

MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on April 27, 2023.

ROLL CALL:

President Donald Olsen
Vice President Sanford Coplin
Assistant Secretary Clinton Miller joined at 5:41
Treasurer Donald Chesterman

ADMINISTRATIVE STAFF:

General Manager Donald Rosa
Bookkeeper Amy Saldate
Recorder Judy Vazquez-Varela

ABSENT DIRECTOR(S) & STAFF:

Secretary Paul Anderson

DISTRICT COUNSEL:

Attorney Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: None

PUBLIC COMMENTS: None

Action Items

1. Consider and approve the Minutes of the February 23, 2023, Regular Board Meeting

No discussion.

Motion was made by Director Chesterman and seconded by Director Coplin to approve the Regular Board Meeting Minutes of February 23, 2023. Motion carried.

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

2. Consider and approve the Minutes of the April 5, 2023, Special Board Meeting

No discussion.

Motion was made by Director Chesterman and seconded by Director Coplin to approve the Special Board Meeting Minutes of April 5, 2023. Motion carried.

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

OLD BUSINESS: None

NEW BUSINESS: (Action Items) None

1. Review and consider approving financial reports for February 2023

Bookkeeper Saldate reported to the Board of Directors that the Water Sales are at 83 percent of the projected monthly budget, which is normal for this time. Water System-Repair and Maintenance had an increase due to the Marine Industrial Tanks tank diving team for the removal of food grade oil in the Moss Landing tanks, the Moss Landing pump and motor are oil lubed, a quantity of this oil went out into the system with a high flow occurrence, we are expecting an estimate for new and rehab motor and pump. Total Income for February was more than the Total Expenses by \$14,980. February's Cash surpassed January's Cash by \$70,250. Total February cash on hand was \$952,070. Net income for February is \$14,980 due to low water sales.

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The collections for February were normal, reducing the delinquency amount by \$5,307. The total 90 days balance has increased by \$72. The district received one payment from LIHWAP for a Vega customer who has since kept their balance current.

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

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

2. Review and consider approving financial reports for March 2023

Bookkeeper Saldade informed the Board of Directors that the Water Sales were down to 78 percent of the projected monthly budget due to the flood/evacuation impacts. The Soil & Water Tests budget was high due to quarterly sampling in all systems and mandatory sampling for water quality due to flood in Pajaro and Sunny Mesa Water Systems. We also saw an increase in the Water System Repair & Maintenance budget due to El Gabilan used for tree trimming at Normco and Vierra Tank sites, J Johnson Co. was used for flood related repairs to Sunny Mesa Well Site and Sala Brothers who transport water to the Sunny Mesa tanks. We saw a decrease in the Late Payment Penalties budget due to no late fees assessed District wide in the March billing. March Total Expenses surpassed the Total Income by \$59,111. March's Cash was less than February's Cash by \$21,331. Total March cash on hand was \$930,738. Net income for March was negative \$59,111 due to loss in water sales and flood related expenses.

The Pajaro flood events adversely impacted March collections, the total 90 days balance has increased by \$805. Staff has continued to refer customers to LIHWAP, a flyer provided by LIHWAP is available at our front desk and it will be mailed out in our next billing. Full payment will be received for the Springfield customer carrying most of the 90 days aging balance!

Motion was made by Director Chesterman and seconded by Director Coplin to approve the financial reports for March 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:

3. Review and consider approving March and April 2023 payments

1. General Fund 633: Total of \$0.00
2. Operating Account: Check No. 25359 through Check No. 25413 totaling \$426,992.08
3. Reserve Account: Total of \$106,419.14
4. Street Maintenance Account: Check No. 565 through Check No. 566 for a total of \$1,197.99
5. Pajaro Park Account: Total of \$2,924.74
6. COP 2010 Account: Total of \$0.00
7. Debt Service Reserve Account: Total of \$63,481.25

Motion was made by Director Chesterman and seconded by Director Coplin to approve the March and April 2023 payments. 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

4. Consider and approve Resolution No. 04-03-23 Authorizing Entering into a Funding Agreement with State Water Resources Control Board and Authorizing and Designating the General Manager for the PSMCSD Multi-Community Bottled Water Project

No discussion.

