

MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors via Zoom Video conferencing was called to order at 5:33 pm on May 26, 2022.

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

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

ABSENT DIRECTOR(S) & STAFF: None

DISTRICT COUNSEL: Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: None

PUBLIC COMMENTS: None

Action Items

1. Consider and approve the Minutes of the April 28, 2022, Regular Board Meeting with two (2) edits

Motion was made by Director Miller and seconded by Director Olsen to approve the Regular Board Meeting Minutes of April 28, 2022, with edits. Motion carried.

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

OLD BUSINESS:

1. Consider adoption of AB-361 to allow teleconference and virtual meetings Resolution No. 05-01-22

The Board of Directors received the Draft Resolution 05-01-22 to allow teleconference and virtual meetings based on the Governor's Executive Order No. N-08-21 (Jun. 11, 2021) and the Legislature adopted AB-361 as an Urgency Measure. Staff recommends considering the proposed resolution to continue with virtual meetings unless the Governor rescinds the Executive Order No. N-08-21 Staff will prepare for an in-person meeting. Staff recommends virtual meeting for June 2022 meeting.

Motion was made by Director Anderson and seconded by Director Miller to approve Resolution No. 05-01-22 AB-361 to allow teleconference and virtual meeting. Motion carried.

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

NEW BUSINESS: (Action Items)

1. Review and consider approving financial reports for April 2022

Bookkeeper Saldade informed the Board of Directors that the Water Sales were slightly under budget by 2.5 percent. Staff submitted final quarterly payment to the Workers' Compensation Insurance for the fiscal year, ending up 23 percent under budget. We saw an increase in Engineering Services District Wide Expense, to date \$19,000 has been expensed from the District cost share of \$37,500 for the LHMP Grant. We had an increase In Miscellaneous

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Revenue due to the sale of the non-compliant Vega generator. The District also saw an increase in accounts Lighting Administrative, Audit/Bookkeeping and Legal Counsel Reimbursement accounts for duties related to the parcel assessments. April's Total Income was more than Total Expenses by \$46,108 and April's Cash was less than March Cash by \$42,935.

The Reimbursement accounts for duties related to the parcel assessment can be found under account 1051 Cash in County Treasury of the Balance Sheet. The net income is trending normal for this fiscal year.

The total 90 days and over was reduced by \$115 compared to previous month. The grand total 90-day balance is comprised of just two (2) customers. The Pajaro customer made a payment in April, but it did not clear the past due, Staff is actively pursuing collection to bring their account to current.

Motion was made by Director Olsen and seconded by Director Chesterman to approve the financial reports for April 2022. Motion carried.

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

MONTHLY EXPENDITURES REPORT FOR REVIEW

APPROVAL OF PAYMENTS:

- 2. Review and consider approving May 2022 payments and authorization for Staff to sign checks
 - 1. General Fund 633: Total of \$0.00
 - 2. Operating Account: Check No. 25057 through Check No. 25081 for a total of \$147,218.13
 - 3. Reserve Account: Total of \$7,959.13
 - 4. Street Maintenance Account: Check No. 552 for a total of \$280.36
 - 5. Pajaro Park Account: Total of \$1,962.81
 - 6. COP 2010 Account: Total of \$0.00
 - 7. Debt Service Reserve Account: Total of \$0.00

Motion was made by Director Miller seconded by Director Chesterman to approve the May 2022 payments and authorize Staff to sign checks. Motion carried.

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

- 3. Review and consider Capital Improvement Plan, 10 Year Look-ahead

General Manager Rosa provided to the Directors with the Staff Report/Work Plan for fiscal year 2022-2023, a \$25,000 Capital Expenditure is planned for Moss Landing Water electrical update to accept new generator. Staff plans to focus on Generator project as 11 generators are expected to be delivered this year, all project expenses to be paid from 2021 Bond Issuance. Under the Operational Expenses, District expects to purchase the MOM Software for on-line bill pay program costing \$4,900. Also, Staff will move forward with the Small Community Drought Relief Grant for Water Storage Replacement/Rehabilitation at a cost of \$9,000 and Staff plans to complete the Local Hazard Mitigation plan by August 2022 with expected cost of \$19,000 which is the remainder of the 25 percent match District portion.

