

# 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 25, 2023.

**ROLL CALL:** President Donald Olsen  
Vice President Sanford Coplin  
Secretary Paul Anderson  
Assistant Secretary Clinton Miller

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

**ABSENT DIRECTOR(S) & STAFF:** Treasurer Donald Chesterman

**DISTRICT COUNSEL:** Attorney Alan Smith joined at 5:32

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

**PUBLIC IN ATTENDANCE:** None

**PUBLIC COMMENTS:** None

## **Action Items**

1. Consider and approve the Minutes of the April 27, 2023, Regular Board Meeting

No discussion.

Motion was made by Director Coplin and seconded by Director Miller to approve the Regular Board Meeting Minutes of April 27, 2023. Motion carried.

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

**OLD BUSINESS:** None

**NEW BUSINESS:** (Action Items) None

1. Review and consider approving financial reports for April 2023

Bookkeeper Saldate reported to the Board of Directors that the Water Revenue for April is at 80 percent of the projected monthly budget, mainly due to the Service Availability Fee adjustment of 50 percent for Pajaro Water System. Water System-Repair and Maintenance had an increase due to J Johnson Co repair to 4-inch main line leak in Moss Landing and repair to a service line and main line in Pajaro Water Systems. Income in April was more than the Total Expenses by \$5,331. April's Cash was less than March's Cash by \$221,895. Total April cash on hand was \$708,842. Net income for April is \$5,331 due to low water sales and credit to the Pajaro Water System customers.

LHWAP paid the full balance of \$12,000 for Springfield customer who has been delinquent since 2005. Increases in the 30 and 60-day delinquency are mainly due to the delayed March billing, resulting in Pajaro customers receiving March and April bills only a week apart. The collections continue to be impacted by the Pajaro flood; many customers are still pending LHWAP assistance.

Motion was made by Director Anderson and seconded by Director Coplin to approve the financial reports for April 2023. Motion carried.

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

**MINUTES OF REGULAR BOARD MEETING – May 25, 2023**

**MONTHLY EXPENDITURES REPORT FOR REVIEW**

**APPROVAL OF PAYMENTS:**

2. Review and consider approving May 2023 payments
  1. General Fund 633: Total of \$62.40
  2. Operating Account: Check No. 25414 through Check No. 25449 totaling \$152,920.69
  3. Reserve Account: Total of \$41,005.90
  4. Street Maintenance Account: Check No. 567 for a total of \$159.37
  5. Pajaro Park Account: Total of \$1,700.04
  6. COP 2010 Account: Total of \$0.00
  7. Debt Service Reserve Account: Total of \$0.00

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

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

3. Consider and approve changing signature cards for all Financial Institutions-Santa Cruz County Bank and Mo. Co. Auditor/Controller

No discussion.

A motion was made by Director Coplin and seconded by Director Anderson to approve changing signature cards for all Financial Institutions-Santa Cruz County Bank and Mo. Co. Auditor/Controller to remove Donald Rosa and add Judith Vazquez-Varela. Motion carried.

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

4. Consider and approve Resolution No. 05-02-23 Adopting the Pajaro/Sunny Mesa Community Services District Policy Adoption Policy

No discussion.

Motion was made by Director Coplin and seconded by Director Olsen to approve Resolution No. 05-02-23 Adopting the Pajaro/Sunny Mesa Community Services District Policy Adoption Policy with one edit on Exhibit A. Motion carried.

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

5. Consider and approve Resolution No. 05-03-23 Adopting the Pajaro/Sunny Mesa Community Services District Inter-Fund Loan Policy

Attorney Smith explained that this policy is a guideline and process to follow for inter-fund loans, the District currently did not have a policy.

A motion was made by Director Anderson and seconded by Director Miller to approve Resolution No. 05-03-23 Adopting the Pajaro/Sunny Mesa Community Services District Inter-Fund Loan Policy. Motion carried.

**MINUTES OF REGULAR BOARD MEETING – May 25, 2023**

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

6. Consider and approve 2023-2024 Pajaro Street Lighting Preliminary Comparison Budget to previous fiscal year

General Manager Rosa discussed that the Pajaro Street Lighting budget will not change, the PG&E tariff is to remain constant.

The motion was made by Director Coplin and seconded by Director Olsen to approve the 2023-2024 Pajaro Street Lighting Preliminary Comparison Budget and publication. Motion carried.

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

7. Consider and approve 2023-2024 Street Maintenance/Subdivision Maintenance Budget

General Manager Rosa discussed that the Street Maintenance/Subdivision Maintenance Budget is to remain the same this year but in the near future there will be a need to increase the assessments.

The motion was made by Director Miller and seconded by Director Anderson to approve 2023-2024 Street Maintenance/Subdivision Maintenance Budget and publication. Motion carried.

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

8. Consider and approve 2023-2024 Pajaro Community Parks/Public Area Preliminary Comparison Budget

General Manager Rosa informed the Board that the Berlanga Family took back Berlanga Park due to neighbors making too much noise at the park in the evenings. The surplus will be transferred to the Pajaro Park Fund.