Motion was made by Director Chesterman and seconded by Director Miller to approve the Resolution No. 04-03-23 Authorizing Entering into a Funding Agreement with State Water Resources Control Board and Authorizing and Designating the General Manager for the PSMCSD Multi-Community Bottled Water Project. Motion carried.

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

5. Consider and approve Resolution No. 04-04-23 Adopting Bylaws of the Board of Directors

The Board of Directors discussed the duties, the vacancies and removal of Directors, and the meeting attendance. Directors can no longer attend via virtual conference unless they meet the Brown Act new stipulations.

Motion was made by Director Chesterman and seconded by Director Miller to approve the Resolution No. 04-04-23 Adopting Bylaws of the Board of Directors with edits. Motion carried.

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

6. Consider and approve Resolution No. 04-05-23 Re-adopting Conflict of Interest Code by Incorporating by Reference the California Fair Political Practices Commission's Model Conflict of Interest Code by Amending the Table of Designated Employees Who Shall be Subject to the Conflict-of-Interest Code

Attorney Smith explained that State law requires this Resolution to be reviewed every two years, on even year, the Conflict-of-Interest Code is to be reviewed next year and every other year forward.

The Code is divided into 3 categories; the first category identifies who must file statements of economic interests. The second category discloses the categories to be filed and the third category is the geographical jurisdiction of the economic interests.

Motion was made by Director Chesterman and seconded by Director Coplin to approve the Resolution No. 04-05-23 Re-adopting Conflict of Interest Code by Incorporating by Reference the California Fair Political Practices Commission's Model Conflict of Interest Code by Amending the Table of Designated Employees Who Shall be Subject to the Conflict-of-Interest Code. Motion carried.

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

7. Consider and approve Resolution No. 04-06-23 Adopting Board Compensation and Travel Reimbursement Policy and Designate General Manager, Interim General Manager and Manager of Operations as Local Agency Officials of the Board

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Attorney Smith explained that AB1234 requires that each Board have a policy for reimbursement for travel and compensation.

Motion was made by Director Chesterman and seconded by Director Miller to approve the Resolution No. 04-06-23 Adopting Board Compensation and Travel Reimbursement Policy and Designate General Manager, Interim General Manager and Manager of Operations as Local Agency Officials of the Board. Motion carried.

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

8. Consider and approve Resolution No. 04-07-23 Approving Web Site Services Contract with Streamline (DBA of Digital Deployment, Inc.)

The one-time migration cost remains the same \$250.00, will be invoiced monthly \$249 to host and maintain the District website.

Motion was made by Director Miller and seconded by Director Chesterman to approve the Resolution No. 04-07-23 Approving Web Site Services Contract with Streamline (DBA of Digital Deployment, Inc.) Motion carried.

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

9. Consider and approve Resolution No. 04-08-23 Authorizing and Designating the General Manager or Designee to Apply and File with California Governor's Office of Emergency Services for the Purpose of Obtaining Federal Financial Assistance

Operations Manager Vazquez-Varela attended the FEMA Public Assistance Grant Program Applicant's Briefing this morning and informed the Board of Directors that this Resolution is required to be applicable for FEMA funding for the flood damage expenses. The first step is to submit a Request for Public Assistance which is due on May 3, 2023.

Motion was made by Director Coplin and seconded by Director Chesterman to approve the Resolution No. 04-08-23 Authorizing and Designating the General Manager or Designee to Apply and File with California Governor's Office of Emergency Services for the Purpose of Obtaining Federal Financial Assistance. Motion carried.

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

10. Consider and approve Resolution No. 04-09-23 Rescinding Resolution No. 11-02-22 Regarding County of Monterey Transfer of Pajaro County Sanitation District and Appropriate Direction to General Manager

General Manager Rosa informed the Board of Directors of the 3 major infrastructure damages that the PCSD incurred in the last few months, costing them millions of dollars. Also, he informed that JPIA will not insure the failing infrastructure, the policy will only pay damage to third parties resulting from a pipeline break. He added that too many unknowns of potential problems with the system will burden the current limited District staff and impede the District from moving forward and rescind the initial resolution.

