "worst case scenario"
 - President now has District Office keys and alarm codes and has advised Staff to have Operations Manuals, keys to facilities and system maps readily available on the conference room table.
 - Contact information for all Board Members, employees and vendors are available in binder.
- Notices mailed to customers with May bills indicating that their water is safe and unaffected by COVID-19, copy of notice included in packet.
- Office remains closed to public; continuing to take payments by phone or drop-off.
- Office will be at full staffing beginning July 6, 2020 with physical distancing requirements met and health screening protocols in place; masks or face coverings to be worn always while indoors.

No change in operations currently

4. District Operations Report

Pajaro Grant

- The mixing system has been installed and the Health Inspector has signed off the final inspection. The completion goal continues to be August 7th, 2020.

Springfield Planning Grant

- The closing documents along with the last submittal for reimbursement have been submitted to the State. The Cultural and Biological reports have been finalized. Monthly conference call is scheduled on July 29, 2020.

5. Usage Comparison Report 2013/2020

- Water usage is down in most systems except for Sunny Mesa and Springfield Water Systems compared to this month in 2013.

Closed Session: None

NEXT BOARD MEETING:

The next Board meeting is to be held on Thursday, August 27, 2020 at 5:30 pm.

There being no further business, the regular Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 5:59 pm with motion made by Director Moody, seconded by Director Coplin. Motion Carried.

Respectfully submitted by:

Harry Wiggins, President

Sanford Coplin, Vice President

Judith Vazquez-Varela, Recorder

FINANCIAL NOTES - July 2020

Account No:	Account Name:	Increase / Decrease	Description
Income:			
4001-4015	Total Income	+	Above normal usage: notably in Blackie, Moss Landing & Normco
Expenses: Indirect			
5000	Salaries & Wages	+	Three (3) payroll periods within the month
5050	Employee Health Insurance	+	Timing of pay period schedule led to 2 payments within the month
5140	Building Repair & Maintenance	+	Exterior painting of District office
5170	Office Equipment Repair & Maint.	+	Renewal of phone system service; annual fee
5180	Casualty Ins/ Liability Insurance	+	Property Program renewal of policies; installment payment
Expenses: Direct			
5220	Water System- Repair & Maintenance	+	-Installation of new 20 hp pump for Langley -Transmitter repair and new lithium battery for Normco
Other Income:			
4110	Hydrant Sales	+	Temporary Hydrant Meters- Increase in water sales during summer season

August 11, 2020

Balance Sheet

Accrual Basis

As of July 31, 2020

	Jul 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1001 · SCCB - Operating Account	159,986.82
1002 · SCCB Reserve Account	202,774.15
1003 · SCCB - Sick Leave Account	14,451.84
1004 · SCCB - Street Maint Acct	212,065.67
1006 · SCCB-GF 633	236,153.07
1007 · SCCB - Debt Service Reserve	59,158.08
1032 · SCCB-COP Acct (aka Const. Acct)	84,952.68
1036 · PSM Pajaro Park Acct	81,605.16
1050 · Cash in County Treasury - DS	65,837.34
1051 · Cash in County Treasury - GF	100,214.09
1066 · Union Bank Vega 2303	148,032.97
1068 · Union Bank Vega 2301	53.03
1069 · Union Bank Vega-2302	10,529.89
1095 · Union Bank Wtr Bond-Res 2204	147,869.10
2201 · Union Bank-2015 Wtr Rfd Bd 2201	89.55
Total Checking/Savings	1,523,773.44
Accounts Receivable	
1110 · Invoice Accounts Recv	1,808.14
1231 · Grants Receivable-A/R	93,690.28
Total Accounts Receivable	95,498.42
Other Current Assets	
1080 · Petty Cash	400.00
1100 · Water Customer Accounts Recv	230,333.53
1101 · Allowance for Doubtful Accounts	-8,990.09
1115 · Prepaid Expenses	507.31
1153 · Receivable from Monterey County	860.00
1251 · Assess. Rec. - Lighting	949.14
1252 · Assessments Rec. - Street Maint	6,255.76
1253 · Assessments Rec. - Water bond	300,206.00
1253.1 · Assess Rec - Water Bond - Count	116.43
1254 · Advanced Pay - Spec. Asses - WB	-16,561.65
Total Other Current Assets	514,076.43
Total Current Assets	2,133,348.29
Fixed Assets	
1084 · CIP-Springfield/Struve	18,967.36
1500 · Land	139,676.30
1510 · Land Improve (Non-office)	253,942.67
1520 · Land Improve (Office)	66,721.46
1521 · A/D - Land Impr (Off)	-44,861.40
1522 · Land - Parks	248,000.00
1530 · Wells	162,488.25
1540 · Pumping Plant Bldg	191,044.92
1541 · A/D - Pumping Plant Bldg	-191,045.00
1550 · District Office Building	134,443.43
1551 · A/D - District Office Building	-123,428.73
1555 · Office Equipment/Furniture	44,041.05
1556 · A/D - Office Equip/Furniture	-43,293.90
1557 · Equipment - Lighting	8,980.18
1559 · A/D - Lighting and Parks	-8,980.18
1560 · Electric Power to Sheds	2,598.59
1561 · A/D - Electric Power to Sheds	-2,599.00
1570 · Equipment - Pumping Plant	506,239.21
1571 · A/D - Equipment - Pumping Plant	-453,386.87
1580 · Distribution Mains [P]	1,487,948.01
1581 · A/D - Distribution Mains	-1,063,798.68
1590 · Meters	92,193.13
1591 · A/D - Meters	-84,656.11
1600 · Hydrants	7,422.43

August 11, 2020

Balance Sheet

Accrual Basis

As of July 31, 2020

	Jul 31, 20
1601 · A/D - Hydrants	-4,556.72
1610 · Automotive Equipment	232,300.12
1611 · A/D - Automotive Equipment	-195,223.31
1620 · Utility Trans/Distr Plant	115,702.65
1621 · A/D - Utility T&D Plant	-90,071.77
1622 · A/D - Moss Landing	-157,020.31
1630 · Utility Plant	107,992.45
1631 · A/D - Utility Plant	-107,992.00
1640 · Source of Supply Plant	54,616.59
1641 · A/D - Source of Supply Plant	-15,624.73
1650 · Trans & Distr Plant	81,133.08
1651 · A/D - Trans & Distr Plant	-59,380.30
1670 · Small Tools/Equipment	10,817.67
1671 · A/D - Small Tools/Equipment	-8,096.51
1680 · ALCO Water Project	155,809.38
1681 · A/D - ALCO Water Project	-93,485.45
1804 · CIP-Springfield	328,851.31
1805 · CIP-Vega Imprvmtnt Project	4,604,699.33
1805.1 · A/D - Vega	-1,962,902.90
1806 · Moss Landing Bridge Project	251,233.09
1807 · CIP-Langley/VP	240,496.74
1807.1 · A/D - Langley/VP	-66,136.74
1808 · CIP-Normco	296,974.74
1808.1 · A/D - Normco Tank	-107,839.73
1811 · CIP-Vierra Estate	175,238.16
1811.1 · A/D - Vierra Estates	-38,242.72
1812 · CIP-Moss Landing Water System	297,669.12
1812.1 · A/D - Moss Landing Water	-65,436.55
1814 · CIP-Pajaro	1,581,885.77
1815 · CIP-Normco Improv Project	3,225.00
1816 · Land - Pajaro Park	781,632.00
1817 · Improvements - Pajaro Park	4,717,110.00
1817.1 · A/D - Improvements -Pajaro Park	-1,092,169.63
1818 · Buildings - Pajaro Park	796,400.00
1818.1 · A/D - Buildings-Pajaro Park	-150,374.26
1819 · Equipment - Pajaro Park	43,381.00
1819.1 · A/D - Equipment-Pajaro Park	-23,136.89
1820 · Normco Treatment Facility	111,943.00
1820.1 · A/D-Normco Treatment Facility	-68,865.85
1821 · CIP-Sunny Mesa	48,044.61
1822 · CIP-Vega	23,643.81
1823 · CIP-Blackie	10,230.04
Total Fixed Assets	12,113,130.41
Other Assets	
1120 · Due From Gen Fund	0.66
1141 · Due From SC Grant Acct	100.00
1151 · Due from Maint Account	157.19
1220 · Spl Asmnt Revc-Long Term	3,873,859.72
1900 · Due From Other Funds	159,690.92
1950 · Deferred amount on refunding	73,213.60
1951 · Deferred Amt of Ref-Vega Bds15	95,017.09
Total Other Assets	4,202,039.18
TOTAL ASSETS	18,448,517.88
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	64,357.91
2500 · Due to Other Funds	159,693.06
Total Accounts Payable	224,050.97

August 11, 2020

Balance Sheet

Accrual Basis

As of July 31, 2020

	<u>Jul 31, 20</u>
Other Current Liabilities	
2005 · Accrued Liabilities	67,274.00
2050 · Accrued Payroll	14,083.65
2100 · Payroll Tax Liabilities	1,500.00
2121 · Customer Security Deposits	16,552.15
2122 · Future Water Conn. Deposits	36,600.00
2123 · Hydrant Meter Deposits	25,050.00
2225 · Accrued Vacation Liability	37,125.59
2230 · Accrued Sick Leave Liability	49,358.51
2263 · 457b EE Plan Payable	4,203.18
2264 · Employee Insurance Payable	-2,896.62
2265 · EE Aflac Insurance Payable	942.63
2320 · Due to 64 Original Sewer Accts	29,169.90
2324 · Payable to Customers	2,347.79
2325 · Payable to P.V.W.M.A.	-29,534.62
	<hr/>
Total Other Current Liabilities	251,776.16
	<hr/>
Total Current Liabilities	475,827.13
	<hr/>
Long Term Liabilities	
2256 · Vehicle Loan Payable	27,803.08
2257 · Reorganization Loan	245,000.00
2267 · Pajaro Tank Loan-0190	892,991.53
2333 · COP Bonds Payable	-255,000.00
2339 · Vega Project Bonds Payable	-72,100.00
2350 · Bonds Payable - Water Bond	224,000.00
2360 · Bonds Payable-2015 COP Wtr Rf	2,200,000.00
2361 · Bonds Payable-2015 Vga Wtr Rf	3,710,083.67
2400 · Unamortized Discount on 2015	-34,205.01
2401 · Unamorized Discount-2015 Vega	-13,986.72
	<hr/>
Total Long Term Liabilities	6,924,586.55
	<hr/>
Total Liabilities	7,400,413.68
	<hr/>
Equity	
3000 · Fund Balance	219,540.85
3001 · Restricted-Street Maintenance	87,655.80
3040 · Contributed Capital	248,000.00
3045 · Restricted for Debt Service	4,575,060.23
3050 · Retained Earnings	5,921,670.06
3999 · Suspense	13,037.78
Net Income	-16,860.52
	<hr/>
Total Equity	11,048,104.20
	<hr/>
TOTAL LIABILITIES & EQUITY	18,448,517.88
	<hr/> <hr/>

August 11, 2020

Profit & Loss

July 2020

Accrual Basis

	<u>Jul 20</u>
Ordinary Income/Expense	
Income	
4001 · Route 1 - Pajaro	21,204.27
4002 · Route 2 - Pajaro	22,723.58
4003 · Route 3 - Commercial	24,845.49
4004 · Route 4 - Trailer Park	958.25
4005 · Route 5 - San Juan Rd Apts	930.99
4006 · Route 6 - Sunny Mesa	12,912.40
4007 · Route 7 - CSA 73	14,469.92
4008 · Route 8 - Vega	15,146.19
4010 · Route 10 -Springfield	850.00
4011 · Route 11 - Moss Landing	25,420.58
4012 · Route 12 - Blackie Road	3,649.62
4013 · Route 13 - Normco	33,227.26
4014 · Route 14 - Vierra	5,447.90
4015 · Route 15 - Langley/VP	3,211.19
	<hr/>
Total Income	184,997.64
Gross Profit	184,997.64
Expense	
INDIRECT	
5000 · Salaries and Wages	91,711.29
5030 · Payroll Tax Expense	804.45
5050 · Employee Health Insurance	31,366.78
5070 · Employee Retirement	12,625.85
5130 · Utilities - Office	288.81
5140 · Building Repair & Maint	7,015.73
5145 · District Wide Repair & Maint	1,244.07
5160 · Office Equip Rental	574.75
5165 · Computer Software	477.42
5170 · Office Equipment Repair & Maint	1,147.13
5180 · Casualty Ins/Liability Ins	7,241.96
5200 · Billing Supplies	2,511.66
5240 · Office Supplies	432.96
5245 · Postage	1,000.00
5250 · Legal Expenses	2,644.80
5255 · Interest Expense	99.52
5260 · Accounting & Bookkeeping	1,100.00
5266 · Engineering Svcs-Dist Wide	6,100.00
5270 · Automotive - Repair & Maint	102.20
5320 · Membership Fees and Dues	399.41
5330 · Telephone	2,295.97
5340 · Burglar Alarm Monitoring	30.00
5370 · Fuel - Trucks	1,698.22
5391 · Credit Card Transaction Fees	556.82
5XXX · Indirect Allocation	0.01
	<hr/>
Total INDIRECT	173,469.81
5190 · Soil and Water Tests	955.00
5220 · Water System - Repair & Maint	21,576.63
5225 · Street Maintenance	192.19
5230 · Park - Repair & Maint	44.63
5231 · Pajaro Park Expense	1,091.61
5310 · Utilities - Well Site	5,927.94
5315 · Utilities - Street Lighting	2,045.78
	<hr/>
Total Expense	205,303.59
Net Ordinary Income	-20,305.95
Other Income/Expense	
Other Income	
4100 · Late Payment Penalties	409.22
4110 · Hydrant Sales	1,304.27
4285 · P.V.W.M.A. Collection Fee	2,572.85

Profit & Loss

July 2020

	<u>Jul 20</u>
4307 · Returned Check Charges	25.00
4345 · Customer Order Reimbursements	187.50
4350 · Interest Revenue	<u>25.84</u>
Total Other Income	4,524.68
Other Expense	
5435 · Improvement Project-Pajaro	879.25
6260 · Lighting Expenses	<u>200.00</u>
Total Other Expense	<u>1,079.25</u>
Net Other Income	<u>3,445.43</u>
Net Income	<u><u>-16,860.52</u></u>

Pajaro/Sunny Mesa Community Services District Profit & Loss Budget Performance July 2020

