MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on May 28, 2026.

ROLL CALL:
President Paul Anderson
Vice President Donald Olsen
Secretary Donald Chesterman
Assistant Secretary Sanford Coplin
Treasurer Clinton Miller, arrived at 5:40 pm

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

ABSENT DIRECTOR(S) & STAFF: None

DISTRICT COUNSEL: Heidi Quinn, absent

ADDITION(S) TO AGENDA:
None

PUBLIC IN ATTENDANCE:
In-Person: Bruce Bongard, manager/representative of Delany WC
Zoom: Michael Miller

PUBLIC COMMENTS:
None

CONSENT AGENDA: (Action Items)

1. Consider approval of the Minutes of April 23, 2026, Regular Board Meeting
2. Review and Approve May 2026 Payments
   - General Fund 633: Total of $1,782.30
   - Operating Account: Check No. 26532-26572 totaling $204,203.81
   - Reserve Account: Total of $474,277.40
   - Street Maintenance Account: Check No. 605-606 totaling $1,245.48
   - Pajaro Park Account: Total of $1,655.22
   - COP 2010 Account: Total of $0.00
   - Debt Service Reserve Account: Total of $0.00
3. Consider ratifying MNS Engineers, Inc's proposal for Engineering Services for the Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project (PSMS)

4. Consider ratifying Denise Duffy & Associates proposal for Environmental Services for the Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project (PSMS)

   A motion was made by Director Coplin and seconded by Director Olsen to approve the Consent Agenda. Motion carried.

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

OLD BUSINESS:

1. None

NEW BUSINESS: (Action Items)

1. Consider approval of Financial Reports for April 2026

   Bookkeeper Saldate reported that the Water Revenue totaled 93% of the projected budget for April. The Indirect Expense Account for Casualty/Liability Insurance was over budget due to a change in coverage period. The Conferences/Meetings/Seminars Account reflected an overage for registration of an upcoming Leadership Summit for the General Manager. Travel Expenses were over budget for expenses related to California Consolidation Convening Meeting attended by Operations Manager, in which those expenses will be reimbursed by hosting agency. Direct Expense account for 2021 Bond Expense/Fees had an overage due required arbitrage analysis and rebate payment.

   The Income was more than the Total Expenses by $41,014. April's cash on hand, combining the Operating and Reserve Accounts, was $2,173,861, which was less than the previous month.

   April's Net Income for Water Enterprise resulted in a shortfall in the monthly budget projection due to low water sale revenue combined with high monthly expenses.

   A motion was made by Director Anderson and seconded by Director Olsen to approve the financial reports for April 2026. Motion carried.

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

2. Consider and approve 2026-2027 Pajaro Street Lighting Preliminary Budget and Direct Publication

   This Budget is set to remain unchanged from last year; no increase is necessary for this year.

A motion was made by Director Chesterman and seconded by Director Miller to approve the 2026-2027 Pajaro Street Lighting Preliminary Budget and Direct publication. Motion carried.

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

3. Consider and approve 2026-2027 Street Maintenance/Subdivision Maintenance Preliminary Budget and Direct Publication

General Manager Vazquez-Varela explained that Stone Ridge Estates will have a slight increase due to fees for services paid to vendors.

A motion was made by Director Coplin and seconded by Director Olsen to approve the 2026-2027 Street Maintenance/Subdivision Maintenance Preliminary Budget and Direct publication. Motion carried.

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

4. Consider and approve 2026-2027 Pajaro Community Parks/Public Areas Preliminary Budget and Direct Publication

The budget was slightly increased in labor and groundskeeping materials and supplies.

A motion was made by Director Olsen and seconded by Director Miller to approve the 2026-2027 Pajaro Community Parks/Public Areas Preliminary Budget and Direct publication. Motion carried.

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

5. Consider and approve 2026-2027 Pajaro Park Preliminary Budget and Direct Publication

The budget was increased due to operating and labor costs.

A motion was made by Director Anderson and seconded by Director Miller to approve the 2026-2027 Pajaro Park Preliminary Budget and Direct publication. Motion carried.

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

6. Consider and approve Capital Improvement Plan - 10-year look-ahead and 2026-2027 Work Plan

   General Manager Vazquez-Varela reviewed the Capital Expenditures and 10-year look-ahead plan.