Motion was made by Director Chesterman and seconded by Director Coplin to approve the Resolution No. 04-09-23 Rescinding Resolution No. 11-02-22 Regarding County of Monterey Transfer of Pajaro County Sanitation District and appropriate Direction to General Manager. 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

11. Consider and approve relief from a portion of Pajaro Customer's Water Bill

General Manager Rosa informed the Board of Directors of the March water sales for Pajaro Water System totaling approximately \$60,000 resulting in about \$12,000 dollars in lost revenue considering that they did not have water service for 15 days. March 2023 bills have not been sent out to Pajaro Water System Customers. No late fee charges have been added to any Water System Customers. General Manager Rosa would like the Board to consider one half of the monthly Service Availability Fee, approximately \$15,000.

Director Miller discussed the possibility of crediting the total March Water Bill for the Pajaro Water System Customers.

Motion was made by Director Miller and seconded by Director Chesterman to approve relief from a portion of Pajaro Customer's Water Bill. Motion carried.

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

12. Consider and approve relief from a portion of Sunny Mesa Customer's Water Bill

General Manager informed the Board of Directors of the "Do Not Drink" order on March 12, 2023, and it was lifted on April 10, 2023, being in effect for 27 days. Water services, although not be used for drinking and cooking, was available uninterrupted and bottled water was available for pickup at the Pajaro Valley Golf Club through the duration of the order. PSMCSD contracted with a water trucking company to ensure that the storage tank was kept at an acceptable level and ensured no outage of water at any time.

The Board of Directors directed Staff to respond to a letter from Lori Welch Bettencourt.

Motion was made by Director Miller and seconded by Director Chesterman to disapprove relief from a portion of Pajaro Customer's Water Bill. Motion carried.

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

13. Consider and approve Proposed Water Rate Increase

General Manager provided a copy of page 16 the Current and Proposed Water Rates from the 2020 Water Rate Study. Staff recommends approving the rate increase of 11% for fiscal year 2023/2024 with rate increase taking effect July 1, 2023.

Motion was made by Director Miller and seconded by Director Coplin to approve Proposed Water Rate Increase. 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

- 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 \$430,000, we should have actual costs by May 10th, 2023.

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- General Manger Rosa met with Sedgewick Insurance which insures the District through JPIA to inspect all facilities damage. JPIA indicated that the District claim is to include all expenses incurred resulting from the flood, the claim is in process. We are awaiting Sedgewick report. The total estimated loss is to be in excess of \$750,000. The District's policy has a deductible of \$100,000.
2. On-Line Bill Pay Program update
- Bookkeeper Saldate reported that 122 ratepayers utilized the On-Line Billing Program in March, and 144 have enrolled in auto pay.
3. District Operations Report
- SRF Planning Grant Springfield
- An update of the District's financial information has been submitted to the State for the update of Springfield's Construction Funding Application.
- Generator Project
- Start up has been put on hold to focus on the repair and restoration of the 2 flood affected generators. We are now working on getting back on track to continue start up by June 30, 2023.
- LIHWAP
- Five referred customers have been approved for payment; we should receive funds early next month. Another six customers have been approved for payment.
4. Usage Comparison Report 2022/2023-for February and March
- In February all the system's water usage decreased for an overall decrease of 30% for this month compared to last year.
 - In March all the system's water usage decreased for an overall decrease of 33.4% for this month compared to last year.

CLOSED SESSION:

The closed session began at 7:32 p.m. and ended at 8:15 p.m.

No final action was taken.

NEXT BOARD MEETING:

The next Regular Board Meeting is to be held on Thursday May 25, 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 8:18 pm with motion made by Director Chesterman seconded by Director Olsen. Motion carried.

Respectfully submitted by:



Donald Olsen, President



Sanford Coplin, Vice President



Judith Vazquez-Varela, Recorder