

MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors via Zoom Video conferencing was called to order at 5:30 pm on October 27, 2022.

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

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

ABSENT DIRECTOR(S) & STAFF: Assistant Secretary Paul Anderson

DISTRICT COUNSEL: Attorney Alan Smith

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: Jessica Costa from Pajaro Water System, Steve Snodgrass from Vega Water System, Glenn Church joined at 5:38 pm, Christine Shaw joined at 5:40 pm, Jaime joined at 5:41 pm, Henry E. joined at 5:42 pm, Resident at 27 Susan St joined at 5:43 pm, Manuel-Ines Silva joined at 5:47 pm, Gloria Lopez joined at 6:09 pm, Karen Miller joined at 6:15 pm, Mona Zarate joined at 6:18 pm, Regina joined at 6:20 pm and Ayon joined at 6:21 pm.

PUBLIC COMMENTS: None

CLOSED SESSION: None

Action Items

1. Consider and approve the Minutes of the September 22, 2022, Regular Board Meeting

No discussion.

Motion was made by Director Olsen and seconded by Director Miller to approve the Regular Board Meeting Minutes of September 22, 2022. Motion carried.

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

OLD BUSINESS:

1. Consider adoption of AB-361 to allow teleconference and virtual meetings Resolution No. 10-01-22

The Board of Directors received the Draft Resolution 10-01-22 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 in November 2022.

Motion was made by Director Miller and seconded by Director Olsen to approve Resolution No. 10-01-22 AB-361 to allow teleconference and virtual meeting. Motion carried.

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

MINUTES OF REGULAR MEETING – October 27, 2022

NEW BUSINESS: (Action Items)

1. Pajaro Lighting Assessment Hearing at 5:45

Hearing opened at 5:45 pm. General Manager Rosa presented the sample notice that was sent out to all Pajaro Lighting constituents, the information sheet, and the yearly cost comparison, he also mentioned that the rates have not changed in three (3) years. No protest was received, approximately 400 votes are necessary for a successful protest. Assessment is successful. Hearing was closed at 5:50 pm.

Motion was made by Director Chesterman and seconded by Director Miller to approve Pajaro Lighting Assessment continuing thru 2023. Motion carried.

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

2. Review and consider approving financial reports for September 2022

Bookkeeper Saldate informed the Board of Directors that the Water Sales were 3 percent over projected monthly budgeted, similar to August. Automotive Repair and Maintenance Budget is above due to two of our trucks getting new front brakes and rotors. We saw an increase in the direct expense for the Utility-Well sites account due to a leak at the Vierra Water System main line causing extended pump run time. In Other Income we saw an increase in Interest Revenue because of the monthly interest earned in the US Bank Bonds. September's income surpassed the Total Expenses by \$74,434.15. September's Cash was more than August's Cash by \$55,385. Total September cash on hand was \$862,532. Net income for September was above projected budget by nearly \$35,000 due to expenses being under budget.

The total 90 days balance has decreased by about \$10.00. One Pajaro WS customer owes a portion of that balance and has been approved to receive LIHWAP assistance for the entire balance. A Sunny Mesa WS customer owes a portion of the ninety (90) days balance and has reached out to United Way for payment assistance. The sixty (60) and thirty (30) day past due balances have decreased significantly from prior month by a combined total of \$20,800. Staff continues to outreach delinquent customers for payment assistance.

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

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

MONTHLY EXPENDITURES REPORT FOR REVIEW

APPROVAL OF PAYMENTS:

3. Review and consider approving October 2022 payments and authorization for Staff to sign checks

1. General Fund 633: Total of \$1,036.34
2. Operating Account: Check No. 25198 through Check No. 25226 totaling \$233,800.05
3. Reserve Account: Total of \$5,833.50
4. Street Maintenance Account: Check No. 560 for a total of \$1,349.26
5. Pajaro Park Account: Total of \$1,437.04
6. COP 2010 Account: Total of \$0.00
7. Debt Service Reserve Account: Total of \$0.00

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

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

4. Coastal Conservation and Research: Request for Agricultural Designation for Water Rates

The Board Members were provided with the copy of email from John Oliver, Ecologist for Coastal Conservation and Research (CCR), requesting an agricultural designation for the CCR water account. The agricultural rates were not addressed at the time of the 2020 Water Rate Study and set far behind the current schedule. Director Olsen recommended the update of the agricultural rates for future consideration.

Motion was made by Director Chesterman to approve the Agricultural Water Rate request from CCR. Motion did not receive a second. Motion died.

Motion was made by Director Olsen and seconded by Director Coplin to disapprove the Agricultural Water Rate request from CCR. Motion carried.

Roll Call Vote: Ayes: S. Coplin; D. Olsen; D. Chesterman; C. Miller
 Noes: None
 Absent: P. Anderson
 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. Meter Reader/Maintenance position

- A job flyer was included in the bills, district received 6 applications. In person interviews took place on October 20th, 2022, the position has been filled. New employee to begin working on October 31st, 2022.

3. Online Bill Pay Program update

- 115 ratepayers utilized the Online Bill Pay system in September and 70 have enrolled in auto pay.