1:01 PM
August 11, 2020
Accrual Basis

	Jul 20	Budget	% of Budget	Jul 20	YTD Budget	% of Budget	Annual Budget
Ordinary Income/Expense							
Income							
4001 - Route 1 - Pajaro	21,204.27	22,583.34	93.9%	21,204.27	22,583.34	93.9%	271,000.00
4002 - Route 2 - Pajaro	22,723.58	23,000.00	98.8%	22,723.58	23,000.00	98.8%	276,000.00
4003 - Route 3 - Commercial	24,845.49	23,083.34	107.6%	24,845.49	23,083.34	107.6%	277,000.00
4004 - Route 4 - Trailer Park	958.25	1,125.00	85.2%	958.25	1,125.00	85.2%	13,500.00
4005 - Route 5 - San Juan Rd Apts	930.99	1,116.67	83.4%	930.99	1,116.67	83.4%	13,400.00
4006 - Route 6 - Sunny Mesa	12,912.40	11,975.00	107.8%	12,912.40	11,975.00	107.8%	143,700.00
4007 - Route 7 - CSA 73	14,469.92	13,166.67	109.9%	14,469.92	13,166.67	109.9%	158,000.00
4008 - Route 8 - Vega	15,146.19	13,025.00	116.3%	15,146.19	13,025.00	116.3%	156,300.00
4010 - Route 10 - Springfield	850.00	875.00	97.1%	850.00	875.00	97.1%	10,500.00
4011 - Route 11 - Moss Landing	25,420.58	22,583.34	112.6%	25,420.58	22,583.34	112.6%	271,000.00
4012 - Route 12 - Blackie Road	3,649.62	2,641.67	136.2%	3,649.62	2,641.67	136.2%	31,700.00
4013 - Route 13 - Norrco	33,227.26	28,750.00	115.6%	33,227.26	28,750.00	115.6%	345,000.00
4014 - Route 14 - Vierra	5,447.90	4,383.34	124.3%	5,447.90	4,383.34	124.3%	52,600.00
4015 - Route 15 - Langley/VP	3,211.19	2,741.67	117.1%	3,211.19	2,741.67	117.1%	32,900.00
Total Income	184,997.64	171,050.04	108.2%	184,997.64	171,050.04	108.2%	2,052,600.00
Gross Profit	184,997.64	171,050.04	108.2%	184,997.64	171,050.04	108.2%	2,052,600.00
Expense							
INDIRECT							
5000 - Salaries and Wages	91,711.29	63,500.00	144.4%	91,711.29	63,500.00	144.4%	762,000.00
5005 - Administrative Fees	0.00	500.00	0.0%	0.00	500.00	0.0%	6,000.00
5010 - Contract Labor	0.00	2,000.00	0.0%	0.00	2,000.00	0.0%	24,000.00
5030 - Payroll Tax Expense	804.45	1,333.34	60.3%	804.45	1,333.34	60.3%	16,000.00
5040 - Worker's Comp Insurance	0.00	1,666.67	0.0%	0.00	1,666.67	0.0%	20,000.00
5050 - Employee Health Insurance	31,366.78	15,666.67	200.2%	31,366.78	15,666.67	200.2%	188,000.00
5070 - Employee Retirement	12,625.85	9,525.00	132.6%	12,625.85	9,525.00	132.6%	114,300.00
5090 - Other Employee Expense	0.00	208.34	0.0%	0.00	208.34	0.0%	2,500.00
5120 - Property Taxes	0.00	125.00	0.0%	0.00	125.00	0.0%	1,500.00
5130 - Utilities - Office	288.81	333.34	86.6%	288.81	333.34	86.6%	4,000.00
5140 - Building Repair & Maint	7,015.73	1,250.00	561.3%	7,015.73	1,250.00	561.3%	15,000.00
5145 - District Wide Repair & Maint	1,244.07	1,333.34	93.3%	1,244.07	1,333.34	93.3%	16,000.00
5150 - Garbage Service	0.00	308.34	0.0%	0.00	308.34	0.0%	3,700.00
5160 - Office Equip Rental	574.75	833.34	69.0%	574.75	833.34	69.0%	10,000.00
5165 - Computer Software	477.42	833.34	57.3%	477.42	833.34	57.3%	10,000.00
5170 - Office Equipment Repair & Maint	1,147.13	300.00	382.4%	1,147.13	300.00	382.4%	3,600.00
5175 - Small Tools - Repair & Maint.	0.00	83.34	0.0%	0.00	83.34	0.0%	1,000.00
5180 - Casualty Ins/Liability Ins	7,241.96	2,583.34	280.3%	7,241.96	2,583.34	280.3%	31,000.00
5200 - Billing Supplies	2,511.66	308.34	814.6%	2,511.66	308.34	814.6%	3,700.00
5240 - Office Supplies	432.96	291.67	148.4%	432.96	291.67	148.4%	3,500.00
5245 - Postage	1,000.00	708.34	141.2%	1,000.00	708.34	141.2%	8,500.00
5250 - Legal Expenses	2,644.80	2,250.00	117.5%	2,644.80	2,250.00	117.5%	27,000.00
5255 - Interest Expense	99.52	1,083.34	9.2%	99.52	1,083.34	9.2%	13,000.00
5256 - Interest Exp-Financed Items	0.00	200.00	0.0%	0.00	200.00	0.0%	2,400.00
5260 - Accounting & Bookkeeping	1,100.00	3,083.34	35.7%	1,100.00	3,083.34	35.7%	37,000.00
5266 - Engineering Svcs-Dist Wide	6,100.00	3,416.67	178.5%	6,100.00	3,416.67	178.5%	41,000.00
5270 - Automotive - Repair & Maint	102.20	833.34	12.3%	102.20	833.34	12.3%	10,000.00
5280 - Conferences, Meetings, Seminars	0.00	41.67	0.0%	0.00	41.67	0.0%	500.00
5290 - Travel Expenses	0.00	41.67	0.0%	0.00	41.67	0.0%	500.00
5300 - Books & Subscriptions	0.00	125.00	0.0%	0.00	125.00	0.0%	1,500.00
5305 - Water Conservation Program	0.00	125.00	0.0%	0.00	125.00	0.0%	1,500.00
5320 - Membership Fees and Dues	399.41	1,666.67	24.0%	399.41	1,666.67	24.0%	20,000.00
5326 - Licenses and Certifications	0.00	166.67	0.0%	0.00	166.67	0.0%	2,000.00

**Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget Performance
July 2020**

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August 11, 2020
Accrual Basis

	Jul 20	Budget	% of Budget	Jul 20	YTD Budget	% of Budget	Annual Budget
5330 - Telephone	2,295.97	1,416.67	162.1%	2,295.97	1,416.67	162.1%	17,000.00
5340 - Burglar Alarm Monitoring	30.00	66.67	45.0%	30.00	66.67	45.0%	800.00
5370 - Fuel - Trucks	1,698.22	2,000.00	84.9%	1,698.22	2,000.00	84.9%	24,000.00
5390 - Bank Charges	0.00	16.67	0.0%	0.00	16.67	0.0%	200.00
5391 - Credit Card Transaction Fees	556.82	500.00	111.4%	556.82	500.00	111.4%	6,000.00
5400 - Miscellaneous Expense	0.00	16.67	0.0%	0.00	16.67	0.0%	200.00
5XXX - Indirect Allocation	0.01			0.01			
6560 - Payroll Processing Expenses	0.00	50.00	0.0%	0.00	50.00	0.0%	600.00
6577 - COP Debt Service - Interest	0.00	6,500.00	0.0%	0.00	6,500.00	0.0%	78,000.00
Total INDIRECT	173,469.81	127,291.80	136.3%	173,469.81	127,291.80	136.3%	1,527,500.00
5190 - Soil and Water Tests	955.00	2,666.67	35.8%	955.00	2,666.67	35.8%	32,000.00
5220 - Water System - Repair & Maint	21,576.63	18,750.00	115.1%	21,576.63	18,750.00	115.1%	225,000.00
5225 - Street Maintenance	192.19	2,720.84	7.1%	192.19	2,720.84	7.1%	32,650.00
5230 - Park - Repair & Maint	44.63	83.34	53.6%	44.63	83.34	53.6%	1,000.00
5231 - Pajaro Park Expense	1,091.61			1,091.61			
5265 - Engineering Expenses	0.00	166.67	0.0%	0.00	166.67	0.0%	2,000.00
5310 - Utilities - Well Site	5,927.94	14,166.67	41.8%	5,927.94	14,166.67	41.8%	170,000.00
5315 - Utilities - Street Lighting	2,045.78	2,333.34	87.7%	2,045.78	2,333.34	87.7%	28,000.00
5325 - Permits	0.00	2,083.34	0.0%	0.00	2,083.34	0.0%	25,000.00
5360 - Fuel - Generator	0.00	125.00	0.0%	0.00	125.00	0.0%	1,500.00
5428 - COP Bond Expense	0.00	291.67	0.0%	0.00	291.67	0.0%	3,500.00
5433 - Pajaro Water Bond Interest Exp	0.00	883.34	0.0%	0.00	883.34	0.0%	10,600.00
6575 - Vega Debt Service-Interest	0.00	11,916.67	0.0%	0.00	11,916.67	0.0%	143,000.00
Total Expense	205,303.59	183,479.35	111.9%	205,303.59	183,479.35	111.9%	2,201,750.00
Net Ordinary Income	-20,305.95	-12,429.31	163.4%	-20,305.95	-12,429.31	163.4%	-149,150.00
Other Income/Expense							
4100 - Late Payment Penalties	409.22	416.67	98.2%	409.22	416.67	98.2%	5,000.00
4101 - Billing Adjustments	0.00	41.67	0.0%	0.00	41.67	0.0%	500.00
4110 - Hydrant Sales	1,304.27	416.67	313.0%	1,304.27	416.67	313.0%	5,000.00
4115 - Testing Fees	0.00	625.00	0.0%	0.00	625.00	0.0%	7,500.00
4140 - Connection Fees	0.00	358.34	0.0%	0.00	358.34	0.0%	4,300.00
4141 - Application Fees	0.00	45.84	0.0%	0.00	45.84	0.0%	550.00
4146 - Other Fees	0.00	33.34	0.0%	0.00	33.34	0.0%	400.00
4200 - Street Maintenance-Reimb	0.00	5,316.67	0.0%	0.00	5,316.67	0.0%	63,800.00
4210 - Vega Bond Assessments	0.00	23,166.67	0.0%	0.00	23,166.67	0.0%	278,000.00
4280 - Pro-Rata Tax Collection Share	0.00	2,083.34	0.0%	0.00	2,083.34	0.0%	25,000.00
4285 - P.V.M.A. Collection Fee	2,572.85	2,250.00	114.3%	2,572.85	2,250.00	114.3%	27,000.00
4300 - Collection of Previous WFO Act	0.00	41.67	0.0%	0.00	41.67	0.0%	500.00
4305 - Miscellaneous Revenue	0.00	125.00	0.0%	0.00	125.00	0.0%	1,500.00
4307 - Returned Check Charges	25.00			25.00			
4340 - Utility Reimbursements	0.00	2,333.34	0.0%	0.00	2,333.34	0.0%	28,000.00
4341 - Lighting Admin Reimbursements	0.00	1,000.00	0.0%	0.00	1,000.00	0.0%	12,000.00
4345 - Customer Order Reimbursements	187.50			187.50			
4346 - District 25% Overhead Fee	0.00	41.67	0.0%	0.00	41.67	0.0%	500.00
4350 - Interest Revenue	25.84	475.00	5.4%	25.84	475.00	5.4%	5,700.00
4355 - Audit/Bookkeeping Reimbursement	0.00	56.34	0.0%	0.00	56.34	0.0%	700.00
4360 - Legal Counsel Reimbursement	0.00	33.34	0.0%	0.00	33.34	0.0%	400.00
5794 - Water Bond Assessments	0.00	3,375.00	0.0%	0.00	3,375.00	0.0%	40,500.00

**Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget Performance
July 2020**

	Jul 20	Budget	% of Budget	Jul 20	YTD Budget	% of Budget	Annual Budget
Total Other Income	4,524.68	42,237.57	10.7%	4,524.68	42,237.57	10.7%	506,850.00
Other Expense							
5435 - Improvement Project-Pajaro	879.25			879.25			
6260 - Lighting Expenses	200.00			200.00			
Total Other Expense	1,079.25			1,079.25			
Net Other Income	3,445.43	42,237.57	8.2%	3,445.43	42,237.57	8.2%	506,850.00
Net Income	-16,860.52	29,808.26	-56.6%	-16,860.52	29,808.26	-56.6%	357,700.00

**Pajaro/Sunny Mesa Community Services District
 Profit & Loss Budget vs. Actual
 July 2020**

	Jul 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4001 · Route 1 - Pajaro	21,204.27	22,583.34	-1,379.07	93.89%
4002 · Route 2 - Pajaro	22,723.58	23,000.00	-276.42	98.8%
4003 · Route 3 - Commercial	24,845.49	23,083.34	1,762.15	107.63%
4004 · Route 4 - Trailer Park	958.25	1,125.00	-166.75	85.18%
4005 · Route 5 - San Juan Rd Apts	930.99	1,116.67	-185.68	83.37%
4006 · Route 6 - Sunny Mesa	12,912.40	11,975.00	937.40	107.83%
4007 · Route 7 - CSA 73	14,469.92	13,166.67	1,303.25	109.9%
4008 · Route 8 - Vega	15,146.19	13,025.00	2,121.19	116.29%
4010 · Route 10 -Springfield	850.00	875.00	-25.00	97.14%
4011 · Route 11 - Moss Landing	25,420.58	22,583.34	2,837.24	112.56%
4012 · Route 12 - Blackie Road	3,649.62	2,641.67	1,007.95	138.16%
4013 · Route 13 - Normco	33,227.26	28,750.00	4,477.26	115.57%
4014 · Route 14 - Vierra	5,447.90	4,383.34	1,064.56	124.29%
4015 · Route 15 - Langley/VP	3,211.19	2,741.67	469.52	117.13%
Total Income	184,997.64	171,050.04	13,947.60	108.15%
Gross Profit	184,997.64	171,050.04	13,947.60	108.15%
Expense				
INDIRECT				
5000 · Salaries and Wages	91,711.29	63,500.00	28,211.29	144.43%
5005 · Administrative Fees	0.00	500.00	-500.00	0.0%
5010 · Contract Labor	0.00	2,000.00	-2,000.00	0.0%
5030 · Payroll Tax Expense	804.45	1,333.34	-528.89	60.33%
5040 · Worker's Comp Insurance	0.00	1,666.67	-1,666.67	0.0%
5050 · Employee Health Insurance	31,366.78	15,666.67	15,700.11	200.21%
5070 · Employee Retirement	12,625.85	9,525.00	3,100.85	132.56%
5090 · Other Employee Expense	0.00	208.34	-208.34	0.0%
5120 · Property Taxes	0.00	125.00	-125.00	0.0%
5130 · Utilities - Office	288.81	333.34	-44.53	86.64%
5140 · Building Repair & Maint	7,015.73	1,250.00	5,765.73	561.26%
5145 · District Wide Repair & Maint	1,244.07	1,333.34	-89.27	93.31%

Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget vs. Actual
July 2020

	Jul 20	Budget	\$ Over Budget	% of Budget
5150 · Garbage Service	0.00	308.34	-308.34	0.0%
5160 · Office Equip Rental	574.75	833.34	-258.59	68.97%
5165 · Computer Software	477.42	833.34	-355.92	57.29%
5170 · Office Equipment Repair & Maint	1,147.13	300.00	847.13	382.38%
5175 · Small Tools - Repair & Maint.	0.00	83.34	-83.34	0.0%
5180 · Casualty Ins/Liability Ins	7,241.96	2,583.34	4,658.62	280.33%
5200 · Billing Supplies	2,511.66	308.34	2,203.32	814.58%
5240 · Office Supplies	432.96	291.67	141.29	148.44%
5245 · Postage	1,000.00	708.34	291.66	141.18%
5250 · Legal Expenses	2,644.80	2,250.00	394.80	117.55%
5255 · Interest Expense	99.52	1,083.34	-983.82	9.19%
5256 · Interest Exp-Financed Items	0.00	200.00	-200.00	0.0%
5260 · Accounting & Bookkeeping	1,100.00	3,083.34	-1,983.34	35.68%
5266 · Engineering Svcs-Dist Wide	6,100.00	3,416.67	2,683.33	178.54%
5270 · Automotive - Repair & Maint	102.20	833.34	-731.14	12.26%
5280 · Conferences, Meetings, Seminars	0.00	41.67	-41.67	0.0%
5290 · Travel Expenses	0.00	41.67	-41.67	0.0%
5300 · Books & Subscriptions	0.00	125.00	-125.00	0.0%
5305 · Water Conservation Program	0.00	125.00	-125.00	0.0%
5320 · Membership Fees and Dues	399.41	1,666.67	-1,267.26	23.97%
5326 · Licenses and Certifications	0.00	166.67	-166.67	0.0%
5330 · Telephone	2,295.97	1,416.67	879.30	162.07%
5340 · Burglar Alarm Monitoring	30.00	66.67	-36.67	45.0%
5370 · Fuel - Trucks	1,698.22	2,000.00	-301.78	84.91%
5390 · Bank Charges	0.00	16.67	-16.67	0.0%
5391 · Credit Card Transaction Fees	556.82	500.00	56.82	111.36%
5400 · Miscellaneous Expense	0.00	16.67	-16.67	0.0%
6560 · Payroll Processing Expenses	0.00	50.00	-50.00	0.0%
6577 · COP Debt Service - Interest	0.00	6,500.00	-6,500.00	0.0%
Total INDIRECT	173,469.80	127,291.80	46,178.00	136.28%
5190 · Soil and Water Tests	955.00	2,666.67	-1,711.67	35.81%
5220 · Water System - Repair & Maint	21,576.63	18,750.00	2,826.63	115.08%

Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget vs. Actual
July 2020

	Jul 20	Budget	\$ Over Budget	% of Budget
5225 · Street Maintenance	192.19	2,720.84	-2,528.65	7.06%
5230 · Park - Repair & Maint	44.63	83.34	-38.71	53.55%
5265 · Engineering Expenses	0.00	166.67	-166.67	0.0%
5310 · Utilities - Well Site	5,927.94	14,166.67	-8,238.73	41.84%
5315 · Utilities - Street Lighting	2,045.78	2,333.34	-287.56	87.68%
5325 · Permits	0.00	2,083.34	-2,083.34	0.0%
5360 · Fuel - Generator	0.00	125.00	-125.00	0.0%
5428 · COP Bond Expense	0.00	291.67	-291.67	0.0%
5433 · Pajaro Water Bond Interest Exp	0.00	883.34	-883.34	0.0%
6575 · Vega Debt Service-Interest	0.00	11,916.67	-11,916.67	0.0%
Total Expense	204,211.97	183,479.35	20,732.62	111.3%
Net Ordinary Income	-19,214.33	-12,429.31	-6,785.02	154.59%
Other Income/Expense				
Other Income				
4100 · Late Payment Penalties	409.22	416.67	-7.45	98.21%
4101 · Billing Adjustments	0.00	41.67	-41.67	0.0%
4110 · Hydrant Sales	1,304.27	416.67	887.60	313.02%
4115 · Testing Fees	0.00	625.00	-625.00	0.0%
4140 · Connection Fees	0.00	358.34	-358.34	0.0%
4141 · Application Fees	0.00	45.84	-45.84	0.0%
4146 · Other Fees	0.00	33.34	-33.34	0.0%
4200 · Street Maintenance-Reimb	0.00	5,316.67	-5,316.67	0.0%
4210 · Vega Bond Assessments	0.00	23,166.67	-23,166.67	0.0%
4280 · Pro-Rata Tax Collection Share	0.00	2,083.34	-2,083.34	0.0%
4285 · P.V.W.M.A. Collection Fee	2,572.85	2,250.00	322.85	114.35%
4300 · Collection of Previous W/O Acct	0.00	41.67	-41.67	0.0%
4305 · Miscellaneous Revenue	0.00	125.00	-125.00	0.0%
4340 · Utility Reimbursements	0.00	2,333.34	-2,333.34	0.0%
4341 · Lighting Admin Reimbursements	0.00	1,000.00	-1,000.00	0.0%
4346 · District 25% Overhead Fee	0.00	41.67	-41.67	0.0%
4350 · Interest Revenue	25.84	475.00	-449.16	5.44%
4355 · Audit/Bookkeeping Reimbursement	0.00	58.34	-58.34	0.0%

Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget vs. Actual
July 2020

	Jul 20	Budget	\$ Over Budget	% of Budget
4360 · Legal Counsel Reimbursement	0.00	33.34	-33.34	0.0%
5794 · Water Bond Assessments	0.00	3,375.00	-3,375.00	0.0%
Total Other Income	4,312.18	42,237.57	-37,925.39	10.21%
Other Expense				
Total Other Expense	0.00			
Net Other Income	4,312.18	42,237.57	-37,925.39	10.21%
Net Income	-14,902.15	29,808.26	-44,710.41	-49.99%

Total Income **Total Expense** **Difference**
 \$ 189,309.82 \$ 204,211.97 \$ (14,902.15)

June Cash **July Cash** **Difference**
 \$ 388,185.12 \$ 362,760.97 \$ (25,424.15)

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	ACH	08/07/2020	MUFG Union Bank, N. A.	1001 · SCCB - Operating Account		-2,155.00
				2203 · Union Bank Rev Ref Bds-2200	-2,155.00	2,155.00
TOTAL					-2,155.00	2,155.00
Check	AP	08/03/2020	Total Merchant Services	1001 · SCCB - Operating Account		-762.34
				5391 · Credit Card Transaction Fees	-762.34	762.34
TOTAL					-762.34	762.34
Bill Pmt -Check	AP	08/06/2020	A. L. Lease Company, Inc.-Online	1001 · SCCB - Operating Account		-774.18
Bill	126199	07/29/2020		5220 · Water System - Repair & Maint	-667.65	667.65
Bill	126332	07/29/2020		5220 · Water System - Repair & Maint	-32.01	32.01
Bill	126461	07/31/2020	Tony Luis	5220 · Water System - Repair & Maint	-55.29	55.29
Bill	126462	07/31/2020	Tony Luis	5220 · Water System - Repair & Maint	-19.23	19.23
TOTAL					-774.18	774.18
Bill Pmt -Check	AP	08/06/2020	Ace Hardware Watsonville-Online	1001 · SCCB - Operating Account		-110.74
Bill	197907	07/20/2020		5140 · Building Repair & Maint	-11.98	11.98
Bill	198012	07/23/2020		5230 · Park - Repair & Maint	-13.10	13.10
Bill	198062	07/24/2020		5230 · Park - Repair & Maint	-11.53	11.53
Bill	198114	07/27/2020		5145 · District Wide Repair & Maint	-10.46	10.46
Bill	198090	07/27/2020		5230 · Park - Repair & Maint	-20.00	20.00
Bill	198222	07/30/2020		5220 · Water System - Repair & Maint	-25.11	25.11
Bill	198253	07/31/2020		5220 · Water System - Repair & Maint	-18.56	18.56
TOTAL					-110.74	110.74
Bill Pmt -Check	AP	08/06/2020	AT&T 1782-Online	1001 · SCCB - Operating Account		-33.03
Bill	Jul 7-...	07/07/2020		5310 · Utilities - Well Site	-33.03	33.03
TOTAL					-33.03	33.03
Bill Pmt -Check	AP	08/06/2020	AT&T 2043-Online	1001 · SCCB - Operating Account		-404.87
Bill	Jul 2...	07/26/2020		5330 · Telephone	-404.87	404.87
TOTAL					-404.87	404.87
Bill Pmt -Check	AP	08/06/2020	AT&T 2486-Online	1001 · SCCB - Operating Account		-154.09
Bill	July 2...	07/26/2020		5310 · Utilities - Well Site	-154.09	154.09
TOTAL					-154.09	154.09
Bill Pmt -Check	AP	08/06/2020	AT&T 2627-Online	1001 · SCCB - Operating Account		-33.03
Bill	7/7/2...	07/07/2020		5310 · Utilities - Well Site	-33.03	33.03
TOTAL					-33.03	33.03
Bill Pmt -Check	AP	08/06/2020	AT&T 5283-Online	1001 · SCCB - Operating Account		-153.22
Bill	7/11/...	07/11/2020		5310 · Utilities - Well Site	-153.22	153.22
TOTAL					-153.22	153.22
Bill Pmt -Check	AP	08/06/2020	AT&T 6542-Online	1001 · SCCB - Operating Account		-64.67
Bill	7/7/2...	07/07/2020		5310 · Utilities - Well Site	-64.67	64.67
TOTAL					-64.67	64.67
Bill Pmt -Check	AP	08/06/2020	Bianchi Kasavan & Pope-Online	1001 · SCCB - Operating Account		-1,100.00

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	0011...	07/01/2020		5260 · Accounting & Bookkeeping	-1,100.00	1,100.00
TOTAL					-1,100.00	1,100.00
Bill Pmt -Check	AP	08/06/2020	Corbin Willits Systems-Online	1001 · SCCB - Operating Account		-237.42
Bill	000C...	07/15/2020		5165 · Computer Software	-237.42	237.42
TOTAL					-237.42	237.42
Bill Pmt -Check	AP	08/06/2020	Data Flow Business Systems-Online	1001 · SCCB - Operating Account		-243.89
Bill	292596	07/24/2020		5170 · Office Equipment Repair & Ma...	-243.89	243.89
TOTAL					-243.89	243.89
Bill Pmt -Check	AP	08/06/2020	Green Rubber Kennedy Ag-Online	1001 · SCCB - Operating Account		-35.20
Bill	W-55...	07/20/2020		5220 · Water System - Repair & Maint	-4.90	4.90
Bill	W-55...	07/27/2020		5220 · Water System - Repair & Maint	-30.30	30.30
TOTAL					-35.20	35.20
Bill Pmt -Check	AP	08/06/2020	MBAS-Online	1001 · SCCB - Operating Account		-120.60
Bill	2007...	07/24/2020		5190 · Soil and Water Tests	-45.00	45.00
Bill	2006...	08/01/2020		5190 · Soil and Water Tests	-75.60	75.60
TOTAL					-120.60	120.60
Bill Pmt -Check	AP	08/06/2020	Mid Valley Supply-Online	1001 · SCCB - Operating Account		-722.62
Bill	12475...	07/22/2020		5220 · Water System - Repair & Maint	-120.44	120.44
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.10	30.10
Bill	12476...	07/29/2020		5220 · Water System - Repair & Maint	-120.44	120.44
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
Bill	12478...	08/05/2020		5220 · Water System - Repair & Maint	-90.33	90.33
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-60.22	60.22
				5220 · Water System - Repair & Maint	-30.10	30.10
TOTAL					-722.62	722.62
Bill Pmt -Check	AP	08/06/2020	Mission Uniform Service-Online	1001 · SCCB - Operating Account		-40.00
Bill	5128...	07/20/2020		5140 · Building Repair & Maint	-40.00	40.00
TOTAL					-40.00	40.00
Bill Pmt -Check	AP	08/06/2020	Monterey One Water- Online	1001 · SCCB - Operating Account		-69.98
Bill	7/1/2...	07/31/2020		5310 · Utilities - Well Site	-44.25	44.25
Bill	Augu...	07/31/2020		5130 · Utilities - Office	-25.73	25.73
TOTAL					-69.98	69.98
Bill Pmt -Check	AP	08/06/2020	PG&E 1438-Online	1001 · SCCB - Operating Account		-1,788.41
Bill	6/25/...	07/24/2020		5310 · Utilities - Well Site	-1,788.41	1,788.41
TOTAL					-1,788.41	1,788.41
Bill Pmt -Check	AP	08/06/2020	PG&E 1826-Online	1001 · SCCB - Operating Account		-69.94
Bill	6/18/...	07/17/2020		5310 · Utilities - Well Site	-69.94	69.94

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
TOTAL					-69.94	69.94
Bill Pmt -Check	AP	08/06/2020	PG&E 6022-Online	1001 · SCCB - Operating Account		-13.92
Bill	06/20...	07/20/2020		5315 · Utilities - Street Lighting	-13.92	13.92
TOTAL					-13.92	13.92
Bill Pmt -Check	AP	08/06/2020	Santa Cruz Answering Service-Onl...	1001 · SCCB - Operating Account		-130.36
Bill	1009 ...	07/22/2020		5330 · Telephone	-130.36	130.36
TOTAL					-130.36	130.36
Bill Pmt -Check	AP	08/06/2020	Soil Control Lab-Online	1001 · SCCB - Operating Account		-775.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-75.00	75.00
Bill	0070...	07/09/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/10/2020		5190 · Soil and Water Tests	-75.00	75.00
Bill	0070...	07/10/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/15/2020		5190 · Soil and Water Tests	-75.00	75.00
Bill	0070...	07/15/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/15/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/17/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0070...	07/17/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0070...	07/22/2020		5190 · Soil and Water Tests	-50.00	50.00
TOTAL					-775.00	775.00
Bill Pmt -Check	AP	08/06/2020	Sturdy Oil Company-Online	1001 · SCCB - Operating Account		-1,698.22
Bill	CL51...	07/15/2020		5370 · Fuel - Trucks	-774.49	774.49
Bill	CL52...	07/31/2020		5370 · Fuel - Trucks	-923.73	923.73
TOTAL					-1,698.22	1,698.22
Bill Pmt -Check	AP	08/06/2020	Taylor's Office City- Online	1001 · SCCB - Operating Account		-67.62
Bill	3245...	07/20/2020		5240 · Office Supplies	-24.53	24.53
Bill	3245...	07/21/2020		5240 · Office Supplies	-43.09	43.09
TOTAL					-67.62	67.62
Bill Pmt -Check	AP	08/06/2020	Tom's Site Service-Online	1001 · SCCB - Operating Account		-166.43
Bill	48234	07/19/2020		5145 · District Wide Repair & Maint	-166.43	166.43
TOTAL					-166.43	166.43
Bill Pmt -Check	AP	08/06/2020	USA Blue Book- ONLINE	1001 · SCCB - Operating Account		-287.55
Bill	303057	07/21/2020		5220 · Water System - Repair & Maint	-142.00	142.00
				5145 · District Wide Repair & Maint	-145.55	145.55
TOTAL					-287.55	287.55
Bill Pmt -Check	AP	08/06/2020	WM / Carmel Marina - Office-Online	1001 · SCCB - Operating Account		-307.46
Bill	9487...	08/01/2020		5150 · Garbage Service	-307.46	307.46
TOTAL					-307.46	307.46
Check	AP	08/19/2020	Santa Cruz County Bank	1001 · SCCB - Operating Account		-623.25

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
				2256 · Vehicle Loan Payable	-523.73	523.73
				5255 · Interest Expense	-99.52	99.52
TOTAL					-623.25	623.25
Bill Pmt -Check	AP	08/21/2020	A. L. Lease Company, Inc.-Online	1001 · SCCB - Operating Account		-25.86
Bill	127035	08/18/2020		5220 · Water System - Repair & Maint	-25.86	25.86
TOTAL					-25.86	25.86
Bill Pmt -Check	AP	08/21/2020	Ace Hardware Prunedale-Online	1001 · SCCB - Operating Account		-175.23
Bill	0493...	07/01/2020		5145 · District Wide Repair & Maint	-54.93	54.93
Bill	0493...	07/02/2020		5145 · District Wide Repair & Maint	-75.36	75.36
Bill	0494...	07/14/2020		5220 · Water System - Repair & Maint	-30.95	30.95
Bill	0495...	07/24/2020		5220 · Water System - Repair & Maint	-13.99	13.99
TOTAL					-175.23	175.23
Bill Pmt -Check	AP	08/21/2020	ACWA-JPIA (med ins)-Online	1001 · SCCB - Operating Account		-17,078.41
Bill	0651...	07/31/2020		5050 · Employee Health Insurance	-15,683.39	15,683.39
				2264 · Employee Insurance Payable	-1,395.02	1,395.02
TOTAL					-17,078.41	17,078.41
Bill Pmt -Check	AP	08/21/2020	Agee Electric, Inc.- Online	1001 · SCCB - Operating Account		-2,488.90
Bill	2225	07/10/2020		5220 · Water System - Repair & Maint	-2,488.90	2,488.90
TOTAL					-2,488.90	2,488.90
Bill Pmt -Check	AP	08/21/2020	Aramark- Online	1001 · SCCB - Operating Account		-165.35
Bill	7608...	07/03/2020		5140 · Building Repair & Maint	-33.07	33.07
Bill	7608...	07/10/2020		5140 · Building Repair & Maint	-33.07	33.07
Bill	7608...	07/17/2020		5140 · Building Repair & Maint	-33.07	33.07
Bill	7609...	07/24/2020		5140 · Building Repair & Maint	-33.07	33.07
Bill	7609...	07/31/2020		5140 · Building Repair & Maint	-33.07	33.07
TOTAL					-165.35	165.35
Bill Pmt -Check	AP	08/21/2020	AT&T 0646-Online	1001 · SCCB - Operating Account		-215.53
Bill	8/5/2...	08/05/2020		5310 · Utilities - Well Site	-215.53	215.53
TOTAL					-215.53	215.53
Bill Pmt -Check	AP	08/21/2020	AT&T 1782-Online	1001 · SCCB - Operating Account		-33.03
Bill	8/7/2...	08/07/2020		5310 · Utilities - Well Site	-33.03	33.03
TOTAL					-33.03	33.03
Bill Pmt -Check	AP	08/21/2020	AT&T 2627-Online	1001 · SCCB - Operating Account		-33.03
Bill	8/7/2...	08/07/2020		5310 · Utilities - Well Site	-33.03	33.03
TOTAL					-33.03	33.03
Bill Pmt -Check	AP	08/21/2020	AT&T 3439-Online	1001 · SCCB - Operating Account		-33.03
Bill	8/1/2...	08/01/2020		5310 · Utilities - Well Site	-33.03	33.03
TOTAL					-33.03	33.03
Bill Pmt -Check	AP	08/21/2020	AT&T 3912-Online	1001 · SCCB - Operating Account		-1,340.50
Bill	8/1/2...	08/01/2020		5330 · Telephone	-1,340.50	1,340.50

