

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT

July 15, 2014

President David Lewis called the meeting to order at 4:31 p.m.

ROLL CALL:

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

Absent:

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: District Legal Counsel Lloyd Lowrey, NCRPD Assistant GM Sean M. Graham, NCRPD Chair Kevin Jones, Jerome McCready and Sally Childs who attended with a few students

PLEDGE OF ALLEGIANCE

Director Ron Stefani led those present in the Pledge of Allegiance. The Board skipped down to presentations to administer the oath of office to appointed Director Betty MacMillan and returned to the order of business on the agenda.

PUBLIC COMMENTS

1. Former Director Jerome McCready praised the District for finally having a website (CastrovilleCSD.org) and making the agenda and full board packet easily accessible for all to view.
2. Sally Childs stated that she was concerned that the recreational fields appear to be inclusive to certain groups and not available to children who were not able to pay the fees assessed for use of the recreational field. The students who arrived with her also voiced the same concern. General Manager Eric Tynan informed them that the recreational fields are managed by NCRPD and concerns would need to be directed to them. Present at this meeting was NCRPD, Assistant General Manger Sean M. Graham who stated he would be more than happy to discuss any concerns they may have in regards to the recreational fields.

CONSENT CALENDAR

1. A motion was made by Adriana Melgoza and seconded by Silvestre Montejano to approve the minutes of the June 17, 2014 Regular Board Meeting. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	0	Directors:	None

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter to LAFCO from General Manager Eric Tynan thanking them for the quick consolidation of the Moss Landing County Sanitation District into the Castroville Community Services District.
2. Letter from NCRPD, Assistant General Manger Sean M. Graham with an update on the NCRPD BBQ repairs and Cato-Phillips Park.

Correspondence items accepted as presented

INFORMATIONAL ITEMS:

1. *Science.kqed.org* – A fourth drought year for California: What are the odds?
2. *Los Angeles Times* – California's drought getting even worse, experts
3. *San Gabriel Valley Tribune* – California drought blankets entire state; El Niño forecast dims
4. *Monterey County Herald* – Editorial: Let the desalination studies continue
5. *In Local Government*- Modernizing California's groundwater management

Informational items accepted as presented

PRESENTATIONS:

1. Administer oath of office to appointed Director Betty MacMillan – Vice President Ron Stefani administered the oath of office to appointed Director Betty MacMillan. She was sworn in and welcomed by the Castroville Board of Directors and staff.

UNFINISHED BUSINESS:

1. Update on well levels and drought response – General Manager Eric Tynan informed the Board that the well levels are at historically low levels. The static levels are at 100 feet below sea level, which is dramatically affecting the Pacific Gas and Electric bill. In addition, the District is employing a fatal flaw methodology to investigate the viability of the perched aquifer as a domestic water supply. See pages 27 and 28 for detailed information on the Castroville perched water supply investigation. He is planning to have further discussions with OceanMist regarding acquisition of land for a well site.
2. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that in August he will be zone testing Well 5. He will keep the Board updated on the results of the zone testing.
3. Update on consolidation of the Castroville Community Services District (CCSD) and the Moss Landing County Sanitation District (MLCSD) – General Manager Eric Tynan reported to the Board that the consolidation of the Castroville Community Services District (CCSD) and the Moss Landing County Sanitation (MLCSD) is complete as of July 1, 2014. The CCSD's boundaries will now include Moss Landing. District Legal Counsel will be establishing an ordinance that establishes the same sewer connection fees currently in place for Castroville. The USDA bond has been paid in full as of July 1, 2014 by the District. Electrical costs for the four lift stations in Moss Landing are now in the District's name as well as of July 1, 2014. On the 24th of August, Moss Landing is having a community open house that he plans to attend.
4. Update on mural project for Castroville walkway over Highway 156 – General Manager Eric Tynan reported to the Board that NCRPD General Manager Judy Burditt informed him that she is still waiting to receive approval from Caltrans in order to proceed with the mural project. The Caltrans representative she has been dealing with is still on vacation. This project is on hold until approval is acquired from Caltrans.
5. Approve Resolution No. 14-3 adopting the District Budget for Fiscal Year 2014/2015 for Water (Castroville, Zone 1) – General Manager Eric Tynan informed the Board that there were no changes recommended at the last board meeting regarding the Operating Budget for Water (Castroville Zone 1) for fiscal year 2014/15. The budget is presented today for board approval and accepted as presented. The Board will discuss all the budgets, make amendments if needed, and make one motion under Resolution No. 14-3 to adopt the District Budget for Fiscal Year 2014/2015. A motion is made by Ron Stefani and seconded by Betty MacMillan to approve Resolution No. 14-3 adopting the District Budget for Fiscal Year 2014/2015. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

