

**PAJARO/SUNNY MESA**  
COMMUNITY SERVICES DISTRICT  
136 San Juan Road, Royal Oaks, CA 95076  
O (831) 722-1389 | Fax (831) 722-2137  
[www.pajarosunnymesa.com](http://www.pajarosunnymesa.com)

**AGENDA**  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
DISTRICT CONFERENCE BOARD ROOM  
136 SAN JUAN ROAD, ROYAL OAKS, CA 95076

DECEMBER 14, 2023  
5:30 P.M.

The Pajaro/Sunny Mesa Community Services District welcomes you to its meetings regularly scheduled on the fourth Thursday of each month, and your interest and participation is encouraged and appreciated.

Contact the District office at the email address or telephone number above if you believe you require any modification or accommodation for any disability which might impair your ability to participate in the meeting.

**Members of the public** may join the meeting from their computers via Zoom Meeting by entering the following link:

<https://us06web.zoom.us/j/84237144184?pwd=aW5vRWUzNWlZaTQ3cnFwTVpOVVEydz09>  
or by calling 1 (669) 444-9171 and when prompted, enter meeting ID: **842 3714 4184#** and passcode **323930#**. A link to the Zoom Meeting may also be found on our District’s home page at [www.pajarosunnymesa.com](http://www.pajarosunnymesa.com) identified as “Board Meeting Zoom Link” You may submit written comments in writing either at District Office in person or by email [info@pajarosunnymesa.com](mailto:info@pajarosunnymesa.com) through and including the time of the meeting.

Documents provided to the District after the agenda has been published will be available at the District office and available for photocopying during ordinary business hours as Public Records at the cost set by resolution by the Board from time to time. This is ordinarily \$ .25 per page. Documents provided to the Board for agenda items will ordinarily be placed on the District website if time permits. Otherwise, late documents will be provided to the Board at the meeting and a copy placed with the agendas available to the Public at Board meetings.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Pajaro Sunny Mesa Community Services District at (831) 722-1389 before the meeting to allow the District to make reasonable accomodations.

**1. PLEDGE OF ALLEGIANCE**

**2. CALL TO ORDER AND ROLL CALL**

- o (11/25) President Donald Olsen \_\_\_\_\_
- o (11/25) Vice President Sanford Coplin \_\_\_\_\_
- o (11/26) Secretary Paul Anderson \_\_\_\_\_
- o (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- o (11/26) Treasurer Donald Chesterman \_\_\_\_\_

ADMINISTRATIVE STAFF:

General Manager Judy Vazquez-Varela \_\_\_\_\_  
Operations Manager Sergio Ochoa \_\_\_\_\_  
Bookkeeper Amy Saldate \_\_\_\_\_  
Recorder Rocio Fernandez \_\_\_\_\_  
Attorney Alan Smith \_\_\_\_\_

DISTRICT COUNSEL:

**P/SMCSD SPECIAL BOARD MEETING AGENDA – December 14, 2023****3. ADDITIONS TO AGENDA [SUBDIVISION (b), CALIFORNIA GOVERNMENT CODE § 54954.2]**

The Board may act on items of business not appearing on the posted agenda if (1) three members determine that an emergency (as defined in California Government Code Section 54956.5 exists), and (2) two-thirds vote of the members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present, find a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted.

**4. COMMENTS FROM PUBLIC OR MEMBERS OF BOARD ON ITEMS NOT ON AGENDA**

Any person may address the Board on any item not on the agenda when recognized by the Board President. Any Board member may comment on any item not on the agenda.

**ACTION ITEMS****Consent Agenda**

Any person may comment on any item on the consent agenda.

**1. DRAFT MINUTES OF NOVEMBER 16, 2023 SPECIAL MEETING**

Approval of draft minutes for Special Meeting on 11/16/2023<sup>1</sup>

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_  
 Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
 Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- (11/25) President Donald Olsen \_\_\_\_\_
- (11/25) Vice President Sanford Coplin \_\_\_\_\_
- (11/26) Secretary Paul Anderson \_\_\_\_\_
- (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- (11/26) Treasurer Donald Chesterman \_\_\_\_\_

**Old Business:****1. REVIEW REVISIONS OF PROPOSED PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT PURCHASING ORDINANCE (DOES NOT INCLUDE PUBLIC WORKS)**

- Report from General Counsel
- Review, discussion, and direction regarding revised draft of proposed Purchasing Ordinance attached to Agenda.

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to approve the revised Pajaro/Sunny Mesa CSD Purchasing Ordinance

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_  
 Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
 Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- (11/25) President Donald Olsen \_\_\_\_\_
- (11/25) Vice President Sanford Coplin \_\_\_\_\_
- (11/26) Secretary Paul Anderson \_\_\_\_\_

<sup>1</sup> *Robert's Rules of Order Newly Revised, 12<sup>th</sup> edition* says: "It should be noted that a member's absence from the meeting for which minutes are being approved does not prevent the member from participating in their correction or approval." 41:11. A newly elected member may vote to approve minutes for a meeting held before the member was appointed, and a member who was not present at a meeting also has the right to move approval of the minutes of that meeting.

**P/SMCSD SPECIAL BOARD MEETING AGENDA – December 14, 2023**

- o (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- o (11/26) Treasurer Donald Chesterman \_\_\_\_\_

**2. 2022-2023 AUDIT – FINAL DRAFT**

- Copy of Final Draft Financial Statement (available on website) [www.pajarosunnymesa.com](http://www.pajarosunnymesa.com)

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve 2023-2024 Audit - Final Draft

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_  
 Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
 Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- o (11/25) President Donald Olsen \_\_\_\_\_
- o (11/25) Vice President Sanford Coplin \_\_\_\_\_
- o (11/26) Secretary Paul Anderson \_\_\_\_\_
- o (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- o (11/26) Treasurer Donald Chesterman \_\_\_\_\_

**New Business:**

**1. REVIEW AND MOTION TO APPROVE DRAFT FINANCIAL REPORTS FOR NOVEMBER 2023**

- Financial notes
- Report from Staff

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve Draft Financial Reports for November 2023

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_  
 Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
 Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- o (11/25) President Donald Olsen \_\_\_\_\_
- o (11/25) Vice President Sanford Coplin \_\_\_\_\_
- o (11/26) Secretary Paul Anderson \_\_\_\_\_
- o (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- o (11/26) Treasurer Donald Chesterman \_\_\_\_\_

**2. REVIEW AND MOTION TO APPROVE DECEMBER PAYMENTS (CHECK LISTING)**

- |                        |               |                       |                         |
|------------------------|---------------|-----------------------|-------------------------|
| 1. General Fund 633:   | Check # _____ | through check # _____ | for a total of \$ _____ |
| 2. Operating Account:  | Check # _____ | through check # _____ | for a total of \$ _____ |
| 3. Reserve Acct:       | Check # _____ | through check # _____ | for a total of \$ _____ |
| 4. Street Maint. Acct: | Check # _____ | through check # _____ | for a total of \$ _____ |
| 5. Debt Service Acct:  | Check # _____ | through check # _____ | for a total of \$ _____ |
| 6. COP Acct:           | Check # _____ | through check # _____ | for a total of \$ _____ |
| 7. Pajaro Park Acct:   | Check # _____ | through check # _____ | for a total of \$ _____ |

**P/SMCSD SPECIAL BOARD MEETING AGENDA – December 14, 2023**

- Clarifying and Technical Questions to Staff
- Public Input
- Motion/Second
- Board Deliberation
- Motion to Approve December payments

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_  
 Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_  
 Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- o (11/25) President Donald Olsen \_\_\_\_\_
- o (11/25) Vice President Sanford Coplin \_\_\_\_\_
- o (11/26) Secretary Paul Anderson \_\_\_\_\_
- o (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- o (11/26) Treasurer Donald Chesterman \_\_\_\_\_

**3. ELECT BOARD OFFICERS FOR 2024**

The District's recorder will conduct the election. The election is public. Any member of the Board may nominate themselves or any other member of the Board for any office. Nominations do not require a second to be effective. More than one person may be nominated for consideration for each office.

After nominations are concluded the Board may discuss the nominations. No person nominated need accept their nomination. Any member may decline their nomination and may or may not state a reason for declining.

Any member may speak to support or oppose any nomination. After discussion is concluded, the District's recorder may call for a vote. After the vote is counted, the person with the most votes is elected. However, a minimum of three votes are required for election to an office. The election for each office is conducted separately. If a candidate receives less than three votes for an office, the Board will vote again but with only the top two candidates from the first vote.

- Office: President
- Office: Vice President
- Office: Secretary
- Office: Assistant Secretary
- Office: Treasurer

**STAFF/COMMITTEE REPORTS: (INFORMATION ONLY, NO ACTION)**

This part of agenda is for the Staff to report to the Board on District operations however no action is agendized and no action may be taken other than asking for an action item to be brought to the Board at a future meeting.

**1. 2023 Flood Damage Report**

- Permanent repairs/replacements to Pajaro and Sunny Mesa Water Systems estimated at \$1.3 Million.
- District's policy with Sedgewick through the JPIA has a \$100,000 deductible for flood.
- Staff met with FEMA on October 19, 2023, to complete the application.
- JPIA continues to work towards providing a finalized claim and check by mid-December.

**P/SMCSD SPECIAL BOARD MEETING AGENDA – December 14, 2023**

2. On December 5, 2023, the Department of Emergency Management presented to the Board of Supervisors recommendations for the funds awarded by the State to support recovery efforts in Pajaro. The project proposal list included 1.2 million dollars to the Pajaro Park.
3. District Office will be closed from December 25, 2023 thru January 1, 2024.
  - Office will re-open on January 2, 2024
  - Water Operators will work on a limited basis to ensure water systems are fully operational.
4. Directors Anderson and Chesterman have been reappointed, a mistake was made on the current term end date of November 30, 2026, it should have been November 30, 2027. It will go back before the Board of Supervisors to amend the date to be a four-year term.
5. District Operations Report
6. Usage Comparison Report 2022/2023

**CLOSED SESSION:**

A. Public Employment (§ 54957)

⇒ Title: General Counsel

B. Public Employee Performance Evaluation (§ 54957)

⇒ Title: General Counsel

C. Conference with Labor Negotiators (§54957.6)

⇒ Agency designated representatives: Donald Olsen, Sandy Coplin

⇒ Unrepresented employee: General Counsel

**MOTION TO ADJOURN**

Next Board meeting date: \_\_\_\_\_

Motioned by: Director \_\_\_\_\_ Seconded by: Director \_\_\_\_\_

Ayes: \_\_\_\_\_ Noes: \_\_\_\_\_ Absent: \_\_\_\_\_ Abstained: \_\_\_\_\_

Motion passed: \_\_\_\_\_ Motion Failed: \_\_\_\_\_

**Roll Call Vote:**

- (11/25) President Donald Olsen \_\_\_\_\_
- (11/25) Vice President Sanford Coplin \_\_\_\_\_
- (11/26) Secretary Paul Anderson \_\_\_\_\_
- (11/25) Assistant Secretary Clinton Miller \_\_\_\_\_
- (11/26) Treasurer Donald Chesterman \_\_\_\_\_

Adjournment Time: \_\_\_\_\_ p.m.

# 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:**

Jarrood 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.

**MINUTES OF SPECIAL BOARD MEETING – November 16, 2023**

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:**

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 Saldate 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.

**MINUTES OF SPECIAL BOARD MEETING – November 16, 2023**

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

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



**MINUTES OF SPECIAL BOARD MEETING – November 16, 2023**

- 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)  
⇒ Title: General Counsel

**MINUTES OF SPECIAL BOARD MEETING – November 16, 2023**

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:

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Donald Olsen, President

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Sanford Coplin, Vice President

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Rocio Fernandez, Recorder

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT****LIST OF APPOINTED OFFICIALS****JUNE 30, 2023****CURRENT BOARD OF DIRECTORS**

<u>Title</u>	<u>Director</u>	<u>Term Expires</u>
President	Donald Olsen	November 2025
Vice-President	Sanford Coplin	November 2025
Treasurer	Donald Chesterman	November 2023
Secretary	Paul Anderson	November 2023
Assistant Secretary	Clinton Miller	November 2025

**MANAGEMENT**

General Manager

Judy Vazquez-Varela

**Pajaro/Sunny Mesa Community Service District**  
136 San Juan Road  
Royal Oaks, California 95076  
(831) 722-1389  
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## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Pajaro/Sunny Mesa Community Services District  
Royal Oaks, California

### ***Opinions***

We have audited the accompanying financial statements of each major enterprise fund, and the aggregate remaining fund information of Pajaro/Sunny Mesa Community Services District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each enterprise major fund, and the aggregate remaining fund information of Pajaro/Sunny Mesa Community Services District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the budgetary comparison information on pages 31-34 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February xx, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Salinas, California  
February xx, 2024



