

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
August 18, 2015

President David Lewis called the meeting to order at 4:32 p.m.

ROLL CALL:

Directors Present: President David Lewis, Vice President Ron Stefan, 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: Lloyd Lowrey and Grant Leonard

PLEDGE OF ALLEGIANCE

Vic President Ron Stefani led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Adrian Melgoza and seconded by Betty MacMillan to approve the minutes of the July 21, 2015 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 Castroville CSD Board of Directors from Chris W. Orman, Fire Chief, North County Fire Protection District requesting Castroville CSD expand their water storage capacity to insure at least 500,000 gallons of storage capacity for the safety and economic vitality of the community in case of a large fire- (General Manager Eric Tynan had asked the Fire Chief to write this letter so he may submit it with the Integrated Regional Water Management grant application).
2. Letter to Castroville CSD General Manager Eric Tynan from Scott Wood, Senior Risk Management Consultant with ACWA Joint Powers Insurance Authority regarding liability and property risk assessment for the District.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *LA Times* – Drought now Californians' top concern, poll finds
2. *Mercury News* – California should invoke Public Trust Doctrine
3. *Monterey Herald* – Marina Coast returns suit against Cal Am, county seeking more than \$18 million
4. *Monterey Herald* – Editorial, Aug. 7, 2015: Cal Am desalination project needs clarity
5. *Appeal Democrat* – Our View: The complicated subject of Calif. groundwater issues
6. *Monterey County Weekly* – Well Watch: As drought presses on, Castroville's drinking water supply drops to unprecedented lows
7. *Orange County Register* – California Supreme Court says Capistrano tiered water rate ruling will remain published, keeping precedent for future legal battles

Informational items accepted as presented

PRESENTATIONS:

1. None

UNFINISHED BUSINESS:

1. Update on well levels – General Manager Eric Tynan informed the Board on the current static well levels. As of August 2015, Well #2 is currently at -30 feet below sea level, Well #3 is at -70 feet below sea level, and Well #4 is at -102 feet below sea level. A graph of the well trends for the months January 2015 through August 2015 can be viewed on page 25 of the board packet. General Manager Eric Tynan will include this graph in the board packet each month since it tracks prior month's wells levels and current well levels. He also had met with OceanMist to discuss use of their agricultural wells to modify their pumping to mitigate affects on Castroville CSD wells.
2. 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 conservation efforts are still going well. As the graph shows, there is a drop in water usage from 2013 versus 2015. The graph can be viewed on page 26 of the board packet. For the month of July 2013 water usage was 30.1million gallons and July 2015 it is 24.5 million gallons. Customers are doing their part to conserve, which is noticeable with all the dead lawns in town. Watering of lawns is currently limited to two days per week for all customers. President Lewis mentioned that District customers are doing a great job with conserving water during this drought.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that Monterey County Water Resources Agency (MCWRA) has selected a facilitator to get the GSA moving forward and he will keep the Board informed on any further news. District Legal Counsel Lloyd Lowrey stated that this area is considered seriously over drafted.
4. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that he has received the preliminary drawings on the layout. The project appears to be on budget and on time but still trying to trim certain items from the budget. Furthermore, Eric stated he received a phone call from Jan Sweigert with the State Water Resources Control Board as she had thought that Castroville CSD was in a critical water shortage with its wells. He informed her that the wells would never go dry but would instead encounter seawater intrusion first.
5. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the board that NCRPD Board Member Grant Leonard was present to provide an update on the tax measure. Mr. Leonard stated that he and Board Member Paul Cortopassi both sit on the ad hoc committee that was formed to work on a community outreach and development of a Capital Improvement Plan (CIP) needed to move forward with the tax measure. He presented the Castroville CSD Board Members with a five year CIP schedule and a master plan schedule on how NCRPD intends to proceed with the tax measure. Castroville CSD Board President David Lewis stated that it was nice to see a plan. In addition, NCRPD General Manager Judy Burditt also provided the Board with a description of how the extended recreational funding of \$100,000 provided by Castroville CSD was allocated for fiscal year 2014/2015. Both reports can be viewed on pages 27-28 of the board packet.
6. Update on Moss Landing Sewer Connection Fee Development – General Manager Eric Tynan reported to the Board that the Moss Landing Sewer Connection Fee Development study, which was presented to the Board at last month's board meeting, showed that there was only a \$15 variance from the sewer connection fees that are currently in place for Moss Landing. The study recommended sewer connection fees of \$3,183 per equivalent dwelling unit (EDU) and the current sewer connection fees per EDU are \$3,168 for Moss Landing and Castroville. General Manager Eric Tynan recommended leaving the current sewer connection fees that are in place since the outcome of the analysis only showed a \$15 variance. The Board concurred that no changes needed to be made to the sewer connection fees for Moss Landing.
7. Update on water rate study and financial requirements to meet 218 compliance (Harris & Associates selected as consultant's to perform water rate study) – General Manager Eric Tynan reported to the Board that Mike Sylvia and Patrick Dobbins with Harris & Associates have acquired all necessary data

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from Castroville CSD and have started working on the water rate study and financial requirements to meet 218 compliance. General Manager Eric Tynan emphasized again, that it was important to get this water rate study done and if needed, increase water rates.