6. Discuss request from Judy Burditt, General Manager, North County Recreation and Park District (NCRPD) for funding "Recreation Services" for fiscal year 2014/2015 – General Manager Eric Tynan included a memo to the Castroville CSD Board of Directors on page 34 of the board packet outlining his recommendations for extended recreation services for fiscal year 2014/2015 that he asked them to view. Due to higher pumping cost, low interest rates earned on investments and the need to possibly drill a new well, he has made the following recommendations: Allocate 100K for specific capital improvement projects instead of salaries for NCRPD staff, \$40K to finance a tax measure to be submitted to the voters by the North County Recreation and Park District (NCRPD). He is aware NCRPD only receives 180K in tax monies and they are doing the best they can. Since NCRPD General Manager Judy Burditt was not able to attend today's board meeting, present was NCRPD Assistant

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General Manager Sean M. Graham who had expressed the need for the extended recreation services. Ms. Burditt submitted a request for \$131,339 to fund "Extended Recreation Services" and Capital Improvements for the NCRPD for fiscal year 2014/2105. The request for funding and how it is to be allocated can be viewed on pages 35-40 of the board packet. President David Lewis stated that the funding from Castroville CSD should not be the only source of funding they rely on and NCRPD should move forward with a tax measure. Director Adriana Melgoza stated that a few of the Castroville CSD Board of Directors had requested to see an actual expense report on how recreation services funding was allocated for prior and the current fiscal year end and have yet to receive one. She would like to see the funding applied to capital improvement projects and not salaries as well. Director Melgoza stated that the use of recreational facilities should be accessible to all the children in the community and many children in this community cannot afford to pay these fees. Vice President Ron Stefani stated that salaries are part of the recreation services and these facilities cannot operate without these paid employees. As a member of this community who has volunteered for many different activities within the community, there are very few parents who volunteer their time. Cutting recreation services from NCRPD would be the wrong thing to do for the community of Castroville. After much discussion, the Board came to a decision for extended recreation services and capital improvements for the NCRPD for fiscal year 2014/2015. See next item on the agenda for action taken.

7. Approve Resolution No. 14-3 Adopting the District Budget for Fiscal Year 2014/2015 for Sewer and Governmental (Castroville Zone1) – General Manager Eric Tynan informed the Board that the budget was amended to reflect monies transferred from the Sewer (Castroville Zone 1) fund to pay-off the USDA loan of \$235K for the Sewer (Moss Landing Zone 3). The Board had reviewed and previously approved a proposal to pay an existing loan from the USDA to the Moss Landing County Sanitation District, to reduce financing costs and provide a more effective use of surplus District funds; and the fiscal year 2014/2015 budget provides for the payment of the USDA loan. The final budget includes \$100K funding for recreation services for Governmental (Castroville Zone 1) to apply towards the scope of services Ms. Burditt chooses that were listed on her request and to finance a tax measure for \$40K to be submitted to the voters by the North County Recreation and Park District to fund recreation services. The Board will discuss all the budgets, make amendments if needed, and make one motion under Resolution No. 14-3 to adopt the District Budget for Fiscal Year 2014/2015. A motion is made by Ron Stefani and seconded by Betty MacMillan to approve Resolution No. 14-3 adopting the District Budget for Fiscal Year 2014/2015. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