**BASIC FINANCIAL STATEMENTS**

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Water Enterprise	Street Maintenance Enterprise	Lighting Enterprise	Parks Enterprise	Total
<b>CURRENT ASSETS</b>					
Cash and cash equivalents - Note 2	\$ 1,119,411	\$ -	\$ -	\$ 149,175	\$ 1,268,586
Restricted cash - street maintenance - Note 2	-	322,340	-	-	322,340
Receivables, net - Note 3	217,429	10,420	3,950	-	231,799
Grants receivable	70,520	-	-	-	70,520
Bond repayment assessments receivable, current - Note 4	210,275	-	-	-	210,275
Due from other funds	107,931	24,105	50,531	105,117	287,684
<b>TOTAL CURRENT ASSETS</b>	<b>1,725,566</b>	<b>356,865</b>	<b>54,481</b>	<b>254,292</b>	<b>2,391,204</b>
<b>OTHER ASSETS</b>					
Restricted cash - bond reserve fund - Note 2	886,542	-	-	-	886,542
Bond repayment assessments receivable, net of current portion - Note 4	3,100,954	-	-	-	3,100,954
<b>TOTAL OTHER ASSETS</b>	<b>3,987,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,987,496</b>
<b>CAPITAL ASSETS - net - Note 5</b>	<b>6,517,210</b>	<b>-</b>	<b>-</b>	<b>4,371,582</b>	<b>10,888,792</b>
<b>TOTAL ASSETS</b>	<b>12,230,272</b>	<b>356,865</b>	<b>54,481</b>	<b>4,625,874</b>	<b>17,267,492</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred loss from debt refunding	126,586	-	-	-	126,586
	<u>\$ 12,356,858</u>	<u>\$ 356,865</u>	<u>\$ 54,481</u>	<u>\$ 4,625,874</u>	<u>\$ 17,394,078</u>
<b>CURRENT LIABILITIES</b>					
Cash overdraft - Note 2	\$ -	\$ 14,179	\$ 4,355	\$ -	\$ 18,534
Accounts payable	56,732	1,280	2,696	2,780	63,488
Accrued expenses	216,112	-	-	-	216,112
Deposits	82,529	-	-	-	82,529
Notes payable, current portion - Note 6	48,433	-	-	-	48,433
Revenue refunding bond, current portion - Note 6	75,000	-	-	-	75,000
Special assessment bond, current portion - Note 6	208,000	-	-	-	208,000
Revenue bond, current portion - Note 6	45,000	-	-	-	45,000
Due to other funds	230,483	57,201	-	-	287,684
<b>TOTAL CURRENT LIABILITIES</b>	<b>962,289</b>	<b>72,660</b>	<b>7,051</b>	<b>2,780</b>	<b>1,044,780</b>
<b>OTHER LIABILITIES</b>					
Notes payable - net of current portion - Note 6	124,384	-	-	-	124,384
Revenue refunding bond - net of discount and current portion - Note 6	1,633,567	-	-	-	1,633,567
Special assessment refunding bonds - net of discount and current portion - Note 6	3,102,293	-	-	-	3,102,293
Revenue bond - net of premium and current portion - Note 6	1,615,696	-	-	-	1,615,696
<b>TOTAL OTHER LIABILITIES</b>	<b>6,475,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,475,940</b>
<b>TOTAL LIABILITIES</b>	<b>7,438,229</b>	<b>72,660</b>	<b>7,051</b>	<b>2,780</b>	<b>7,520,720</b>
<b>NET POSITION</b>					
Invested in capital assets - net of related debt	2,212,075	-	-	4,371,582	6,583,657
Restricted - Note 7	886,542	202,912	-	-	1,089,454
Unrestricted	1,820,012	81,293	47,430	251,512	2,200,247
<b>TOTAL NET POSITION</b>	<b>4,918,629</b>	<b>284,205</b>	<b>47,430</b>	<b>4,623,094</b>	<b>9,873,358</b>
	<u>\$ 12,356,858</u>	<u>\$ 356,865</u>	<u>\$ 54,481</u>	<u>\$ 4,625,874</u>	<u>\$ 17,394,078</u>

The accompanying notes are an integral part of the financial statements.

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Water Enterprise	Street Maintenance Enterprise	Lighting Enterprise	Parks Enterprise	Total
<b>OPERATING REVENUES</b>					
User service charges	\$ 2,334,684	\$ -	\$ -	\$ -	\$ 2,334,684
Street lights service charges	-	-	41,090	-	41,090
Street maintenance service charges	-	63,889	-	-	63,889
Connection fees	77,217	-	-	-	77,217
Grant revenue	84,398	-	-	-	84,398
Miscellaneous	306	-	-	-	306
Pajaro Park revenue	-	-	-	60,000	60,000
<b>TOTAL OPERATING REVENUES</b>	<b>2,496,605</b>	<b>63,889</b>	<b>41,090</b>	<b>60,000</b>	<b>2,661,584</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,187,271	27,365	9,329	48,352	1,272,317
General, administrative and operating expenses	875,516	18,603	31,442	30,383	955,944
Depreciation and amortization	1,001,504	-	-	237,315	1,238,819
<b>TOTAL OPERATING EXPENSES</b>	<b>3,064,291</b>	<b>45,968</b>	<b>40,771</b>	<b>316,050</b>	<b>3,467,080</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(567,686)</b>	<b>17,921</b>	<b>319</b>	<b>(256,050)</b>	<b>(805,496)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Assessments	141,335	-	-	-	141,335
Reimbursements	80,478	-	-	-	80,478
Income from investment	36,784	-	-	-	36,784
Property taxes	-	-	-	34,274	34,274
Other income	240	-	-	6,000	6,240
Bond issuance costs - Note 7	(4,259)	-	-	-	(4,259)
Grant reimbursement expenses	(191,891)	-	-	-	(191,891)
Interest expense	(269,257)	-	-	-	(269,257)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	<b>(206,570)</b>	<b>-</b>	<b>-</b>	<b>40,274</b>	<b>(166,296)</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(774,256)</b>	<b>17,921</b>	<b>319</b>	<b>(215,776)</b>	<b>(971,792)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>5,692,885</b>	<b>266,284</b>	<b>47,111</b>	<b>4,838,870</b>	<b>10,845,150</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 4,918,629</b>	<b>\$ 284,205</b>	<b>\$ 47,430</b>	<b>\$ 4,623,094</b>	<b>\$ 9,873,358</b>

The accompanying notes are an integral part of the financial statements.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Water Enterprise	Street Maintenance Enterprise	Lighting Enterprise	Parks Enterprise	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and others	\$ 2,519,115	\$ 61,629	\$ 40,460	\$ 60,000	\$ 2,681,204
Payments to suppliers and vendors	(899,438)	(17,499)	(31,433)	(48,741)	(997,111)
Payments to employees	(1,227,889)	(27,365)	(9,329)	(28,450)	(1,293,033)
<b>Net cash provided by (used in) operating activities</b>	<b>391,788</b>	<b>16,765</b>	<b>(302)</b>	<b>(17,191)</b>	<b>391,060</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Payments on line of credit	-	-	-	-	-
Acquisition and construction of capital assets	(869,351)	-	-	-	(869,351)
Principal payments on debt maturities	(343,776)	-	-	-	(343,776)
Interest payments	(269,257)	-	-	-	(269,257)
Proceeds from bonds - net of issuance costs	(4,259)	-	-	-	(4,259)
Collection of assessments	340,911	-	-	34,275	375,186
Collection of grant income - net of expense	(210,330)	-	-	-	(210,330)
Reimbursements and other income	80,718	-	-	6,000	86,718
Disposal of assets	-	-	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,275,344)</b>	<b>-</b>	<b>-</b>	<b>40,275</b>	<b>(1,235,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of certificate of deposit	-	-	-	-	-
Interest	36,784	-	-	-	36,784
<b>Net cash provided by investing activities</b>	<b>36,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,784</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(846,772)</b>	<b>16,765</b>	<b>(302)</b>	<b>23,084</b>	<b>(807,225)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,852,725</b>	<b>291,396</b>	<b>(4,053)</b>	<b>126,091</b>	<b>3,266,159</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,005,953</b>	<b>\$ 308,161</b>	<b>\$ (4,355)</b>	<b>\$ 149,175</b>	<b>\$ 2,458,934</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH TO STATEMENT OF NET POSITION</b>					
Cash and cash equivalents	\$ 1,119,411	\$ -	\$ -	\$ 149,175	\$ 1,268,586
Cash overdraft	-	(14,179)	(4,355)	-	(18,534)
Restricted cash - street maintenance	-	322,340	-	-	322,340
Restricted cash - bond reserve fund	886,542	-	-	-	886,542
<b>TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>\$ 2,005,953</b>	<b>\$ 308,161</b>	<b>\$ (4,355)</b>	<b>\$ 149,175</b>	<b>\$ 2,458,934</b>

The accompanying notes are an integral part of the financial statements.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Water Enterprise	Street Maintenance Enterprise	Lighting Enterprise	Parks Enterprise	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN)</b>					
<b>NET OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (567,686)	\$ 17,921	\$ 319	\$ (256,050)	\$ (805,496)
<b>Adjustments to reconcile increase (decrease) in net position to net cash provided by (used in) operating activities:</b>					
Depreciation and amortization	1,001,504	-	-	237,315	1,238,819
(Gain) loss on disposition of fixed assets	(19,662)	-	-	-	(19,662)
Decrease (increase) in receivables	24,206	(2,260)	(630)	-	21,316
(Increase) decrease in accounts payable and accruals	(50,674)	1,104	9	1,544	(48,017)
Increase in Deposits	4,100	-	-	-	4,100
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 391,788</b>	<b>\$ 16,765</b>	<b>\$ (302)</b>	<b>\$ (17,191)</b>	<b>\$ 391,060</b>

The accompanying notes are an integral part of the financial statements.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General Statement**

The Pajaro/Sunny Mesa Community Services District (District) is a Special District within Monterey County as defined by the State of California. The District is authorized to provide water, street maintenance, lighting and park services. The District owns and operates nine, individual, non-contiguous water systems. All water systems are within the District's sphere of influence, and are considered one District, with a common, uniform rate schedule.

The District's oversight is performed by a five-member board of directors (Board) who are appointed for four-year terms by the Monterey County Board of Supervisors. The Board along with the General Manager provides direction on the overall management of the District such as overseeing operating budgets, ongoing operations, capital planning and rate setting.

**Financial Reporting Entity**

The District's basic financial statements include the accounts of all District operations. The criteria for including other organizations as component units within the reporting entity (District) are set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Based on the criteria set forth by GASB, the District has no component units.

**Basis of Presentation**

The District's basic financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The District has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, to apply all applicable pronouncements, statements and interpretations of the Financial Accounting Standards Board issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounts of the District are organized as enterprise funds. The activities of these funds are accounted for with separate sets of self-balancing accounts that comprise the District's assets, deferred outflows, liabilities, deferred inflows, net assets, revenues and expenses.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Basis of Presentation** (Continued)

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position.

**Budgetary Controls**

The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line item basis. Revenues are budgeted by source, and expenses are budgeted by department or enterprise (water, street maintenance, lighting and parks) and use (salaries and employee benefits, services and supplies, other charges, fixed assets acquisitions and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that bond proceeds are treated as revenues, and bond principal payments and fixed assets acquisitions are treated as expenses. In addition, depreciation is generally not provided for in budgeted expenses.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Investments**

For purposes of reporting cash flows, the District considers all highly liquid debt instruments, including those that are classified as restricted assets with an original maturity of three months or less when acquired, to be cash equivalents.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Customer Receivables**

The District utilizes the allowance method of accounting for uncollectible or doubtful accounts. Accounts receivable are valued at outstanding principal balance, reduced for any allowance. An allowance of \$8,630 has been recorded by management at June 30, 2023. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. Receivables over thirty (30) days past due are assessed penalties.

**Special Assessment Receivable**

Special assessments, levied to service debt for which the District is in some manner obligated or to reimburse a fund for advances made to finance capital improvement projects, are recognized as revenue at the time the individual assessments become due.

**Capital Assets**

Capital assets are carried at cost, which includes direct labor, outside services, materials and transportation, overhead and interest on funds borrowed to finance construction. Donated capital assets are recorded at estimated fair value at the date of donation. Gains or losses resulting from the sale or disposition of property and equipment are recognized in the period of disposition.

Repairs and maintenance including planned major maintenance activities, which are not considered betterments and do not extend the useful life of property, plant and equipment, are charged to expense as incurred.

Construction-in-process is not depreciated until it is placed into service.

The District recognizes depreciation using the straight-line method over the estimated useful lives as follows:

Buildings	20-50 Years
Water and sewer system	30-50 Years
Infrastructure	20-35 Years
Machinery and equipment	5-10 Years
Improvements	20 Years



## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Deferred Outflows and Inflows of Resources**

The District reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until the applicable period. The District has one item that qualifies for reporting in this category. This item is a deferred loss on debt refunding. A deferred loss on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is reported in the statement of net position and is deferred and amortized over the shorter of the life of the refunded (old) or refunding (new) debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The District has no items that qualify for reporting in this category.

**Bond Discounts, Premiums and Issuance Costs**

Bond discounts and premiums are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond discount. Debt issuance costs are recognized as an expense in the year in which the costs were incurred.

**Compensated Absences**

District employees accumulate vacation hours for subsequent use or payment upon termination, death or retirement. The employees accumulate up to 25 days of vacation per year. All accumulated vacation is recorded as an expense and a liability in the Water Enterprise Fund at the time the liability is accrued. Total unused vacation will be paid to the employee during January of the following year.

District employees accumulate sick leave hours for subsequent use or payment upon death or retirement. Sick leave is recorded as an expense and a liability in the Water Enterprise Fund to the extent it is earned during the year.

Employees hired prior to October 1, 2011, accumulate 12 days of sick leave per year to a maximum of 1,920 hours and one-third of unused accumulated sick leave will be paid upon death or retirement.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

Employees hired after October 1, 2011, may accumulate sick leave up to a maximum of 70 hours per year. At the beginning of each new calendar year, employee's sick leave account balances are credited with the hours necessary to restore the accounts to the maximum of 70 hours. Unused sick leave will be paid upon death or retirement.

