

EXHIBIT "A"

2021 PAJARO SUNNY MESA COMMUNITY SERVICES DISTRICT WATER ACQUISITION POLICY

It is the policy of the Pajaro/Sunny Mesa Community Services District that the policy set forth herein guide the District in considering the merger or acquisition of new or additional systems or expansion of existing water systems

1. The system shall be inspected and evaluated by a qualified Water System Engineer to determine the present condition and any work recommended to meet the standards of the State Water Resources Control Board ,
2. Any expense to repair or upgrade the proposed water system to such recommended standards shall be borne by the proposed water system payers or outside financial resources, not by Pajaro/Sunny Mesa Community Services District. i.e.: emergency stand-by generators and automated meter reading capability.
3. A physical inspection and evaluation of the supply system (wells, recharge capacity, storage capacity, water quality and pipes and all appurtenances.
4. An evaluation of ownership and condition of all wells, pipes and equipment shall be provided
5. Determination of status of insurable title to all well sites, pipeline routes, either in fee or easements shall be provided
6. A revenue and expense statement describing the revenue and expenses for any system to be acquired or merged over at least the past three years shall be provided.
7. A report satisfactory to the Board from the State Water Resources Board shall be provided
8. Approval if required by the California Public Utilities Commission shall be provided
9. Approval by Monterey County LAFCO at including annexation costs shall be considered and shall be a condition precedent to the obligation to acquire or merge.
10. Approval by the Monterey County Health officer pursuant to the Monterey County Local Primacy program requirements pursuant to subdivision (h) of section 116375 of the Health and Safety Code

11. Any proposed merger or acquisition , shall require no less than two public meetings for ratepayers and the public to express any concerns on the acquisition and to offer their suggestions before any contract to merge, expand or add any water system.

~ END ~

RESOLUTION NO. 09-01-21

**RESOLUTION ADOPTING 2021 PAJARO SUNNY MESA COMMUNITY SERVICES DISTRICT
WATER ACQUISITION POLICY**

WHEREAS, from time-to-time persons propose the District acquire additional water systems, and

WHEREAS, from time to time the Board and staff must consider the acquisition of new or additional systems or expansion of existing systems, and

WHEREAS it is in the best interest of the District and ratepayers to have a consistent, thoughtful policy to consider the merger, acquisition of new or additional systems or expansion of existing systems, and

WHEREAS it is in the best interests of the District and ratepayers to know what the District's policy is for new systems be added to the District, and

NOW, THEREFORE, IT IS ORDERED that

- (A) the 2021 Pajaro Sunny Mesa Community Services District Water System Acquisition Policy attached hereto and marked Exhibit "A" is adopted and approved; and
- (B) the 2021 Pajaro Sunny Mesa Community Services District Water System Acquisition Policy shall guide the Board and staff in considering the merger, acquisition of new or additional systems or expansion of existing system
- (C) The 2021 Pajaro Sunny Mesa Community Services District Water System Acquisition Policy shall remain in effect until revoked by the Board.

Adopted, approved, and signed this 23 day of September 2021, by the following vote:

AYES: S. Coplin; D. Lambolely; M. Moore

NOES: H. Wiggins

ABSENT: R. Moody

ABSTAIN: None



President of the Board of Directors

ATTEST: None



District Secretary