

# MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:34 pm on August 22, 2024.

**ROLL CALL:**

President Donald Olsen  
Secretary Paul Anderson - arrived at 5:44 pm  
Assistant Secretary Clinton Miller  
Treasurer Donald Chesterman

**ADMINISTRATIVE STAFF:**

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

**ABSENT DIRECTOR(S) & STAFF:**

Vice President Sanford Coplin

**DISTRICT COUNSEL:**

Absent

**ADDITION(S) TO AGENDA:**

Director Miller would like a plaque for retired District Counsel Alan Smith for his many years of service to the District.

**PUBLIC IN ATTENDANCE:**

Mark Swartz Pajaro Valley Golf Course, Andy Sterbenz Schaff and Wheeler, Marilyn Vierra Supervisor Church Office Chief of Staff, Scott Brown Balance Hydrologics, Karen Miller from the Sunny Mesa Water System and MS device.

**PUBLIC COMMENTS:**

Ms. Vierra informed the Board of the Eucalyptus Removal Pilot Program, thus far they have received 75 applications and have not expended funds. They are in talks with Tri-County and North County Fire Districts to identify areas where eucalyptus removal would be beneficial, especially to the areas of Prunedale where with difficult ingress and egress in an emergency. Also, next year they plan to put together a Comprehensive Emergency Evacuation Plan for the Prunedale area. Ms. Vierra was glad to see that the \$59,000 was received.

**Action Items**

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

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

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

**MINUTES OF REGULAR BOARD MEETING – August 22, 2024**

**OLD BUSINESS:** None

**NEW BUSINESS:** (Action Items)

- 1. Review and consider approving financial reports for July 2024

Bookkeeper Saldate reported to the Board of Directors that the Water Revenue in July was 23 percent over the budget projection. In the Indirect Expenses, the District saw an increase in Building Repair and Maintenance for pest control. The Casualty/Liability Insurance budget had an increase due to Property Program renewal.

The District had an increase in the Direct Expense in the COP Bond Expense budget due to the US Bank admin fees. Other Income had an increase in Testing Fees account for backflow assembly testing. The Total Income was more than Total Expenses by \$132,097. July's Cash was less than June's Cash by \$33,894. July's cash on hand was \$1,168,558.

Bookkeeper Saldate informed the Board that the Net Income for June was above project budget at \$132,097 due to high sales and Testing Fees.

A motion was made by Director Anderson and seconded by Director Chesterman to approve the financial reports for July 2024. Motion carried.

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

**MONTHLY EXPENDITURES REPORT FOR REVIEW**

**APPROVAL OF PAYMENTS:**

- 2. Review and consider approving August 2024 payments
  - 1. General Fund 633: Total of \$0.00
  - 2. Operating Account: Check No. 25907 through Check No. 25935 totaling \$134,958.28
  - 3. Reserve Account: Total of \$1,237.50
  - 4. Street Maintenance Account: Total of \$1,286.02
  - 5. Pajaro Park Account: Total of \$1,985.60
  - 6. COP 2010 Account: Total of \$0.00
  - 7. Debt Service Reserve Account: Total of \$3,018.75

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

**MINUTES OF REGULAR BOARD MEETING – August 22, 2024**

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

3. Review and consider approving Resolution No. 08-01-24 approving proposal from Tesco Controls and Darrel Varni Electric, Inc. for Motor Control Centers Replacement in an amount not to exceed \$1,164,625

Director Anderson noted that the Labor and Materials Bond was not included in the proposal. He requested Schedule of Values, Performance and Payment Bonds which will add approximately 2.5 percent to the proposal total, it is important to have insurance to indemnify us. Exhibits to be amended accordingly.

A motion was made by Director Miller and seconded by Director Olsen to approve Resolution No. 08-01-24 approving proposals for Motor Control Centers Replacement, with edits. Motion carried.

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

4. Consideration, discussion and motion giving direction regarding Consulting Contract with Don Rosa

Director Olsen opened conversation by explaining that Director Coplin was displeased with Mr. Rosa's Contract. Director Chesterman received a call from a concerned member of the community regarding Mr. Rosa's participation in the Parks Legacy Project, he explained to her that the District is not consulting with him regarding Parks Legacy. Director Miller sees the value in Mr. Rosa's expertise and also understands the residents concern due to his involvement with the Parks Legacy Project, he requests Staff be mindful of this.