The Board Directors were provided with the 2023-2032 Capital Reserves and Expense Summary. Staff informed the Directors that the District will continue to contribute \$150,000 per

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year to the Reserve Account and expense annually based on the 10 Year Capital Improvement spreadsheet. The District also has the following proposed project as future expenses, Meter Replacement Program, Hydro Vac Trailer with Valve Exerciser and GPS, Facility Communication Improvements and Site Security Enhancements totaling \$2,100,000.

Motion was made by Director Anderson seconded by Director Chesterman to approve the Capital Improvement Plan-10 Year Look-ahead. Motion carried.

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

4. Review and consider 2022-2023 Pajaro Street Lighting Preliminary Comparison Budget

General Manager Rosa reported that the total budget for the Pajaro Street lighting Assessment did not change.

Motion was made by Director Miller and seconded by Director Chesterman to approve the 2022-2023 Pajaro Street Lighting Preliminary Comparison Budget. Motion carried.

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

5. Review and consider 2022-2023 Street Maintenance/Subdivision Maintenance Budget

General Manager Rosa reported that the total budget for the Street Maintenance/Subdivision Maintenance Budget did not change.

Motion was made by Director Miller and seconded by Director Chesterman to approve the 2022-2023 Street Maintenance/Subdivision Maintenance Budget. Motion carried.

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

6. Review and consider 2022-2023 Pajaro Community Parks/Public Area Preliminary Comparison Budget

Maintenance labor hours reduced to 4.75 per week resulting a \$6,000 surplus to be transferred to the Pajaro Park Fund.

Motion was made by Director Olsen and seconded by Director Miller to approve the 2022-2023 Pajaro Community Parks/Public Area Preliminary Comparison Budget. Motion carried.

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

7. Review and consider 2022-2023 Pajaro Park Preliminary Comparison Budget

General Manager informed the Board of Directors of the reduction of the Management and Administration hours and increase in the Park labor Costs. The balance of the Park Fund as of 6/30/22 is \$55,200, current funding proposed will carry us through 2023-2024 Fiscal Year.

Motion was made by Director Anderson and seconded by Director Miller to approve the 2022-2023 Pajaro Park Preliminary Comparison Budget. Motion carried.

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

8. Review and Consider 2022-2023 Operating/Water Preliminary Comparison Budget

General Manager Rosa reported on the Income notes. The Water Rate Revenue budget has been increased by a 13% for the 2022-2023. The Hydrant Sales budget has been increased, based on the consistency of higher sales used for harvesting and potable water emergencies. The testing fees fell short previous year but testing this year is 100% complete.

Under the Indirect Expenses, Salaries and Wages have been increased representing a wage increase based on the approved compensation schedule, one-time COLA and overtime and vacation payouts projected. The workers Comp Insurance has been reduced due to previous claims dropping off, and no new claims have been added. The Casualty/Liability Insurance has been increased because it is projected to increase by 7% due to a premium increase. The postage rates will increase this fiscal year, budget was increased. The Legal Expenses budget has been decreased; District is returning to normal business. The Accounting and Bookkeeping budget has been slightly increased due to annual audit expected this year. The Engineering Expenses has been increased to include the Cal OES grant match of \$19,000. The Fuel budget has been increased due to fuel prices being up by at least 25%. There is a big reduction to the Credit Card Transaction Fees budget since fees will be passed thru to rate payers. 2021 Water Bond Interest has been added to the Budget this year, it was not included last year.

Under the Expenses Direct, Soil and Water Testing budget was reduced due to lower water quality monitoring due this year. Permits budget was increased due to anticipated up to eleven (11) new generator permits. Fuel-Generators budget has increased for the new generators installed. The Debt Services, Bond Payments-Generators budget increased to pay the \$40,000 principal payment only. All Bonds and Re-Org Loan will be \$266,150 per year and \$22,200 per month out of the operating account. Operating Reserve add surplus funds to end of year should be \$232,150.