Property Taxes

The County of Monterey is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions, including the District. Secured property taxes for each year ended June 30 are payable in equal installments, November 1 and February 1 and become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for as collected and remitted by the County in the governmental funds. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

Income Taxes

The District is a California local government unit which is exempt from both federal and state income taxes.

Net Position

Net position represents the difference between the District's assets and liabilities. Net position is classified in the following three components:

*Invested in capital assets, net of related debt* – This component of net position, net of accumulated depreciation and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition of those assets.

*Restricted* – This component of net position consists of constraints imposed by creditors (debt covenants on bonds), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt".

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Operating Revenues and Expenses**

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services in the form of assessments or water sales. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the District's policy to apply those expenses to restricted assets to the extent such are available and then to unrestricted assets.

**General and Administrative Expense Allocation**

General and administrative expenses are charged to each of the enterprises based upon estimated cost allocations derived from time studies approved by the Board.

**Subsequent Events**

Subsequent events were evaluated through February xx, 2024, the date the financial statements were available to be issued.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	<u>Water Enterprise</u>	<u>Street Maintenance Enterprise</u>	<u>Lighting Enterprise</u>	<u>Parks Enterprise</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,119,411	\$ (14,179)	\$ (4,355)	\$ 149,175	\$ 1,250,052
Restricted cash, current	-	322,340	-	-	322,340
Restricted cash, non-current (bond fund)	<u>886,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,542</u>
	<u>\$ 2,005,953</u>	<u>\$ 308,161</u>	<u>\$ (4,355)</u>	<u>\$ 149,175</u>	<u>\$ 2,458,934</u>

Cash and cash equivalent and restricted cash as of June 30, 2023, consisted of the following:

	<u>Amount</u>
Cash on hand	\$ 400
Cash in the bank - checking	1,509,924
Cash in County Treasury	62,068
Cash held in trust account	<u>886,542</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 2,458,934</u></b>

**Investments Authorized by the California Government Code and the District's Investment Policy**

The California Government Code authorizes investments in U.S. Treasury obligations, U.S. District securities, municipal securities, negotiable certificates of deposits, commercial paper, bankers' acceptances, medium-term corporate bonds ("A" or better), asset-backed securities, repurchase agreements, money market funds and local government investment pools. The District currently invests its funds in the local government investment pool administered by Monterey County. As of June 30, 2023, the investment policy and the investments of the Monterey County pool are in compliance with the California Government Code.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (Continued)

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk of changes in market interest rates adversely affecting the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the Monterey County investment portfolio is 482 days.

**Disclosure Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Monterey County investment pool does not have a rating provided by a nationally recognized statistical rating organization. Approximately 83.5% of the investment portfolio is comprised of U.S. Treasuries, Federal District securities, Negotiable CDs and other liquid funds.

All of those assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt, 15.3% of the investment portfolio, is rated in the higher levels of investment grade. All Federal securities have AA ratings or are guaranteed by the U.S. Treasury.

**Concentration of Credit Risk**

The Monterey County or the District investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Monterey County pool does not include any investments by any one issuer (other than the State of California Local District Investment Fund and the California Asset Management Program – external governmental investment pools) that represents 10% or more of total investments.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (Continued)

Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits. The provisions require a financial institution to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository. Regulated pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure districts' deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The District also maintains checking accounts with a financial institution and uses these accounts as operating accounts for the District. As of June 30, 2023, the District has \$1,511,962 on deposit with one bank. The District also has on deposit \$581,332 in restricted cash held in trust by one financial institution and \$305,188 in restricted cash held at another financial institution. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to the amount of \$250,000 and the State regulation stipulated above fully insures all deposits as of June 30, 2023.

## 3. RECEIVABLES

Receivables consisted of the following at June 30, 2023:

	<u>Water Enterprise</u>	<u>Street Maintenance Enterprise</u>	<u>Lighting Enterprise</u>	<u>Parks Enterprise</u>	<u>Total</u>
Service charge					
receivables	\$ 225,802	\$ 688	\$ -	\$ -	\$ 226,490
Uncollectible allowance	(8,630)	-	-	-	(8,630)
Assessment receivables	-	9,732	3,090	-	12,822
Other receivables	257	-	860	-	1,117
	<u>\$ 217,429</u>	<u>\$ 10,420</u>	<u>\$ 3,950</u>	<u>\$ -</u>	<u>\$ 231,799</u>

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 4. BOND REPAYMENT ASSESSMENT RECEIVABLES

Bond repayment assessment receivables consisted of the following at June 30, 2023:

Water bond receivables	\$ 107,713
Vega bond receivables	<u>3,203,516</u>
	3,311,229
Less current portion	<u>(210,275)</u>
Bond repayment assessment receivables, net of current portion	<u>\$ 3,100,954</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, consisted of the following:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>
<u>Capital Assets</u>				
<u>Not Depreciated:</u>				
Land	\$ 1,646,453	\$ -	\$ -	\$ 1,646,453
Construction in process	<u>87,456</u>	<u>709,009</u>	<u>(68,489)</u>	<u>727,976</u>
	<u>1,733,909</u>	<u>709,009</u>	<u>(68,489)</u>	<u>2,374,429</u>
<u>Capital Assets Being</u>				
<u>Depreciated:</u>				
Utility plant	2,519,130	-	-	2,519,130
Buildings and improvements	550,986	-	-	550,986
Machinery and equipment	839,121	-	-	839,121
Vega plant improvements	4,701,006	13,691	-	4,714,697
Normco tank	331,966	13,995	-	345,961
Pajaro tank and system	2,196,169	183,262	-	2,379,431
Langley/VP	247,544	4,787	-	252,331
Vierra Estate	220,042	78,803	-	298,845
Moss Landing Water	310,547	111,798	-	422,345
Springfield	393,244	-	(393,244)	-
Sunny Mesa	15,883	215,739	-	231,622
Pajaro Park buildings and improvements	<u>5,513,510</u>	<u>-</u>	<u>-</u>	<u>5,513,510</u>
	<u>17,839,148</u>	<u>622,075</u>	<u>(393,244)</u>	<u>18,067,979</u>
<b>Total Capital Assets</b>	19,573,057	1,331,084	(461,733)	20,442,408
Less accumulated depreciation	<u>(8,343,382)</u>	<u>(1,229,896)</u>	<u>19,662</u>	<u>(9,553,616)</u>
	<u>\$ 11,229,675</u>	<u>\$ 101,188</u>	<u>\$ (442,071)</u>	<u>\$ 10,888,792</u>

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT

**2015 Water Revenue Refunding Bonds**

In June 2015, the District issued \$2,275,000 in Water Revenue Refunding Bonds to provide resources to purchase U.S. Government Securities that were placed in escrow for the purpose of generating resources for full payment of the 2010 Certificates of Participation. As a result, the 2010 Certificates of Participation were considered to be defeased, and the liability was removed from the statement of net position in 2015.

The Water Revenue Refunding Bonds mature in installments ranging from \$60,000 to \$140,000 from May 1, 2016 through May 1, 2040, and bear interest at rates from 2.00% to 4.40%, payable annually on May 1 each year.

The Bonds are subject to optional prepayment prior to their respective stated maturities, as a whole or in part in order of maturity, on or after May 1, 2023. The amount of such optional prepayments is equal to the principal, accrued interest to the date of prepayment plus a prepayment premium, if applicable. The premium is computed on the principal prepaid at a rate of 2% for May 1, 2023 through November 1, 2023, and 1% for prepayment dates May 1, 2024 through November 1, 2024. There are no premiums applicable to prepayments made on or after May 1, 2025.

The Bonds maturing on May 1, 2040, are subject to mandatory prepayments ranging from \$115,000 to \$140,000 beginning May 1, 2036 through May 1, 2040.



## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT (Continued)

**2015 Water Revenue Refunding Bonds** (Continued)

A Reserve Fund, equal to the lesser of 10% of the proceeds of the Bonds, the maximum annual debt service, or 125% of the average annual debt service on the Certificates, is required. The balance in the Reserve Fund at June 30, 2023, was \$149,020 and is included in restricted cash in the statement of net position.

The District is obligated to make installment payments solely from the "Net Revenues" defined as the gross revenues during each fiscal year, less the maintenance and operation costs during each fiscal year.

**Special Assessment Vega Water Bond**

The District has an outstanding special assessment bond which was issued for the primary purpose of enabling the District to acquire and construct certain water storage and distribution improvements and appurtenances. The special assessment bond was issued under, and is subject to, the provisions of the Improvement Bond Act of 1915 and are collateralized by liens against properties within the District and repaid from assessments levied against the subject properties. The District is liable for delinquent unpaid assessments in excess of the amounts recoverable upon sale or redemption of the subject properties.

At June 30, 2023, unpaid assessments receivable amounted to \$3,203,516 of which \$170,000 is current and \$3,033,516 is non-current. The assessments are billed to consumers through property tax rolls by the County of Monterey.

The Vega Special Assessment Bond was originally issued at \$4,715,000 with installment payments ranging from \$10,000 to \$420,000 paid serially from September 2, 2009 through September 2, 2038, and bear interest at rates 4% to 5%, payable semiannually on March 2 and September 2 of each year.

During fiscal year 2016, the District paid in full the outstanding payable balance of the 2007 Vega Special Assessment Bond via debt refunding. Refer to the section below for more details.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT (Continued)

**2015 Vega Mutual Water Refunding District Bonds**

In July 2015, the District issued \$4,135,000 in Vega Mutual Water Refunding Bonds to provide resources to purchase U.S. Government Securities that were placed in escrow for the purpose of generating resources for full payment of the original Vega Mutual Water Assessment District, Series 2007 Bonds.

The outstanding principal of the defeased bonds is \$4,204,800 at June 30, 2016. The reacquisition price exceeded the net carrying amount of the old debt by \$110,020. This amount is presented as deferred outflow of resources and is amortized over the life of the refunded debt, which is the same as the original debt. This advance refunding was undertaken to reduce total debt service payments over the next twenty-two years by approximately \$770,000 and resulted in an economic gain (difference between the present values of debt service payments on the old and new debt) of approximately \$550,000.

The Bonds are collateralized by liens against properties within the District and repaid from assessments levied against the subject properties. The District is liable for delinquent unpaid assessments in excess of the amounts recoverable upon sale or redemption of the subject properties.

The Bonds mature in installments ranging from \$80,000 to \$275,000 from September 2, 2016 through September 2, 2037, and bear interest at rates from 3.50% to 4.25%, payable semiannually on March 2 and September 2 of each year.

The Bonds are subject to optional redemption prior to their respective stated maturities, as a whole or in part in order of maturity, on or after March 2, 2016.

The redemption price is equal to the principal, accrued interest to the date of prepayment plus a prepayment premium, if applicable. The premium is computed on the principal prepaid at a rate of 3% for March 2, 2026 through September 2, 2025. There are no premiums applicable to redemptions made on or after March 2, 2026.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT (Continued)

**Special Assessment Water Improvement Bond**

The District has an outstanding special assessment bond which was issued for the purpose of enabling the District to acquire and make improvements to certain water treatment systems. The special assessment bond was issued under, and is subject to, the provisions of the Improvement Bond Act of 1915 and are collateralized by liens against properties within the District and repaid from assessments levied against the subject properties. The District is liable for delinquent unpaid assessments in excess of the amounts recoverable upon sale or redemption of the subject properties.

The Improvement Special Assessment Bond was originally issued at \$692,700 with installment payments ranging from \$1,000 to \$43,000 paid serially from September 2, 1987 through September 2, 2025, and bear interest at 6.375%, payable semiannually on March 2 and September 2 of each year.

At June 30, 2023, unpaid assessments receivable amounted to \$107,713 of which \$40,275 is current and \$67,438 is non-current. The assessments are billed to consumers through property tax rolls by the County of Monterey.

**2021 Water Revenue Bonds**

In August 2021, the District issued \$1,660,000 in Water Revenue Bonds to provide resources to acquire, construct and pay costs associated with various improvements of the utility systems at the District, establish a reserve fund and establish a delivery cost fund. The cost of issuing the Water Revenue Bonds totaled \$109,871 and is included in the accompanying statement of revenues, expenses, and changes in net position. A premium of \$42,391 is deferred and recognized over the life of the Water Revenue Bonds and is included in long-term debt in the statement of net position.

The Water Revenue Bonds mature in installments ranging from \$40,000 to \$90,000 from September 2, 2022 through September 2, 2047, and bear interest, at rates from 2.00% to 4.00%, payable semi-annually on March 2 and September 2 each year.

The Water Revenue Bonds are subject to optional prepayment prior to their respective stated maturities, as a whole or in part in order of maturity, on or after September 2, 2032. The amount of such optional prepayments is equal to the principal, accrued interest to the date of prepayment, without premium.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT (Continued)

**2021 Water Revenue Bonds** (Continued)

The Water Revenue Bonds maturing on September 2, 2037 and September 2, 2047, are subject to mandatory prepayments, without premium, ranging from \$60,000 to \$90,000 beginning September 2, 2033 and September 2, 2038, respectively.

A Reserve Fund, equal to the lesser of (1) 10% of the proceeds of the Bonds, (2) the maximum annual debt service, or (3) 125% of the average annual debt service on the bonds, is required. The balance in the Reserve Fund at June 30, 2023, was \$95,040 and is included in restricted cash in the statement of net position.