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
TOTAL					-1,340.50	1,340.50
Bill Pmt -Check	AP	08/21/2020	AT&T 5283-Online	1001 · SCCB - Operating Account		-153.59
Bill	8/11/...	08/11/2020		5310 · Utilities - Well Site	-153.59	153.59
TOTAL					-153.59	153.59
Bill Pmt -Check	AP	08/21/2020	AT&T 6542-Online	1001 · SCCB - Operating Account		-64.67
Bill	8/7/2...	08/07/2020		5310 · Utilities - Well Site	-64.67	64.67
TOTAL					-64.67	64.67
Bill Pmt -Check	AP	08/21/2020	AT&T 8925-Online	1001 · SCCB - Operating Account		-384.98
Bill	x080...	08/01/2020		5330 · Telephone	-384.98	384.98
TOTAL					-384.98	384.98
Bill Pmt -Check	AP	08/21/2020	Bianchi Alarm Systems-Online	1001 · SCCB - Operating Account		-78.00
Bill	Inv. 2...	08/04/2020		5340 · Burglar Alarm Monitoring	-78.00	78.00
TOTAL					-78.00	78.00
Bill Pmt -Check	AP	08/21/2020	Central Electric Company-Online	1001 · SCCB - Operating Account		-111.44
Bill	A52218	07/31/2020		5220 · Water System - Repair & Maint	-111.44	111.44
TOTAL					-111.44	111.44
Bill Pmt -Check	AP	08/21/2020	Coastal Paving & Excavating- Online	1001 · SCCB - Operating Account		-16,190.00
Bill	Inv. 5...	08/06/2020		5220 · Water System - Repair & Maint	-3,190.00	3,190.00
Bill	Inv. 5...	08/10/2020		5220 · Water System - Repair & Maint	-1,875.00	1,875.00
Bill	Inv. 5...	08/12/2020		1550 · District Office Building	-11,125.00	11,125.00
TOTAL					-16,190.00	16,190.00
Bill Pmt -Check	AP	08/21/2020	Elan-Online	1001 · SCCB - Operating Account		-877.28
Bill	Augu...	08/05/2020		5220 · Water System - Repair & Maint	-586.08	586.08
				5370 · Fuel - Trucks	-231.21	231.21
				5130 · Utilities - Office	-59.99	59.99
TOTAL					-877.28	877.28
Bill Pmt -Check	AP	08/21/2020	GreatAmerica Financial-Online	1001 · SCCB - Operating Account		-506.43
Bill	2755...	08/05/2020		5160 · Office Equip Rental	-506.43	506.43
TOTAL					-506.43	506.43
Bill Pmt -Check	AP	08/21/2020	Green Rubber Kennedy Ag-Online	1001 · SCCB - Operating Account		-42.54
Bill	W-55...	07/31/2020		5145 · District Wide Repair & Maint	-30.60	30.60
Bill	W-55...	08/03/2020		5145 · District Wide Repair & Maint	-11.94	11.94
TOTAL					-42.54	42.54
Bill Pmt -Check	AP	08/21/2020	ICONIX Waterworks (US), Inc-Online	1001 · SCCB - Operating Account		-861.88
Bill	U201...	07/30/2020		5145 · District Wide Repair & Maint	-721.05	721.05
Bill	U201...	08/14/2020		5220 · Water System - Repair & Maint	-140.83	140.83
TOTAL					-861.88	861.88
Bill Pmt -Check	AP	08/21/2020	MBAS-Online	1001 · SCCB - Operating Account		-135.00
Bill	2008...	08/11/2020		5190 · Soil and Water Tests	-45.00	45.00

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	2008...	08/11/2020		5190 · Soil and Water Tests	-90.00	90.00
TOTAL					-135.00	135.00
Bill Pmt -Check	AP	08/21/2020	Mid Valley Supply-Online	1001 · SCCB - Operating Account		-541.96
Bill	12479...	08/12/2020		5220 · Water System - Repair & Maint	-120.44	120.44
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-60.22	60.22
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.10	30.10
Bill	12480...	08/19/2020		5220 · Water System - Repair & Maint	-120.44	120.44
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.11	30.11
				5220 · Water System - Repair & Maint	-30.10	30.10
TOTAL					-541.96	541.96
Bill Pmt -Check	AP	08/21/2020	NBS-Online	1001 · SCCB - Operating Account		-7,300.00
Bill	7200...	07/31/2020		5266 · Engineering Svcs-Dist Wide	-7,300.00	7,300.00
TOTAL					-7,300.00	7,300.00
Bill Pmt -Check	AP	08/21/2020	New Pig Corporation-ONLINE	1001 · SCCB - Operating Account		-351.77
Bill	4903...	07/29/2020		5220 · Water System - Repair & Maint	-351.77	351.77
TOTAL					-351.77	351.77
Bill Pmt -Check	AP	08/21/2020	Orkin Pest Control	1001 · SCCB - Operating Account		-101.40
Bill	326901	07/30/2020		5140 · Building Repair & Maint	-101.40	101.40
TOTAL					-101.40	101.40
Bill Pmt -Check	AP	08/21/2020	PARS-Online	1001 · SCCB - Operating Account		-478.04
Bill	46112	08/12/2020		5005 · Administrative Fees	-478.04	478.04
TOTAL					-478.04	478.04
Bill Pmt -Check	AP	08/21/2020	PG&E 0819-Online	1001 · SCCB - Operating Account		-9,803.22
Bill	7/6/2...	08/05/2020		5310 · Utilities - Well Site	-5,170.24	5,170.24
				5310 · Utilities - Well Site	-2,083.05	2,083.05
				5310 · Utilities - Well Site	-216.78	216.78
				5310 · Utilities - Well Site	-878.64	878.64
				5310 · Utilities - Well Site	-329.59	329.59
				5315 · Utilities - Street Lighting	-88.77	88.77
				5310 · Utilities - Well Site	-1,036.15	1,036.15
TOTAL					-9,803.22	9,803.22
Bill Pmt -Check	AP	08/21/2020	PG&E 6857-Online	1001 · SCCB - Operating Account		-5,610.40
Bill	6/26/...	07/31/2020		5310 · Utilities - Well Site	-1,918.48	1,918.48
				5310 · Utilities - Well Site	-1,344.75	1,344.75
				5130 · Utilities - Office	-237.35	237.35
				5310 · Utilities - Well Site	-77.96	77.96
				5315 · Utilities - Street Lighting	-2,031.86	2,031.86
TOTAL					-5,610.40	5,610.40
Bill Pmt -Check	AP	08/21/2020	Pure Water- online	1001 · SCCB - Operating Account		-8,621.70
Bill	364206	08/01/2020	State Water Resources Control Board	5427 · Improvement Project-Springfield	-1,831.35	1,831.35
Bill	364207	08/01/2020	State Water Resources Control Board	5427 · Improvement Project-Springfield	-6,790.35	6,790.35
TOTAL					-8,621.70	8,621.70

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	08/21/2020	R & B Company- Online	1001 · SCCB - Operating Account		-538.94
Bill	M743...	07/29/2020	Tony Luis	5220 · Water System - Repair & Maint	-308.42	308.42
Bill	M769...	07/31/2020	Tony Luis	5220 · Water System - Repair & Maint	-230.52	230.52
TOTAL					-538.94	538.94
Bill Pmt -Check	AP	08/21/2020	Soil Control Lab-Online	1001 · SCCB - Operating Account		-300.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-25.00	25.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-75.00	75.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-50.00	50.00
Bill	0080...	08/12/2020		5190 · Soil and Water Tests	-75.00	75.00
TOTAL					-300.00	300.00
Bill Pmt -Check	AP	08/21/2020	Staples Credit Plan-Online	1001 · SCCB - Operating Account		-40.50
Bill	6035 ...	08/09/2020		5240 · Office Supplies	-40.50	40.50
TOTAL					-40.50	40.50
Bill Pmt -Check	AP	08/21/2020	Sturdy Oil Company-Online	1001 · SCCB - Operating Account		-944.34
Bill	CL53...	08/15/2020		5370 · Fuel - Trucks	-944.34	944.34
TOTAL					-944.34	944.34
Bill Pmt -Check	AP	08/21/2020	Tom's Site Service-Online	1001 · SCCB - Operating Account		-166.43
Bill	48843	08/16/2020		5145 · District Wide Repair & Maint	-166.43	166.43
TOTAL					-166.43	166.43
Bill Pmt -Check	AP	08/21/2020	Univar-Online	1001 · SCCB - Operating Account		-1,581.76
Bill	4867...	07/31/2020		5220 · Water System - Repair & Maint	-1,581.76	1,581.76
TOTAL					-1,581.76	1,581.76
Bill Pmt -Check	AP	08/21/2020	Valvoline	1001 · SCCB - Operating Account		-211.83
Bill	11365	07/27/2020		5270 · Automotive - Repair & Maint	-102.20	102.20
Bill	11987	08/11/2020		5270 · Automotive - Repair & Maint	-109.63	109.63
TOTAL					-211.83	211.83
Bill Pmt -Check	AP	08/21/2020	Wells Fargo- 6120 ONLINE	1001 · SCCB - Operating Account		-166.99
Bill	AUG....	08/11/2020		5165 · Computer Software	-9.99	9.99
				5320 · Membership Fees and Dues	-50.00	50.00
				5165 · Computer Software	-107.00	107.00
TOTAL					-166.99	166.99
Bill Pmt -Check	AP	08/21/2020	Mission Uniform Service-Online	1001 · SCCB - Operating Account		-120.00
Bill	5129...	08/05/2020		5140 · Building Repair & Maint	-40.00	40.00
Bill	5130...	08/10/2020		5140 · Building Repair & Maint	-40.00	40.00
Bill	5130...	08/17/2020		5140 · Building Repair & Maint	-40.00	40.00
TOTAL					-120.00	120.00
Bill Pmt -Check	AP	08/21/2020	TIAA Commercial Finance, Inc.	1001 · SCCB - Operating Account		-214.40
Bill	7438...	08/08/2020		5160 · Office Equip Rental	-214.40	214.40
TOTAL					-214.40	214.40

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	FDGL	08/03/2020	FDGL	1001 · SCCB - Operating Account		-38.12
				5160 · Office Equip Rental	-38.12	38.12
TOTAL					-38.12	38.12
Check	PARS	08/12/2020	US Bank - PARS #6746022400	1001 · SCCB - Operating Account		-4,225.10
				5070 · Employee Retirement	-4,225.10	4,225.10
TOTAL					-4,225.10	4,225.10
Bill Pmt -Check	24435	08/06/2020	Agustin Sorroza-Moreno	1001 · SCCB - Operating Account		-960.00
Bill	7/271...	08/03/2020		5010 · Contract Labor	-960.00	960.00
TOTAL					-960.00	960.00
Bill Pmt -Check	24436	08/06/2020	JJM Painting, Inc.	1001 · SCCB - Operating Account		-6,617.00
Bill	2020...	07/24/2020		5140 · Building Repair & Maint	-6,617.00	6,617.00
TOTAL					-6,617.00	6,617.00
Bill Pmt -Check	24437	08/06/2020	Monterey County Assessor	1001 · SCCB - Operating Account		-200.00
Bill	Invoic...	07/16/2020		6260 · Lighting Expenses	-200.00	200.00
TOTAL					-200.00	200.00
Bill Pmt -Check	24438	08/06/2020	Pajaro Valley Printing	1001 · SCCB - Operating Account		-2,783.69
Bill	40731	07/21/2020		5200 · Billing Supplies	-1,146.03	1,146.03
Bill	40736	07/22/2020		5200 · Billing Supplies	-1,365.63	1,365.63
Bill	40777	07/30/2020		5240 · Office Supplies	-272.03	272.03
TOTAL					-2,783.69	2,783.69
Bill Pmt -Check	24439	08/06/2020	USA North 811 for the Benefit of Di...	1001 · SCCB - Operating Account		-399.41
Bill	2020...	07/22/2020		5320 · Membership Fees and Dues	-399.41	399.41
TOTAL					-399.41	399.41
Bill Pmt -Check	24449	08/21/2020	Agustin Sorroza-Moreno	1001 · SCCB - Operating Account		-800.00
Bill	8/10/...	08/17/2020		5010 · Contract Labor	-800.00	800.00
TOTAL					-800.00	800.00
Bill Pmt -Check	24450	08/21/2020	Brian & Christina Davis	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24451	08/21/2020	Grunsky Law Firm	1001 · SCCB - Operating Account		-2,644.80
Bill	Inv. 9...	07/13/2020		5250 · Legal Expenses	-2,644.80	2,644.80
TOTAL					-2,644.80	2,644.80
Bill Pmt -Check	24452	08/21/2020	Jaimie & Patrick Kilty	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24453	08/21/2020	JJM Painting, Inc.	1001 · SCCB - Operating Account		-640.00

Pajaro/Sunny Mesa Community Services District
Check Detail - Operating Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill	2020...	08/19/2020		5140 · Building Repair & Maint	-640.00	640.00
TOTAL					-640.00	640.00
Bill Pmt -Check	24454	08/21/2020	Martin Ramirez	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24455	08/21/2020	Monica Martinez	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24456	08/21/2020	Pajaro Valley Lock Shop	1001 · SCCB - Operating Account		-184.85
Bill	129540	08/06/2020		5145 · District Wide Repair & Maint	-184.85	184.85
TOTAL					-184.85	184.85
Bill Pmt -Check	24457	08/21/2020	Renee Furtado	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24458	08/21/2020	Royal Oaks Valero	1001 · SCCB - Operating Account		-150.00
Bill	Depo...	08/19/2020		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	24459	08/21/2020	Santa Cruz County Bank-0190	1001 · SCCB - Operating Account		-2,637.86
Bill	Intere...	08/09/2020		5255 · Interest Expense	-2,637.86	2,637.86
TOTAL					-2,637.86	2,637.86
Bill Pmt -Check	24460	08/21/2020	The Pied Piper	1001 · SCCB - Operating Account		-510.00
Bill	921902	08/06/2020		5140 · Building Repair & Maint	-510.00	510.00
TOTAL					-510.00	510.00
Bill Pmt -Check	24461	08/21/2020	USA North 811 for the Benefit of Di...	1001 · SCCB - Operating Account		-330.69
Bill	1596...	08/14/2020		5320 · Membership Fees and Dues	-330.69	330.69
TOTAL					-330.69	330.69

10:59 AM

August 21, 2020

Accrual Basis

Pajaro/Sunny Mesa Community Services District

Check Detail - Debt Service Reserve

As of August 21, 2020

Type	Date	Num	Name	Split	Amount
1007 · SCCB - Debt Service Reserve Bill Pmt -Check	08/21/2020	AP	First Security Finance -Online	2000 · Accounts Payable	-6,431.25
Total 1007 · SCCB - Debt Service Reserve					-6,431.25
TOTAL					-6,431.25

10:55 AM
August 21, 2020

Pajaro/Sunny Mesa Community Services District
Check Detail - Reserve Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	08/21/2020	Maggiora Bros. Drilling, Inc.	1002 · SCCB Reserve Account		-7,046.84
Bill	105772	07/01/2020		1807 · CIP-Langley/VP	-7,046.84	7,046.84
TOTAL					-7,046.84	7,046.84
Check	118	08/13/2020	Santa Cruz County Clerk of the Bo...	1002 · SCCB Reserve Account		-50.00
				5427 · Improvement Project-Springfield	-50.00	50.00
TOTAL					-50.00	50.00

Pajaro/Sunny Mesa Community Services District
Check Detail - Pajaro Park Account
 August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	08/06/2020	AT&T 0577 Pajaro Park-Online	1036 · PSM Pajaro Park Acct		-295.77
Bill	7/13/...	07/13/2020		5231 · Pajaro Park Expense	-295.77	295.77
TOTAL					-295.77	295.77
Bill Pmt -Check	AP	08/06/2020	Panther Protective Services- Online	1036 · PSM Pajaro Park Acct		-450.00
Bill	008-2...	07/27/2020		5231 · Pajaro Park Expense	-450.00	450.00
TOTAL					-450.00	450.00
Bill Pmt -Check	AP	08/06/2020	PG&E 3540 Pajaro Park-Online	1036 · PSM Pajaro Park Acct		-99.94
Bill	06/19...	07/20/2020		5231 · Pajaro Park Expense	-99.94	99.94
TOTAL					-99.94	99.94
Bill Pmt -Check	AP	08/21/2020	AT&T 0577 Pajaro Park-Online	1036 · PSM Pajaro Park Acct		-296.22
Bill	8/13/...	08/13/2020		5231 · Pajaro Park Expense	-296.22	296.22
TOTAL					-296.22	296.22

Pajaro/Sunny Mesa Community Services District
Check Detail - COP 2010 Account
August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	08/06/2020	Quinn Company-Online	1032 · SCCB-COP Acct (aka Const....		-4,935.35
Bill	E241...	07/27/2020		5220 · Water System - Repair & Maint	-4,935.35	4,935.35
TOTAL					-4,935.35	4,935.35
Bill Pmt -Check	AP	08/21/2020	Contractor Compliance& Monitorin...	1032 · SCCB-COP Acct (aka Const....		-879.25
Bill	Inv. 1...	07/31/2020		5435 · Improvement Project-Pajaro	-879.25	879.25
TOTAL					-879.25	879.25

Pajaro/Sunny Mesa Community Services District
Check Detail - Street Maintenance Account
 August 1 - 21, 2020

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	08/21/2020	AT&T 5203 Street Maint-Online	1004 - SCCB - Street Maint Acct		-192.37
Bill	8/1/2...	08/01/2020		5225 - Street Maintenance	-192.37	192.37
TOTAL					-192.37	192.37
Bill Pmt -Check	522	08/06/2020	Pajaro/Sunny Mesa Comm Svcs Dist	1004 - SCCB - Street Maint Acct		-354.88
Bill	July ...	08/01/2020		5225 - Street Maintenance	-354.88	354.88
TOTAL					-354.88	354.88
Bill Pmt -Check	523	08/21/2020	Hatch's Milling	1004 - SCCB - Street Maint Acct		-1,138.16
Bill	invoic...	08/06/2020		5225 - Street Maintenance	-1,138.16	1,138.16
TOTAL					-1,138.16	1,138.16



Pajaro / Sunny Mesa Community Services District Water Rate Study *Draft* Report

August 2020

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
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Joshua Tree, Riverside
Sacramento, San Jose

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Aerial view via Google Earth

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Section 1. Purpose & Overview of the Study

A. Purpose

The Pajaro/Sunny Mesa Community Services District (“PSMCSD” or “District”) retained NBS to update the previous water rate study completed in 2015. The 2015 study addressed the ability of the utility to meet future funding requirements, to ensure greater financial stability, to examine drought impacts in light of drought-related water shortages and conservation concerns. Most significantly, it undertook the task of combining water rates that were previously individualized for 10 service areas into a single, District-wide rate schedule for the purpose of improving rate design, making it more fair and equitable to customers as a whole.