8. Approve Resolution No. 14-3 Adopting the District Budget for Fiscal Year 2014/2015 for Sewer and Governmental (Moro Cojo, NMCHS, & Monte Del Lago Mobile Park, Zone 2) – General Manager Eric Tynan informed the Board that there were no changes recommended at the last board meeting regarding Sewer and Governmental for the Moro Cojo, NMCHS & Monte Del Lago Mobile Park (Zone 2) budget. The budget is presented today for board approval and accepted as presented. The Board will discuss all the budgets, make amendments if needed, and make one motion under Resolution No. 14-3 to adopt the District Budget for Fiscal Year 2014/2015. A motion is made by Ron Stefani and seconded by Betty MacMillan to approve Resolution No. 14-3 adopting the District Budget for Fiscal Year 2014/2015. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

9. Approve Resolution No. 14-3 Adopting the District Budget for Fiscal Year 2014/2015 for Sewer (Moss Landing, Zone 3) – General Manager Eric Tynan informed the Board that the budget was amended to reflect monies transferred from the Sewer (Castroville Zone 1) fund to pay-off the USDA loan of \$235K for the Sewer (Moss Landing Zone 3). The Board had reviewed and previously approved a proposal to pay an existing loan from the USDA to the Moss Landing County Sanitation District, to reduce financing

costs and provide a more effective use of surplus District funds; and the fiscal year 2014/2015 budget provides for the payment of the USDA loan. The Board will discuss all the budgets, make amendments if needed, and make one motion under Resolution No. 14-3 to adopt the District Budget for Fiscal Year 2014/2015. A motion is made by Ron Stefani and seconded by Betty MacMillan to approve Resolution No. 14-3 adopting the District Budget for Fiscal Year 2014/2015. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	0	Directors:	None

NEW BUSINESS:

1. Approve "Castroville Community Services District Investment and Deposit Policy" for fiscal year 2014/2015 – After some discussion, a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve the CCSD Investment and Deposit Policy for fiscal year 2013-2014. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	0	Directors:	None

2. Consider supporting the ACWA JPIA Commitment to Excellence certificate - General Manager Eric Tynan informed the Board that the District is a member of ACWA JPIA. The District's commitment to the program is simply to work towards loss reduction, whenever and however possible. Members are not required to adopt specific programs or policies as part of their commitment. The Commitment to Excellence certificate is signed by the Board Members and General Manager and a copy mailed.
3. Consider asking Monterey County Board of Supervisors to implement County wide ordinance restricting spray irrigation when the County is declared in severe drought conditions between the hours of 10:00 a.m. to 6:00 p.m. from March through September - General Manager Eric Tynan suggested the Castroville CSD Board of Directors request that the Monterey County Board of Supervisor implement a County wide ordinance restricting spray irrigation when the County is declared in a severe drought conditions. Vice President Ron Stefani mentioned that the state of California is working on a program to address this matter and Castroville CSD does not need to get involved.

COUNSEL'S REPORT

1. None

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 – Director Ron Stefani reported that a budget workshop was held and the MRWPCA budget for fiscal year 2014/2015 has been approved. The Ground Water Replenishment Project continues to move full steam ahead.
2. Update on Oversight board meeting – Director Ron Stefani stated that the Oversight board meeting was short. The lawsuits with the school districts have been settled and approved for payment. The North Monterey County Unified School District fared well in the settlement.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions

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2. Operation's Report
 - a. Water - Pumpage & Usage Update, Water Testing Update, New Service Installation Update, Current Contractor Work Update, Maintenance/Repair Update
 - b. Sewer & Storm Drain - Jetting, Connections, Maintenance/Repair Update
 - c.
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 - June 2014. A motion was made by Adriana Melgoza and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

ITEMS FOR THE NEXT MONTHS AGENDA: Tuesday, August 19, 2014 at 4:30 p.m.

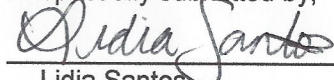
CLOSE:

There being no further business, a motion was made by Adriana Melgoza and seconded by Ron Stefani to adjourn to the next scheduled Board meeting; the motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

The meeting adjourned at 6:29 p.m. until the next scheduled meeting.

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Ron Stefani
Vice President