4. Pajaro Park Committee

- Board President Coplin met with Supervisor Phillips to discuss the needs for the Pajaro Park. He provided Supervisor Phillips with the Pajaro Park Bank account statement and the Parks annual expenses, but it seems that no action can be taken due to budget being approved and closed for this year, but it can be revisited in June 2023. Supervisor Phillips will discuss the Pajaro Park needs with Mo. Co. Chief of Parks in the next week and Board President will follow up after their discussion.

5. AB2449 – New Brown Act remote access rules effective 01-01-2023

- Copy of the memo from Attorney Smith was provided to the Directors. Attorney Smith explained that prior to COVID the Brown Act had many requirements to be met for legal remote meeting access by Board Members. During COVID, that changed for all Board Members and public to attend public meeting remotely/zoom only. Then came

AB361 that causes monthly resolutions by Board to continue agreeing to meet remotely as long as the pending COVID emergency remained in effect. New law to come in effect next January for remote participation will require for just cause or emergency circumstances, just cause being need for childcare, illness, physical or mental disability or travel for the Public Agency only not private travel. This new law requires new criteria to be met for the ability of the Board Members to participate remotely. Beginning of January 2023, we will be going back to in person Board meetings. Please check with attorney Smith or Don before the need to participate remotely after December 2022.

6. Pajaro County Sanitation District

- Board President Coplin apologized that in a letter responding to Mr. Snodgrass, in his last sentence he wrote no legal basis, which sounded like it was illegal, but what was intended was to say there was no procedure available for the District to stop the bidding process.
- On the agenda General Manager Rosa briefly described the history between the District and the Pajaro County Sanitation District (PCSD). The PCSD is trying to sell its remaining Sanitation Districts they currently own, with minimal maintenance equipment. The Mo. Co. Board of Supervisors (BoS) which acts as the Board of PCSD, advertised an RFQ in 2019 with only one applicant, California American Water, they did not agree to terms and negotiations ended without a sale. The County currently has \$4.1 million of American Rescue Plan Act funds to repair and improve all systems, some improvements have been made. The BoS plans to sell all systems and approved Request for Qualifications advertising in July 2022. The District did not respond to RFQ because the District did not receive satisfactory terms in 2015, did not satisfy requirement in the RFQ, and the District currently does not have the capability to operate the PCSD. The three finalists met with County Staff in August. The District did not submit qualifications. At this point there may be two RFQs submitted. District Board President Coplin and General Manager Rosa spoke with Erich Rauber, engineer in charge of the project, he cannot provide a progress report until the project deadline.
- Steve Snodgrass who served on the District Board from 2010 to 2018 and served on the Board during the 2015 negotiations with BoS regarding the PSMC sale. He is also aware that the PCSD circumstances from 2015 are no longer the same. Mr. Snodgrass stated that it is unfortunate that the District declined to submit qualifications and believes that it will be very difficult if a New Jersey company owns the PCSD. He is aware that the time to submit a proposal has passed but would like the District to contact the BoS to tell them that they are interested in case of proposal fail. Also, District could apply for Grants due to serving communities that are disadvantaged. The District could also run the system under contract.
- Karen Miller stated that this is an opportunity to create something good for this area, which is in need of a good Sanitation District, she is aware that the rates are too low but the solution is not selling to a private entity because the rates will be too high. She proposed submitting a letter, recognizing that a rate increase is necessary, with the goal that the District, the BoS and the neighbors will work together to bring the system up to 2022 standards/Code, and work in acquiring grants. While California American Water is not a good choice, Watsonville is a better choice but not preferred. Mrs. Miller would like the District to consider the purchase and work as a team with the community.
- Christine Shaw seconded Mr. Snodgrass comments and ask the District to consider the purchase of the PCSD. Ms. Shaw included that this community and Sanitation District have been ignored for many years, thus the reason why the rates were never increased but the massive increase proposed by a private entity will be devastating to the community. She would like the District to open in having a conversation with BoS regarding the purchase of the PCSD.
- Glenn Church agreed with Mr. Snodgrass, Mrs. Miller and Ms. Shaw regarding the Monterey County not doing a good job with the sale of the Sanitation District and it should not be sold to a private enterprise. Mr. Church believes it is important that the community be involved and have a say in the sale of the PCSD. He asked from the District to slow down the sale process and follow Mr. Snodgrass' comments and talk to Supervisor Phillips.

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7. District Operations Report

Springfield Planning Grant

- The Environmental work continues. Robert with UC Davis Law Clinic is scheduling a conference call to discuss the water agreement, no date set yet.

Hazard Mitigation Plan

- The Hazard Mitigation Plan was submitted to CalOES for review on October 5, 2022, this process will take approximately 45 days. CalOES has contact Staff with Plan revision and Consultant is handling the revisions.

LIHWAP

- Second referred customer has been approved for payment, District should receive payment by end of month.

Leak Detection Grant

- 6 systems have been completed, the remaining 3 systems to be completed on November 17, 2022.

8. Usage Comparison Report 2021/2022

- Most systems water usage is down except for Sunny Mesa and Vierra Estates, for an overall District decrease in use of 1.1% for this month compared to last year.

NEXT BOARD MEETING:

The next Special Board Meeting is to be held on Thursday November 17, 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 6:41 pm with motion made by Director Chesterman seconded by Director Olsen. Motion carried.

Respectfully submitted by:



Sanford Coplin, President



Donald Olsen, Vice President



Judith Vazquez-Varela, Recorder