Director Anderson understands that Mr. Rosa is a resource that should not be cut off.

A motion was made by Director Chesterman and seconded by Director Olsen to approve to continue with Consulting Contract with Don Rosa. Motion carried.

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

5. Review and Motion to approve Resolution No. 08-02-24 authorizing the submission of a Loan Application, the Incurring of an Indebtedness, the Execution of Loan Agreement and Any Amendment thereto, a Promissory Note and Any Other Documents Necessary to Secure a Loan from Rural Community Assistance Corporation



**MINUTES OF REGULAR BOARD MEETING – August 22, 2024**

General Manager Vazquez-Varela explained the purpose of the loan request which is for the Springfield Consolidation Project. State grants are reimbursed quarterly, and contractors must be paid monthly, the loan would allow the District to keep up with invoices during the 4-month waiting period.

A motion was made by Director Anderson and seconded by Director Olsen to approve Resolution No. 08-02-24 Authorizing the submission of a loan application to Rural community Assistance Corporation. Motion carried.

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

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

1. Pajaro Valley Golf Club-Parks Legacy Project

- Mark Swartz, the Director of Design for the Parks Legacy Project began by providing Pajaro Golf Course history. Mr. Swartz understands the District does not have the capacity to serve his project. In conclusion the best chance at having the District provide water service to this project is by dedicating a Golf Course well to the District. Mr. Swartz would like to have Staff work with Parks Legacy team to come up with the framework that could be approved by both parties be it by dedicating a well or drilling a new well for District.
- Out of the 200 acres of the Parks Legacy Project, 96 acres will be golf course with new native grass with low water demand. The project includes a club house, banquet facility, restaurant bar and grill, pro-shop, office for GM, 58 stall RV park, 88 log cabins, primitive camping, breakfast/lunch restaurant, fitness building, yoga studio, swimming pool, pickle ball court, 160 unit manufactured homes all on existing underlying zoning, 1 and a half acre retail site, a welcome center, comfort center for RV park, golf maintenance facility and near Salinas Road a potential well site to be dedicated to District in return for a Can and Will Serve letter, and for Staff to work on the framework and outline to meet District and Parks Legacy needs, then continue with a legal agreement.
- Director Olsen made a comment regarding the traffic issues on Salinas Road. Mr. Swartz recognized the issue and has met TAMC as they outline 8.2 million dollars' worth of improvements to fix the G12 corridor. Mr. Swartz has suggested to Supervisor Church that if he can approve his project footprint, Mr. Swartz will contribute half of the cost of the improvements, solving the neighborhood problem.
- Director Olsen asked about the Parks Legacy plans for the Elkhorn Slough side of the course, Mr. Swartz replied that this area is not part of the current project, it is planned to sell those parcels in the future.
- Director Miller asked how many parking spaces are planned. Mr. Swartz explained approximately 1,000 spaces.
- Director Olsen wondered if Parks Legacy is willing to drill a new well for District, why not keep it. Mr. Swartz explained that it is not the right thing, unless the District is not willing to serve the project.
- Director Miller asked about the sewage treatment plant capacity. Mr. Sterbenz explained that the total project capacity would be 155-acre feet per year, 67-acre

## MINUTES OF REGULAR BOARD MEETING – August 22, 2024

feet for potable water utilizing approximately two thirds of that would be reclaimed water to be used for irrigation thus reducing the total capacity.

- Director Miller asked about the storm water recharge impact, Mr. Brown explained this Project would capture run-on and runoff thus having less impact to aquifer. The Golf Course currently uses 67-acre feet per year from the Sunny Mesa Water System. The Project would need approximately 65-acre feet thru a new meter or meters.
- Mr. Swartz informed the Board of Directors of the upcoming open house on September 25, 2024, for an update on the lengthy process as it is approximately 2 years for getting entitlement, another year for construction documents and 18 months to 2 years of construction. Mr. Swartz again asked the Board for Staff time to work on the project framework as it is important for Parks Legacy to meet the needs of both parties. The Board would like to discuss this issue further before permitting Staff to work with Parks Legacy and would like to discuss it at the next Board meeting.

### 2. Pajaro Park

- District received the requested \$59,000 from the County of Monterey.

### 3. Water Conservation Program-Vierra Estates Water Systems

- The leak detection was completed on August 12, 2024, we are still awaiting report. The Sunny Mesa Water System well meter replacement is still pending.