The District is obligated to make installment payments solely from the "Net Water Revenues" defined as the gross water system revenues during each fiscal year, less the maintenance and operation costs during each fiscal year.

**Reorganization Loan**

The District obtained a loan in 2007 with an original principal amount of \$520,000 for the purpose of refinancing an existing loan with a financial institution and the construction of various District improvements. The loan constituted a first lien on all District net revenues. The principal payments range from \$20,000 to \$40,000 paid from September 14, 2007 through May 14, 2026, with an interest rate of 5.25%, paid semiannually on September 14 and May 14 of each year.

**Vehicle Loan**

The District obtained \$63,024 in loans from a financial institution on March 13, 2020, for the purchase of two District vehicles. These loans mature on September 11, 2025, and require total monthly payments of \$1,189.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 6. LONG-TERM DEBT (Continued)

Changes in long-term debt amounts for 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 2023</u>	<u>Due Within One Year</u>
<u>Long-term debt:</u>					
2015 Water Revenue Refunding Bonds	\$ 1,805,000	\$ -	\$ (70,000)	\$ 1,735,000	\$ 75,000
2015 Vega Refunding Assessment Bonds	3,347,600	-	(150,000)	3,197,600	170,000
Water Improvement Assessment Bonds	159,000	-	(36,000)	123,000	38,000
2021 Water Revenue Bonds	1,660,000	-	(40,000)	1,620,000	45,000
Reorganization loan	185,000	-	(35,000)	150,000	35,000
Vehicle loan	35,594	-	(12,776)	22,818	13,433
Unamortized premium	42,392	-	(1,697)	40,695	-
Unamortized discount	<u>(39,030)</u>	<u>-</u>	<u>2,290</u>	<u>(36,740)</u>	<u>-</u>
Total long-term debt	7,195,556	<u>\$ -</u>	<u>\$ (343,183)</u>	6,852,373	<u>\$ 376,433</u>
Less current portion	<u>(343,779)</u>			<u>(376,433)</u>	
Total long-term debt, net of current portion	<u>\$ 6,851,777</u>			<u>\$ 6,475,940</u>	

Future debt service requirements for the years ending June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Current	\$ 376,433	\$ 261,073	\$ 637,506
2025	374,373	245,790	620,163
2026	380,012	230,125	610,137
2027	345,000	215,648	560,648
2028-2032	1,730,000	878,558	2,608,558
2033-2037	2,105,000	496,962	2,601,962
2038-2042	1,037,600	135,926	1,173,526
2043-2047	410,000	40,975	450,975
2048-2052	<u>93,955</u>	<u>1,238</u>	<u>95,193</u>
	<u>\$ 6,852,373</u>	<u>\$ 2,506,295</u>	<u>\$ 9,358,668</u>

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 7. RESTRICTED NET POSITION

Restricted assets consisted of the following at June 30, 2023:

	<u>Amount</u>
Water bond fund	\$ 886,542
Street maintenance reserve fund	<u>202,912</u>
	<u>\$ 1,089,454</u>

The District has established a water trust account at a financial institution to hold and separate proceeds received from the Vega Water Mutual Refunding Bond and Water Revenue Refunding Bonds. The funds are held in trust until at which time expenditures occur for the designated projects and payments are remitted. In addition, reserve trust accounts are maintained at a financial institution to hold funds for future debt service as in accordance with the bond agreement.

The District, through county tax rolls, assesses specific home associations for street maintenance and repairs. Included in the assessments are funds for future large street projects. The accumulation of these fees, although not actually segregated from other District assets, are legally segregated by accounting purposes and restricted for their intended use by enabling state legislation and District ordinances.

## 8. POOLED ARRANGEMENTS

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority).

The Authority is a risk-pooling, self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The Authority provides coverage to the District for property losses, auto and general liability, worker's compensation, public official's liability and underground tank storage losses. Members of the Authority share the costs of professional risk management, claims administration and excess insurance. The District establishes an amount which represents the District's deductible per occurrence and the Authority provides self-insured coverage up to established pool limits for the various type of insurance coverage. Settlements have not exceeded insurance coverage in each of the past three years.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

**9. POOLED ARRANGEMENTS (Continued)**

Coverage limits are \$2 million per occurrence for general liability, automotive and public official's liability; replacement cost for property, subject to varying deductibles; \$100,000 for crime coverage; and statutory limits for worker's compensation.

**10. RETIREMENT PLAN**

The District's current defined contribution plan (Plan) administered by the Public District Retirement Services (PARS) provides retirement benefits to all full-time employees employed on or after January 1, 2010. The District is required to contribute an amount equal to fifteen percent (15%) of the permanent full-time employees' gross salaries. The contribution to the Plan was \$136,366 for the year ended June 30, 2023. Employees become 100% vested in the Plan upon completion of five years of service. If the age and years of service requirements are not met at termination of employment, the employee is entitled to one-half of all their accrued contributions. Any employee forfeitures are either returned to the District and used to offset future contributions or reallocated pro-rata among the remaining employees. The fair market value (and carrying value) of the Plan is determined by the current value of the Plan's investment portfolio in the open market.

**11. CONCENTRATION OF CREDIT RISK**

The Pajaro/Sunny Mesa Community Services District serves the residents of specific geographic areas of North Monterey County and extends credit to substantially all of its customers and does not require security deposits for all of its customers.

**12. COMMITMENTS AND CONTINGENCIES**

The District is subject to various claims and legal actions relating to a range of matters that are incidental to the conduct of its operations. In management's opinion, the outcome of any such litigation will not materially affect the District's financial condition, and management intends to vigorously pursue their positions in these matters.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

**13. COMMITMENTS AND CONTINGENCIES (Continued)****North County Water System Improvement Projects**

On May 27, 2010, Certificates of Participation were executed for the purpose of improving systems in the area that have quantity and quality water issues. The project will include the construction of the water system to serve potable water and fire suppression flows to areas within the District which are presently out of compliance with county and state environmental health standards due to very high levels of arsenic and nitrate contaminations. As a result of the 2015 Water Revenue bond refunding, these Certificates of Participation were considered to be defeased in the year ended June 30, 2015. Refer to Note 6 for additional information.

**14. PAJARO NEIGHBORHOOD PARK - DONATED CAPITAL ASSETS**

On February 11, 2014, the District was given title to the property and improvements of the newly constructed Pajaro Neighborhood Park (Park). Funding for the construction of the Park was provided by a grant from the State Department of Parks and Recreation (Proposition 84) and the Redevelopment District of Monterey County. The total transfer project value was approximately \$6.3 million. As part of the property transfer agreement, the District is now responsible for the cost to operate and maintain the Park for a period of twenty years. Per grant conditions, the District is not allowed to charge a gate fee, or use fee for the general public. Reservation fees for special events are paid directly to a third party operator. The District does not generate revenue from the Pajaro Park.

**15. GRANTS**

The District has received financial assistance from various federal and state agencies in the form of grants. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the District.



## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

## 15. GRANTS (Continued)

Grants from State Water Resources Control Board

On June 6, 2017, the District became eligible for funding of cleanup and abatement activities via a grant received from the State Water Board. The maximum amount payable under this agreement shall not exceed \$153,218, of which \$79,164 is budgeted for prior years with bottled distribution records to be completed by June 30, 2017. The additional funding of \$74,054 was given to continue the bottled water distribution. Under the grant agreement, the District may obtain funding for reasonable and necessary costs of clean up and abatement activities, including providing interim replacement drinking water to disadvantaged communities, incurred on or after September 5, 2014, with bottled distribution records to be completed by December 31, 2019. The District's funding for the same project for prior period (2013-2016) was amended and increased by \$50,000, with the final claim and disbursement date moved to May 1, 2019.

On October 1, 2019, the District received a grant from the California Water Boards for the purpose of purchasing and delivering bottled drinking water for three distinct project areas within Monterey County. The total grant of \$532,565 funds was to provide five-gallon water bottles, totaling approximately 65 gallons to bottled drinking water to approximately 218 people, which was completed by September 30, 2022. On October 1, 2022, the District received a grant extension from the California Water Boards for \$837,743, for the same purpose.

## 16. WATER RATE INCREASES

In April 2021, the Board of Directors of the District approved water rate decreases and increases, which became effective on July 1, 2021, and in effect for five fiscal years.

The approved (decreases)/increases are as follows for the years ending June 30:

2024:	11%
2025:	8%
2026:	5%

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT****NOTES TO BASIC FINANCIAL STATEMENTS****JUNE 30, 2023****17. NATURAL DISASTER**

In early 2023, flooding struck the Community of Pajaro and surrounding areas and caused destruction across Monterey County as well as other parts of California. As a result of this flooding, the District experienced approximately \$1.3 million worth of damage to the water systems as indicated by an insurance adjuster. The insurance premium is \$100,000, which can be reimbursed by FEMA. At the conclusion of this audit, the District did not know the full extent of the financial impact of the flooding which took place.

**SUPPLEMENTARY INFORMATION**

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES AND EXPENSES,  
BUDGET AND ACTUAL - WATER ENTERPRISE

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
User service charges	\$ 2,513,000	\$ 2,334,684	\$ (178,316)
Reimbursements	29,500	84,398	54,898
Connection fees	33,400	77,217	43,817
Miscellaneous	1,000	306	(694)
<b>TOTAL OPERATING REVENUES</b>	<u>2,576,900</u>	<u>2,496,605</u>	<u>(80,295)</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	1,149,050	1,187,271	(38,221)
Water system repairs and maintenance	225,000	391,687	(166,687)
Utilities - well site	170,000	154,284	15,716
Other expenses	75,600	(7,401)	83,001
Fuel	53,000	47,087	5,913
Casualty insurance	42,000	43,033	(1,033)
Accounting and bookkeeping	38,500	36,050	2,450
Licenses and permits	36,000	31,394	4,606
Office expenses	35,700	43,352	(7,652)
Soil and water tests	30,000	50,692	(20,692)
Membership fees and dues	20,000	20,963	(963)
Legal expenses	17,000	19,319	(2,319)
Telephone	17,000	19,386	(2,386)
Bond administrative costs	11,000	11,775	(775)
Postage	9,600	9,600	-
Utilities - office	4,000	4,295	(295)
Engineering expense	1,000	-	1,000
<b>TOTAL OPERATING EXPENSES</b>	<u>1,934,450</u>	<u>2,062,787</u>	<u>(128,337)</u>
<b>OPERATING INCOME</b>	<u>642,450</u>	<u>433,818</u>	<u>(208,632)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Assessments	335,000	141,335	(193,665)
Grant revenue	-	80,478	80,478
Income from investment	150	36,784	36,634
Other income	6,650	240	(6,410)
Bond principal payments and interest expense	(611,700)	(613,033)	(1,333)
Bond issuance costs - Note 6	-	(4,259)	(4,259)
Grant reimbursement expenses	-	(191,891)	(191,891)
<b>NON-OPERATING REVENUES (EXPENSES) - NET</b>	<u>(269,900)</u>	<u>(550,346)</u>	<u>(280,446)</u>
<b>INCREASE (DECREASE) IN NET POSITION - BUDGETARY BASIS</b>	<u>\$ 372,550</u>	<u>(116,528)</u>	<u>\$ (489,078)</u>
<b>DIFFERENCES BETWEEN BUDGETARY AND GAAP EXPENDITURES:</b>			
Depreciation and amortization expense		(1,001,504)	
Debt principal payments		343,776	
<b>TOTAL CHANGE IN NET POSITION REPORTED ON THE STATEMENT REVENUES, EXPENSES AND CHANGES IN NET POSITION OF</b>		<u>\$ (774,256)</u>	

The accompanying notes are an integral part of this supplementary information.

**PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES,**  
**BUDGET AND ACTUAL - STREET MAINTENANCE ENTERPRISE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>			
Street maintenance reimbursements	\$ 64,300	\$ 63,889	\$ (411)
<b>TOTAL OPERATING REVENUES</b>	<u>64,300</u>	<u>63,889</u>	<u>(411)</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	31,650	27,365	4,285
General, administrative and operating expenses	<u>32,650</u>	<u>18,603</u>	<u>14,047</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>64,300</u>	<u>45,968</u>	<u>18,332</u>
<b>OPERATING INCOME</b>	<u>-</u>	<u>17,921</u>	<u>17,921</u>
<b>NON-OPERATING REVENUES (EXPENSES) - NET</b>		<u>-</u>	
<b>INCREASE IN NET POSITION - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>17,921</u>	<u>\$ 17,921</u>
<b>DIFFERENCES BETWEEN BUDGETARY AND GAAP EXPENDITURES:</b>		<u>-</u>	
<b>TOTAL INCREASE IN NET POSITION REPORTED ON THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		<u>\$ 17,921</u>	

The accompanying notes are an integral part of this supplementary information.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES AND EXPENSES,  
BUDGET AND ACTUAL - LIGHTING ENTERPRISE

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>			
Street lights service charges	\$ 41,100	\$ 41,090	\$ (10)
<b>TOTAL OPERATING REVENUES</b>	<u>41,100</u>	<u>41,090</u>	<u>(10)</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	13,000	9,329	3,671
General, administrative and operating expenses	<u>28,100</u>	<u>31,442</u>	<u>(3,342)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>41,100</u>	<u>40,771</u>	<u>329</u>
<b>OPERATING INCOME</b>	<u>-</u>	<u>319</u>	<u>319</u>
<b>NON-OPERATING REVENUES (EXPENSES) - NET</b>		<u>-</u>	
<b>INCREASE IN NET POSITION - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>319</u>	<u>\$ 319</u>
<b>DIFFERENCES BETWEEN BUDGETARY AND GAAP EXPENDITURES</b>		<u>-</u>	
<b>TOTAL INCREASE IN NET POSITION REPORTED ON THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		<u>\$ 319</u>	

The accompanying notes are an integral part of this supplementary information.