Motion was made by Director Miller and seconded by Director Olsen to approve the 2023-2024 Pajaro Community Parks/Public Area Preliminary Comparison Budget and publication. Motion carried.

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

9. Consider and approve 2023-2024 Pajaro Park Preliminary Comparison Budget

General Manager Rosa informed the Board of Directors that the total Park expenses is \$65,400, the revenue toward the Park Expense will be \$5,800 from the Pro-Rata, \$6,000 from the Board Stipend and \$25,000 from the annual Mo. Co. contribution. Total withdrawal from the Park Fund is \$28,600 leaving a balance of \$49,000 which will carry us through 2025-2026 fiscal year. The District is still anticipating a \$35,000 contribution from Mo. Co., and they have agreed to provide \$34,000 for next fiscal year. The Susan Street housing project has pledged a contribution of \$25,000 for five years.

Motion was made by Director Coplin and seconded by Director Anderson to approve the 2023-2024 Pajaro Park Preliminary Comparison Budget. Motion carried.

**MINUTES OF REGULAR BOARD MEETING – May 25, 2023**

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

10. Consider and approve the Capital Improvement Plan-10 Year Look Ahead

General Manager Rosa provided a 2023-2032 Capital Reserves and Expenses Summary and 10-year Capital Improvement Plan, he explained that we do not have projected expenditures for the next year as we need to focus on pending and storm related issues. The 2023 Annual Expenses include \$104,000 of possible reimbursable expenses. In 2031 Annual Expenses include tank projects, for which we are expecting grant funding.

The motion was made by Director Miller and seconded by Director Anderson to approve the Capital Improvement Plan-10 Year Look Ahead. Motion carried.

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

11. Consider and approve 2023-2024 Operating/Water Preliminary Comparison Budget to Previous Fiscal Year

General Manager Rosa provided a copy of the 2023-2024 Budget notes to the Board of Directors, in the notes he describes a projection of 8% over the actual sales. He also mentions an increase to the Salaries and Wages \$52,000 of the increase is to pay for the parttime meter readers that were not included in the previous year. There was also an increase in the Workers Compensation insurance due to a 10% increase in premiums, increase in Employee Retirement, Computer Software, Casualty/Liability, Postage, Soil and Water testing, Permits due to new generator permits, and Fuel Generators budgets.

Motion was made by Director Olsen and seconded by Director Miller to approve 2023-2024 Operating/Water Preliminary Comparison Budget and publication. Motion carried.

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

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

1. Pajaro Park Update

- Mo. Co. will be sending a check for \$35,000 for Operation and Maintenance on May 22 or 29.
- President Olsen and Vice-President Coplin attended the Board of Supervisors meeting on May 23, 2023, and reported that they presented the Pajaro Park information. County has agreed on a total of providing \$59,000 for the current year. The Board of Supervisors suggested the District should assess the community. They also suggested transferring the park to Mo. Co. District Board directed Staff to wait for the Monterey County Strategic Plan.

2. 2023 Flood Damage Report

- General Manager Rosa reported that the Pajaro and Sunny Mesa Water System temporary repairs actual cost to date is \$79,000 and the permanent repairs are estimated at \$1.3 Million, \$415,000 will go toward equipment and supplies and \$670,000 will mitigate the flood risk.
- The District's policy has a deductible of \$100,000, which is reimbursable through FEMA.

**MINUTES OF REGULAR BOARD MEETING – May 25, 2023**

3. On-Line Bill Pay Program update

- Bookkeeper Saldate reported that 113 ratepayers utilized the On-Line Billing Program in April, and 151 have enrolled in auto pay.

4. District Operations Report

SRF Planning Grant Springfield

- State is requesting revisions of the information submitted, Staff will submit next week.

Generator Project

- Startup has begun. Our Electrician and Quinn Caterpillar Staff will be working on retrofitting the generator exhaust to bring out of the building through the wall or roof.

LIHWAP

- Two referred customers have been approved for payment; and we have received the funds.

5. Usage Comparison Report 2022/2023-April

- Water usage is down in all the system by 23% for this month compared to last year.

**CLOSED SESSION:**

The closed session began at 6:42 p.m. and ended at 7:04 p.m.

**Action Item:** Consider and approve Resolution No. 05-01-23 General Manager's Employment Contract

The motion was made by Director Coplin and seconded by Director Anderson to approve Resolution No. 05-01-23 General Manager's Employment Contract. Motion carried.

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

**NEXT BOARD MEETING:**


The next Regular Board Meeting is to be held on Thursday June 22, 2023, 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 7:06 pm with motion made by Director Anderson seconded by Director Miller. Motion carried.

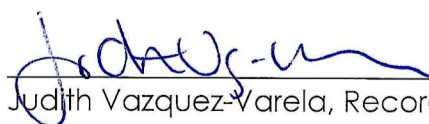
Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Judith Vazquez-Varela, Recorder