### 4. Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project (PSMS)

- The team is working on the land acquisition as this is a vital step toward the design and schedule of the Project. The construction of the Project may be phased depending on approval of the EPA Community Change Grant. If approved the first phase would include the land acquisition, Iron and Manganese treatment for the Pajaro Water System well 1, consolidation pipeline between Pajaro and Sunny Mesa Water Systems, a pump station, Pajaro Water System tank 1 rehabilitation, destruction of the well 2 and Sunny Mesa Water Systems wells, partial SCADA system and auto read meters replacement for the Sunny Mesa and Pajaro Water Systems. All the work would need to be completed within 3 years of funding agreement execution.

### 5. Springfield Consolidation Planning Grant

- The Staff has begun the application process with rural Community Assistance Corporation for a bridge loan.
- North Monterey County Unified School District (NMCUSD) did not approve staging area agreement
- Ms. Vierra offered to contact and discuss the importance of the staging area agreement with two Board members of the NMCUSD.
- GM Vazquez-Varela plans to attend next NMCUSD board meeting to present project and request approval of staging agreement.

### 6. Hexavalent Chromium

- The Hexavalent Chromium Maximum Contaminant Level (MCL) of 10 ug/L was adopted by the State Water Board, the regulation will take effect October 1, 2024. Staff will contact the District's State Regulator to follow proper procedure with the regulation since Sunny Mesa Water System levels have exceeded the MCL in the past.



**MINUTES OF REGULAR BOARD MEETING – August 22, 2024**

7. 2023-2024 Audit Kickoff meeting August 28, 2024

- Staff met with the Audit team to discuss the upcoming audit.

8. Draft Agreement from County of Monterey for the AB102 Funds

- The draft agreement will go before the Board of Supervisors for approval. District Counsel is reviewing the draft agreement.

9. District Operations Report

Multi Community Bottled Water Project

- June's invoices have been submitted for reimbursement.

Tank Replacement/Rehabilitation Grant Project

- Pre-application was submitted.

Current Water System Repairs

Blackie Road #18 WS:

- A customer is requesting credit due to improper meter size charge. Operations Manager Ochoa confirmed that the meter size charge was correct, it was discovered that the meter body was of 1-inch meter while the register was of a 3/4 -inch meter. A credit is not due to the customer, the meter will be replaced.

Langley/Valle Pacifico WS:

- The Arsenic media was replaced on July 30, 2024.

Moss Landing WS:

- The tank site generator is leaking diesel fuel, Quinn has been scheduled for repairs.

Normco WS:

- The well #1 vault pressure reducing valve was repaired on August 16, 2024, due to a leak.
- A water leak at Berta Cyn Ct. is awaiting contractor repair.

Pajaro WS:

- The well #2 generator failed to start, it is to be diagnosed by Quinn.

Sunny Mesa WS:

- Well #2 failed to start, Staff replaced transmitter battery at tank site, the communication between the tank and well was restored.
- A Power outage tripped booster pump station breaker, Staff reset the breaker and pressure was restored.
- The tank site generator battery died, due to battery charger malfunction, Quinn repaired the battery charger.

Vega Road #01 WS:

- The Vista Verde transmitter battery was replaced by Staff on August 5, 2024.
- The Kari Lane booster pump failed, Staff repaired, and pressure was restored.
- The Oakleaf well site altitude valve failed causing tank to overflow. Staff cleaned and flushed. The valve is back online and working properly.

10. Usage Comparison Report 2023/2024-July

- Usage is up in most systems, except for Springfield. District wide we had a 27.8 percent increase in usage compared to this month last year.

**MINUTES OF REGULAR BOARD MEETING – August 22, 2024**

**CLOSED SESSION:**

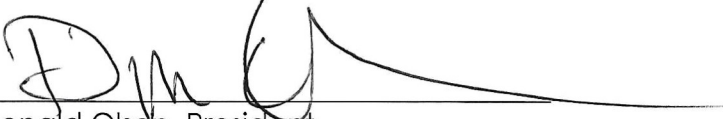
None

**NEXT BOARD MEETING:**

The next Regular Board Meeting is to be held on Thursday September 26, 2024, at 5:30 pm at the District Office.

There being no further business, the Regular Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 7:20 pm with motion made by Director Chesterman, seconded by Director Anderson. Motion carried.

Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Rocio Fernandez, Recorder