MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 5:30 pm on August 27, 2026.

ROLL CALL:
President Paul Anderson
Secretary Donald Chesterman
Treasurer Clinton Miller – Arrived 5:37 pm

ADMINISTRATIVE STAFF:
General Manager Judy Vazquez-Varela
Operations Manager Sergio Ochoa
Bookkeeper Amy Saldate
Recorder Rocio Fernandez

ABSENT DIRECTOR(S) & STAFF:
Vice President Donald Olsen
Assistant Secretary Sanford Coplin

DISTRICT COUNSEL:
Heidi Quinn, absent

ADDITION(S) TO AGENDA:
None

PUBLIC IN ATTENDANCE:
In-Person: Bruce Bongard, manager/representative of DeLany WC
Zoom: Tim Baldwin, Noland, Hamerly, Etienne & Hoss; Michael Miller

PUBLIC COMMENTS:
Bruce Bongard inquired whether the District meetings are open to the public or by invitation only. Director Anderson responded that the public may attend board meetings and voice their concerns.

General Manager Vazquez-Varela suggested moving into Closed Session or Staff/Committee Reports: (Information only, No Action). Director Anderson agreed to move into Staff/Committee Reports in order to have a quorum for voting.

CONSENT AGENDA: (Action Items)

1. Consider approval of the Minutes of July 23, 2026, Regular Board Meeting
2. Review and Approve August 2026 Payments
3. Appoint Agency Negotiators for conference with Real Property Negotiators pursuant to Government Code Section 54956.8; Property: 6937 Valle Pacifico, Salinas, California (assessor's parcel no. 127-035-028-000); agency negotiators: Judy Vazquez-Varela and Tim Baldwin; negotiating party: Miranda McDonnell; under negotiation: price and terms of payment for granting easement

- General Fund 633: Total of $0.00
- Operating Account: Check No. 26629-26657 totaling $269,978.88
- Reserve Account: Check No. 154 totaling $440,955.60

- Street Maintenance Account: Checks No. 612-614 totaling $5,269.30
- Pajaro Park Account: Total of $1,726.18
- COP 2010 Account: Total of $0.00
- Debt Service Reserve Account: Total of $0.00

A motion was made by Director Miller and seconded by Director Chesterman to approve the Consent Agenda. Motion carried.

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

OLD BUSINESS:

1. None

NEW BUSINESS: (Action Items)

1. Consider approval of Financial Reports for July 2026

Bookkeeper Saldate reported that the Water Revenue was 3% above budget for July. The Indirect Expense Account for Building Repair and Maintenance was over budget for the month due to an order placed for new office window coverings, in which the expense was incorporated into the annual budget. Also, Membership Fees & Dues were over budget for the annual LAFCO budget allocation (7% increase from previous year) and annual membership to Underground Service Alert. The COP Bond Expense account incurred a monthly overage due to annual trust administrative fees due to US Bank.

The Income was more than the Total Expenses by $79,522. July's cash on hand, combining the Operating and Reserve Accounts, was $2,555,926, which was less than the previous month.

July's Net Income for Water Enterprise was above the monthly budget by 3%.

A motion was made by Director Anderson and seconded by Director Chesterman to approve the financial reports for July 2026. Motion carried.

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

2. Consider and approve Resolution No. 08-01-26 Authorizing submission of an application to LAFCO for a Sphere of Influence Amendment and Annexation

General Manager explained that the amendment and annexation to the District's sphere of influence are necessary to allow the residents along Bluff and Jensen Roads participating in the PSMS project to be annexed into the District.

A motion was made by Director Chesterman and seconded by Director Anderson to approve Resolution No. 08-01-26 Authorizing submission of an application to LAFCO. Motion carried.

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

STAFF/COMMITTEE REPORTS: (Informational Only)

1. Lighting Assessment Hearing Notice for September 24, 2026, at 5:45 pm
   - Notice has been mailed to customers

2. 2025-2026 Annual Audit
   - Bianchi, Kasavan, & Pope will be in our office for a field audit beginning September 29th

3. Discussion of an on-site Caretaker Residence at Pajaro Park
   - Staff spoke with Insurance, and they did not oppose the idea of moving forward with this concept. They recommended looking at different ways that we could document this to protect the District. Staff will follow up with District Counsel.

