

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
May 17, 2016

President Ron Stefani called the meeting to order at 4:32 p.m.

ROLL CALL:

Directors Present: President Ron Stefani, Vice President Silvestre Montejano, Director Adriana Melgoza and Director Betty MacMillan

Absent: Director David Lewis and Adriana Melgoza

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, and Grant T. Leonard

PLEDGE OF ALLEGIANCE

President Ron Stefani led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Silvestre Montejano and seconded by Betty MacMillan to approve the minutes of the April 19, 2016 Scheduled Board Meeting. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Lewis and Melgoza

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter of appreciation from the Central Coast Regional Water Quality Control Board for Castroville CSD participation in the March 7, 2016 Salinas Valley Environmental Justice and Safe Drinking Water Tour.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. CSDA – Legislative Update from Sacramento
2. *Monterey Herald* – Water officials want early OK for groundwater project
3. *Brown and Caldwell Water News* – Local Water Agencies Address New Drinking Water Standards
4. *Monterey Herald* – Arsenic removal from some local groundwater proves challenging
5. Monterey County Sheriff's Community Advisory Group Meeting that was held on April 20, 2016

Informational items accepted as presented

PRESENTATIONS:

1. None

UNFINISHED BUSINESS:

1. Update on levels for Well #2, #3 and #4 – General Manager Eric Tynan informed the Board on the current well levels as of May 1, 2016 were as follows: Well #2 is currently at -7.7 feet below sea level and in April 1, 2016 it was -3.8 feet below sea level. Well #3 is at -34.6 feet below sea level and in April 1, 2016 it was -32.6 feet below sea level, and Well #4 is at -57.5 feet below sea level and in April 1, 2016 it was -44.7 feet below sea level. A graph of the well trends for the months February 2015 through May 2016 can be viewed on page 21 of the board packet. Well #5 will also be included on this graph once the

Minutes of the Castroville Community Services District
May 17, 2016 Regular Board Meeting
Page 2

transducer arrives and is installed. The well levels are starting to go down quickly and in his opinion, the decline in well levels is from farmers irrigating once again.

2. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he, Board President Stefani and District Legal Counsel Lloyd Lowrey have been attending the scheduled Collaborative Work Group Meetings. Topics of discussion were to confirm GSA authorities and management responsibilities and potential GSA options, discussed existing GSA-eligible entities in the Salinas Valley, and began to identify criteria for evaluating GSA formation options. Those stakeholders that have “Overlayers Rights” can use all the water they want, which is not good for the basin. The first Groundwater Stakeholder Forum is scheduled this Thursday, May 19, 5:30-7:30 p.m. in the Board of Supervisors Council Chambers. Per General Manager Eric Tynan as he mentioned at last month’s board meeting, according to state law, if no local entities come together to form a GSA, the county would be the default GSA. If the county doesn’t step forward, the State Water Resources Control Board would intervene. He will continue to update the Board on any further developments at the next regularly scheduled board meeting.
3. Update on Castroville CSD’s conservation measures put in place for District customers both residential and commercial – General Manager Eric Tynan reported to the Board that the State Water Resources Control Board is seeking to extend conservation efforts through January 2017 instead of October 2016. At the June 2016 board meeting the Castroville CSD will need to approve the extended conservations measures through January 2017. As the graph shows on page 22 of the board packet, there is a drop in water usage from 2013 versus 2015. For the month of April 2013 water usage was 34.8 million gallons and April 2016 it is 19.0 million gallons. Customers continue to do their part to conserve water.
4. Update on Castroville Boulevard Bicycle/Pedestrian and Railroad Crossing Bridge; Project No. 8622 concerning the sewer relocation – General Manager Eric Tynan reminded the Board the relocations of the CCSD sanitary sewer relocation will now be conducted by a Job Order Contract with a contractor presently under contract with Monterey County prior to the beginning of construction. The sanitary sewer relocation construction will start between June and July of 2016. Written correspondence from Castroville CSD that it agrees with this understanding of the work and funding responsibilities for the sanitary sewer relocation for this project was submitted to the County.
5. Consider whether to approve amended and restated Memorandum of Understanding (MOU) between North County Recreation and Park District (NCRPD) and Castroville CSD, Support for NCRPD to Obtain Program Funding and approval of amended proposal submitted by Armanasco Public Relations to NCRPD to assist with the tax measure - District Legal Counsel Lloyd Lowrey informed the Board that small changes were made to the MOU. The grant amount was changed and an end date established for the use of grant funds before December 31, 2020. The MOU can be viewed on pages 23-29 of the board packet. Mr. Lowrey also reviewed the revised proposal from Armanasco Public Relations and noted that all the changes he recommended were made to the scope of work. Revised proposal can be viewed on pages 30-33 of the board packet. After some discussion, a motion is made by Silvestre Montejano and seconded by Betty MacMillan to approve amended and restated MOU between NCRPD and Castroville CSD, Support for NCRPD to Obtain Program Funding and approval of amended proposal submitted by Armanasco Public Relations to NCRPD to assist with the tax measure. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Lewis and Melgoza

6. Consider approving revised Rate Structure Analysis Report for Zone 2 which consists of Rancho Moro Cojo Subdivision, Monte Del Lago Mobile Park and the number of North Monterey County High School students enrolled annually for sewer user fees and set a public hearing date (report prepared by Harris & Associates) – General Manager Eric Tynan reported to the Board that the Rate Structure Analysis Report for Zone 2 has been revised and will require Board approval once more. A lot of small edits were made and he wanted to make sure the Rate Analysis Report is justifiable. Furthermore, sewer rates have not been adjusted for the high school and Monte Del Lago Mobile Park since before 2003 and for the Rancho Moro Cojo Subdivision since 2010. Operating costs related to electricity, lift station and sewer repair, and other operational costs have continued to increase. The proposed Sewer Rate adjustment are

