

MINUTES

The regular meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 6:30 p.m. on February 26, 2014.

ROLL CALL:

President Stephen Snodgrass
Vice President Harry Wiggins
Treasurer David Delfino
Secretary Paul Miller

ADMINISTRATIVE STAFF:

General Manager Don Rosa
Recorder Monica Nuñez

ABSENT DIRECTOR(S) & STAFF: None

CLOSED SESSION: None

ADDITION(S) TO AGENDA: None

PUBLIC IN ATTENDANCE: None

PUBLIC COMMENTS: None

SCHEDULED ITEMS: None

CONSENT ITEMS:

1. Consider and approve draft minutes of January 15, 2014 regular board meeting and February 7, 2014 special meeting.

Motion to approve draft minutes of January 15, 2014 regular board meeting and February 7, 2014 special meeting as final was made by Director Wiggins, seconded by Director Miller. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

2. Copy of financial reports for January 2014.

Motion to approve Financial Reports for January 2014 was made by Director Delfino, seconded by Director Miller. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

3. General Manager's Report – Status Sheet

- Normco Water System Treatment Facility – Working with Wy'East Engineers to begin installation. California Department of Public Health (CDPH) has given a directive to install new facility for corrosion control by Dec. 31, 2014.

The new facility for corrosion control must be completed by Dec. 31, 2014 or the water system will be deemed out of compliance.

- Normco Water System Pressure Reducing Station & Valve Project – The Don Chapin Co. is scheduled to begin work on Feb. 26, 2014.

The project has been canceled due to weather and will be rescheduled when weather permits.

MINUTES OF REGULAR MEETING – FEBRUARY 26, 2014

CONSENT ITEMS: (Continued)

- Vierra Estates Iron & Manganese Treatment Facility Coordination & Funding with CalTrans – Monterey County Environmental Health Department (MCEHD) has given conditional approval to put system online, expected start-up on February 24, 2014.
- Grants & Loans Active –
 - (1) SRF Planning Grant awarded to District in the amount of \$500,000. Met with Tom Yeager to begin process
 - Tom Yeager has been given early retirement from Kennedy/Jenks. He has submitted an engagement letter to the District and it has been signed and returned. He will continue working on Grant & IRWMP projects.
 - (2) Pre-Planning Grant for Springfield Terrace is under review.
 - The project is doubtful for funding.
 - (3) IRWMP Grant for Pajaro – Met with Tom Yeager to begin process.
- Pajaro Park – Park officially open on Tuesday, Feb. 14, 2014.

Park has been open approximately (2) weeks and have been full with visitors. A Grand Opening Ceremony will take place on March 16, 2014. Park programs are being scheduled through the YMCA of Watsonville and Monterey County has given them \$12,000 in funds for programs. Park is covered by District insurance with JPIA and a representative will be out soon to inspect park.
- TMF Project Update – Currently working on Vierra Estates. - ninety percent (90%) complete. Will be completed by March 12, 2014. Langley/Valle Pacifico has been submitted to Monterey County for review.
- Rate Study (RFP) – Director Delfino has forwarded a packet that includes a few rate studies from various agencies. Tom Yeager has also forwarded RFP drafts and examples.

Mr. Yeager will prepare RFP, which will include a staffing level report and rate study for PCSD that Monterey County will pay for.

Staff/Committee Reports: (Informational Only)

1. Brown Act change effective January 1, 2014
 - Copy of Article from ACWA Perspective

One change will require "Roll Call Vote" after voting to making motion to approve, disapprove or table District business. Staff will supply newly appointed board member with copy of Brown Act.

2. LAFCO – Call for nominations
 - Nomination form

Director Snodgrass, who is a member of LAFCO, recommends nominating Graig Stephens for vacancy.

3. Chromium 6
 - Proposed changes to MCL (maximum contaminant level)
 - Staff attended seminar on 2-12-14 (report)
 - Article on Chromium 6 from Register-Pajaronian
 - Copy of email chain re: Chromium 6

Staff is just learning about Chromium 6, which is naturally in ground water and can be electrically generated and can contaminate the water source.

P/SMCSD BOARD REGULAR MEETING AGENDA – FEBRUARY 26, 2014

Staff/Committee Reports: (Informational Only-Continued)

The City of Watsonville has contacted District for assistance to lobby protesting the proposed changes to MCL. The District is not have the knowledge to make any decision on this matter, therefore could not assist the City with protesting.