Motion was made by Director Miller and seconded by Director Anderson to approve the 2022-2023 Operating/Water Preliminary Comparison Budget. Motion carried.

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

9. Review and Consider Small Community Drought Relief Grant (Water Storage Replacement/Rehabilitation)

Board Directors received a copy of the MNS Engineering Proposal. The total Proposal cost is \$11,031 with the addition of technical memorandum cost including a field investigation of project site and the development of a preliminary project scope and project cost.

Motion was made by Director Miller and seconded by Director Olsen to approve the Proposal for the purpose of writing a grant application and preparing the Technical Memorandum. Motion carried.

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

10. Review and consider Signature Cards for all Financial Institutions

Staff recommends removing Darlene Lamboley from all Financial Institution Signature Cards.

Motion was made by Director Olsen and seconded by Director Miller to approve amending Signature Cards from all Financial Institutions. Motion carried.

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

STAFF/COMMITTEE REPORTS: (Informational Only)

1. District Operations update: due to COVID-19

- No changes to COVID-19 District Operations
- Office remains closed to public; continuing to take payments by phone or drop off
- Office is at 100% staffing with physical distancing requirements met and health screening protocols in place: masks or face coverings to be worn at all times while indoors.
- No vendors or members of the public are allowed into Office

2. Credit card transaction fees

- Ratepayers have been notified via mail of a 4% transaction fee for all credit or debit card payments effective July 1, 2022.

3. MOM -- On-line Bill Pay Program

- The On-line Bill Pay is expected to be ready on July 1, 2022, District Staff and Corbin-Willits technicians have begun work on project.

4. District Operations Report

Springfield Planning Grant

- MC Coastal Development Permit to go before the County Planning Commission hearing most likely in July 2022. Staff is working with CWC to request Technical Assistance for the Engineering plans be brought to 90%, currently they are at 30%.

Pajaro Park

- The Pajaro Park Fund Committee will bring ideas for funding to Board. Staff is working with LAFCO to try to get a better rate on the 1% County Tax. Staff is working with County Staff to make sure they have captured the full Pajaro, Sunny Mesa, and all annexations.

Generator Project

- 2 Caterpillar generators have arrived in the Salinas yard, one is for Matterhorn Well Site and the other for Normco Booster Site. Staff is preparing to install within a couple of weeks.

Hazard Mitigation Plan (LHMP)

- Staff and Rincon Consultants continue to work for the development of the draft hazard mitigation strategies.

5. Usage Comparison Report 2021/2022

- Most systems water usage was down, except for Pajaro which was up by 8.3% compared to this month in 2021. Staff included conservation notices in the water bills that mandate the new State Water Board Emergency Water Conservation Regulations. These regulations are very similar to the previous year's, reducing residential irrigation to two days per week, Tuesday, and Friday.

CLOSED SESSION: Closed session began at 6:50 pm.

Conference with Labor Negotiators (California Government Code §54957.6)

- District designated representatives: (Board President Sandy Coplin and Board Vice President Donald Olsen)
- Unrepresented employee: (General Manager)

Return to Open Session at 8:17 pm, no final action taken.

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Action Item: General Manager's Employment Contract. Resolution No. 05-02-22

Motion was made by Director Anderson and seconded by Director Olsen to table review of Resolution No. 05-02-22 of General Manager employment contract amendments. Motion carried.


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

NEXT BOARD MEETING:

The next Regular Board Meeting is to be held on Thursday June 23, 2022, at 5:30 pm via Zoom videoconferencing.

There being no further business, the Regular Board Meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 8:20 pm with motion made by Director Coplin seconded by Director Olsen. Motion carried.


Respectfully submitted by:



Sanford Coplin, President



Donald Olsen, Vice President



Judith Vazquez-Varela, Recorder