## PAJARO/SUNNY MESA COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES AND EXPENSES,  
BUDGET AND ACTUAL - PARKS ENTERPRISE

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OPERATING REVENUES</b>			
Pajaro Park revenue	\$ -	\$ 60,000	\$ 60,000
<b>TOTAL OPERATING REVENUES</b>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
<b>OPERATING EXPENSES</b>			
Salaries and employee benefits	58,000	48,352	9,648
General, administrative and operating expenses	<u>23,650</u>	<u>30,383</u>	<u>(6,733)</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>81,650</u>	<u>78,735</u>	<u>2,915</u>
<b>OPERATING LOSS</b>	<u>(81,650)</u>	<u>(18,735)</u>	<u>62,915</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Property tax	25,000	34,274	9,274
Other income	<u>37,000</u>	<u>6,000</u>	<u>(31,000)</u>
<b>NON-OPERATING REVENUES (EXPENSES) - NET</b>	<u>62,000</u>	<u>40,274</u>	<u>(21,726)</u>
<b>DECREASE IN NET POSITION -         BUDGETARY BASIS</b>	<u>\$ (19,650)</u>	21,539	<u>\$ 41,189</u>
<b>DIFFERENCES BETWEEN BUDGETARY AND GAAP EXPENDITURES</b>			
Depreciation and amortization expense		<u>(237,315)</u>	
<b>TOTAL DECREASE IN NET POSITION REPORTED ON THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>		<u>\$ (215,776)</u>	

The accompanying notes are an integral part of this supplementary information.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Pajaro/Sunny Mesa Community Services District  
Royal Oaks, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pajaro/Sunny Mesa Community Services District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February xx, 2024.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Salinas, California  
February xx, 2024

## FINANCIAL NOTES -NOVEMBER 2023

Account No:	Account Name:	Increase / Decrease	Description
<b>Income:</b>			
4001-4015	Total Income	-	Water Revenue: 92% of budget projection
<b>Expenses: Indirect</b>			
5000	Salaries & Wages	+	Three (3) payroll periods within the month
5250	Legal Expenses	+	Grunsky Law Firm: October services
5270	Automotive Repair & Maint.	+	Transmission Service: 2009 Chevy & 2015 Chevy
5320	Membership Fees & Dues	+	California Special Districts Association: Annual Dues
5326	Licenses & Certifications	+	Water operations education courses and renewal of backflow certification
<b>Expenses: Direct</b>			
5220	Water System- Repair & Maint.	-	No major repairs necessary
<b>Other Income:</b>			
4110	Hydrant Sales	+	Water usage and service fees for three (3) hydrant meter rentals in Pajaro
4140	Connection Fees	+	Sunny Mesa Water System: New 1" connection

### Income & Cash Summary

<b>Total Income</b>	<b>Total Expense</b>	<b>Difference</b>
\$227,349.14	\$168,038.60	\$59,310.54
<b>October Cash</b>	<b>November Cash</b>	<b>Difference</b>
\$837,529.90	\$893,093.26	\$55,563.36

## Pajaro/Sunny Mesa Community Services District

## Balance Sheet

As of November 30, 2023

December 11, 2023  
Accrual Basis

	Nov 30, 23
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1001 · SCCB - Operating Account	415,260.27
1002 · SCCB Reserve Account	477,832.99
1003 · SCCB - Sick Leave Account	5,501.02
1004 · SCCB - Street Maint Acct	271,429.30
1006 · SCCB-GF 633	18,431.08
1007 · SCCB - Debt Service Reserve	110,178.73
1032 · SCCB-COP Acct	146,118.72
1036 · PSM Pajaro Park Acct	132,232.03
1050 · Cash in County Treasury - DS	11,023.10
1051 · Cash in County Treasury - GF	1,359.56
1052 · US Bank 2021 Gen. Bond -8000	2,086.81
1054 · US Bank 2021 Gen. Bond -8002	387,947.43
1055 · US Bank 2021 Gen. Bond -8003	10.89
1056 · US Bank 2021 Gen. Bond -8004	10.21
1057 · US Bank 2021 Gen. Bond -8005	94,894.45
1066 · US Bank Vega 2303	153,487.30
1068 · US Bank Vega 2301	189.54
1069 · US Bank Vega-2302	564.02
1095 · US Bank Wtr Bond-Res 2204	148,485.46
2201 · US Bank-2015 Wtr Rfd Bd 2201	6,775.40
	<hr/>
<b>Total Checking/Savings</b>	2,383,818.31
<b>Accounts Receivable</b>	
1110 · Invoice Accounts Recv	9,847.60
1231 · Grants Receivable-A/R	124,466.58
	<hr/>
<b>Total Accounts Receivable</b>	134,314.18
<b>Other Current Assets</b>	
1080 · Petty Cash	400.00
1100 · Water Customer Accounts Recv	243,384.98
1101 · Allowance for Doubtful Accounts	-8,669.02
1115 · Prepaid Expenses	1.31
1153 · Receivable from Monterey County	860.00
1251 · Assess. Rec. - Lighting	2,460.14
1252 · Assessments Rec. - Street Maint	7,472.00
1253 · Assessments Rec. - Water bond	158,000.00
1253.1 · Assess Rec - Water Bond - Count	1,704.43
1254 · Advanced Pay - Spec. Asses - WB	-16,561.65
	<hr/>
<b>Total Other Current Assets</b>	389,052.19
	<hr/>
<b>Total Current Assets</b>	2,907,184.68
<b>Fixed Assets</b>	
1084 · CIP-Springfield/Struve	18,967.36
1500 · Land	139,676.30
1510 · Land Improve (Non-office)	314,656.67
1520 · Land Improve (Office)	66,721.46
1521 · A/D - Land Impr (Off)	-81,264.40
1522 · Land - Parks	248,000.00
1530 · Wells	162,488.25
1540 · Pumping Plant Bldg	191,044.92
1541 · A/D - Pumping Plant Bldg	-191,045.00
1550 · District Office Building	163,247.47
1551 · A/D - District Office Building	-134,429.73
1555 · Office Equipment/Furniture	36,030.86
1556 · A/D - Office Equip/Furniture	-30,572.90
1557 · Equipment - Lighting	8,980.18
1559 · A/D - Lighting and Parks	-8,980.18
1560 · Electric Power to Sheds	2,598.59
1561 · A/D - Electric Power to Sheds	-2,599.00
1570 · Equipment - Pumping Plant	515,504.21
1571 · A/D - Equipment - Pumping Plant	-461,444.87
1580 · Distribution Mains [P]	1,487,948.01

**Balance Sheet**

As of November 30, 2023

	Nov 30, 23
1581 · A/D - Distribution Mains	-1,143,515.68
1590 · Meters	90,114.13
1591 · A/D - Meters	-86,770.11
1600 · Hydrants	7,422.43
1601 · A/D - Hydrants	-5,001.72
1610 · Automotive Equipment	229,909.12
1611 · A/D - Automotive Equipment	-187,628.31
1620 · Utility Trans/Distr Plant	115,702.65
1621 · A/D - Utility T&D Plant	-98,853.77
1622 · A/D - Moss Landing	-194,706.31
1630 · Utility Plant	107,992.45
1631 · A/D - Utility Plant	-107,992.00
1640 · Source of Supply Plant	54,616.59
1641 · A/D - Source of Supply Plant	-21,946.73
1650 · Trans & Distr Plant	248,292.08
1651 · A/D - Trans & Distr Plant	-110,827.30
1670 · Small Tools/Equipment	10,773.67
1671 · A/D - Small Tools/Equipment	-10,192.51
1680 · ALCO Water Project	155,809.38
1681 · A/D - ALCO Water Project	-116,856.45
1804 · CIP-Springfield	393,244.44
1804.1 · A/D- Springfield Project	-19,662.00
1805 · CIP-Vega Imprvtmnt Project	4,599,594.33
1805.1 · A/D - Vega	-2,646,993.90
1806 · Moss Landing Bridge Project	251,233.09
1807 · CIP-Langley/VP	326,356.61
1807.1 · A/D - Langley/VP	-102,916.74
1808 · CIP-Normco	587,633.30
1808.1 · A/D - Normco Tank	-167,091.73
1811 · CIP-Vierra Estate	298,844.86
1811.1 · A/D - Vierra Estates	-72,373.72
1812 · CIP-Moss Landing Water System	487,386.42
1812.1 · A/D - Moss Landing Water	-105,644.55
1814 · CIP-Pajaro	2,385,940.58
1814.1 · A/D- Pajaro	-135,655.00
1816 · Land - Pajaro Park	781,632.00
1817 · Improvements - Pajaro Park	4,717,110.00
1817.1 · A/D - Improvements -Pajaro Park	-1,706,515.63
1818 · Buildings - Pajaro Park	796,400.00
1818.1 · A/D - Buildings-Pajaro Park	-234,959.26
1819 · Equipment - Pajaro Park	43,381.00
1819.1 · A/D - Equipment-Pajaro Park	-36,150.89
1820 · Normco Treatment Facility	127,374.00
1820.1 · A/D-Normco Treatment Facility	-118,981.85
1821 · CIP-Sunny Mesa	231,621.50
1821.1 · A/D-Sunny Mesa	-444.00
1822 · CIP-Vega	121,490.24
1822.1 · A/D-Vega	-1,364.00
1823 · CIP-Blackie	71,557.55
1824 · CIP- Generator Project	68,489.00
<b>Total Fixed Assets</b>	<b>12,322,405.46</b>
<b>Other Assets</b>	
1120 · Due From Gen Fund	0.66
1141 · Due From SC Grant Acct	100.00
1151 · Due from Maint Account	157.19
1220 · Spl Asmnt Revc-Long Term	3,367,662.72
1950 · Deferred amount on refunding	59,901.60
1951 · Deferred Amt of Ref-Vega Bds15	75,013.09
<b>Total Other Assets</b>	<b>3,502,835.26</b>
<b>TOTAL ASSETS</b>	<b>18,732,425.40</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	

## Pajaro/Sunny Mesa Community Services District

## Balance Sheet

As of November 30, 2023

December 11, 2023

Accrual Basis

	Nov 30, 23
Accounts Payable	
2000 · Accounts Payable	42,412.58
Total Accounts Payable	42,412.58
Credit Cards	
2900 · Wells Fargo- 6120	149.80
2905 · Wells Fargo- 0721	359.54
2910 · Elan	410.66
Total Credit Cards	920.00
Other Current Liabilities	
2005 · Accrued Liabilities	3,748.00
2050 · Accrued Payroll	14,399.49
2100 · Payroll Tax Liabilities	2,658.42
2110 · Direct Deposit Liabilities	0.01
2121 · Customer Security Deposits	17,878.70
2122 · Future Water Conn. Deposits	36,600.00
2123 · Hydrant Meter Deposits	25,050.00
2225 · Accrued Vacation Liability	15,761.00
2230 · Accrued Sick Leave Liability	34,223.70
2263 · 457b EE Plan Payable	5,318.30
2264 · Employee Insurance Payable	-1,266.94
2265 · EE Aflac Insurance Payable	1,299.50
2320 · Due to 64 Original Sewer Accts	29,169.90
2324 · Payable to Customers	2,347.79
2325 · Payable to P.V.W.M.A.	8,971.05
Total Other Current Liabilities	196,158.92
Total Current Liabilities	239,491.50
Long Term Liabilities	
2256 · Vehicle Loan Payable	17,304.56
2257 · Reorganization Loan	150,000.00
2350 · Bonds Payable - Water Bond	85,000.00
2355 · Bonds Payable- 2021 Gen. Bond	1,575,000.00
2360 · Bonds Payable-2015 COP Wtr Rf	1,735,000.00
2361 · Bonds Payable-2015 Vega Wtr Rf	3,027,599.67
2400 · Unamortized Discount on 2015	-27,987.01
2401 · Unamortized Discount-2015 Vega	-11,042.72
2402 · 2021 Gen. Bond Premium	42,391.80
Total Long Term Liabilities	6,593,266.30
Total Liabilities	6,832,757.80
Equity	
3000 · Fund Balance	219,540.85
3001 · Restricted-Street Maintenance	187,116.80
3040 · Contributed Capital	248,000.00
3045 · Restricted for Debt Service	4,575,060.23
3050 · Retained Earnings	6,268,238.57
Net Income	401,711.15
Total Equity	11,899,667.60
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>18,732,425.40</b>