This report summarizes the current analysis of the water rate study performed by NBS, including direction from District staff and the Board of Directors to retain the current District-wide approach to rate design. Other key decisions included an overall strategy for funding capital improvement projects and the level of rate increases necessary to meet projected expenses. The methodology, assumptions, and rate alternatives are described herein.¹

The rates developed in this study are intended to meet certain legal requirements (e.g., California Constitution Article XIII D, Section 6, commonly referred to as Proposition 218 [Prop 218]) and comply with general industry standard cost-of-service principles. This report will assist the District in its effort to maintain transparent communications with the residents and businesses it serves. The rate study process included working cooperatively with District staff and the Board to develop water rates that align with the District’s broader goals and objectives.

Key Study Services & Tasks

This rate study was intended to provide the District with practical and implementable solutions and recommendations. In addition to ensuring that water rates collect sufficient revenue to meet the annual operating costs and fund capital improvements, other key issues that were addressed include:

Rate Structure– After discussing the current rates and potential alternative rate structures, the Board directed NBS to retain the current rate configuration. Therefore, water rates should continue to collect fixed and variable charges on a 30/70 basis and use a single-tiered volumetric rate.

District Policies – NBS reviewed the District’s reserve fund policies and other financial practices.

Financial Planning – The long-range financial plan was closely examined and adjusted to best meet annual operating expenses and projected capital improvement costs.

Drought Rates – NBS calculated drought rates that will meet revenue requirements under reduced water use scenarios and provide revenue stability during various drought stages.

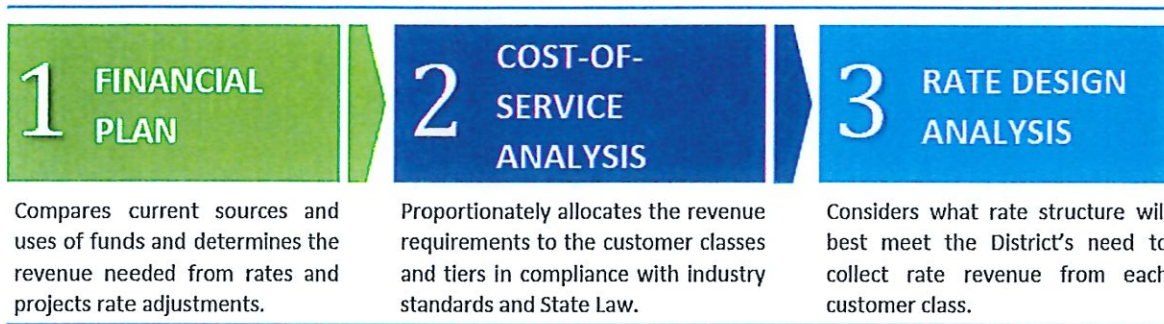
¹ The detailed water rate analysis is provided in Appendix A.

B. Overview of the Study

As in the previous rate study, this study addresses the comprehensive technical components outlined in Figure 1:

1. **Financial Plan** – identifies the net revenue requirements for the utility.
2. **Cost of Service Analysis** – determines the cost of providing service to each customer class.
3. **Rate Design Analysis** – evaluates the rate design and results in fair and equitable fixed and volumetric rates.

Figure 1. Primary Components of a Rate Study



These steps are intended to follow industry standards and reflect the fundamental principles of cost-of-service rate making embodied in the American Water Works Association (AWWA) *Principles of Water Rates, Fees, and Charges*,² also referred to as the M1 Manual. The rate study also addresses requirements under Proposition 218 that rates: (1) not exceed the cost of providing the service, and (2) be proportionate to the cost of providing service for all customers. These three steps represent the chronology of the rate study process. Detailed tables and figures documenting the development of the proposed rates are provided in *Appendix A*.

Financial Plan

As a part of this rate study, NBS projected detailed revenues and expenditures on a cash-basis for the next five years. The amount of rate revenue required, which ideally allows maintaining reserves at the recommended levels, is known as the *net revenue requirement*. As current rate revenue falls short of the net revenue requirement, rate adjustments, or more accurately adjustments in the total revenue collected from rates, are recommended. The assumptions and data used to develop the financial plan, which in turn determine the proposed rate increases, are presented in greater detail in the Appendix.

² *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, M1 Manual, American Water Works Association, Seventh Edition, 2017

Water Rate Design Analysis

Rate design is used to examine rate alternatives that will meet the District's objectives. One of the objectives in this analysis is to send proper price signals to water customers about the actual cost of their water usage. This is reflected in both the magnitude of the rate adjustments and the rate structure design. In other words, both the amount of revenue collected and the way in which the revenue is collected from customers are important.

Several broader criteria are also typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in a number of rate-setting manuals, such as the American Water Works Association (AWWA) Manual M1. The foundation for evaluating rate structures is generally credited to James C. Bonbright's *Principles of Public Utility Rates*,³ which outlines pricing policies, theories, and economic concepts along with various rate designs. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer's perspective.
- Rates should be easy to administer from the utility's perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (that is, cost based).
- There should be continuity in the ratemaking philosophy over time.
- Rates should address other utility policies (e.g., encouraging conservation and economic development).
- Rates should provide month-to-month and year-to-year revenue stability.

The following are the basic rate design criteria that were considered in this study:

Rate Structure Basics –The vast majority of rate structures contain a fixed, or minimum, charge in combination with a volumetric charge. The revenue requirements for each customer class are collected from both fixed monthly charges and variable commodity charges. Based on direction from District staff and the Board, the rates proposed in this report continue with a design that collects 30 percent (30%) of rate revenue from the fixed charge and 70 percent (70%) from the variable commodity charge.⁴

Fixed Charges – Fixed charges can be called base charges, minimum monthly charges, fixed meter charges, etc., and typically increase by meter size. From a financial stability perspective, if utilities recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges, fluctuations in water sales revenues are directly offset by reductions or increases in variable expenses. When rates are set in this manner, they provide the greatest revenue stability for the utility.

Volumetric (Consumption-Based) Charges – In contrast to fixed charges, variable costs, such as purchased water, the cost of electricity used in pumping water, and the cost of chemicals for treatment tend to

³ James C. Bonbright, Albert L. Danielsen, and David R. Kamerschen, *Principles of Public Utility Rates*, Public Utilities Report, Inc., Second Edition, 1988, p. 383-384.

⁴The California Urban Water Conservation Council states in its best management practices (BMP 1.4) that the goal of conservation pricing "...is to recover the maximum amount of water sales revenue from volumetric rates that is consistent with water utility costs..." However, water utilities should develop allocations that reflect their actual costs.

change with the quantity of water produced. For a water utility, variable charges are based on metered consumption and charged on a dollar-per-unit cost (i.e., per 100 cubic feet, or one hundred cubic feet (HCF), which is approximately 748 gallons). Under a uniform, or single-tier, rate structure, the cost per unit does not change with consumption and provides a simple and straightforward approach that is easy to understand from the customer's perspective and simple to administer from the utility's perspective.

Regulatory Issues

Drought and Water Conservation – In response to the severe drought conditions, Governor Jerry Brown declared a State of Emergency throughout California on January 17, 2014. The Governor then issued Executive Order B-29-15 on April 1, 2015, mandating statewide water conservation of 25 percent (25%). Although the drought has now passed and these mandates have expired, the District still faces the threat of future droughts and new State mandates.

According to District records, from Fiscal Year 2013/14 to 2018/19, the District's total annual consumption decreased by 16 percent (16%) from 293,554 hcf to 245,192 hcf. While conservation is good for many reasons, it introduces financial risks to the utility that impacts both revenue and expenses. Drought rates are the mechanism needed to change the consumption charges in response to these risks. Therefore, District staff have asked NBS to develop the drought rates presented in Section 2 of this report.

Key Financial Assumptions

The following is a summary of the key financial assumptions used in the water rate analyses:

- **Funding of Capital Projects** – Without implementing rate increases, the District would find it difficult to pay for the planned capital improvements. Capital costs attributable to growth, or future customers, are assumed to be funded with capacity fee revenue. All capital projects listed in the financial plan are from the District's capital improvement program.
- **Reserve Targets** – The District maintains reserves for operations, capital rehabilitation and replacement, and other specific needs that are set at levels jointly recommended by District staff and NBS. Details of the utility's reserve targets are covered in the following section of this report.
- **Inflation and Growth Projections** – Assumptions regarding inflation were incorporated into projected future revenues and expenses:
 - ✓ Customer growth is assumed to be zero (0%).
 - ✓ General inflation is 3.2% annually based on the five-year average change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-Hayward areas.⁵
 - ✓ Labor cost inflation is 4.0% annually based on the five-year average change in the San Francisco County Employment and Wage Inflation Index (for all industries) per the BLS.

The next section discusses the water rate study in further detail.

⁵ Per the Bureau of Labor Statistics website (BLS).

Section 2. Water Rate Study

A. Key Water Rate Study Issues

The District's water rate analysis was undertaken with several specific objectives, including:

- Generating sufficient revenue to meet rising operating and maintenance costs as well as projected capital funding requirements;
- Incorporating reduced consumption levels and likely water conservation;
- Maintaining reserve fund levels to ensure future financial stability for the water utility;
- Developing a funding strategy for capital improvement costs that balances the impact on customer water bills with the timing and need for significant improvements to minimize the impact on ratepayers;
- Developing rates that continue to provide revenue stability and maintain the current rate structure (i.e., 30/70 split between fixed and variable charges); and,
- Complying with the legal requirements of Proposition 218 to ensure overall equity and fairness among customer classes.

In light of the District's decision to retain the current rate design, the fixed and volume-based charges were updated based on net revenue requirements, number of customers, water consumption, and other relevant information provided by the District. The following are the basic components of this update:

- **Cost Allocations:** The water revenue requirements were "functionalized" into three categories: (1) fixed capacity costs; (2) variable (or volume-based) costs; and, (3) customer service costs. These functionalized costs were then used to develop unit costs based on various factors, such as water consumption, peaking factors, and number of accounts by meter size.
- **Revenue Requirements by Customer Class:** The total revenue that needs to be collected from each customer class was determined using the functional costs and allocation factors. For example, volume-related costs are allocated based on the water consumption of each customer class, while customer costs are allocated based on the number of meters. Once the costs are allocated and the net revenue requirement for each customer class is determined, collecting the revenue requirements from each customer class is addressed within the rate design.
- **Rate Design and Fixed vs. Variable Costs:** The revenue requirements for each customer class are collected through a combination of fixed monthly service charges and volumetric rates. The cost-of-service analysis indicated that approximately 79% of the District's costs are fixed and 21% are variable.⁶ However, the rate design collects 30% of the revenue from fixed charges and 70% from variable charges. Under California law and industry practices, there is flexibility regarding the actual percentages collected from fixed and variable rates, so this 30% fixed/70% variable rate design complies with these standards.

⁶ Fire meter costs, which account for approximately 3% of total costs, are considered fixed costs.

B. Water Utility Revenue Requirements

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate adjustments are governed by the need to meet operating and capital costs, maintain adequate debt coverage, and build reasonable reserve funds.

A 20-year financial plan was prepared as a part of this study, although the District is only planning to adopt rate increases for the next five years (the maximum allowed under Prop 218). The current state of the District's water utility, with regard to these objectives, is as follows:

- **Meeting Net Revenue Requirements:** For Fiscal Year (FY) 2021/22 through FY 2025/26, the projected annual net revenue requirement (that is, total annual expenses plus debt service and rate-funded capital costs, less non-rate revenues) for the District averages approximately \$2.8 million. The net revenue requirement increases from \$2.3 million to over \$3 million by the end of the five-year period. Without rate adjustments, the District has a projected deficit of \$284,000 in FY 2021/22, which would grow to nearly \$1 million annually by the end of the five-year period.
- **Funding Capital Improvement Projects:** The District must also be able to fund necessary capital improvements in order to maintain current service levels and fund strategic goals. District staff has identified roughly \$3.3 million in expected capital expenditures for FY 2021/22 through 2025/26. With the recommended rate increases, these expenditures can be accomplished while increasing reserves to the minimum recommended target.
- **Building and Maintaining Reserve Funds:** Reserve funds provide a basis for a utility to cope with fiscal emergencies, such as revenue shortfalls, asset failure, and natural disasters. Reserve policies provide guidelines for sound financial management, with an overall long-range perspective to maintain financial solvency and mitigate these financial risks. The proposed rate increases would allow the District to reach the recommended reserve target by the end of the rate adoption period. The reserve funds for the Utility are considered unrestricted reserves and consist of the following:
 - **The Operating Reserve** is equal to 90 days of operating expenses (reaching approximately \$510,000 by FY 2025/26). An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations in revenue can be caused by weather patterns, the natural fluctuations of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
 - **The Capital Rehabilitation and Replacement Reserve** is equal to 6% of the District's net capital assets (approximately \$275,000 by the end of FY 2025/26), which is set aside to address long-term and routine capital system replacement and rehabilitation needs.
 - **Debt Reserve** equal to the reserve requirement for the outstanding 2015 Pajaro / Sunny Mesa Revenue Refunding Bonds and the newly issued 2020 Pajaro / Sunny Mesa Revenue Bonds to fund the new generator project totaling approximately \$260,000.

- **Other Reserves** include a bond project fund and connection fee reserve, both of which are considered restricted funds and not available to cover any operating costs or planned capital improvements.
- **Inflation and Growth Projections:** Assumptions regarding cost inflation were made in order to project future revenues and expenses for the study period. Based in the final budget for FY 2020/21, the District is not expecting any customer growth during the 5-year rate adoption period. This factor was used in the analysis for some revenues and expenses, while all other factors were set by price indices provided by the U.S. Bureau of Labor Statistics.⁷
- **Maintaining Adequate Bond Coverage:** The District is required by the rate covenant of the 2015 and 2020 revenue bonds to maintain a debt service coverage ratio of at least 1.15. The benefit of maintaining a higher coverage ratio is that it strengthens the District’s credit rating which can help lower the interest rates for debt-funded capital projects and, in turn, reduce annual debt service payments. It is projected that, without the recommended rate increases, the District will not be able to meet the debt coverage requirement in FY 2022/23 and thereafter.

In order to avoid an annual deficit, the District must implement rate increases beginning in FY 2021/22 and throughout the 5-year rate adoption period. These rate increases are necessary to fund operating expenses, planned capital projects, debt service obligations, and maintain reserves at the recommended targets by FY 2025/26.

Figure 2 summarizes the sources and uses of funds, net revenue requirements, and the recommended annual percent adjustments in total rate revenue under the proposed financial plan. A detailed version of the water utility’s proposed 10-year financial plan is included in *Appendix A*.

Figure 2. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Budget	Budget	Projected				
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Sources of Water Funds							
Rate Revenue Under Prevailing Rates	\$ 2,023,700	\$ 2,052,600	\$ 2,052,600	\$ 2,052,600	\$ 2,052,600	\$ 2,052,600	\$ 2,052,600
Non-Rate Revenues	66,195	67,095	67,095	67,095	67,095	67,095	67,095
Interest Earnings	5,130	5,130	-	-	-	-	-
Total Sources of Funds	\$ 2,095,025	\$ 2,124,825	\$ 2,119,695	\$ 2,119,695	\$ 2,119,695	\$ 2,119,695	\$ 2,119,695
Uses of Water Funds							
Operating Expenses	\$ 1,798,385	\$ 1,797,450	\$ 1,763,642	\$ 1,828,843	\$ 1,896,480	\$ 1,966,647	\$ 2,039,438
Debt Service	188,418	228,718	295,883	300,508	299,700	293,625	302,263
Rate-Funded Capital Expenses	-	235,366	344,317	567,483	696,806	943,769	746,406
Total Use of Funds	\$ 1,986,803	\$ 2,261,534	\$ 2,403,841	\$ 2,696,833	\$ 2,892,986	\$ 3,204,040	\$ 3,088,106
Surplus (Deficiency) before Rate Increase	\$ 108,223	\$ (136,709)	\$ (284,146)	\$ (577,138)	\$ (773,291)	\$ (1,084,345)	\$ (968,411)
Additional Revenue from Rate Increases	-	-	307,890	591,149	855,524	1,088,174	1,245,212
Surplus (Deficiency) after Rate Increase	\$ 108,223	\$ (136,709)	\$ 23,744	\$ 14,011	\$ 82,233	\$ 3,828	\$ 276,801
Projected Annual Rate Increase	0.00%	0.00%	15.00%	12.00%	10.00%	8.00%	5.00%
Cumulative Rate Increases	0.00%	0.00%	15.00%	28.80%	41.68%	53.01%	60.67%
Net Revenue Requirement¹	\$ 1,915,478	\$ 2,189,309	\$ 2,336,746	\$ 2,629,738	\$ 2,825,891	\$ 3,136,945	\$ 3,021,011

1. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from water rates.

