

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
November 20, 2018

President Silvestre Montejano called the meeting to order at 4:32 p.m.

ROLL CALL:

Directors Present: President Silvestre Montejano, Vice President Adriana Melgoza, Director Glenn Oania, Director James Cochran and Director Ron Stefani

Absent:

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Cosme Padilla, Grant T. Leonard, Brenda Montejano and Gary Porter (arrives at 4.47 p.m.)

PLEDGE OF ALLEGIANCE

President Silvestre Montejano requested Director Ron Stefani lead the Pledge of Allegiance.

PUBLIC COMMENTS

1. Cosme Padilla thanked President Silvestre Montejano for his public service as a Castroville CSD Board of Director. Mr. Padilla was a former Castroville CSD board member from 1994-2003 and will be taking President Montejano's seat at the next month's regularly scheduled board meeting. Mr. Leonard also thanked Mr. Montejano for his public services.

CONSENT CALENDAR

1. A motion was made by Adriana Melgoza and seconded by Ron Stefani to approve the minutes of the October 16, 2018 Scheduled Board Meeting. The motion carried by the following vote:

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Copy of the speech presented by Castroville CSD General Manager Eric Tynan to the California Public Utilities Commission in support of Cal Am's proposed desal project, July 2018.
2. Letter from the Salinas Valley Water Coalition to the Salinas Valley Basin Groundwater Sustainability Agency regarding potential projects for consideration.
3. Letter thanking North Salinas Valley Mosquito Abatement District for assisting Castroville CSD on the 8th of July in an effort to access sewer manholes at the North Monterey County High School.
4. North County Recreation and Park District, 1st Quarter (July-September 2018) report on extended recreation.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Sanford University Free Press* – How do we cope with demands for water as we enter an era of scarcity?
2. *Monterey County Weekly* – Marina Coast Water District, city of Marina sue over Cal Am's proposed desal project
3. *The Sacramento Bee* – Did gas, homeless people and sick kids kill California's water bond?

Informational items accepted as presented

The Board skipped down to New Business, item 3 on the agenda since the auditor had not arrived.

PRESENTATIONS:

1. Porter & Lasiewicz, Certified Public Accountants to present audit report for fiscal year ended June 30, 2018 – Castroville CSD’s annual financial audit for fiscal year ended June 30, 2018 was recently completed and presented to the Board of Directors by Certified Public Accountant Gary Porter with Porter & Lasiewicz. Per Mr. Porter, Castroville CSD received a clean audit and opinion, which is issued by an auditor when the financial statements presented are free from material misstatements and are represented fairly in accordance with Generally Accepted Accounting Principles (GASB). In other words, Castroville CSD’s financial condition, position, and operations are fairly presented in their financial statements. It is the best type of report opinion an auditee may receive from an external auditor. Mr. Porter asked if the Board had any questions or concerns regarding the audit report. Since there were no questions, he reminded the board as he discussed with them last year that as of 2015-2016 the audit report now reflects the net pension liability. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. For the first time employers will recognize their net pension liability, deferred outflow of resources, deferred inflows of resources, and pensions expense on their financial statements. He also informed the Board that his firm tested the following: balance sheet, cash receipts, accounts receivable, accounts payable, payroll and reviewed banks statements as part of internal controls. The main focus was on the entire balance sheet. They selected transactions at random to review and found no such indications of errors or fraud. Mr. Porter stated that there is a perennial matter that he is required to mention every year to Castroville CSD and one he also addresses to various boards which is the lack of segregation of duties. This is typical of organizations that have less than 6 employees. With a small staff it is almost impossible to achieve an adequate segregation of duties, which is impossible to avoid and it is simply not cost effective to hire additional staff. As long as mitigation controls are in place, which he believes Castroville CSD has, it reduces the risk to an acceptable level. Organizations will also have to rely on the integrity and trust of employees. In addition, Castroville CSD Board of Directors are signing checks, viewing the cash report (internal report) and other financial reports on a regular basis, even though some if this information is viewed after the fact, except for the checks. He feels the Board has a pretty good feel of what is going on with the District and it would be very difficult for somebody to get away with something based on his review of the system. Mr. Porter also wanted to thank Castroville CSD staff for always being very cooperative, transparent and having all the data ready for them to view when they arrive to the District to conduct the annual audit. He also wanted to inform the Board that the Office Manager/Secretary to the Board, Lidia Santos does a great job!