   A motion was made by Director Coplin and seconded by Director Olsen to approve the Capital Improvement Plan - 10-year look-ahead and 2026-2027 Work Plan. Motion carried.

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

7. Consider and approve 2026-2027 Operating/Water Preliminary Budget and Direct Publication

   General Manager Vazquez-Varela reviewed the notes, highlighting the anticipated increase in Indirect and Direct Expenses. Director Coplin stated that the Income should reflect a reduction in sales; General Manager replied that she did not want to reduce the income because it is anticipated that Springfield sales will increase as soon as the project is completed early 2027.

   A motion was made by Director Anderson and seconded by Director Olsen to approve the 2026-2027 Operating/Water Preliminary Budget and Direct publication. Motion carried.

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

STAFF/COMMITTEE REPORTS: (Informational Only)

1. Springfield Water System Improvements Project
   - Contractors, engineers, and the Community Water Center are coordinating with Springfield Road residents on the location of the lateral line installation from the meter to the house. All Springfield Road laterals have been installed. Twenty-six (26) lateral service installations have been completed along Struve Road. To begin lateral work in the Moss Landing Mobile Home Park, in the second week of June. Chemical building construction is in progress. The generator concrete pad is in progress.

2. Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project (PSMS)
   - Staff continues to coordinate with the property owner's requests to move forward with the easement offer. The engineer met with one of the property owners to address his concerns, and the property owner may now be prepared to sign the easement.

- The $1 million bridge loan application to RCAC is in progress, and State Water Resources has approved RCAC loan terms. A 15 percent markup on subconsultants was approved for reimbursement by the State Water Resources, and both consultants have provided revised proposals on the agenda for approval.
- The North County Land Use Commission unanimously supported our project.

3. District Operations Report

Delany Consolidation Feasibility Study

- The team confirmed interest from 7 water systems, totaling 68 connections, and received potential interest from 2 other water systems. Provost and Prichard will move forward with the Engineering Report to include two alternatives: Delany and Manzanita Hills, and the Regional Consolidation including all interested systems. Draft Report is due June 8, 2026.
- Director Anderson suggested sending a letter to Manzanita Hills homeowners informing them about the project.
- Bruce Bongard spoke regarding Hexavalent Chromium mitigation costs; he was informed that annual maintenance would cost approximately $50,000 to $70,000; and it was recommended that consolidation is the best option for his water system.

Water Rate Study Update

- Staff continues to provide the requested information.

Current Water System Repairs

Blackie Road #18 WS:

- Concrete pad for new hydropneumatic tanks installation.

Langley/Valle Pacifico WS:

- Replaced the T pipe to the disinfection connection.

Moss Landing WS:

- Staff to work with the County of Monterey Public Works for Potrero Road repair.
- Well 1 Cla-Valve service.

Normco:

- Well 2 Cla-Valve service.

Pajaro WS:

- Fire pump maintenance.

Springfield Road WS:

- APEC punctured a service line and completed the repair.

Sunny Mesa WS:

- Tank site Cla-Valve service.
- Added a hydropneumatic tank to the tank site.

Vega Road #01 WS:

- Generator schedule service by Quinn.
- Marlin Cla-valve service.

Vierra Estates WS:

Parks:

- Sprayed the Cayetano Park trees for Aphids.

- Director Coplin inquired about what has been done at the Pajaro Park to improve the security of the locks. Operations Manager informed the Board that all locks had been upgraded.

Director Miller informed the Board of possible funding available through USDA Rural Development. General Manager is to follow up with funding opportunities.

4. Usage Comparison Report 2025/2026-April
   - General Manager Vazquez-Varela reported that in April Moss Landing commercial customers have been using less water overall. In the Langley/ Valle Pacifico WS, we had a significant customer leak of approximately 60 units in 2025, and our high water-using customers used less water this year compared to last. Overall, district-wide water usage was down 7%.

CLOSED SESSION:

None

NEXT BOARD MEETING:

The next Regular Board Meeting is to be held on Thursday, June 25, 2026, 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 6:41 pm with a motion made by Director Anderson, seconded by Director Olsen. Motion carried.

Respectfully submitted by:

Paul Anderson, President

Donald Olsen, Vice President

Rocio Fernandez, Recorder