⁷ Website: <https://www.bls.gov/>

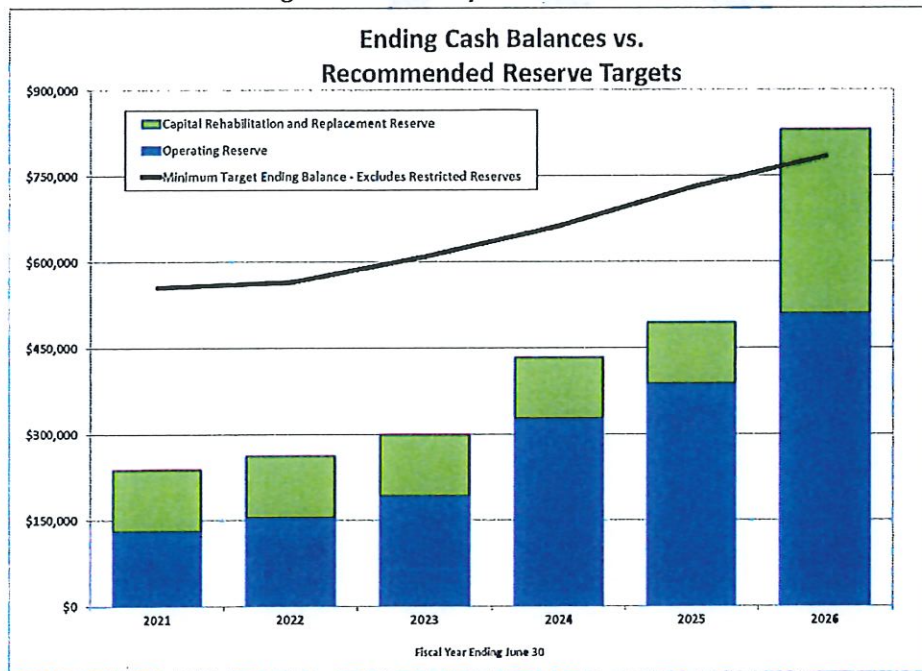
Figure 3 summarizes the projected reserve fund balances and reserve targets for the water utility's unrestricted funds. A more detailed version of the proposed 5-year financial plan is included in the Appendix. As can be seen in Figure 3, given the proposed rate adjustments, reserves will meet the minimum target by FY 2025/26.

Figure 3. Summary of Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget		Projected				
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Operating Reserve							
Ending Balance	\$ 267,693	\$ 130,984	\$ 154,728	\$ 192,343	\$ 327,215	\$ 387,894	\$ 510,000
<i>Recommended Minimum Target</i>	<i>450,000</i>	<i>449,000</i>	<i>441,000</i>	<i>457,000</i>	<i>474,000</i>	<i>492,000</i>	<i>510,000</i>
Capital Rehabilitation & Replacement Reserve							
Ending Balance	\$ 174,753	\$ 106,500	\$ 106,500	\$ 106,500	\$ 106,500	\$ 106,500	\$ 320,888
<i>Recommended Minimum Target</i>	<i>91,600</i>	<i>106,500</i>	<i>123,300</i>	<i>152,700</i>	<i>188,600</i>	<i>237,900</i>	<i>274,200</i>
Debt Reserve							
Ending Balance	\$ 147,820	\$ 149,327	\$ 150,850	\$ 152,389	\$ 153,943	\$ 155,513	\$ 157,099
<i>Recommended Minimum Target</i>	<i>147,820</i>	<i>261,220</i>	<i>261,220</i>	<i>261,220</i>	<i>261,220</i>	<i>261,220</i>	<i>261,220</i>
Other Reserves							
Ending Balance	\$ 169,413	\$ 173,322	\$ 177,271	\$ 181,261	\$ 185,291	\$ 189,363	\$ 193,476
<i>Recommended Minimum Target</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Ending Balance	\$ 759,678	\$ 560,134	\$ 589,350	\$ 632,493	\$ 772,949	\$ 839,269	\$ 1,181,462
Total Recommended Minimum Target	\$ 689,420	\$ 816,720	\$ 825,520	\$ 870,920	\$ 923,820	\$ 991,120	\$ 1,045,420

Figure 4 presents a graphical representation of the projected reserve fund levels.

Figure 4. Summary of Reserve Funds



C. Cost-of-Service Analysis

Once the net revenue requirements are determined, the cost-of-service analysis proportionately distributes the revenue requirements to each of the customer classes. The cost-of-service analysis consists of two major components: (1) the classification of expenses, and (2) the allocation of costs to customer classes. Costs are classified according to the function they serve. All costs in the District's budget are

allocated to each component of the rate structure in proportion to the level of service required by customers. The levels of service are related to volumes of peak and non-peak demand, infrastructure capacity, and customer service. These are based on allocation factors, such as water consumption, peaking factors, and number of accounts by meter size. Ultimately, a cost-of-service analysis is intended to result in rates that are proportional to the cost of providing service to each customer.

Classification and Allocation

Most costs are not typically allocated 100 percent to fixed or variable categories, but rather allocated to multiple functions of water service. In the study, costs were classified using the commodity-demand method found in the AWWA M1 Manual.⁸ In accordance with this method, budgeted costs were “classified” into three categories: (1) commodity-related costs; (2) capacity-related costs; and, (3) customer-related costs. The classification process provides the basis for allocating costs to various customer classes based on the cost causation (classification) components described below:

- **Commodity-related costs** are variable costs that change as the volume of water produced and delivered changes. These commonly include the costs of energy related to pumping for transmission and distribution and source of supply. Each customer class is allocated commodity-related costs based on the percentage of total consumption by that class.
- **Capacity-related costs** are fixed costs associated with infrastructure costs and how they are sized to meet the maximum, or peak demand. This includes both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events.
- **Customer-related costs** are costs associated with having a customer connected to the water system, such as costs for meter reading, postage, billing, and other administrative duties. Customer service costs do not differ among the various meter sizes; therefore, these costs are spread equally among all meters. Each customer class is allocated customer-related costs based on the percentage of total meters in that class.

These costs were reviewed and allocated to these cost causation components which are then used as the basis for establishing new water rates in the form of fixed and variable charges. The tables in *Appendix A* show how the District’s expenses were classified and allocated to these cost causation components. Figure 5 below summarizes how cost components are grouped with respect to fixed and variable components.

Figure 5. Cost Functionalization Summary



⁸ *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, Seventh Edition, 2017, p. 83.*

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges. When this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses. When rates are set in this manner, they provide greater revenue stability for the utility. However, other factors should also be considered when designing water rates, such as conservation, ease of understanding, ease of administration, and the impact on customer bills.⁹

Based on the District’s projected costs, the cost-of-service analysis resulted in a distribution that is approximately 79 percent fixed and 21 percent variable. Since consistency in rate design is an important consideration for the District, the Board decided to maintain the current rate structure that collects 30 percent (30%) of revenue from fixed charges and 70 percent (70%) from variable rates.

Figure 6 summarizes the allocation of net revenue requirements to each cost component for the current rate structure.

Figure 6. Summary of Rate Revenue Requirements

Classification Components	Rate Alternative #1 30% Fixed / 70% Variable (FY 2021/22)	
Commodity-Related Costs	\$ 1,652,343	70%
Capacity-Related Costs	518,952	22%
Customer-Related Costs	114,514	5%
Fire Protection-Related Costs	74,681	3%
Net Revenue Requirement	\$ 2,360,490	100%

Characteristics of Water Customers by Class

Customer classes are determined by combining customers with similar demand characteristics and types of use into categories that reflect the cost differentials to serve each type of customer. The amount of consumption, peaking factors, and number of meters by size are used in the cost-of-service analysis to allocate costs to customer classes and determine the appropriate rate structures for each. The District’s most recent consumption data is summarized in Figure 7, peaking factors in Figure 8, and number of customers by customer class is shown in Figure 9.

Figure 7 below summarizes the most recent consumption data by customer class and represents the expected percent of consumption over the 5-year rate period.

⁹ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, M1, AWWA, Seventh Edition, pp. 5 and 96.

Figure 7. Water Consumption by Customer Class

Development of the COMMODITY Allocation Factors		
Customer Class	FY 2018/19 Volume (hcf) ¹	Percent of Total Volume
Single Family Residential	124,878	50.9%
Multi Family Residential	38,296	15.6%
Commercial	69,126	28.2%
Industrial	3,612	1.5%
Institutional	8,432	3.4%
Irrigation	847	0.3%
Fire Service	0	0.0%
Total	245,192	100%

1. Consumption data source: Data Request NBS-Water Rate Study 2020.xlsx

Peaking factors, or peaking consumption, for each customer class are shown in Figure 8. A “peaking factor” is the relationship of each customer class’ average use to its peak use, which is generally during the summer months. A peaking factor is indicative of a customer’s maximum water demand and the impact of each customer connected to the water system. Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each meter size according to its contribution to peak capacity events. These peaking factors are used to allocate capacity-related costs to each customer class.

Figure 8. Peaking Factors by Customer Class

Development of the CAPACITY (MAX MONTH) Allocation Factors				
Customer Class	Average Monthly Use (hcf)	Peak Monthly Use (hcf) ¹	Peak Month Factor	Max Day Capacity Factor
Single Family Residential	10,407	15,646	1.50	53.7%
Multi Family Residential	3,191	4,165	1.31	14.3%
Commercial	5,760	7,878	1.37	27.0%
Industrial	301	396	1.31	1.4%
Institutional	703	940	1.34	3.2%
Irrigation	71	130	1.84	0.4%
Fire Service	0	0	0.00	0.0%
Total	20,433	29,154	1.43	100%

1. Based on peak monthly data (peak day data not available).

The number of customers for each customer class (also known as customer allocation factors) is shown in Figure 9.

Figure 9. Number of Accounts by Customer Class

Development of the Customer Allocation Factors		
Customer Class	Number of Meters ¹	Percent of Total
Single Family Residential ²	1,063	75.8%
Multi Family Residential ²	101	7.2%
Commercial ²	180	12.8%
Industrial	1	0.1%
Institutional	12	0.9%
Irrigation	19	1.4%
Unknown Connection Type	0	0.0%
Fire Service	26	1.9%
Total	1,402	100.0%

1. Number of meters is from files: *MOM Vega Customer Report FY 2019.xlsx* & *MOM Pajaro Customer Report FY 2019_v2.xlsx*.
2. Meter counts include 34 customers in the Springfield area - 31 SFR, 1 MFR, and 2 Commercial. According to the District, these customers are charged a monthly fee of \$25.00, and only have a few meters that are not in use.

Costs Allocated to Customer Classes

Costs are allocated to each customer class based on the customer characteristics of each class in order to reflect the cost differentials to serve each type of customer. Figure 10 summarizes how the costs for each cost causation component from Figure 6 are allocated to each customer class.

Figure 10. Cost Allocation Methodology

Capacity Related Costs (fixed share)	<ul style="list-style-type: none"> •Allocated based on peak water consumption by customer class •Then, allocated based on the hydraulic capacity of each meter size
Customer Related Costs	<ul style="list-style-type: none"> •Allocated based on the total number of meters
Fire Protection Related Costs	<ul style="list-style-type: none"> •Allocated based on the hydraulic capacity of fire meters
Commodity Related Costs	<ul style="list-style-type: none"> •Allocated based on water consumption by customer class

The costs allocated to each causation component are assigned to each customer class using the cost allocation methodology described in Figure 10. This process is described in the following sections.

Capacity-Related Costs

The allocation of the capacity-related costs is summarized in Figure 11. Capacity-related costs are those costs associated with constructing and operating the water system to ensure there is sufficient capacity in the system to meet the demand of each meter connected. These costs are first allocated to customer classes based on monthly peak capacity factors and then by hydraulic capacity.

Larger meters have the potential to use more of the system’s capacity compared to smaller meters. The potential capacity demanded is proportional to the maximum safe meter capacity each meter size as

established by the AWWA.¹⁰ The meter capacity factors used in this study are shown in the third and fifth columns of Figure 12.

Figure 11. Capacity-Related, Customer-Related & Fire Protection Costs Allocation

Customer Classes	Classification Components (Fixed Costs)			Total	% of COS Rev. Req't.
	Capacity-Related Costs	Customer-Related Costs	Fire Protection Costs		
Single Family Residential	\$ 278,501	\$ 86,825	\$ -	\$ 365,326	52%
Multi Family Residential	74,136	8,250	-	82,385	12%
Commercial	140,222	14,702	-	154,924	22%
Industrial	7,044	82	-	7,126	1%
Institutional	16,736	980	-	17,716	3%
Fire Service	-	2,124	74,681	76,804	11%
Total Net Revenue Requirement	\$ 518,952	\$ 114,514	\$ 74,681	\$ 708,147	100%

Figure 12. Meter Equivalency Factors

Customer Classes	Standard Meters		Fire Service Meters	
	Meter Capacity (GPM)	Equivalency to 5/8 x 3/4-inch	Meter Capacity (GPM)	Equivalency to 5/8 x 3/4-inch
	<i>Displacement Meters</i>		<i>Displacement Meters</i>	
5/8 x 3/4 inch	20	1.00	20	1.00
3/4 inch	30	1.00	30	1.50
1 inch	50	2.50	50	2.50
1.5 inch	100	5.00	100	5.00
2 inch	160	8.00	160	8.00
	<i>Turbine Class 1</i>		<i>Fire Service Type I & II</i>	
3 inch	350	17.50	350	17.50
4 inch	630	31.50	700	35.00
6 inch	1,300	65.00	1,600	80.00
	<i>Turbine Class 2</i>		<i>Fire Service Type I & II</i>	
8 inch	2,800	140.00	2,800	140.00
10 inch	4,200	210.00	4,400	220.00
12 inch	5,300	265.00	N/A	N/A

A “hydraulic capacity factor” is calculated by dividing the maximum capacity, or potential flow of large meters, by the capacity of the base meter size which is typically the most common residential meter size (in this case a 5/8 x 3/4-inch meter). For example, Figure 12 shows the hydraulic capacity of a two-inch meter is 8.0 times that of a 5/8 x 3/4-inch meter and, therefore, the capacity component of the fixed meter charge is 8.0 times that of the 5/8 x 3/4-inch meter.

The actual number of meters by size is multiplied by the corresponding capacity ratios to calculate the total number of equivalent meters. The number of equivalent meters is used as a proxy for the potential demand that each customer places on the water system and the percentage of capacity-related costs distributed to each meter size by the Percent of Total Hydraulic Capacity.

¹⁰Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017, p. 338.

The fire protection cost allocation is also summarized in Figure 11. Only commercial fire meters are allocated this cost component. A direct allocation is made in the classification step in the cost-of-service analysis to represent their share of system capacity and other related operations and maintenance costs and then allocated to the fire meters through Hydraulic Capacity.

Customer-Related Costs

The customer-related cost allocation is also summarized in Figure 11. Customer-related costs are comprised of those costs related to reading and maintaining meters, customer billing and collection, and other customer service-related costs. The customer service costs do not differ among the various meter sizes; therefore, these costs are spread equally among all meters. Each customer class is allocated customer-related costs based on the percentage of total meters that are in that class.

Commodity-Related Costs

The commodity-related cost allocation begins by analyzing water consumption data for the District, as shown in Figure 13. Commodity-related costs are those costs related to the amount of water sold and commonly include the costs of energy related to pumping for transmission and distribution, source of supply, and chemicals used in the treatment process. Each customer class is allocated commodity-related costs based on the percentage of total consumption by that class.