NEW BUSINESS:

1. Resolution No. 18-5, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2018, as Prepared by Porter & Lasiewicz, Certified Public Accountants – Following the presentation of the audit and discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to approve Resolution No. 18-5, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2018 as prepared by Porter & Lasiewicz, Certified Public Accountants. The motion carried by the following vote:

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	
2. Consider approving Porter & Lasiewicz CPAs Audit Services Agreement for the years ended June 30, 2020, 2021 and 2022 – Once the Board has reviewed the audit services agreement presented, a motion is made by Glenn Oania and seconded by James Cochran to approve Porter & Lasiewicz CPAs Audit Services Agreement for the years ended June 30, 2020, 2021 and 2022. The motion carried by the following vote:

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AYES: 5 Directors: Oania, Stefani, Melgoza, Cochran and Montejano
NOES: 0 Directors:
ABSENT/NOT
PARTICIPATING: 0 Directors

3. Resolution No.18-6 of Commendation for Silvestre Montejano for Distinguished Service as a Key Board Member of the Castroville Community Services District –For Board Member recognition, on behalf of the Castroville CSD Board and staff, General Manager Eric Tynan presents President Silvestre Montejano with a plaque for his public service as a Castroville CSD Board of Director for the years 2013-2018 as his term has ended this year. A motion is made by Adriana Melgoza and seconded by Ron Stefani to approve Resolution No. 18-6 of Commendation for Silvestre Montejano for Distinguished Service as a Key Board Member of the Castroville Community Services District. The motion carried by the following vote:

AYES: 5 Directors: Oania, Stefani, Melgoza, Cochran and Montejano
NOES: 0 Directors:
ABSENT/NOT
PARTICIPATING: 0 Directors

4. Appoint new President and Vice President for the Castroville CSD Board of Directors, effective 7th of December 2018 – After some discussion, a motion is made by Glenn Oania and seconded by James Cochran to appoint Adriana Melgoza as President and James Cochran as Vice President of the Castroville CSD Board of Directors. The motion carried by the following vote:

AYES: 5 Directors: Oania, Stefani, Melgoza, Cochran and Montejano
NOES: 0 Directors:
ABSENT/NOT
PARTICIPATING: 0 Directors

5. Approve purchase of new 2017 Ram crane truck for \$64,149 from My Jeep Chrysler Dodge Ram – General Manager Eric Tynan reminded the board that the approved budget for fiscal year 2018/2019 includes a new crane truck, which he has found, well below the budget allocated of \$117K. The specifications and cost of the 2017 Ram crane truck can be viewed on pages 34-35 of the board packet. A motion is made by Adriana Melgoza and seconded by Glenn Oania to authorize the purchase of the 2017 Ram crane truck for the remaining balance of \$59,148.10 since a \$5,000 deposit was already made to My Jeep Chrysler Dodge Ram once the 2017 Ram crane truck is delivered to the District. The motion carried by the following vote.

AYES: 5 Directors: Oania, Stefani, Melgoza, Cochran and Montejano
NOES: 0 Directors:
ABSENT/NOT
PARTICIPATING: 0 Directors

6. Address the concerns of the buyer of the 2006 Chevrolet truck purchased on Govdeals.com – General Manager Eric Tynan informed the Board that the buyer of the district's 2006 Chevrolet truck has requested to return the truck to Castroville CSD since it has become inoperable since he picked it up and drove it to Stockton. The buyer stated that temperature gauge was not working properly and the truck will not start now. General Manager Eric Tynan stated that in his opinion the buyer bid and paid too much for the truck, \$5,700 and it is probably only worth \$3,500. He recommends the Board allow the buyer to return the truck since this truck has been very problematic. Once the District troubleshoots what is wrong with the truck, instead of selling it, the District could consider donating it to the NCRPD instead. A motion is made by Glenn Oania and seconded by Ron Stefani to have the buyer return the 2006 Chevrolet truck to the Castroville CSD. The motion carried by the following vote:

AYES: 5 Directors: Oania, Stefani, Melgoza, Cochran and Montejano
NOES: 0 Directors:
ABSENT/NOT
PARTICIPATING: 0 Directors

7. Consider adding Castroville entry signs to Castroville CSD property liability schedule – General Manager Eric Tynan reported to the Board that the Castroville sign that is located on Highway 1 coming to Castroville from Marina was cut down. It will cost \$1,000 to repair and replace the post. All of the Castroville entry signs are not currently insured and he has requested to add them to Castroville CSD property liability schedule. The signs were originally put in place by the County Redevelopment Agency, which has since dissolved. After some discussion, a motion is made by Adriana Melgoza and seconded by Glenn Oania to add the Castroville entry signs to Castroville CSD property liability schedule. The motion carried by the following vote:

