

# MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on January 25, 2024.

**ROLL CALL:**

President Donald Olsen  
Vice President Sanford Coplin  
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:**

Secretary Paul Anderson

**DISTRICT COUNSEL:**

Attorney Alan Smith

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

**PUBLIC IN ATTENDANCE:** Marilyn Vierra, Supervisor Church Office Chief of Staff

**PUBLIC COMMENTS:** Ms. Vierra introduced herself and informed the Board she will be attending our Board Meetings quarterly in order to assist with District needs.

**Action Items**

1. Consider and approve the Minutes of the December 14, 2023, Special Board Meeting

The motion was made by Director Coplin and seconded by Director Chesterman to approve the Special Board Meeting Minutes of December 14, 2023. Motion carried.

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

**OLD BUSINESS:**

1. Review and consider approving the Final Pajaro/Sunny Mesa Community Services District Purchasing Ordinance (does not include Public Works)

General Counsel briefly stated the changes made to the PSMCSD Purchasing Ordinance that were requested at the December 2023 meeting. He also reminded Staff to publish the Ordinance in the local newspaper for 15 days. The Ordinance will go into effect in 30 days.

The motion was made by Director Coplin and seconded by Director Miller to approve the Pajaro/Sunny Mesa Community Services District Purchasing Ordinance as amended. Motion carried.

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

2. Review and reconsider the December 14, 2023, Approval of the 2022-2023 Audit Final Draft

Staff recommended reconsidering the approval of the 2022-2023 Audit Final Draft, this would allow for a motion to consider next item, item 3 of the agenda.

The motion was made by Director Coplin and seconded by Director Olsen to approve the 2022-2023 Audit Final Draft. Motion carried.

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

3. Review and consider approving the 2022-2023 Financial Audit Final Revised Draft

General Manager Vazquez-Varela explained the two changes in the Audit Revised Draft, starting with the correction to the depreciation expense which included the current year assets that were placed into service with an incorrect accelerated, depreciation method, resulting in an overstated depreciation of approximately \$473,000. In the approved Audit, the corrected audit depreciation is \$301,697. The second change was \$17,000 of the restricted portion of the Street Maintenance was reclassified from unrestricted to the restricted portion.

Director Coplin called out a typo on Note 15 to be corrected and would like to move Note 15 to the first page so lenders could easily see it. He would also like to add the amount that was claimed to insurance.

The motion was made by Director Coplin and seconded by Director Olsen to table the 2022-2023 Audit Final Revised Draft. Motion tabled.

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

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

1. Review and consider approving financial reports for December 2023

Bookkeeper Saldade reported to the Board of Directors that the Water Revenue for December was at 97 percent of budget projection. The District saw an increase in Other Employee Expenses due to purchase of new raingear and annual boot reimbursement. The Bank Charges budget experienced an increase due to the annual safe deposit box fee. Also, the Credit Card Transaction Fees budget had an increase, paid the annual regulatory fee to the credit card merchant. The Water System Repair and Maintenance budget had an increase

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due to mainline repairs to Springfield, Vierra Estates and Moss Landing Water Systems. The Late Payment Penalties budget had an increase due to our 1.5 percent late fee charges for payments not received by first of month. The total Income was more than Total Expenses by \$55,593. December's Cash was more than November's Cash by \$85,727. December's Cash on Hand was \$978,820.

Bookkeeper Saldade informed the Board that the Account 4005 for the San Juan Road Apartments income is extremely low due to the apartment complex being unfit to live in. The Net Income for December was \$55,593, slightly above projected budget directly due to low indirect expenses.

30, 60 and 90-day delinquency overall are slightly higher than the previous month. Bookkeeper Saldade announced that the Aging Report will no longer be presented in future District Financials since 90-day delinquencies have remained consistently low after successful collection of large past due balance of a Springfield Water customer.

In December, the District did not receive funds from LIHWAP.

A motion was made by Director Miller and seconded by Director Chesterman to approve the financial reports for December 2023. Motion carried.

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

**MONTHLY EXPENDITURES REPORT FOR REVIEW**

**APPROVAL OF PAYMENTS:**

2. Review and consider approving January 2024 payments
  1. General Fund 633: Total of \$1,080.15
  2. Operating Account: Check No. 25683 through Check No. 25727 totaling \$271,992.45
  3. Reserve Account: Total of \$3,120.00
  4. Street Maintenance Account: Check No. 569 for a total of \$2,029.66
  5. Pajaro Park Account: Total of \$1,833.78
  6. COP 2010 Account: Total of \$0.00
  7. Debt Service Reserve Account: Total of \$0.00

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

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



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Absent: P. Anderson  
Abstain: None

3. Resolution No. 01-01-24 Adopting Calendar Year Regular Meeting Schedule

General Manager Vazquez-Varela mentioned the need to add the Resolution number to the first line of the Resolution, this was a Staff oversight. District Counsel informed Staff that the November and December meetings are regular, although they will be on the third Thursday because it is being approved in Resolution No. 01-01-24.