Figure 13. Summary of Water Consumption

Customer Classes	Number of Meters	Water Consumption (ccf/yr)	% of Total Rate Revenue
Single Family Residential	1,063	124,878	51%
Multi Family Residential	101	38,296	16%
Commercial	180	69,126	28%
Industrial	1	3,612	1%
Institutional	12	8,432	3%
Irrigation	19	847	0%
Fire Service	26	0	0%
Total	1,402	245,192	100%

D. Rate Design Analysis

The process of evaluating the water rate structure provides the opportunity to incorporate a number of rate-design objectives and policies, including revenue stability, equity among customer classes, and water conservation. NBS thoroughly reviewed rate design alternatives and methodologies with District Staff and the District Board during the 2015 rate study, including the percentage of revenue collected from fixed vs. variable charges and differentiating rates by customer class. The District Board decided to not re-evaluate rate design alternatives. Therefore, the current rate design was updated.

Fixed Charges

The fixed meter charge recognizes that the water utility incurs fixed costs regardless of whether customers use any water. As described in the previous section, there are two components that comprise the fixed

meter charge: the capacity component and the customer component. Using the costs allocated to each meter size from Figure 8 and Figure 9, the calculations of the monthly charge for all customer classes based on meter size are shown in Figure 14.

Figure 14. Fixed Meter Charges for FY 2021/22

Number of Meters by Class and Size ¹	FY 2021/22										Total
	5/8 x 3/4 inch	3/4 inch	1 inch	1.5 inch	2 inch	2.5 inch Hydrant ²	3 inch	4 inch	6 inch	8 inch	
Single Family Residential	538	0	413	75	36	0	1	0	0	0	1,063
Multi Family Residential ²	82	0	2	5	6	1	0	5	0	0	101
Commercial ³	71	0	37	13	29	5	21	3	0	1	180
Industrial	0	0	0	0	1	0	0	0	0	0	1
Institutional	5	0	2	1	1	0	1	2	0	0	12
Irrigation	12	0	3	2	2	0	0	0	0	0	19
Unknown Connection Type	0	0	0	0	0	0	0	0	0	0	0
Total Meters/Accounts	708	0	457	96	75	6	23	10	0	1	1,376
Hydraulic Capacity Factor ⁴	1.00	1.00	2.50	5.00	8.00	17.50	17.50	31.50	65.00	140.00	
Total Equivalent Meters	708	0	1,143	480	600	105	403	315	0	140	3,893
Monthly Fixed Service Charges											
Customer Costs (\$/Acct/mo.) ⁵	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	\$6.81	
Capacity Costs (\$/Acct/mo.) ⁶	\$11.11	\$11.11	\$27.77	\$55.54	\$88.87	\$194.40	\$194.40	\$349.92	\$722.06	\$1,555.21	
Total Monthly Meter Charge	\$17.92	\$17.92	\$34.58	\$62.35	\$95.68	\$201.21	\$201.21	\$356.73	\$728.87	\$1,562.02	

Variable Charges

Currently, the District uses a uniform volumetric rate for all customers and the proposed rates maintain this structure. Given the single source of water supply, this rate is appropriate for the District. Using the costs allocated to volumetric charges, which were previously shown in Figure 13, Figure 15 shows the calculation of the per unit volumetric charge for each customer class.

Figure 15. Calculated Variable Charges for FY 2021/22

Customer Classes	Number of Meters ¹	Water Consumption (ccf/yr) ³	Target Rev. Req't from Vol. Charges	% of Total Rate Revenue	Uniform Commodity Rates (\$/ccf)	Proposed Rate Structure
Single Family Residential ²	1,063	124,878	\$ 841,551	36%	\$6.74	Uniform
Multi Family Residential ²	101	38,296	258,078	11%	\$6.74	Uniform
Commercial ²	180	69,126	465,837	20%	\$6.74	Uniform
Industrial	1	3,612	24,344	1%	\$6.74	Uniform
Institutional	12	8,432	56,823	2%	\$6.74	Uniform
Irrigation	19	847	5,710	0%	\$6.74	Uniform
Fire Service	26	0	-	0%	\$6.74	Uniform
Total	1,402	245,192	\$ 1,652,343	70%		

1. The number of meters by size and class was provided by District staff. Source files: MOM Vega Customer Report FY 2019.xlsx & MOM Pajaro Customer Report FY 2019.xlsx.
2. Meter counts and revenue include 34 customers in the Springfield area - 31 SFR, 1 MFR, and 2 Commercial. According to the District, these customers are charged a flat fee of \$25 per month and only have a few meters (sizes are unknown), but none are in use.
3. Water consumption is 10% less than FY 2018/19 consumption by customer class to account for conservation.

E. Current vs. Proposed Water Rates

One of the District's key decisions at the beginning of this study was to maintain the existing rate structure that consists of a fixed rate based on meter size (regardless of customer class) and a uniform volumetric rate based on monthly water consumption. The existing rate structure also collects 30% of costs from fixed charges and 70% from volumetric rates.

Figure 16 presents a comparison of the current and proposed water rates for FY 2021/22 through FY 2025/26 for each meter size. Projected rates for each fiscal year¹¹ reflect adjustments based on the cost-of-service analysis that is used to establish the rates for the first year in the five-year rate plan. In the subsequent four years of the rate planning period, proposed charges are simply adjusted by the proposed adjustment in total rate revenue needed to meet projected revenue requirements. More detailed tables on the development of the proposed water rates are documented in *Appendix A*.

Figure 16. Current and Proposed Water Rates

Current vs. Proposed Rates	Current Rates ^{1,2}	Proposed Water Rates				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<i>Projected Increase in Rate Revenue per Financial Plan</i>		15.00%	13.00%	11.00%	8.00%	5.00%
Fixed Charges - All Users (Excl. Commercial Fire)						
5/8 x 3/4 inch	\$16.86	\$17.92	\$20.24	\$22.47	\$24.27	\$25.48
3/4 inch	\$16.86	\$17.92	\$20.24	\$22.47	\$24.27	\$25.48
1 inch	\$31.03	\$34.58	\$39.07	\$43.37	\$46.84	\$49.18
1.5 inch	\$54.64	\$62.35	\$70.46	\$78.21	\$84.46	\$88.69
2 inch	\$82.98	\$95.68	\$108.11	\$120.01	\$129.61	\$136.09
3 inch	\$172.71	\$201.21	\$227.37	\$252.38	\$272.57	\$286.19
4 inch	\$304.95	\$356.73	\$403.10	\$447.45	\$483.24	\$507.40
6 inch	\$621.39	\$728.87	\$823.62	\$914.22	\$987.36	\$1,036.73
8 inch	\$1,329.82	\$1,562.02	\$1,765.08	\$1,959.24	\$2,115.98	\$2,221.78
Springfield Customers ³	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Hydrant Meter Charge (2 1/2 inch)	\$50.00	\$201.21	\$227.37	\$252.38	\$272.57	\$286.19
Volumetric Charges						
Rate per hcf	\$5.65	\$6.74	\$7.62	\$8.45	\$9.13	\$9.59

1. Fixed charges shown are for inside District customers only, without additional charges for additional units/rooms/spaces.
2. Volumetric charges shown are for inside District customers only with standard service charges.
3. Per District staff, the fixed charges for Springfield customers will remain the same.

F. Comparison of Current and Proposed Monthly Water Bills

Figure 17 and Figure 18 compare a range of monthly water bills for the current and proposed water rates during the first year of implementation for single-family residential customers (with a 5/8 x 3/4-inch meter) and commercial customers (with a 2-inch meter). These monthly bills are based on typical meter sizes, and the average consumption levels for each customer class are highlighted.

¹¹ The initial rate adjustment and all future rate adjustments are scheduled to be effective on January 1st of each year.

Figure 17. Monthly Bill Comparison for Single Family Customers

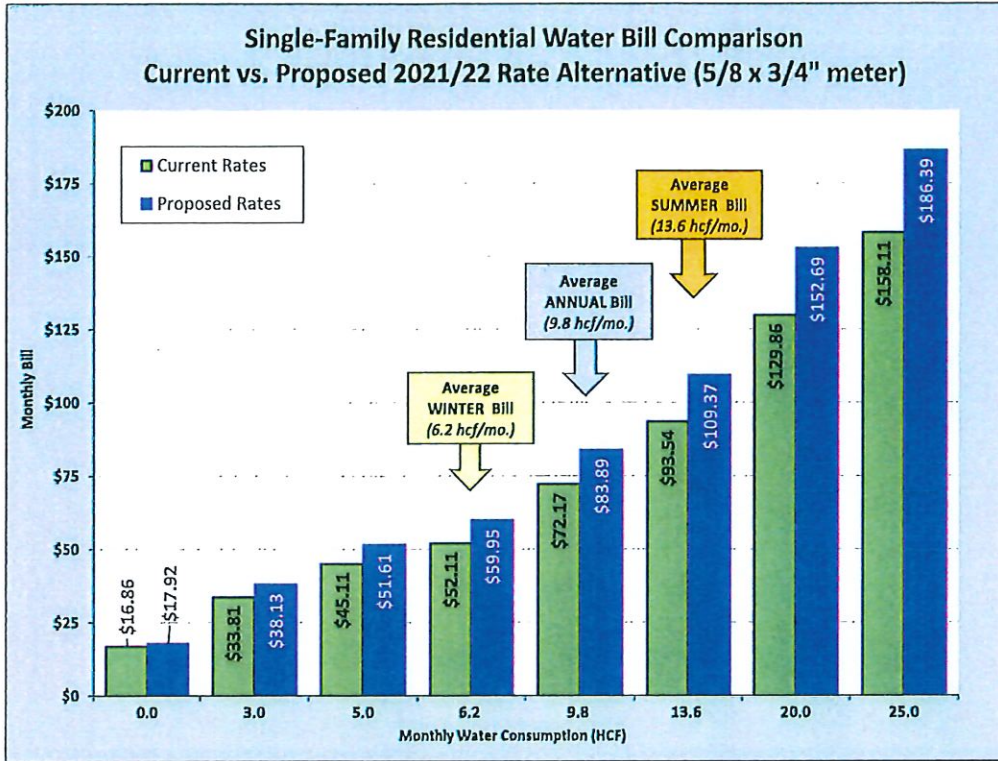
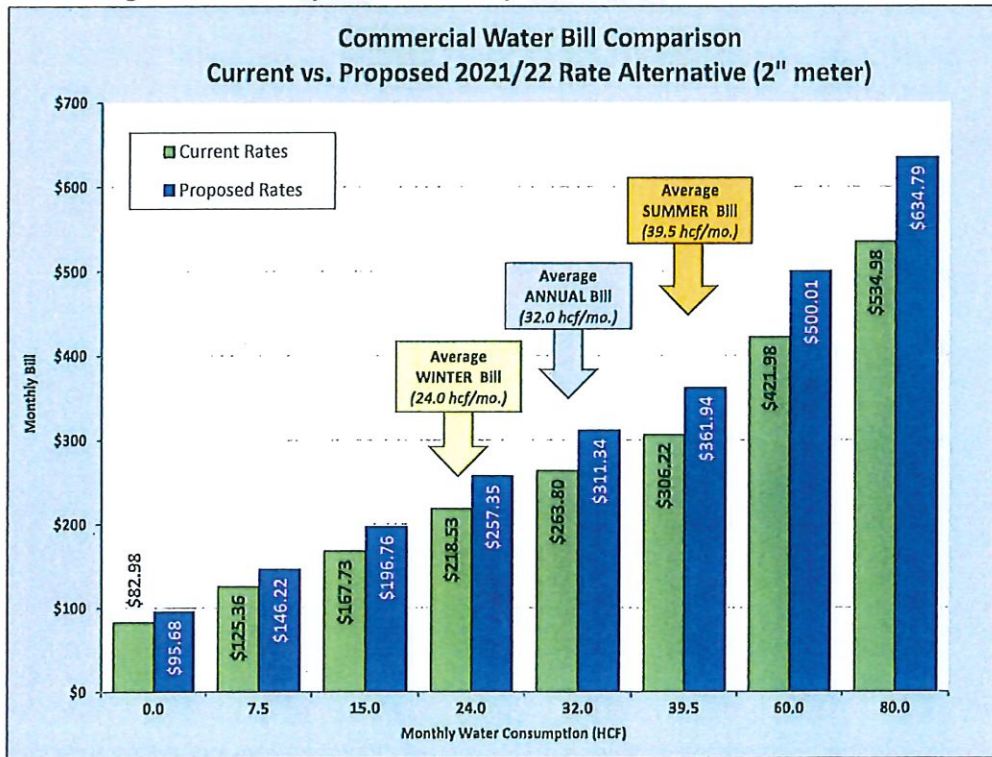


Figure 18. Monthly Water Bill Comparison for Commercial Customers



G. Drought Rate Analysis

Should consumption decrease from current levels and the District Board declares a more severe drought stage, the District is still obligated to meet its annual net revenue requirements to keep the utility operating and functional. Drought rates have been developed to address this possibility so that the District’s water utility would still be kept whole, financially. These drought rates recognize that some costs will also decrease and have taken this reduced revenue need into consideration.

Figure 19 shows the expenses directly impacted by conservation over the next five years. Because these expenses are a significant portion of the District’s budget, drought rates will offset the loss of variable revenue in different stages of drought severity.

Figure 19. Expenses Directly Impacted by Conservation

Expense Name	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
Variable Portion of Operating Costs¹					
Utilities - Well Site	\$ 157,896	\$ 162,949	\$ 168,163	\$ 173,544	\$ 179,098
Water System - Repair & Maint	208,980	215,667	222,569	229,691	237,041
Total:	\$ 366,876	\$ 378,616	\$ 390,732	\$ 403,235	\$ 416,139

1. Expenses primarily related to the volume of water produced.

Figure 20 shows the updated FY 2021/22 commodity costs and rates for each of the District’s drought stages. This calculation is performed for all levels of conservation and summarized in Figure 21 for the next five years.

Figure 20. Calculation of Commodity Costs at Various Levels of Conservation

Proposed Drought Rates						Target Rev. Req't from Vol. Charges:¹	\$1,652,343
Level of Conservation	Total Expected Consumption ²	Percent Change	Reduced Expenses Due to Lower Consumption ³	Additional Drought Expenses ⁴	Revised Target Rev. Req't from Vol. Charges	FY 2022/21 Uniform Rate	
Baseline Rate	245,192 ccf	0%	\$ -	\$ -	\$ 1,652,343	\$6.74	
Drought Stage 1	220,673 ccf	-10%	(36,688)	-	1,615,655	\$7.32	
Drought Stage 2	196,154 ccf	-20%	(73,375)	25,000	1,603,968	\$8.18	
Drought Stage 3	171,635 ccf	-30%	(110,063)	50,000	1,592,280	\$9.28	
Drought Stage 4	147,115 ccf	-40%	(146,750)	75,000	1,580,593	\$10.74	
			(366,876)	150,000	8,044,839		

1. Target revenue req't. has been adjusted for the reduction in annual water consumption and subsequent reduction in annual water sales.

2. Total FY 2018/19 water consumed for all customer classes.

3. Reduced expenses that are a direct result when the District sells less water.

4. Addition drought-related expenses at each drought stage.

Figure 21. Proposed 5-Year Drought Rate Schedule

Current vs. Proposed Rates	Current Rates	Proposed Rates				
		FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
<i>Projected Increase in Rate Revenue per Financial Plan</i>		15.00%	13.00%	11.00%	8.00%	5.00%
Proposed Rates, Non-Drought						
<i>Users Subject to Uniform Commodity Charge:</i>						
Rate per hcf	--	\$6.74	\$7.62	\$8.45	\$9.13	\$9.59
Proposed Rates, Drought Stage 1						
<i>Users Subject to Uniform Commodity Charge:</i>						
Rate per hcf	--	\$7.32	\$8.27	\$9.18	\$9.92	\$10.41
Proposed Rates, Drought Stage 2						
<i>Users Subject to Uniform Commodity Charge:</i>						
Rate per hcf	--	\$8.18	\$9.24	\$10.26	\$11.08	\$11.63
Proposed Rates, Drought Stage 3						
<i>Users Subject to Uniform Commodity Charge:</i>						
Rate per hcf	--	\$9.28	\$10.48	\$11.64	\$12.57	\$13.20
Proposed Rates, Drought Stage 4						
<i>Users Subject to Uniform Commodity Charge:</i>						
Rate per hcf	--	\$10.74	\$12.14	\$13.48	\$14.55	\$15.28

Section 3. Recommendations & Next Steps

A. Consultant Recommendations

NBS recommends the District take the following actions:

Approve and accept this Study: NBS recommends the Board of Directors formally approve and adopt this Study and its recommendations and proceed with the steps required to implement the proposed rates. This report will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates.

Implement Recommended Levels of Rate Adjustments and Proposed Rates: Based on successfully meeting the Proposition 218 procedural requirements, the District Board should proceed with implementing the 5-year schedule of proposed rates and rate adjustments previously shown in Figure 16. These new rates will adequately fund revenue requirements, maintain continuity in the rate design, and ensure the continued financial health of the District's water utility.

