

MINUTES

The Special meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on November 16, 2023.

ROLL CALL:

President Donald Olsen
Vice President Sanford Coplin
Secretary Paul Anderson
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:

None

DISTRICT COUNSEL:

Attorney Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE:

Jarrold Penner and Alexander Tinoco with Bianchi, Kasavan and Pope to present the 2022-2023 Draft Financial Audit.

Don Rosa former PSMCSD, General Manager

PUBLIC COMMENTS: None

Action Items

1. Consider and approve the Minutes of the October 26, 2023, Regular Board Meeting

The motion was made by Director Miller and seconded by Director Chesterman to approve the Regular Board Meeting Minutes of October 26, 2023. Motion carried.

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

Staff requested to skip to **NEW BUSINESS**, item 3. 2022-2023 Draft Financial Audit Presentation

Mr. Penner of Bianchi, Kasavan & Pope began the Draft Financial Audit Presentation by stating that it was a clean audit, the financial statements were in accordance with general accepted accounting principles. The audit team did not find a need for a change to the accounting practices by the District, and there were no difficulties in performing the audit.

The auditor's communication letter was provided to the Board of Directors outlining the accounting policies in effect. The audit team did not share disagreements, disputes nor difficulties during the audit. Although there was a change in management, Staff was ready. The accounting adjustments were all routine, mainly due to timing of receivables.

Motion was made by Director Chesterman and seconded by Director Coplin to approve the 2022-2023 Draft Financial Audit with edits. Motion carried.

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

OLD BUSINESS:

MINUTES OF SPECIAL BOARD MEETING – November 16, 2023

1. Review revised form of proposed Pajaro/Sunny Mesa Community Services District Purchasing Ordinance (does not include Public Works); direction to staff and General Counsel to return at December meeting for first reading of Purchasing Ordinance

General Counsel discussed that the Directors need to decide the General Manager's contract authority that does not require Board approval, it would be informational. The Board will see approximately 4 contracts per year which exceed \$60,000, and as to professional Services not to exceed \$15,000. The exemptions from competitive bidding are emergencies, less than 3 responses, standardized, piggyback, sole source, legal settlements, training, legal services and insurance.

Per Chair Olsen's request General Counsel will remove the name of purchasing manager and replace it with general manager. Director Anderson requested to remove the last paragraph above 5.03 and to change the notice of intent to 7 working days. Also, that under 5.05 to change reasonable period to 1 year, and section 6 replace Rancho Murieta to Pajaro/Sunny Mesa. General Counsel will make the changes mentioned and bring back before the Board for review to next month's meeting.

No motion made; this item will be brought back to next month's agenda for final review.

NEW BUSINESS: (Action Items) None

1. Review and consider approving financial reports for October 2023

The Bookkeeper Saldade reported to the Board of Directors that the Water Revenue for September is eight percent above budget projection. The District saw a decrease in Salaries and Wages due to the pay period dates, the catchup will be reflected in the following month. The Property Taxes budget experienced an increase due to the District owned parcel special taxes and assessments. Legal Expenses budget also saw an increase due to May through September invoicing being received in October. There was an increase in COP Debt Service-Interest for the 2015 Water Revenue bond, US Bank biannual interest payment. Octobers' Total Income surpassed Total Expenses by \$33,369.80. Octobers' Cash was less than September's Cash by \$41,572.58. Octobers' Cash on Hand was \$837,529.90. The Net Income for September was \$33,369 due to water and hydrant water sales.

30, 60 and 90-day delinquency overall are lower than previous month.

In October, the District received a total of \$1,347 from LIHWAP which was applied to 3 accounts.

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

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

MONTHLY EXPENDITURES REPORT FOR REVIEW

APPROVAL OF PAYMENTS:

2. Review and consider approving November 2023 payments
 1. General Fund 633: Total of \$0.00
 2. Operating Account: Check No. 25620 through Check No. 25651 totaling \$155,193.67
 3. Reserve Account: Total of \$40.00
 4. Street Maintenance Account: Total of \$3,761.54
 5. Pajaro Park Account: Check No. 854 through Check No. 855 totaling \$4,277.38
 6. COP 2010 Account: Total of \$0.00
 7. Debt Service Reserve Account: Total of \$0.00

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A motion was made by Director Chesterman and seconded by Director Coplin to approve the November 2023 payments. Motion carried.

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

STAFF/COMMITTEE REPORTS: (Informational Only)

1. 2023 Flood Damage Report

- Staff provided JPIA with documentation requested and will continue to request updates as to the date of the finalized claim to be completed by mid-December.

2. District Operations Report

Pajaro Park

- The District received the requested \$59,000 from Monterey County.

Multi Community Bottled Water Project

- On Monday Staff received notice of the approval of the reimbursement request of \$84,600, the requested check should be received soon.

LIHWAP

- The District has received \$48,486 to date from LIHWAP.

Pajaro Long-Term Recovery

- The meeting at Pajaro Park was canceled due to the weather. Director Miller attended the October meeting and informed the Board that the Pajaro Park Operation and Maintenance received the most interest for funding from the economic needs listed for the Pajaro recovery.

Current Water System Repairs

Moss Landing Harbor WS:

- VFD was successfully installed at the tank site, the equipment has been running properly.
- Well #1 has been scrubbed and bailed, Operations Manager Ochoa presented samples of the water quality collected in the bailing process.

Normco WS:

- The well/tank communication continues to operate successfully.
- Staff replaced a failing hydrant on Coker Road last week.

Pajaro WS:

- Well #1 was pulled and videoed for the North of Moss Landing Project, confirming the well's integrity is reliable to be used as a backup source.
- The Pajaro Generator was inspected on Monday by Monterey Bay Air Resources District, no issues were reported.
- The lights at Pajaro Park were replaced with LED lights.
- Staff replace a hydrant on Gonda Street.

Springfield Rd WS:

- Awaiting the patch pave to complete the water leak repair from last month.

Vega WS:

- The Andreas faulty booster pump #1 replacement is in order.

Vierra Estates WS:

- Awaiting the patch pave to complete the water leak repair from last month.

3. Usage Comparison Report 2022/2023-October

- Usage is up in 4 systems, district wide the usage is down by 3.3 percent.

CLOSED SESSION:

A. Public Employee Performance Evaluation (California Government Code § 54957)

⇒ Title: General Counsel

B. Public Employee Appointment (California Government Code § 54957)

MINUTES OF SPECIAL BOARD MEETING – November 16, 2023

⇒ Title: General Counsel

Board met in closed session, opened at 6:59 pm
Adjourned closed session at 7:18 pm

No final action taken.

NEXT BOARD MEETING:

The next Special Board Meeting is to be held on Thursday December 14, 2023, 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 7:21 pm with motion made by Director Anderson seconded by Director Chesterman. Motion carried.

Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Rocio Fernandez, Recorder