December 11, 2023

## Profit &amp; Loss

Accrual Basis

November 2023

	Nov 23
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4001 · Route 1 - Pajaro	22,522.77
4002 · Route 2 - Pajaro	27,207.18
4003 · Route 3 - Commercial	25,765.76
4004 · Route 4 - Trailer Park	1,523.94
4005 · Route 5 - San Juan Rd Apts	1,139.21
4006 · Route 6 - Sunny Mesa	14,233.62
4007 · Route 7 - CSA 73	16,135.21
4008 · Route 8 - Vega	16,349.14
4010 · Route 10 -Springfield	850.00
4011 · Route 11 - Moss Landing	31,208.36
4012 · Route 12 - Blackie Road	4,981.05
4013 · Route 13 - Normco	36,136.37
4014 · Route 14 - Vierra	5,987.38
4015 · Route 15 - Langley/VP	3,675.98
<b>Total Income</b>	<u>207,715.97</u>
<b>Gross Profit</b>	207,715.97
<b>Expense</b>	
<b>INDIRECT</b>	
5000 · Salaries and Wages	86,666.36
5005 · Administrative Fees	522.52
5030 · Payroll Tax Expense	1,453.57
5050 · Employee Health Insurance	14,517.55
5070 · Employee Retirement	14,790.25
5090 · Other Employee Expense	158.08
5120 · Property Taxes	332.58
5130 · Utilities - Office	113.72
5140 · Building Repair & Maint	309.54
5145 · District Wide Repair & Maint	728.80
5150 · Garbage Service	396.44
5160 · Office Equip Rental	668.21
5165 · Computer Software	873.48
5170 · Office Equipment Repair & Maint	95.00
5200 · Billing Supplies	70.03
5240 · Office Supplies	650.00
5245 · Postage	1,000.00
5250 · Legal Expenses	3,850.00
5256 · Interest Exp-Financed Items	77.24
5260 · Accounting & Bookkeeping	5,000.00
5270 · Automotive - Repair & Maint	2,141.00
5280 · Conferences, Meetings, Seminars	15.99
5320 · Membership Fees and Dues	6,500.00
5326 · Licenses and Certifications	954.25
5330 · Telephone	864.64
5340 · Burglar Alarm Monitoring	162.00
5370 · Fuel - Trucks	2,685.03
5391 · Credit Card Transaction Fees	36.70
<b>Total INDIRECT</b>	<u>145,632.98</u>
5190 · Water Testing- Labs	2,127.00
5220 · Water System - Repair & Maint	9,471.86
5225 · Street Maintenance	4,745.42
5230 · Park - Repair & Maint	125.52
5231 · Pajaro Park Expense	3,686.70
5310 · Utilities - Well Site	10,806.76
5315 · Utilities - Street Lighting	117.82
5392 · Returned Online Payment Fee	20.00
5427 · Improvement Project-Springfield	-18,192.75
<b>Total Expense</b>	<u>158,541.31</u>
<b>Net Ordinary Income</b>	49,174.66
<b>Other Income/Expense</b>	

**Pajaro/Sunny Mesa Community Services District**  
**Profit & Loss**  
November 2023

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	<u>Nov 23</u>
<b>Other Income</b>	
4100 · Late Payment Penalties	562.56
4110 · Hydrant Sales	8,171.10
4140 · Connection Fees	5,380.00
4285 · P.V.W.M.A. Collection Fee	2,169.35
4307 · Returned Check Charges	25.00
4350 · Interest Revenue	3,350.16
5424 · Springfield Bottled Wtr Gr Reimb	1,484.28
	<hr/>
<b>Total Other Income</b>	21,142.45
<b>Other Expense</b>	
5442 · North of Moss Landing Proj- Exp	40.00
	<hr/>
<b>Total Other Expense</b>	40.00
	<hr/>
<b>Net Other Income</b>	21,102.45
	<hr/>
<b>Net Income</b>	<u><u>70,277.11</u></u>



Pajaro/Sunny Mesa Community Services District
Profit & Loss Budget Performance- Water Enterprise
November 2023

12:14 PM
December 11, 2023
Accrual Basis

Table with 8 columns: Description, Nov 23, Budget, % of Budget, Jul - Nov 23, YTD Budget, % of Budget, Annual Budget. Rows include Ordinary Income/Expense, Income (4001-4015), Total Income, Gross Profit, Expense (INDIRECT 5000-5250).

12:14 PM

December 11, 2023

Accrual Basis

**Pajaro/Sunny Mesa Community Services District**  
**Profit & Loss Budget Performance- Water Enterprise**  
 November 2023

	Nov 23	Budget	% of Budget	Jul - Nov 23	YTD Budget	% of Budget	Annual Budget
5255 · Interest Expense	0.00	658.33	0.0%	3,937.50	3,291.69	119.6%	7,900.00
5256 · Interest Exp-Financed Items	77.24	125.00	61.8%	434.29	625.00	69.5%	1,500.00
5260 · Accounting & Bookkeeping	5,000.00	3,208.33	155.8%	25,000.00	16,041.69	155.8%	38,500.00
5266 · Engineering Svcs-Dist Wide	0.00	1,083.33	0.0%	1,500.00	5,416.69	27.7%	13,000.00
5270 · Automotive - Repair & Maint	2,141.00	833.33	256.9%	11,764.29	4,166.69	282.3%	10,000.00
5280 · Conferences, Meetings, Seminars	15.99	41.66	38.4%	199.95	208.38	96.0%	500.00
5290 · Travel Expenses	0.00	41.66	0.0%	0.00	208.38	0.0%	500.00
5300 · Books & Subscriptions	0.00	125.00	0.0%	0.00	625.00	0.0%	1,500.00
5305 · Water Conservation Program	0.00	250.00	0.0%	0.00	1,250.00	0.0%	3,000.00
5320 · Membership Fees and Dues	6,500.00	1,791.66	362.8%	11,617.64	8,958.38	129.7%	21,500.00
5326 · Licenses and Certifications	954.25	166.66	572.6%	954.25	833.38	114.5%	2,000.00
5330 · Telephone	864.64	1,500.00	57.6%	4,536.26	7,500.00	60.5%	18,000.00
5340 · Burglar Alarm Monitoring	162.00	75.00	216.0%	386.00	375.00	102.9%	900.00
5370 · Fuel - Trucks	2,685.03	3,333.33	80.6%	15,053.90	16,666.69	90.3%	40,000.00
5390 · Bank Charges	0.00	25.00	0.0%	0.00	125.00	0.0%	300.00
5391 · Credit Card Transaction Fees	36.70	41.66	88.1%	183.38	208.38	88.0%	500.00
5400 · Miscellaneous Expense	0.00	16.66	0.0%	0.00	83.38	0.0%	200.00
6577 · COP Debt Service - Interest	0.00	5,933.33	0.0%	35,562.50	29,666.69	119.9%	71,200.00
<b>Total INDIRECT</b>	<b>145,632.98</b>	<b>140,049.87</b>	<b>104.0%</b>	<b>714,448.58</b>	<b>700,250.91</b>	<b>102.0%</b>	<b>1,680,600.00</b>
5190 · Water Testing- Labs	2,127.00	2,916.66	72.9%	15,613.40	14,583.38	107.1%	35,000.00
5220 · Water System - Repair & Maint	9,471.86	18,750.00	50.5%	78,274.06	93,750.00	83.5%	225,000.00
5265 · Engineering Expenses	0.00	83.33	0.0%	0.00	416.69	0.0%	1,000.00
5310 · Utilities - Well Site	10,806.76	14,583.33	74.1%	74,167.78	72,916.69	101.7%	175,000.00
5325 · Permits	0.00	3,000.00	0.0%	2,459.00	15,000.00	16.4%	36,000.00
5360 · Fuel - Generator	0.00	833.33	0.0%	0.00	4,166.69	0.0%	10,000.00
5428 · COP Bond Expense	0.00	350.00	0.0%	2,170.00	1,750.00	124.0%	4,200.00
6565 A · 2021 Bond Expense- Fees	0.00	375.00	0.0%	2,300.00	1,875.00	122.7%	4,500.00
<b>Total Expense</b>	<b>168,038.60</b>	<b>180,941.52</b>	<b>92.9%</b>	<b>889,432.82</b>	<b>904,709.36</b>	<b>98.3%</b>	<b>2,171,300.00</b>
<b>Net Ordinary Income</b>	<b>39,677.37</b>	<b>44,641.78</b>	<b>88.9%</b>	<b>282,952.68</b>	<b>223,207.54</b>	<b>126.8%</b>	<b>535,700.00</b>
<b>Other Income/Expense</b>							
<b>Other Income</b>							
4100 · Late Payment Penalties	562.56	416.66	135.0%	2,647.85	2,083.38	127.1%	5,000.00
4101 · Billing Adjustments	0.00	16.66	0.0%	0.00	83.30	0.0%	199.92
4110 · Hydrant Sales	8,171.10	1,250.00	653.7%	30,824.80	6,250.00	493.2%	15,000.00
4115 · Testing Fees	0.00	916.66	0.0%	90.00	4,583.38	2.0%	11,000.00
4140 · Connection Fees	5,380.00	616.66	872.4%	128,043.00	3,083.38	4,152.7%	7,400.00
4141 · Application Fees	0.00	45.83	0.0%	605.00	229.19	264.0%	550.00
4146 · Other Fees	0.00	33.33	0.0%	0.00	166.69	0.0%	400.00
4285 · P.V.W.M.A. Collection Fee	2,169.35	2,416.66	89.8%	14,087.23	12,083.38	116.6%	29,000.00
4300 · Collection of Previous W/O Acct	0.00	20.83	0.0%	0.00	104.19	0.0%	250.00

Pajaro/Sunny Mesa Community Services District  
**Profit & Loss Budget Performance- Water Enterprise**  
 November 2023

	<u>Nov 23</u>	<u>Budget</u>	<u>% of Budget</u>	<u>Jul - Nov 23</u>	<u>YTD Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
4305 · Miscellaneous Revenue	0.00	83.33	0.0%	360.00	416.69	86.4%	1,000.00
4341 · Lighting Admin Reimbursements	0.00	1,083.33	0.0%	0.00	5,416.69	0.0%	13,000.00
4346 · District 25% Overhead Fee	0.00	41.66	0.0%	0.00	208.38	0.0%	500.00
4350 · Interest Revenue	3,350.16	1,250.00	268.0%	17,220.31	6,250.00	275.5%	15,000.00
4355 · Audit/Bookkeeping Reimbursement	0.00	58.33	0.0%	0.00	291.69	0.0%	700.00
4360 · Legal Counsel Reimbursement	0.00	33.33	0.0%	0.00	166.69	0.0%	400.00
<b>Total Other Income</b>	<u>19,633.17</u>	<u>8,283.27</u>	<u>237.0%</u>	<u>193,878.19</u>	<u>41,417.03</u>	<u>468.1%</u>	<u>99,399.92</u>
<b>Net Other Income</b>	<u>19,633.17</u>	<u>8,283.27</u>	<u>237.0%</u>	<u>193,878.19</u>	<u>41,417.03</u>	<u>468.1%</u>	<u>99,399.92</u>
<b>Net Income</b>	<u><u>59,310.54</u></u>	<u><u>52,925.05</u></u>	<u><u>112.1%</u></u>	<u><u>476,830.87</u></u>	<u><u>264,624.57</u></u>	<u><u>180.2%</u></u>	<u><u>635,099.92</u></u>

## AGING REPORT: November 2023

Aging Balance as of 12/1/23

Balance	Current	30 Days	60 Days	90 Days
\$232,474.30	\$194,642.60	\$32,664.46	\$4,858.47	\$308.77

Previous Month Balances				
\$263,404.03	\$234,017.97	\$23,602.60	\$5,607.32	\$176.14

Notes:

Past due collections continue to be consistent. The District received a total of \$2,576.00 from LIHWAP that was applied to 5 accounts. The District continues to encourage customers to apply.

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Operating Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	11/17/2023	Charles Grosser	1001 · SCCB - Operating Account		-111.24
Bill	Platt- ...	11/14/2023		5220 · Water System - Repair & Maint	-111.24	111.24
TOTAL					-111.24	111.24
Check	AP	11/19/2023	Santa Cruz County Bank	1001 · SCCB - Operating Account		-623.25
				2256 · Vehicle Loan Payable	-595.03	595.03
				5256 · Interest Exp-Financed Items	-28.22	28.22
TOTAL					-623.25	623.25
Check	AP	11/20/2023	Total Merchant Services	1001 · SCCB - Operating Account		-0.25
				5391 · Credit Card Transaction Fees	-0.25	0.25
TOTAL					-0.25	0.25
Bill Pmt -Check	AP	11/22/2023	M&M Backflow & Meter	1001 · SCCB - Operating Account		-300.00
Bill	inv-00...	11/17/2023		5326 · Licenses and Certifications	-300.00	300.00
TOTAL					-300.00	300.00
Check	AP	11/24/2023	Total Merchant Services	1001 · SCCB - Operating Account		-0.50
				5391 · Credit Card Transaction Fees	-0.50	0.50
TOTAL					-0.50	0.50
Bill Pmt -Check	AP	11/27/2023	AT&T 1782-Online	1001 · SCCB - Operating Account		-31.43
Bill	11/7/2...	11/07/2023		5310 · Utilities - Well Site	-31.43	31.43
TOTAL					-31.43	31.43
Bill Pmt -Check	AP	11/27/2023	AT&T 2627-Online	1001 · SCCB - Operating Account		-31.43
Bill	11/7/2...	11/07/2023		5310 · Utilities - Well Site	-31.43	31.43
TOTAL					-31.43	31.43
Bill Pmt -Check	AP	11/27/2023	AT&T 3439-Online	1001 · SCCB - Operating Account		-31.43
Bill	NOV ...	11/01/2023		5310 · Utilities - Well Site	-31.43	31.43
TOTAL					-31.43	31.43
Bill Pmt -Check	AP	11/27/2023	AT&T 6542-Online	1001 · SCCB - Operating Account		-61.54
Bill	11/7/2...	11/07/2023		5310 · Utilities - Well Site	-61.54	61.54
TOTAL					-61.54	61.54
Bill Pmt -Check	AP	11/27/2023	Chevrolet of Watsonville- Online	1001 · SCCB - Operating Account		-1,202.24
Bill	280846	11/03/2023		5270 · Automotive - Repair & Maint	-1,202.24	1,202.24
TOTAL					-1,202.24	1,202.24
Bill Pmt -Check	AP	11/27/2023	Elan-Online	1001 · SCCB - Operating Account		-157.09
Bill	Nov st...	11/04/2023		2910 · Elan	-157.09	157.09
TOTAL					-157.09	157.09
Bill Pmt -Check	AP	11/27/2023	EverBank	1001 · SCCB - Operating Account		-195.29
Bill	97713...	11/08/2023		5160 · Office Equip Rental	-195.29	195.29