8. Update on the application for the Integrated Regional Water Management (IRWM) grant funding for new wells – General Manager Eric Tynan updated the Board that the grant application has been submitted to the California Department of Water Resources. The grant writer Susan Pufahl working for the District stated that Castroville CSD has a strong package. There is 4.9 million in grant funding to be awarded to eligible agencies. He will also be meeting with Cal Am to discuss water use for in-basin water.
9. Update from Monterey County Elections Department candidate list with the number of candidates who have filed for the Castroville Community Services District three open seats – General Manager reported to the Board that the three Board of Directors: Lewis, Stefani and MacMillan whose seats were up for elections this fall, will still each hold their seat for another four years since they were the only three candidates to file for the open seats with Monterey County Elections Department. There will be no elections for the Castroville CSD Board of Directors on November 3, 2015.

NEW BUSINESS:

1. Amend Employee Handbook, Section 11.6 to comply with new sick leave requirements as of July 1, 2105 – To comply with the new sick leave requirements (changes can be viewed on pages 30-31 of board packet) set forth as of July 1, 2015, a motion is made by Betty MacMillan and seconded by Ron Stefani to amend Employee Handbook, Section 11.6 to comply with new sick leave requirements as of July 1, 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

2. Resolution No. 15-8 to Establish Capitalization Policy – General Manager Eric Tynan reported to the Board that the District already has established a capitalization policy for over a decade under the Castroville Water District, this resolutions will now reflect the new name of the District, Castroville CSD. A motion is made by Ron Stefani and seconded by Silvestre Montejano to approve Resolution No. 15-8, Establish Capitalization Policy. 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

3. Approve the Castroville CSD Destruction Certificate No. 2015-1; retention period for listed records on certificate have expired – The Board reviewed the records listed on the certificate, which were seven or more years old and a motion is made by Betty MacMillan and seconded by Ron Stefani to approve the shredding of listed records, with Castroville CSD Destruction Certificate No. 2015-1. 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

4. Discuss the Castroville Multimodal Community Enhancement Project – General Manager Eric Tynan reported to the Board that this project is a multi-objective project that will address several transportation needs on SR 183 in Castroville. It consists of addressing multiple State Highway System assets, or project components. Castroville CSD may be asked to make a small monetary contribution towards storm drains in Castroville if this pilot program moves forward. The project can be viewed on pages 34-36 of board packet.

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 the MRWPCA is still working on the portion of the agreement with Cal Am on the selling of the water for the Pure Water Project. If there is no agreement, when hearings are schedule in November with the PUC, the PUC may deny the project. General Manager Eric Tynan asked what options Castroville CSD could take to keep the Moss Landing County Sanitation District seat with the MRWPCA. District Legal Counsel Lloyd Lowrey recommended the Castroville CSD send a letter requesting to amend the JPA agreement to say as long as an elected or appointed official from Moss Landing sits on the Castroville CSD Board, the District is allowed to maintain the seat with MRWPCA. However, if there is no elected or appointed board member from Moss Landing on the Castroville CSD Board, the seat would be inactive at this time. MRWPCA is saying that the Moss landing County Sanitation District seat no longer exists when it became part of Castroville CSD; the seat is dissolved. This seems to be more of a political question than legal. Vice President Ron Stefani recommended the Castroville CSD Board hold off on sending a letter to MRWPCA. Furthermore, amending the JPA agreement requires a unanimous vote from the MRWPCA Board Members to make changes to it and in his opinion, timing is everything.
2. Update on Oversight board meeting – Director Ron Stefani stated there was no meeting this month and meetings are held every six months now. He also, does not think Castroville CSD will receive anymore windfall monies from the dissolution of redevelopment agencies.

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, New Service Installation Status Update, Current Contractor Work Update, Maintenance/Repair Update
 - b) Sewer & Storm Drain – Jetting, Connections, Maintenance/Repair Update
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 – July 2015. A motion was made by Betty MacMillan and seconded by Adriana Melgoza 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

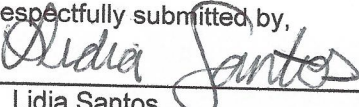
CLOSE:

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

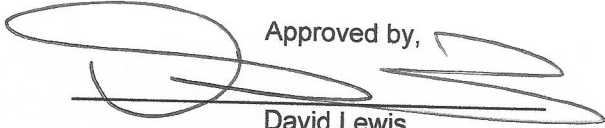
AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	0	Directors:	None

The meeting adjourned at 5:33 p.m. until the next scheduled meeting.

Respectfully submitted by,


Lidia Santos
Secretary to the Board

Approved by,


David Lewis
President