A motion was made by Director Chesterman and seconded by Director Coplin to approve Resolution No. 01-01-24 Adopting Calendar Year Regular Meeting Schedule and directing Staff to post a copy of the Adopted Calendar Year Regular Meeting Schedule on the home page of the District Website. Motion carried.

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

4. Review and Motion to Approve Draft Letter to the Association of California Water Agencies, Joint Powers Insurance Authority (ACWA-JPIA)

Staff provided a copy of the recommended draft letter to ACWA-JPIA. District Counsel recommended including detailed information in the letter. Director Olsen will meet with General Manager Vazquez-Varela to revise letter. Board directed Staff to mail out the letter upon revisions being completed.

A motion was made by Director Coplin and seconded by Director Miller to approve Draft Letter to the Association of California Water Agencies, Joint Powers Insurance Authority (ACWA-JPIA). Motion carried.

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

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

1. 2023 Flood Damage Report
  - Staff reported that Cece Wuchter with JPIA continues to work towards providing a finalized claim.
2. Directors Anderson and Chesterman terms were corrected to November 30, 2027.
3. District Operations Report

Springfield

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- The Technical, Design and Environmental packets are complete and under review. MNS Engineers is working on 100 percent plans and design, which is not holding up the review process. The construction funding agreement is probably a few months out from execution, the District is requesting fifteen million dollars.

### Pajaro Park

- Staff requested an update from Randy Ishii and Bryan Flores regarding the study to be conducted to determine interest in taking over the Pajaro Park or potential funding. Mr. Flores responded that the Board of Supervisors is not in favor of taking over the Pajaro Park and suggested that the District reach out to local corporations that may be interested in sponsoring the Pajaro Park. He also mentioned that the District was included in the Pajaro Relief Fund to receive over a million dollars.
- Ms. Vierra Chief of Staff for Supervisor's Church office will look into the minutes of the Supervisor's meeting where Mr. Flores was tasked to conduct a Study for long term funding for the Pajaro Park. Also, she will add funding the Pajaro Park to the list of items to consider for Budget in April.

### Generator Project

- Langley/Valle Pacifico well generator battery charger failed, it was repaired and is working properly.

### Multi Community Bottled Water Project

- The District has received the \$29,438 for the July through September 2023 reimbursement request.

### LIHWAP

- The District did not receive funds for December from LIHWAP.

### Tank replacement/Rehabilitation Grant Project

- Staff provided DFA with the requested maps and water system information. Also, DFA requested a pre-application that will be completed by staff next week.

### Pajaro Long Term Recovery

- Mo. Co. Department of Emergency Management will be hosting a community workshop for Pajaro residents to enroll residents to emergency messaging and provide emergency family plans in preparation for winter storms. Their next meeting will be in late February.

### Current Water System Repairs

#### Langley/Valle Pacifico WS:

- The well generator battery charger has been repaired.

#### Moss Landing Harbor WS:

- Maggiora Bros installed a submersible well pump and motor. Electrician is to replace all electrical components.

#### Normco WS:

- The well number two rigid suction lance failed, preventing the well from operating. The replacement will be installed tomorrow.

#### Sunny Mesa WS:

- A valve at the end of Fruitland was replaced the week before the holidays.

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4. Usage Comparison Report 2022/2023-December
- Usage is up in most systems except for Pajaro and Springfield. District wide we saw an increase in usage of 5.1 percent compared to this month last year.

**CLOSED SESSION:**

- A. Public Employment (§ 54957)  
⇒ Title: General Counsel
- B. Public Employee Performance Evaluation (§ 54957)  
⇒ Title: General Counsel
- C. Conference with Labor Negotiators (§ 54957)  
⇒ Agency designated representatives: Donald Olsen, Sandy Coplin  
⇒ Unrepresented employee: General Counsel

Board met in closed session, opened at 6:39 pm  
Adjourned closed session at 6:53 pm

No final action taken.

**NEXT BOARD MEETING:**

The next Regular Board Meeting is to be held on Thursday February 22, 2024, at 5:30 pm at the District Office.

There being no further business, the Special Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 6:54 pm with motion made by Director Chesterman seconded by Director Olsen. Motion carried.

Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Rocio Fernandez, Recorder