B. Next Steps

Annually Review Rates and Revenue: Any time an agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic and water consumption patterns underscore the need for this review, as well as potential and unseen changing revenue requirements—particularly those related to environmental regulations that can significantly affect capital improvements and repair and replacement costs.

Note: The attached Appendix provides more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this report.

C. NBS' Principal Assumptions and Considerations

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. This information and these assumptions, including District's budgets, capital improvement costs, and information from District staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

Section 4. Abbreviations and Acronyms¹²

Alt.	Alternative
Avg.	Average
AWWA	American Water Works Association
CAP	Capacity
CCF	Hundred Cubic Feet (same as HCF); equal to 748 gallons
CCI	Construction Cost Index
COM	Commodity
Comm.	Commercial
COS	Cost-of-Service
COSA	Cost-of-Service Analysis
CPI	Consumer Price Index
CIP	Capital Improvement Program
Excl.	Exclude
ENR	Engineering News Record
EDU	Equivalent Dwelling Unit
Exp.	Expense
FY	Fiscal Year (e.g., July 1st to June 30th)
GPM	Gallons per Minute
HCF	Hundred Cubic Feet; equal to 748 gallons or 1 CCF
Ind.	Industrial
Irr.	Irrigation
LAIF	Local Agency Investment Fund
MFR	Multi-Family Residential
Mo.	Month
N/A	Not Available or Not Applicable
O&M	Operational and Maintenance Expenses
Prop 218	Proposition 218 (1996) – State Constitutional amendment expanded restrictions of local government revenue collections.
Req't	Requirement
Res.	Residential
Rev.	Revenue
R&R	Rehabilitation and Replacement
SFR	Single Family Residential
SRF Loan	State Revolving Fund Loan
V. / Vs. / vs.	Versus

¹² This section identifies abbreviations and acronyms that may be used in this report. This section has not been viewed, arranged, or edited by an attorney, nor should it be relied on as legal advice. The intent of this section is to support the recognition and analysis of this report. Any questions regarding clarification of this document should be directed to staff or an attorney specializing in this particular subject matter.

Appendix A. Detailed Water Study Tables and Figures

RESOLUTION NO. 08-01-20

AUTHORIZING PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT TO APPLY FOR FUNDING AND DESIGNATE OFFICER TO SIGN AND SUBMIT APPLICATION FOR FUNDING FROM THE SAFE DRINKING WATER STATE REVOLVING FUND

WHEREAS, the Pajaro/Sunny Mesa Community Services District has the authority to construct, operate, and maintain the **Springfield Water System**; and

WHEREAS, the Pajaro/Sunny Mesa Community Services District desires to enhance the provision and protection of the drinking water supplied to the consumers of **Springfield Water System**, therefore;

RESOLVED BY THE BOARD OF DIRECTORS OF THE Pajaro/Sunny Mesa Community Services District (the "Entity"), **AS FOLLOWS:**

The General Manager, Don Rosa (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Springfield Water System Improvements and Consolidation (the "Project").

This Authorized Representative, or his designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

PASSED AND ADOPTED this 27th of August, 2020, upon motion of Director , seconded by Director , and carried by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Harry Wiggins, President

CERTIFICATE OF SECRETARY

I, Don Rosa, as the duly elected Secretary of the Board of Directors of the Pajaro/Sunny Mesa Community Services District, Monterey County, California, do hereby certify that the above Resolution is a full, true and correct copy of said Resolution passed and adopted by the Board of Directors at a meeting held on the 27th of August, 2020, and that said Resolution is now spread upon the minutes of said Board.

Secretary of the Board of Directors

RESOLUTION NO. 08-02-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT APPROVING APPLICATION FOR PER CAPITA GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Per Capita Grant Program, setting up necessary procedures governing application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the grantee's Governing Body to certify by resolution the approval of project application before submission of said application to the State; and

WHEREAS, the grantee will enter into a contract with the State of California to complete project;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby:

1. Approves the filing of project application for Per Capita program grant project; and
2. Certifies that said grantee has or will have available, prior to commencement of project work utilizing Per Capita funding, sufficient funds to complete the project; and
3. Certifies that the grantee has or will have sufficient funds to operate and maintain the project, and
4. Certifies that all projects proposed will be consistent with the park and recreation element of the Pajaro/Sunny Mesa Community Services District general or recreation plan (PRC §80063(a)), and
5. Certifies that these funds will be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)), and 6. Certifies that it will comply with the provisions of §1771.5 of the State Labor Code, and
7. (PRC §80001(b)(8)(A-G)) To the extent practicable, as identified in the "Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters," dated January 12, 2017, the Pajaro/Sunny Mesa Community Services District will consider a range of actions that include, but are not limited to, the following:
 - (A) Conducting active outreach to diverse populations, particularly minority, low income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
 - (B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.

- (C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.
- (D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations, and tribal communities.
- (E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
- (F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.
- (G) Identifying possible staff liaisons to diverse populations.

8. Agrees that to the extent practicable, the project will provide workforce education and training, contractor, and job opportunities for disadvantaged communities (PRC §80001(b)(5)).

9. Certifies that the grantee shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. (PRC §80062(d)).

10. Certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide; and

11. Delegates the authority to the General Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope; and

12. Agrees to comply with all applicable federal, state, and local laws, ordinances, rules, regulations and guidelines.

PASSED AND ADOPTED by the Board of Directors of the Pajaro Sunny Mesa Community Services District on August 27th, 2020 upon motion by Director , seconded by Director , and carried by the following vote, to wit:

Ayes:

Noes:

Absent:

Harry Wiggins, President
Board of Directors

ATTEST:

CERTIFICATE OF SECRETARY

I, Don Rosa, as the duly elected Secretary of the Board of Directors of the Pajaro/Sunny Mesa Community Services District, Monterey County, California, do hereby certify that the above Resolution is a full, true and correct copy of said Resolution passed and adopted by the Board of Directors at a meeting held on the 27th day of August 2020, and that said Resolution is now spread upon the minutes of said Board.

Secretary of the Board of Directors

**California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act
of 2018 - Per Capita Grant Program**

County	Jurisdiction	Allocation
Mendocino	Brooktrails CSD	\$ 177,952
Mendocino	City of Fort Bragg	\$ 177,952
Mendocino	City of Point Arena	\$ 177,952
Mendocino	City of Ukiah	\$ 177,952
Mendocino	City of Willits	\$ 177,952
Mendocino	Comptche CSD	\$ 177,952
Mendocino	Mendocino Coast RPD	\$ 177,952
Merced	City of Atwater	\$ 177,952
Merced	City of Dos Palos	\$ 177,952
Merced	City of Gustine	\$ 177,952
Merced	City of Livingston	\$ 177,952
Merced	City of Los Banos	\$ 177,952
Merced	City of Merced	\$ 177,952
Modoc	City of Alturas	\$ 177,952
Mono	Town of Mammoth Lakes	\$ 177,952
Monterey	Carmel Valley RPD	\$ 177,952
Monterey	City of Carmel-by-the-Sea	\$ 177,952
Monterey	City of Del Rey Oaks	\$ 177,952
Monterey	City of Gonzales	\$ 177,952
Monterey	City of Greenfield	\$ 177,952
Monterey	City of King City	\$ 177,952
Monterey	City of Marina	\$ 177,952
Monterey	City of Monterey	\$ 177,952
Monterey	City of Pacific Grove	\$ 177,952
Monterey	City of Salinas	\$ 177,952
Monterey	City of Sand City	\$ 177,952
Monterey	City of Seaside	\$ 177,952
Monterey	City of Soledad	\$ 177,952
Monterey	Greenfield Public RD	\$ 177,952
Monterey	North County RD	\$ 177,952
Monterey	Pajaro CSD	\$ 177,952
Monterey	Soledad-Mission RD	\$ 177,952
Monterey	Spreckels Memorial District	\$ 177,952
Napa	City of American Canyon	\$ 177,952
Napa	City of Calistoga	\$ 177,952
Napa	City of Napa	\$ 177,952
Napa	City of St Helena	\$ 177,952
Napa	Town of Yountville	\$ 177,952

Staff Report – August 27, 2020

Department of Parks and Recreation – Office of Grants and Local Services (OGALS) Per Capita Program has funds eligible for capital outlay only, including park rehabilitation, creation, and improvements to local government parks.

Options to utilize funds:

1. Demolition of existing metal building (allowed only if a new feature is put in its place)
 - Build new park maintenance equipment storage
 - Back concrete wall would have to be built to complete (100 feet) fence.
 - Cost approximation \$60,000 demolition
 - Cost approximation \$65,000 concrete wall
 - Cost approximation \$8,900 storage unit
2. Netting on entire length of south side of park
 - Cost approximation \$30,000 (additional \$14,000 if building removed)
3. Security Cameras and Lighting
 - Cost approximation: \$20,000 cameras
 - Cost approximation: \$10,000 lighting

PAJARO/SUNNY MESA

COMMUNITY SERVICES DISTRICT
136 San Juan Road Royal Oaks, CA 95076
(831) 722-1389 • (831) 663-2181 • Fax (831) 722-2137

PUBLIC NOTICE

The Pajaro/Sunny Mesa Community Services District hereby gives notice of a public hearing to be held Thursday, October 22nd, 2020 at 5:45 p.m. to discuss proposed rates for lighting assessments in the Pajaro/Hudson Landing/Struve Road areas. *To reduce the spread of COVID-19, members of the public may listen to meeting via teleconference by **calling 1-425-436-6355** and entering passcode **407147** and then pound sign (#). There will be no in-person participation in the meeting under the authority of Governor Newsom's Executive Order N-29-20. You may also submit written comments in writing either at District office in person or by email by 2:00 on October 22, 2020.* The Board of Directors shall hear and consider all objections and protests, if any, to said charges and may adopt, revise, change, reduce, or modify any assessment, provided that in no case may the Board increase any assessment over and above the charges stated. All interested persons may appear and object to any said assessment at the above hearing. A majority will cause the assessment to be abandoned as provided by law.

The proposed assessment for each parcel will fund the cost of the Pajaro Lighting District.

The estimated proposed total assessment charges for the 2020-2021 Fiscal Year is \$41,096.70

The proposed assessment on your parcel for the 2020-2021 Fiscal Year is \$29.46

NO CHANGE FROM PREVIOUS YEAR

Any inquiries concerning the assessment and any protest against the assessment may be mailed to:

PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT
ATTN: DON ROSA
136 SAN JUAN ROAD
ROYAL OAKS, CA 95076
(831)722-1389 / FAX (831)722-2137
Email: info@pajarosunnymesa.com

Please do not send payment at this time.

This assessment will appear on your 2020-2021 Property Tax Statement.

Thank you

PAJARO LIGHTING ASSESSMENT DISTRICT

- There are 213 lights in the assessment district

- 793 Parcels
 - Residential
 - Commercial
 - Industrial

- No projected P.G. & E. rate increase in 2020-2021
(Increase on L.E.D. October 2015 rate schedule)

- Monterey County provides list of current parcels to District upon request

- PSMCSD sends out information letter with amount of assessment determined by Monterey County EDU schedule, which is included on property tax bill

- All lights converted to L.E.D. in October of 2015

LIGHTING ASSESSMENT YEARLY COST COMPARISON

2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
\$ 29.46	\$ 29.46	\$ 31.62	\$ 31.66	\$ 31.18	\$ 34.96	\$ 34.96
58.92	58.92	63.24	63.32	62.36	69.62	69.62
117.84	117.84	126.48	126.64	124.73	139.82	139.82
147.30	147.30	158.10	158.30	155.91	174.78	174.78
176.76	176.76	189.72	189.96	187.09	209.74	209.74
206.22	206.22	221.34	221.62	218.27	244.70	244.70
235.68	235.68	252.96	253.28	249.46	279.66	279.66
294.60						

2020-2021

Assessment	Parcels	Total
\$ 29.46	610	\$ 17,970.60
\$ 58.92	64	\$ 3,770.88
\$ 117.84	22	\$ 2,592.48
\$ 147.30	62	\$ 9,132.60
\$ 176.76	11	\$ 1,944.36
\$ 206.22	1	\$ 206.22
\$ 235.68	22	\$ 5,184.96
\$ 294.60	1	\$ 294.60
	<u>793</u>	<u>\$ 41,096.70</u>

\$29.46 per EDU (Equivalent Dwelling Units)

STAFF REPORT Aug. 24th, 2020

STAND-BY GENERATORS

ALTERNATIVES TO FULL SCOPE- POSSIBLE COST SAVINGS

OPTION 1: Delete 4 generators from well sites, add mobile generator and equip the sites with transfer switches and common/modular plug-ins.

Pajaro Well # 1	110,000
Berta Well # 1	48,000
Sunny Mesa Well Site	52,000
Moss Landing Well Site	<u>59,000</u>
Up-front Savings	\$ 269,000
Added Costs:	
Mobile Generator	90,000
Transfer switches and plugs	76,500
Tow Vehicle	60,000
Labor (possibility of 7 -day outage).	<u>7,000</u>
Additional Cost	\$233,500
Net Savings	\$35,500

OPTION 2: Remove four smaller generators from project, that serve booster sites with a total connection count of 21, population of roughly 55. No portable generator purchased; these customers would not have water for the duration of outage.

Andreas Estates	52,000
Covenant	38,000
Kari Ln.	38,000
Celeste	<u>38,000</u>
Savings	\$166,000

DISTRICT OPERATIONS REPORT
August 27, 2020

TOPIC	STATUS	DATE OF PLANNED RESPONSE
Arrowhead Tank Replacement Project	Bid docs prepared by Wy'east Engineering. Documents 100% complete. Project is ready to go out for bid, will need updating. Board has given direction to monitor the integrity of the tanks and report as needed.	No Report
Grants & Loans Active	<p>A. SRF Planning Grant Springfield & IRWMP Grant Pajaro.</p> <ul style="list-style-type: none"> • Pajaro Grant – New Tank connection has been tested, tank has been filled and disinfected. Completion goal is August 31st, 2020. • Springfield Planning Grant – Construction Application; General Information and Financial Packets under review. Monthly conference call scheduled on August 26, 2020. 	August 2020 August 2020
Pajaro Park	<p>Pajaro Park remains closed.</p> <p>Summer Lunch Program, drive thru and walk-up, ended Friday August 14, 2020. The Park remains closed.</p>	August 2020
Sunny Mesa Sewer	District is holding monies that is to be refunded to the original Sunny Mesa Sewer customers. Balance Sheet Account #2320-Amount \$29,169.90. Staff is currently reviewing, and has spoken to Bianchi, Kasavan, and Pope for their opinion and assistance if needed.	No Report
Emergency Generators	District Engineer, Tom Yeager and Staff are working together in an alternative plan due to no interest in the RFP in February 2020.	On Agenda
Hazard Mitigation Plan	<p>Generate a Disaster Mitigation Plan for submission to Monterey County and FEMA.</p> <ul style="list-style-type: none"> • Pre-Disaster Hazard Mitigation Plan Application for assistance has been determined ineligible by Cal OES. 	On Agenda
Water Rate Study	Discuss the Water Rate Study	On Agenda
Multi Community Bottled Water Project	Springfield Water System, Moss Landing Mobile Home Park, Springfield/Bluff/Jensen/Giberson Roads. 189 homes are currently receiving bottled water. One more sign-up, total 190.	No Report

Usage Comparison in Gallons 2013-2020

Water Systems	Jul-17	Jul-18	Jul-19	Jul-20
Pajaro	8,429,960	8,742,624	7,777,704	6,855,420
Normco	3,532,804	4,105,772	3,944,204	3,278,484
Sunny Mesa	2,905,980	3,394,424	3,347,300	2,717,484
Moss Landing	2,606,780	2,914,956	2,500,564	2,644,180
Vega	1,867,756	1,662,804	1,847,560	1,492,260
Vierra Estates	304,436	371,008	498,916	495,924
Springfield (pumped)	721,072	683,672	645,973	705,962
Langley/Valle Pacifico	344,080	371,008	362,032	313,412
Blackie	299,200	314,908	337,348	326,876
District Total	21,012,068	22,561,176	21,261,601	18,830,002

Water Systems	Jul-13	Jul-20		Percentage
Pajaro	11,420,180	6,855,420	↓	-40.0%
Normco	5,167,184	3,278,484	↓	-36.6%
Sunny Mesa	3,927,726	2,717,484	↓	-30.8%
Moss Landing	3,508,120	2,644,180	↓	-24.6%
Vega	2,464,989	1,492,260	↓	-39.5%
Vierra Estates	553,520	495,924	↓	-10.4%
Springfield (pumped)	667,964	705,962	↑	5.7%
Langley/Valle Pacifico	477,972	313,412	↓	-34.4%
Blackie	434,588	326,876	↓	-24.8%
District Total	28,622,243	18,830,002	↓	-34.2%