4. Springfield Water System Improvements Project
   - The ML Mobile Home Park lateral line installation from the water main to the meter and from the meter to the house is in progress. APEC has encountered wet soil conditions delaying progress in the ML Park. Chemical building decking construction is in progress. The hydropneumatic tank installation is complete. Backup generator installation is in progress. PG&E has scheduled the installation of electrical services for September 9, 2026.
   - Staff met with the State Water Board Regulators for a tour, and they also completed a sanitary survey. Overall, everything went well.

5. Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project (PSMS)
   - The team presented the project to the Planning Commission on August 12, 2026. The Planning Commission approved the project unanimously. Included in the agenda is a resolution for authorization to apply for the District's sphere of influence amendment and annexation for the PSMS Project.

6. District Operations Report

DeLany Consolidation Feasibility Study
   - Provost and Prichard held a Community Meeting; they presented a short overview of the Feasibility Study focusing on 3 of the alternatives: the first alternative was DeLany Treatment, the second alternative was DeLany and Manzanita Hills Consolidation to

Vega Rd 01 Water System, and the third alternative was 10 small system consolidation to Vega Rd 01 WS. There was a good turnout at the meeting; about 25 people attended and had good questions about the project.

- Bruce Bongard has not heard from the Manzanita Hills representative. It seems there's no interest from them.
- Mr. Bongard noted that Salem from the Department of Financial Assistance believes we have a fundable project with about 60 possible connections.

Pajaro & Sunny Mesa WS Motor Control Center Replacement

- Staff has been responding to the submitted RFIs.

ACWA JPIA 2026 Wellness Grant

- The Wellness Grant check was received, and Staff purchased a stair climber.

Vierra Estates Tank Replacement Project

- The District Counsel will provide an agreement for BKF review.

Electric Vehicles Feasibility

- Staff submitted the FY 2026-2027 AB 2766 Clean Air Management Program Application to the Monterey Bay Air Resources District for two charging stations.

Current Water System Repairs

Blackie Road #18 WS:

Langley/Valle Pacifico WS:

- A customer left an irrigation line open using approximately 20 units, dropping the tank level to 4 feet. Three loads of water were hauled in to prevent a water outage.
- Water line sand settled, causing damage to the road at the end of Langley Canyon Rd. Contractor repaired.
- Booster pump tripped, and operator was able to troubleshoot and reset pump.

Moss Landing WS:

Normco:

- The well 2-foot valve failed; contractor replaced it, and staff is working on placing the well back online.

Pajaro WS:

Springfield Road WS:

- Contractor repaired a water leak on Struve Rd.

Sunny Mesa WS:

- A hydrant was damaged during construction at Ohlone School. School Staff will replace the hydrant on 8/22/26.

Vega Road #01 WS:

Vierra Estates WS:

Parks:

Sunny Mesa Sewer:

- Staff began gathering information to provide District Counsel.

7. Usage Comparison Report 2025/2026-July
   - General Manager Vazquez-Varela reported that Springfield water usage was higher than last year. All other water systems' usage was down overall. Langley/Valle Pacifico and Blackie WS had lower usage due to customers using less water for the month compared to this month last year.

CLOSED SESSION: Closed Session opened at 6:12 pm.

Conference With Real Property Negotiators

Government Code Section 54956.8
Property: 6937 Pacifico, Salinas, California (Assessor's Parcel No. 127-035-028-000)
Agency Negotiators: Judy Vazquez-Varela and Tim Baldwin
Negotiating Party: Miranda McDonnell
Under Negotiation: Price and Terms of Payment for Granting Easement

Return to Open Session at 6:26 pm, report no final action taken.

NEXT BOARD MEETING:

The next Regular Board Meeting is to be held on Thursday, September 24, 2026, 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 6:27 pm with a motion made by Director Anderson, seconded by Director Chesterman. Motion carried.

Respectfully submitted by:

Paul Anderson, President

Donald Olsen, Vice President

Rocio Fernandez, Recorder