The District will take action by testing all sixteen (16) water systems by seconded (2nd) quarter.

4. Banking situation update

District is now set up for online banking with Union Bank, although still awaiting fee schedule to compare with other banks.

A representative from Comerica met with staff to present banking options, whose fees are lower.

Director Snodgrass recommended staff contact Santa Cruz County Bank and Lighthouse Bank regarding banking plans and fees.

Staff will continue to gather information from other banking institutes and present information at next month's meeting.

5. Langley/Valle Pacifico

- Treatment facility sampling spreadsheet
- GM met with representatives from Resin Tech, Bushman Water Group (BWG) and Century Environmental
- Media & change out cost has been reduced to \$4,500, down from \$6,500
- Source water quality has changed since the initial analysis, pH has increased
- District could opt to add an acid at the front of arsenic media to lower pH, which will allow media to have an approximated life cycle of 2 million gallons
- Acid Cost – Annual: approx. \$350
- Chemistry has been done with two other media manufacturers – proving the pH theory

Staff will continue to pH level in water. Staff will also inquire with other agencies that use acid to lower pH and how it is added to system.

6. Joint Powers Authority (JPA) Symposium Report – Judy Vazquez-Varela

The symposium was held on February 20, 2014 by Deep Water Desal with presenters to explain what a JPA is and how it would benefit governmental agencies that would like to become members.

In attendance were representatives from Scotts Valley, Santa Cruz, Castroville and the City of Salinas, as well as others.

Staff Reports: (Action Items)

1. Water Conservation Letter to be mailed to all ratepayers.

Staff researched and compiled the information to create the letter. This is the first step to promote voluntary conservation. Letter will go out with water bills for month of February.

Board complemented staff on a job well done.

2. PCSD Transfer – Update

- Review proposal from Monterey County

Director Snodgrass, Director Miller and General Manager Rosa met with Benny Young and Robert Murdoch from Monterey County to discuss the proposal. The County indicated that they could not agree the indemnity clause, but would be willing to speak with Lew Bauman

P/SMCSD BOARD REGULAR MEETING AGENDA – FEBRUARY 26, 2014

Staff Reports: (Action Items-Continued)

on the possibility of a loan from the County if a catastrophic event were to occur and postpone payments until the year 2020, ten (10) years to repay loan.. . If the District and County representatives would agree to the possibility of a loan, it could be presented to the Board of Supervisors for approval.

The existing vehicles were inspected and road tested by the County's fleet manager per CHP standards, and found to be safe to drive, passing inspection. If the transfer occurs, the District would still receive the monies to replace vehicles, possibly purchasing them outright or leasing them.

Director Snodgrass asked fellow board member and and General Manager Rosa, as a District, if they were still interested in pursuing the acquisition of the PCSD.

General Manager Rosa confirmed he would like to continue negotiations with Monterey County for the betterment of the District and its ratepayers. Director Wiggins and Director Miller would like to review PCSD information again, and ask the County for additional information they feel the County is not releasing for review.

Director Snodgrass and Director Delfino believe the County has given the District all the information they have been required to disclose and do not expect any additional information will be forwarded.

Board is undecided on this matter at this time.

3. Retirement Plan Amendment to comply with law
 - Copy of Amendment

General Manager Rosa and a representative from PARS have agreed to add the following verbiage:

- Normal retirement is sixty-two (62) years of age
- Thirty-two (32) hours per week is considered a full-time employee.

This verbiage is in our District handbook and needs to be added to the retirement plan.

Board agrees to changes needing to be made to plan.

4. New Policy – Criminal Background Checks for Employees

General Manager Rosa reviewed the new policy with Attorney Gullion. On the attorney's advice, the new policy will be limited to current employees who will be working at the new park and any new hires moving forward. The policy will be forwarded to the Board when completed.

Board agrees with new policy and changes.

5. Resolution No. 02-01-14 - Adoption of the Water Supply Assessment for Moss Landing
 - Copy of Resolution No. 02-01-14
 - Copy of Revised Draft WSA in office for review
 - Copy of Moss Landing Community Plan in office for review
 - Copy of NOP Draft Environmental Impact Report for Community Plan in office for review

For the project to proceed, the District will need to approve Resolution No. 02-01-14. This matter has been review with Attorney Gullion and his recommendation is to approve the resolution.