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Operating Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
TOTAL					-195.29	195.29
Bill Pmt -Check	AP	11/27/2023	Palace Business Solutions-ACH	1001 · SCCB - Operating Account		-124.00
Bill	69920...	11/06/2023		5200 · Billing Supplies	-70.03	70.03
Bill	69916...	11/06/2023		5240 · Office Supplies	-53.97	53.97
TOTAL					-124.00	124.00
Bill Pmt -Check	AP	11/27/2023	PG&E 0819-Online	1001 · SCCB - Operating Account		-8,911.58
Bill	10/5/2...	11/03/2023		5310 · Utilities - Well Site	-3,721.42	3,721.42
				5310 · Utilities - Well Site	-2,323.16	2,323.16
				5310 · Utilities - Well Site	-367.47	367.47
				5310 · Utilities - Well Site	-741.42	741.42
				5310 · Utilities - Well Site	-253.29	253.29
				5315 · Utilities - Street Lighting	-99.92	99.92
				5310 · Utilities - Well Site	-1,404.90	1,404.90
TOTAL					-8,911.58	8,911.58
Bill Pmt -Check	AP	11/27/2023	PG&E 1826-Online	1001 · SCCB - Operating Account		-17.16
Bill	10/18/...	11/16/2023		5310 · Utilities - Well Site	-17.16	17.16
TOTAL					-17.16	17.16
Bill Pmt -Check	AP	11/27/2023	PG&E 6022-Online	1001 · SCCB - Operating Account		-17.90
Bill	10/20/...	11/17/2023		5315 · Utilities - Street Lighting	-17.90	17.90
TOTAL					-17.90	17.90
Bill Pmt -Check	AP	11/27/2023	Wells Fargo- 6120 ONLINE	1001 · SCCB - Operating Account		-381.79
Bill		11/10/2023		2900 · Wells Fargo- 6120	-381.79	381.79
TOTAL					-381.79	381.79
Bill Pmt -Check	AP	11/27/2023	Wells Fargo 0721-Online	1001 · SCCB - Operating Account		-375.53
Bill		11/10/2023		2905 · Wells Fargo- 0721	-375.53	375.53
TOTAL					-375.53	375.53
Check	AP	11/30/2023	Total Merchant Services	1001 · SCCB - Operating Account		-30.20
				5391 · Credit Card Transaction Fees	-30.20	30.20
TOTAL					-30.20	30.20
Check	AP	12/04/2023	Total Merchant Services	1001 · SCCB - Operating Account		-0.50
				5391 · Credit Card Transaction Fees	-0.50	0.50
TOTAL					-0.50	0.50
Bill Pmt -Check	AP	12/08/2023	Ace Hardware Watsonville- ACH	1001 · SCCB - Operating Account		-221.12
Bill	226445	11/02/2023		5220 · Water System - Repair & Maint	-48.22	48.22
Bill	226473	11/03/2023		5220 · Water System - Repair & Maint	-21.93	21.93
Bill	226540	11/07/2023		5220 · Water System - Repair & Maint	-30.86	30.86
Bill	226570	11/09/2023		5230 · Park - Repair & Maint	-10.96	10.96
Bill	226650	11/13/2023		5220 · Water System - Repair & Maint	-109.15	109.15
TOTAL					-221.12	221.12
Bill Pmt -Check	AP	12/08/2023	Agee Electric, Inc.- Online	1001 · SCCB - Operating Account		-728.74
Bill	3242	11/30/2023		5220 · Water System - Repair & Maint	-728.74	728.74
TOTAL					-728.74	728.74

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December 11, 2023

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Operating Account**  
 November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	12/08/2023	Aramark- ACH	1001 · SCCB - Operating Account		-309.54
Bill	51103...	11/02/2023		5140 · Building Repair & Maint	-38.34	38.34
Bill	51103...	11/09/2023		5140 · Building Repair & Maint	-97.26	97.26
Bill	51103...	11/16/2023		5140 · Building Repair & Maint	-38.34	38.34
Bill	51103...	11/23/2023		5140 · Building Repair & Maint	-97.26	97.26
Bill	51103...	11/30/2023		5140 · Building Repair & Maint	-38.34	38.34
TOTAL					-309.54	309.54
Bill Pmt -Check	AP	12/08/2023	AT&T 3439-Online	1001 · SCCB - Operating Account		-31.43
Bill	DEC ...	12/01/2023		5310 · Utilities - Well Site	-31.43	31.43
TOTAL					-31.43	31.43
Bill Pmt -Check	AP	12/08/2023	Bianchi Alarm Systems-Online	1001 · SCCB - Operating Account		-162.00
Bill	Inv. 2...	11/01/2023		5340 · Burglar Alarm Monitoring	-78.00	78.00
Bill	26503	11/30/2023		5340 · Burglar Alarm Monitoring	-84.00	84.00
TOTAL					-162.00	162.00
Bill Pmt -Check	AP	12/08/2023	C & N Tractors/Rentals- ACH	1001 · SCCB - Operating Account		-114.56
Bill	86580...	11/08/2023		5230 · Park - Repair & Maint	-72.17	72.17
Bill	86864...	11/15/2023		5230 · Park - Repair & Maint	-42.39	42.39
TOTAL					-114.56	114.56
Bill Pmt -Check	AP	12/08/2023	CALNET/ AT&T 2506	1001 · SCCB - Operating Account		-789.02
Bill	NOV ...	12/01/2023		5310 · Utilities - Well Site	-29.43	31.73
				5310 · Utilities - Well Site	-29.42	31.73
				5225 · Street Maintenance	-86.11	92.86
				5310 · Utilities - Well Site	-94.60	102.02
				5231 · Pajaro Park Expense	-57.37	61.87
				5330 · Telephone	-492.09	530.68
TOTAL					-789.02	850.89
Bill Pmt -Check	AP	12/08/2023	Castroville Ace Hardware-ACH	1001 · SCCB - Operating Account		-40.10
Bill	19285...	11/06/2023		5220 · Water System - Repair & Maint	-9.69	9.69
Bill	19310...	11/20/2023		5220 · Water System - Repair & Maint	-7.81	7.81
Bill	19324...	11/30/2023		5145 · District Wide Repair & Maint	-22.60	22.60
TOTAL					-40.10	40.10
Bill Pmt -Check	AP	12/08/2023	Chevrolet of Watsonville- Online	1001 · SCCB - Operating Account		-714.38
Bill	281312	11/22/2023		5270 · Automotive - Repair & Maint	-714.38	714.38
TOTAL					-714.38	714.38
Bill Pmt -Check	AP	12/08/2023	Corbin Willits Systems-Online	1001 · SCCB - Operating Account		-533.69
Bill	000C...	11/15/2023		5165 · Computer Software	-533.69	533.69
TOTAL					-533.69	533.69
Bill Pmt -Check	AP	12/08/2023	Core & Main- ACH	1001 · SCCB - Operating Account		-503.31
Bill	T8997...	11/06/2023		5145 · District Wide Repair & Maint	-333.94	333.94
Bill	T9085...	11/07/2023		5220 · Water System - Repair & Maint	-88.64	88.64
Bill	T9241...	11/13/2023		5220 · Water System - Repair & Maint	-80.73	103.96
TOTAL					-503.31	526.54
Bill Pmt -Check	AP	12/08/2023	Data Flow Business Systems-Online	1001 · SCCB - Operating Account		-95.00
Bill	374769	11/27/2023		5170 · Office Equipment Repair & Maint	-95.00	95.00

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December 11, 2023

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Operating Account**  
 November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
TOTAL					-95.00	95.00
Bill Pmt -Check	AP	12/08/2023	GreatAmerica Financial-Online	1001 · SCCB - Operating Account		-472.92
Bill	35376...	11/27/2023		5160 · Office Equip Rental	-472.92	472.92
TOTAL					-472.92	472.92
Bill Pmt -Check	AP	12/08/2023	Grunsky Law Firm	1001 · SCCB - Operating Account		-3,850.00
Bill	Inv. 1...	11/02/2023		5250 · Legal Expenses	-3,850.00	3,850.00
TOTAL					-3,850.00	3,850.00
Bill Pmt -Check	AP	12/08/2023	ICONIX Waterworks (US), Inc- ACH	1001 · SCCB - Operating Account		-6,732.90
Bill	U231...	11/01/2023		5220 · Water System - Repair & Maint	-347.98	347.98
Bill	U231...	11/01/2023		5220 · Water System - Repair & Maint	-3,876.98	3,876.98
Bill	U231...	11/08/2023		5220 · Water System - Repair & Maint	-2,507.94	2,507.94
TOTAL					-6,732.90	6,732.90
Bill Pmt -Check	AP	12/08/2023	MBAS- ACH	1001 · SCCB - Operating Account		-1,054.00
Bill	23110...	11/15/2023		5190 · Water Testing- Labs	-99.60	99.60
Bill	23110...	11/15/2023		5190 · Water Testing- Labs	-76.00	76.00
Bill	23110...	11/20/2023		5190 · Water Testing- Labs	-447.00	447.00
Bill	23110...	11/20/2023		5190 · Water Testing- Labs	-131.60	131.60
Bill	23110...	11/20/2023		5190 · Water Testing- Labs	-146.40	146.40
Bill	23110...	11/24/2023		5190 · Water Testing- Labs	-153.40	153.40
TOTAL					-1,054.00	1,054.00
Bill Pmt -Check	AP	12/08/2023	Mid Valley Supply- ACH	1001 · SCCB - Operating Account		-1,823.80
Bill	I272988	11/07/2023		5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-125.16	125.16
				5220 · Water System - Repair & Maint	-125.16	125.16
				5220 · Water System - Repair & Maint	-312.90	312.90
				5090 · Other Employee Expense	-158.08	158.08
Bill	I273087	11/14/2023		5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-125.16	125.16
				5220 · Water System - Repair & Maint	-187.74	187.74
				5145 · District Wide Repair & Maint	-163.77	163.77
Bill	I273239	11/28/2023		5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-62.58	62.58
				5220 · Water System - Repair & Maint	-187.77	187.77
TOTAL					-1,823.80	1,823.80
Bill Pmt -Check	AP	12/08/2023	Monterey One Water- Online	1001 · SCCB - Operating Account		-69.98
Bill	11/1/2...	11/30/2023		5310 · Utilities - Well Site	-44.25	44.25
Bill	DEC ...	11/30/2023		5130 · Utilities - Office	-25.73	25.73
TOTAL					-69.98	69.98
Bill Pmt -Check	AP	12/08/2023	Palace Business Solutions-ACH	1001 · SCCB - Operating Account		-156.39
Bill	70088...	11/28/2023		5240 · Office Supplies	-156.39	156.39
TOTAL					-156.39	156.39
Bill Pmt -Check	AP	12/08/2023	PARS- ACH	1001 · SCCB - Operating Account		-522.52
Bill	54366	11/08/2023		5005 · Administrative Fees	-522.52	522.52
TOTAL					-522.52	522.52
Bill Pmt -Check	AP	12/08/2023	PG&E 1438-Online	1001 · SCCB - Operating Account		-1,575.61





**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Operating Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Check	PARS	11/29/2023	US Bank - PARS #6746022400	1001 · SCCB - Operating Account		-4,905.50
				5070 · Employee Retirement	-4,905.50	4,905.50
TOTAL					-4,905.50	4,905.50
Bill Pmt -Check	25663	12/08/2023	California Special Districts Assoc-Onl...	1001 · SCCB - Operating Account		-6,500.00
Bill	2024 ...	11/01/2023		5320 · Membership Fees and Dues	-6,500.00	6,500.00
TOTAL					-6,500.00	6,500.00
Bill Pmt -Check	25664	12/08/2023	Elden Pierce	1001 · SCCB - Operating Account		-100.00
Bill	Work...	12/07/2023		5090 · Other Employee Expense	-100.00	100.00
TOTAL					-100.00	100.00
Bill Pmt -Check	25665	12/08/2023	Jacquelyn D. Mitchell	1001 · SCCB - Operating Account		-150.00
Bill	Depos...	05/16/2023		2121 · Customer Security Deposits	-150.00	150.00
TOTAL					-150.00	150.00
Bill Pmt -Check	25666	12/08/2023	Marco Rodriguez	1001 · SCCB - Operating Account		-121.29
Bill	Credit...	12/06/2023		1100 · Water Customer Accounts Recv	-121.29	121.29
TOTAL					-121.29	121.29
Bill Pmt -Check	25667	12/08/2023	Mr. Angel Martin Duran	1001 · SCCB - Operating Account		-129.73
Bill	Credit...	12/06/2023		1100 · Water Customer Accounts Recv	-129.73	129.73
TOTAL					-129.73	129.73
Bill Pmt -Check	25668	12/08/2023	Ms. Alicia Alonso Fuentes	1001 · SCCB - Operating Account		-40.38
Bill	Credit...	12/06/2023		1100 · Water Customer Accounts Recv	-40.38	40.38
TOTAL					-40.38	40.38
Bill Pmt -Check	25669	12/08/2023	Ms. Maria Rivera	1001 · SCCB - Operating Account		-410.70
Bill	Credit...	12/06/2023		1100 · Water Customer Accounts Recv	-410.70	410.70
TOTAL					-410.70	410.70
Bill Pmt -Check	25670	12/08/2023	Santa Cruz County Bank	1001 · SCCB - Operating Account		-566.04
Bill	ACCT...	11/21/2023		2256 · Vehicle Loan Payable	-517.02	517.02
				5256 · Interest Exp-Financed Items	-49.02	49.02
TOTAL					-566.04	566.04
Bill Pmt -Check	25671	12/08/2023	SWRCB-DWOCP	1001 · SCCB - Operating Account		-60.00
Bill	Rene...	11/29/2023		5326 · Licenses and Certifications	-60.00	60.00
TOTAL					-60.00	60.00