Minutes of the Castroville Community Services District
May 17, 2016 Regular Board Meeting
Page 3

for fiscal year 2016/17 (FY begins July 1, and ends June 30 of the following year) with a recommended 4% percent sewer adjustment for the next four (4) years. The complete Sewer Rate Structure Analysis Report for Zone 2 can be viewed on pages 35-40 of the board packet. Page 38 of the board packet, Figure 3 has the proposed FY 2016/17 Rate per equivalent connection. The actual rate for FY 2016/17 will be adjusted pro rata from the effective date of Board approval. The effective date is expected to be August 18, 2016. General Manager Eric Tynan stated he has already informed the high school of the proposed sewer rate adjustment. Upon board approval of the revised Rate Structure Analysis Report for Zone 2 and setting a public hearing date, notices will go out to all sewer customers in Zone 2 notifying them of the proposed sewer rate adjustments. After some discussion, a motion is made by Silvestre Montejano and seconded by Betty MacMillan to approve the revised Rate Structure Analysis Report and to set the public hearing date for July 19, 2016. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Lewis and Melgoza

NEW BUSINESS:

1. Consider approving purchase of new generator for Moss Landing, Sewer, Zone 3 – General Manager Eric Tynan reported to the Board that he had requested three proposals from the following vendors: Agee Electric, Conte's Generator Service and DBA Electric. Conte's Generator; \$29383 and DBA Electric; 48,332 were the only two to respond. The current generator is unreliable and new generator would significantly reduce overtime for Moss Landing. He recommended the Board approve the proposal submitted by Conte's Generator Service, in the amount of \$29,383. Proposals can be viewed on pages 41-42 of the board packet. A motion is made by Betty MacMillan and seconded by Silvestre Montejano to approve the proposal from Conte's Generator to purchase a new generator for \$29,383 for Moss Landing. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Lewis and Melgoza

2. Implement AMBAG's energy efficiency upgrade recommendations for Castroville CSD office, well sites and yard lights at site 2 – General Manager Eric Tynan wanted to inform the Board that he will be implanting AMBAG's energy efficiency upgrade recommendations for the District office, well sites and yard lights at site 2. Cost of front will be \$5,492.24 but in the end it will eventually results in energy savings with PG&E for the District. The proposal can be viewed on pages 43-45 of the board packet.
3. Approve Resolution No. 16-5, Resolution Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges – Resolution 16-5 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges needs to be approved by the Board to levy assessments for the Castroville Water Project Assessment District, Series 1982-1A, 1982-1B, 1982-1C and property related user fees for tax codes 75301, 73701 and 74701. A motion is made by Betty MacMillan and seconded by Silvestre Montejano to approve Resolution No.16-5 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges. The motion carried by the following vote:
4. Select Annual Budget & Personnel Committee (two directors) – General Manager Eric Tynan informed the Board that it is time once again to select the Annual Budget & Personnel Committee. In the past the Board has had two committees, one for budget and one for personnel. However it would be more effective to merge both instead. After some discussion, it is agreed to combine both committees as one. A motion is made by Betty MacMillan and seconded by Silvestre Montejano to select Directors Silvestre Montejano and Betty MacMillan for the Annual Budget & Personnel Committee. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano and MacMillan
NOES:	0	Directors:	None

ABSENT/NOT
PARTICIPATING: 2 Directors: Lewis and Melgoza

BOARD OF DIRECTORS COMMUNICATION: When needed, this time is reserved for the Board of Directors to communicate activity, educational classes, and/or Committee reports.

1. Update on MRWPCA board meeting – President Ron Stefani reported that the Ground Water Replenishment project is moving rapidly. The PUC is realizing that this project needs to get approved sooner rather than later.
2. Update on meetings/educational classes attended by the Directors – President Ron Stefani provided the Board with a brief summary on the classes he had attended at the Spring ACWA Conference along with the General Manager last month in Monterey. General Manager Eric Tynan also provided the Board with a brief summary of the classes he attended as well.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions
2. Operation's Report
 - a) Water – Pumpage & Usage Update, Water Testing Update, Current Installation
 - b) Water -Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues
 - c) Sewer & Storm Drain – Jetting, Current Installation Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues
3. Customer /Billing Reports – Water Sales, Water Usage, A/R Update, Customer Service Update
4. Financial Reports – Treasures L.A.I.F. Report, Internal Report, Administration Update

General Operations Reports were accepted as presented

CHECK LIST – April 2016. A motion was made by Silvestre Montejano and seconded by Betty MacMillan to pay all bills presented. The motion carried by the following vote:

AYES: 3 Directors: Stefani, Montejano and MacMillan
NOES: 0 Directors: None
ABSENT/NOT
PARTICIPATING: 2 Directors: Lewis and Melgoza

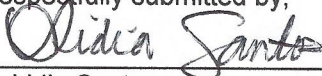
CLOSE:

There being no further business, a motion was made by Betty MacMillan and seconded by Silvestre Montejano to adjourn to the next scheduled Board meeting; the motion carried by the following vote:

AYES: 3 Directors: Stefani, Montejano and MacMillan
NOES: 0 Directors: None
ABSENT/NOT
PARTICIPATING: 2 Directors: Lewis and Melgoza

The meeting adjourned at 5:16 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by



Ron Stefani
President