The Board would like to following to be added to the resolution: "Pajaro/Sunny Mesa Community Services District will not be responsible for developing study and/or securing a new water source".

MINUTES OF REGULAR MEETING – FEBRUARY 26, 2014

Staff Reports: (Action Items-Continued)

6. Resolution No. 02-02-14 - Authorizing the Acceptance of Responsibility for the Maintenance and Operation of Certain Facilities at Paris Court, Las Lomas, CA.

General Manager Rosa informed the Board that the maintenance and operation of the Paris Court Subdivision is comparable to the work performed with other street/drain maintenance agreement contracts the District currently has in place with other subdivisions. General Manager Rosa recommends approving resolution and proceeding with maintenance agreement.

Board agrees with recommendation.

OLD BUSINESS: None

New Business:

1. Motion was made by Director Wiggins, seconded by Director Delfino to approve the Water Conservation Letter to be mailed with bills to all ratepayers. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

2. Motion was made by Director Snodgrass, seconded by Director Wiggins to not proceed with the Pajaro County Sanitation District proposal from Monterey County. .

Roll Call Vote: Ayes: P. Miller; H. Wiggins
Noes: D. Delfino; S. Snodgrass
Absent: None
Abstain: None

3. Motion was made by Director Delfino, seconded by Director to approve the Retirement Plan Amendment to comply with law. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

4. Motion was made by Director Snodgrass, seconded by Director Miller to approve the new Criminal Background Checks for Employees for District's current employees who will be working at Pajaro Park and to all new employees hired by the District. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

5. Motion was made by Director Snodgrass, seconded by Director Miller to approve Resolution No. 02-01-14 – A Resolution of the Pajaro Sunny Mesa Community Services District Adopting the Water Supply Assessment for Moss Landing Community Plan Update, which also indicates the Pajaro/Sunny Mesa Community Services District is not responsible for developing study and/or securing a new water source. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
Noes: None
Absent: None
Abstain: None

MINUTES OF REGULAR MEETING – FEBRUARY 26, 2014

New Business: (Continued)

Director Miller has recused himself regarding discussing and voting on Item No. 6 regarding the Paris Court proposed resolution.

6. Motion was made by Director Wiggins, seconded by Director Snodgrass to approve Resolution No. 02-02-14 – A Resolution Authorizing the Acceptance of Responsibility for the Maintenance and Operation of Certain Facilities at Paris Court, Las Lomas, CA. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; S. Snodgrass; H. Wiggins
 Noes: None
 Absent: None
 Abstain: None

Director Miller has returned to regular District business.

MONTHLY EXPENDITURES REPORT FOR REVIEW
APPROVAL OF WARRANTS/CHECKS:

1. General Fund 605: Warrant No. 40-234636 for a total of \$108,390.40.
2. Water Account: Check No. 20267 through No. 20387 for a total of \$245,507.10.
3. Capital Improvement Account: None
4. Street Maintenance Account: Check No. 329 through No. 332 for a total of \$839.93.
5. Reorganization Account: None
6. Construction Account: None

Motion was made by Director Wiggins, seconded by Director Miller to approve all accounts for the month of February 2014. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
 Noes: None
 Absent: None
 Abstain: None

CLOSED SESSION: (Personnel Matters, Litigation) None.

NEXT BOARD MEETING:

Board noted the next regular meeting will be held on Wednesday, March 19, 2014 at 6:30 p.m. at the District office.

There being no further business, the regular meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 8:51 p.m. with motion made by Director Snodgrass, seconded by Director Wiggins. Motion carried unanimously.

Roll Call Vote: Ayes: D. Delfino; P. Miller; S. Snodgrass; H. Wiggins
 Noes: None
 Absent: None
 Abstain: None

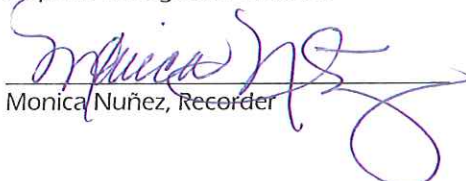
Respectfully submitted by:



Stephen Snodgrass, President



Harry Wiggins, Vice President



Monica Nuñez, Recorder