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Reserve Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	12/08/2023	Darrel Varni Electric, Inc.	1002 · SCCB Reserve Account		-8,991.04
Bill	inv # ...	11/20/2023		1812 · CIP-Moss Landing Water System	-8,991.04	8,991.04
TOTAL					-8,991.04	8,991.04

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Street Maintenance Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	11/27/2023	PG&E 9545 Street Maint-Online	1004 · SCCB - Street Maint Acct		-92.81
Bill	10/19/...	11/17/2023		5225 · Street Maintenance 5310 · Utilities - Well Site	-48.24 -44.57	48.24 44.57
TOTAL					-92.81	92.81
Bill Pmt -Check	AP	12/08/2023	Oscar Ortiz	1004 · SCCB - Street Maint Acct		-940.97
Bill	OCT-...	11/26/2023		5225 · Street Maintenance 5225 · Street Maintenance	-760.00 -180.97	760.00 180.97
TOTAL					-940.97	940.97
Bill Pmt -Check	AP	12/08/2023	Pajaro/Sunny Mesa Comm Svcs Dist	1004 · SCCB - Street Maint Acct		-130.26
Bill	NOV ...	12/01/2023		5225 · Street Maintenance	-130.26	130.26
TOTAL					-130.26	130.26

**Pajaro/Sunny Mesa Community Services District**  
**Check Detail - Pajaro Park Account**  
November 17 through December 11, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	AP	11/27/2023	AT&T- 2458 Paj Park Uverse	1036 · PSM Pajaro Park Acct		-68.50
Bill	acct 3...	11/05/2023		5231 · Pajaro Park Expense	-68.50	68.50
TOTAL					-68.50	68.50
Bill Pmt -Check	AP	11/27/2023	Darrel Varni Electric, Inc.	1036 · PSM Pajaro Park Acct		-1,978.60
Bill	inv # ...	11/20/2023		5231 · Pajaro Park Expense	-1,978.60	1,978.60
TOTAL					-1,978.60	1,978.60
Bill Pmt -Check	AP	11/27/2023	PG&E 3540 Pajaro Park-Online	1036 · PSM Pajaro Park Acct		-125.37
Bill	10/19/...	11/17/2023		5231 · Pajaro Park Expense	-125.37	125.37
TOTAL					-125.37	125.37
Bill Pmt -Check	AP	12/08/2023	CALNET/ AT&T 2506	1036 · PSM Pajaro Park Acct		-61.87
Bill	NOV ...	12/01/2023		5310 · Utilities - Well Site	-2.30	31.73
				5310 · Utilities - Well Site	-2.31	31.73
				5225 · Street Maintenance	-6.75	92.86
				5310 · Utilities - Well Site	-7.42	102.02
				5231 · Pajaro Park Expense	-4.50	61.87
				5330 · Telephone	-38.59	530.68
TOTAL					-61.87	850.89
Bill Pmt -Check	AP	12/08/2023	Mid Valley Supply- ACH	1036 · PSM Pajaro Park Acct		-400.55
Bill	I272959	11/06/2023		5231 · Pajaro Park Expense	-400.55	400.55
TOTAL					-400.55	400.55
Bill Pmt -Check	AP	12/08/2023	Pajaro Valley Lock Shop	1036 · PSM Pajaro Park Acct		-105.99
Bill	137327	11/29/2023		5231 · Pajaro Park Expense	-105.99	105.99
TOTAL					-105.99	105.99
Bill Pmt -Check	AP	12/08/2023	Panther Protective Services- ACH	1036 · PSM Pajaro Park Acct		-425.00
Bill	00011...	11/21/2023		5231 · Pajaro Park Expense	-425.00	425.00
TOTAL					-425.00	425.00
Bill Pmt -Check	AP	12/08/2023	WM / Carmel Marina - Pajaro Park-Onlin	1036 · PSM Pajaro Park Acct		-396.44
Bill	99661...	12/01/2023		5231 · Pajaro Park Expense	-396.44	396.44
TOTAL					-396.44	396.44

# Project Proposal A.1

Focus Area	Project	Project Partner	Original Proposal	New Proposal
Individual & Economic Recovery	Unmet Flood Recovery Needs	Disaster Case Management (10% for M&A)	\$6,000,000	<b>\$10,000,000</b>
		Undocumented Flood Survivors		
	Small Business Flood Recovery	Workforce Development Board (8.2% for M&A)		
Community Resource Development	Community Grants	RFP for Fiscal Agent (5-10% for M&A)	\$3,000,000	<b>\$2,000,000</b>
Infrastructure & Community Development	Pajaro Community Sign	Public Works	\$500,000	<b>\$0</b>
	Safe Streets + <b>Community Sign</b>	Public Works	\$1,750,000	<b>\$2,000,000</b>
	Housing Infrastructure Feasibility Planning	Housing & Community Development	\$500,000	<b>\$0</b>
Natural & Cultural Resources	Pajaro Library/ Community Space and Resilience Center	Public Works, Monterey County Free Libraries	\$3,500,000	\$3,500,000
	Pajaro Middle School Recreation Upgrades	Pajaro Valley Unified School District	\$2,000,000	<b>\$0</b>
	Pajaro Parks	Pajaro Sunny Mesa CSD	\$1,200,000	\$1,200,000
Emergency Preparedness, Readiness, & Response	Emergency Response & Flood Fighting	North County Fire Protection District	\$500,000	\$500,000
	Digital Message Board	Pajaro Valley Unified School District	\$200,000	<b>\$100,000</b>
	Emergency Preparedness & Recovery Planning	Department of Emergency Management	\$450,000	<b>\$300,000</b>
		Contingency (2%)	\$400,000	\$400,000
		Total	\$20,000,000	\$20,000,000

**Costs are approximate and subject to change. Detailed cost estimates will be developed following approval of the project list.**

# Final Project Proposal List

Focus Area	Project	Project Partner	Estimated Cost
Individual & Economic Recovery	Unmet Flood Recovery Needs	Disaster Case Management (10% for M&A)	\$10,000,000
		Undocumented Flood Survivors	
	Small Business Flood Recovery	Workforce Development Board (8.2% for M&A)	
Community Resource Development	Community Grants	RFP for Fiscal Agent (5-10% for M&A)	\$2,000,000
Infrastructure & Community Development	Safe Streets + Community Sign	Public Works	\$2,000,000
Natural & Cultural Resources	Pajaro Library/ Community Space and Resilience Center	Public Works, Monterey County Free Libraries	\$3,500,000
	Pajaro Parks	Pajaro Sunny Mesa CSD	\$1,200,000
Emergency Preparedness, Readiness, & Response	Emergency Response & Flood Fighting	North County Fire Protection District	\$500,000
	Digital Message Board	Pajaro Valley Unified School District	\$100,000
	Emergency Preparedness & Recovery Planning	Department of Emergency Management	\$300,000
		Contingency (2%)	\$400,000
		<b>Total</b>	<b>\$20,000,000</b>

## DISTRICT OPERATIONS REPORT

December 14, 2023

TOPIC	STATUS	DATE OF PLANNED RESPONSE
Grants & Loans Active	SRF Planning Grant Springfield: Springfield Planning Grant – The California Department of Fish and Wildlife, Incidental Take Permit Application has been deemed complete. The Financial Packet is complete and under review by Division of Financial Assistance (DFA). Technical, Design and Environmental packets are close to completion. <b>MNS Engineers have submitted 90% of the plans to State for review.</b>	December 2023
Pajaro Park	The Board and Staff are considering Operations funding. Staff have contacted Monterey County for cash disbursement of \$59,000. The District received the requested \$59,000.	On Agenda
Generator Project	Quinn Staff are working with District staff in ensuring all generators are exercising and running properly. A problem was discovered with the Pajaro generator, most likely flood related. The Pajaro generator has been working properly. <b>Electrical work was completed at the Moss Landing Well Site.</b>	December 2023
Hazard Mitigation Plan	The Local Hazard Mitigation Plan has been officially adopted by FEMA on April 5, 2023. Final invoice has been reimbursed. Close-out documentation has been submitted to CalOES for review.	No Report
Multi Community Bottled Water Project	Springfield Water System, Moss Landing Mobile Home Park, Springfield/Bluff/Jensen and Giberson Roads. Funding agreement has been executed; staff submitted request for reimbursement October 2022-June 2023 \$84,600. <b>District received \$84,600 from October 2022-June 2023 and received approval for payment of the reimbursement request for July 2023-September 2023.</b>	December 2023
ACWA JPIA 2023 Wellness Grant	Staff have been awarded a \$360 Grant from ACWA JPIA towards an employee wellness awareness meeting or standing desk converter.	No Report
LIHWAP	<b>The District has received \$51,062 to date from LIHWAP.</b>	December 2023
Tank Replacement/Rehab Grant Project	Presented the District needs to State Water Boards-Division of Financial Assistance (DFA). DFA will review needs and direct us to the correct funding programs, State Revolving Fund or Urgent Water Needs Funding Program. Staff had a conference call with State Representatives requesting mapping for our water systems.	No Report
Pajaro Long-term Recovery	Working with Monterey County Department of Emergency Management to replace Pajaro Park field and play area turf. Also, to add more benches, tables and shaded areas.	On Agenda



**DISTRICT OPERATIONS REPORT**  
**December 14, 2023**

Current Water System Repairs	<p>Blackie Road #18 WS:</p> <p>Langley/Valle Pacifico WS:</p> <ul style="list-style-type: none"> <li>• <b>Fire tanks overflowed due to valve not shutting off.</b></li> </ul> <p>Moss Landing Harbor WS:</p> <ul style="list-style-type: none"> <li>• <b>Waiting on Maggiora to schedule the well pump replacement.</b></li> </ul> <p>Normco WS:</p> <ul style="list-style-type: none"> <li>• <b>Hydrant at Avenida Los Altos was hit on December 2, 2023, it was replaced 12/5/23.</b></li> </ul> <p>Pajaro WS:</p> <p>Springfield Road WS:</p> <ul style="list-style-type: none"> <li>• <b>Patch/pave completed on December 11, 2023.</b></li> </ul> <p>Sunny Mesa WS:</p> <ul style="list-style-type: none"> <li>• <b>New connection at Heritage Circle.</b></li> </ul> <p>Vega #01 WS:</p> <ul style="list-style-type: none"> <li>• <b>Andreas Estates booster was replaced.</b></li> <li>• <b>Marie Lane mainline repair.</b></li> <li>• <b>Oakleaf mainline repair.</b></li> </ul> <p>Vierra Estates WS:</p> <ul style="list-style-type: none"> <li>• <b>Patch/pave for completed on December 11, 2023.</b></li> </ul>	December 2023
Sunny Mesa Sewer	The district is holding monies that are to be refunded to the original Sunny Mesa Sewer customers. Balance Sheet Account #2320-Amount \$29,169.90. Staff is currently reviewing, and has spoken to Bianchi, Kasavan, and Pope for their opinion and assistance if needed.	No Report

## Usage Comparison in Gallons 2022-2023

Water Systems	Nov-20	Nov-21	Nov-22	Nov-23
Pajaro	7,684,952	6,542,008	5,577,088	9,926,708
Normco	2,914,956	2,184,908	1,621,664	1,934,328
Sunny Mesa	2,282,148	2,244,000	2,344,980	1,736,108
Moss Landing	2,331,516	2,577,608	1,993,420	2,209,592
Vega	1,157,156	1,008,304	818,312	853,468
Vierra Estates	376,992	316,404	219,912	243,848
Springfield (pumped)	593,014	384,472	363,528	308,924
Langley/Valle Pacifico	225,148	216,920	166,056	206,448
Blackie	271,524	133,892	128,656	237,116
District Total	17,837,406	15,608,516	13,233,616	17,656,540

Water Systems	Nov-22	Nov-23	Percentage	
Pajaro	5,577,088	9,926,708	↑	78.0%
Normco	1,621,664	1,934,328	↑	19.3%
Sunny Mesa	2,344,980	1,736,108	↓	-26.0%
Moss Landing	1,993,420	2,209,592	↑	10.8%
Vega	818,312	853,468	↑	4.3%
Vierra Estates	219,912	243,848	↑	10.9%
Springfield (pumped)	363,528	308,924	↓	-15.0%
Langley/Valle Pacifico	166,056	206,448	↑	24.3%
Blackie	128,656	237,116	↑	84.3%
District Total	13,233,616	17,656,540	↑	33.4%