

# MINUTES

The special meeting of the Pajaro/Sunny Mesa Community Services District Board of Directors was called to order at 6:30 p.m. on August 7, 2013.

**ROLL CALL:**

President Stephen Snodgrass  
Vice President Harry Wiggins  
Treasurer David Delfino  
Secretary Stephen Caron 6:40 p.m.  
Assistant Secretary Paul Miller

**ADMINISTRATIVE STAFF:**

General Manager Don Rosa  
Recorder Judy Vazquez-Varela

**ABSENT DIRECTOR(S) & STAFF:**

None

**CLOSED SESSION:** None

**ADDITION(S) TO AGENDA:** None

**PUBLIC IN ATTENDANCE:** None

**PUBLIC COMMENTS:** None

**SCHEDULED ITEMS:**

I. Discussion on Pajaro County Sanitation District (PCSD) transfer and annexation. General Manager Rosa presented the Board of Directors with an information packet

- Email from Director Snodgrass - Indemnification clause to be added to final agreement was reviewed and was recommended by Director Wiggins to clarify the terms in the last paragraph to include unforeseen events. Attorney Gullion is reviewing the indemnity clause. He has made one change and will contact General Manager Rosa when completed. Director Snodgrass recommended the need for arbitration if the District cannot come to terms with the County of Monterey.
- Letter of Intent - Director Miller raised a concern on the last paragraph of this Letter. He would like to set a limit on the fees that can be deducted from the PCSD reserve. It should be included on the indemnity clause that the costs incurred by County of Monterey should not exceed a set amount.
- Email: Questions and Answers from General Manager Rosa to Bob Murdoch - General Manager Rosa clarified Question number 2, the only long term debt is the Sewer Revenue Bond of 1981 for seven (7) more years (2020).
- Questions and answers from Director Wiggins to General Manager Rosa - Director Miller discussed the required Confined Space Entry training necessary for District employees. The County of Monterey will continue to provide those services for a fee until the District meets requirements.
- General Manager Rosa informed the Board that PCSD currently accounts for approximately 1/6 of the operations of the Watsonville Sanitation Treatment Facility which based on the example budget, the capacity charges are \$378,000.
- Fact Sheet and Considerations - General Manager Rosa informed the Board of the PCSD's facts, assessment of facility and infrastructure, considerations and an example of cost from the Las Lomas incident on March 9, 2013.
- Budget Example - Pajaro/Sunny Mesa Sewer - General Manager Rosa presented a Budget Example for Pajaro/Sunny Mesa Sewer.
- Capital Improvement Plan (2014-2018) - General Manager Rosa presented the Capital Improvement Plan for PCSD.

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**SCHEDULED ITEMS: - Continued**

- Draft/Example – Wastewater Services Agreement, City of Watsonville and Pajaro/Sunny Mesa CSD – Director Wiggins raised a concern on Article five (5) item 2a, he would like clarification of this section. General Manager Rosa will speak to Jim Crowley regarding the share of cost due to the District in case of improvements of the Watsonville Treatment Facility.
- Definitions
- Previous loan amortization schedule for Capital Project at wastewater treatment facility (paid in full) – General Manager Rosa confirmed the loan has been fully paid.
- Boundary Map – Lift Station locations and general location of sewer lines – General Manager Rosa informed the Board of the location of the main sewer lines and lift stations.

The Board of Directors agreed in proceeding with the Pajaro County Sanitation District transfer and annexation.

**STAFF REPORTS:** (Informational Only) None

**STAFF REPORTS:** (Action Items) None

**OLD BUSINESS:** None

**NEW BUSINESS:** None

**CLOSED SESSION:** (Personnel Matters, Litigation) None


**NEXT BOARD MEETING:**

Board noted next regular meeting is to be held on Wednesday, August 21, 2013.

**MOTION TO ADJOURN:**

There being no further business, the special meeting of the Pajaro/Sunny Mesa Community Services District was adjourned at 8:47 p.m. with motion made by Director Miller, seconded by Director Delfino. Motion carried unanimously.

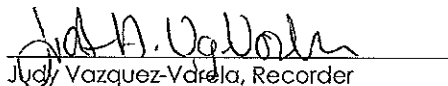
Respectfully submitted by:



Stephen Snodgrass, President



Harry Wiggins, Vice President



Judy Vazquez-Varela, Recorder