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	

8. Discuss domestic sprinkler issues regarding single or dual lines – Eric Tynan, General Manager let the Board know that he had met with Fire Chief Mendoza to discuss domestic sprinklers for single and dual lines. They came to the conclusion that anytime a service is shutoff for nonpayment, the District will notify the North County Fire Department when the service is shut off and turned back on for the reason that there will be no fire protection to the property when service is shutoff.
9. Consider updating the boardroom with new flooring and painting the interior – General Manager Eric Tynan advised the Board that the Board room is in need of some new flooring and also painting the interior. The Board all concurred that the boardroom needs to be updated but will like to see laminated flooring instead of carpet put in. A motion is made by Glenn Oania and seconded by James Cochran for the District to move forward with updating the boardroom with laminate flooring and painting the interior as well. The motion carried by the following vote:

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	

The Board returned to the Presentation item and normal order of business on the agenda since the auditor has arrived.

UNFINISHED BUSINESS:

1. Status of Well #3 – General Manager Eric Tynan informed the Board as mentioned at last months' board meeting that he continues to monitor Well #3 monthly for chloride levels, which have been holding steady. Since Maggiora Brothers Drilling has not responded, he has now contacted Alsop Electric Motor Shop to see if they would be able to investigate Well #3 to see if the K-packers could be leaking and need to be re-installed. The sleeve will need to be pulled and then re-install the K-Packers. He is also researching advance reverse osmosis treatment with minimal brine residual for this well.
2. Update on status of grants for Moss Landing-Sewer Zone 3, Castroville-Sewer Zone 1 and Castroville-Water Zone 1 for system upgrades and improvements - General Manager Eric Tynan reminded the Board that Castroville CSD submitted a grant application for Prop 1 funding to the State Water Resource Control Board for the Moss Landing Sewer Zone 3. The big news is that The "Median Household Income" survey (MHI) that was mailed out three times has finally been completed. It required door to door contact to get the residents in Moss Landing to respond to this survey. The results of the Moss Landing MHI survey should be available the first week of December 2018. Current funding efforts: Moss Landing sewer system improvements, Castroville emergency well replacement, Castroville water supply improvements and Castroville wastewater improvements.
3. Update on radio system upgrades for water and sewer systems for \$15,956 and have contractor install – General Manager Eric Tynan reported to the Board that the radios are all programmed and just need to be installed. He just spoke to the contractor who stated he has been having health issues and this is the reason that he has not responded or completed the project. However, he plans to work on it this Saturday.

4. Update on Cal Am Desal project – General Manager Eric Tynan reminded to the Board that Marina Coast Water District just filed a lawsuit with the California Public Utilities Commission (CPUC) for the reason that they issued Cal Am a certificate of public necessity which allows Cal Am to proceed with their desal project. General Manager Eric Tynan stated that Marina Coast Water District's claims against the Cal Am Desal project are inaccurate. In addition, Castroville CSD will need to acquire an easement for Molera Road for the desal project. Cosme Padilla, soon to be Castroville CCSD Board Member asked if the passing of Measure J would impact the Cal Am Desal project. General Manager Eric Tynan stated that the contract Cal Am has with other agencies regarding the Cal Am Desal project should still be recognized but the project may get stalled.
5. Consider implementing an employee wage step program – General Manager Eric Tynan presented the Board with an employee wage step program for their approval which can be viewed on pages 38-39. All staff positions are listed. He did not list the General Manager on the wage step program since this position is an employee of the Board. After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to implement the employee wage step program presented for 2018. The motion carried by the following vote:

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT			
PARTICIPATING:	0	Directors:	

6. Update on new motor control centers for Moss Landing - General Manager Eric Tynan informed the Board that the motor control centers for Moss Landing sanitation were built in 1984 and need to be replaced. The motor control centers have rusted thru and are in need of replacement. He has contacted three different vendors and is waiting to receive their quotes.

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 Monterey One Water board meeting – Director Ron Stefani stated that the Pure Water Monterey project is 60% complete. The injections wells are on and still on schedule although they encountered a little setback. The former project manager of the Pure Water Monterey project has filed a claim against Monterey One Water.
2. Update on the Local Groundwater Sustainability Agency (GSA) Formation – Director Ron Stefani reported that there was no meeting schedule for November but there is a meeting scheduled for December.
3. Update on meetings or educational classes attended by the Directors - None

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 Issue
 - 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

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CHECK LIST –October 2018. A motion was made by Adriana Melgoza and seconded by James Cochran to pay all bills presented. The motion carried by the following vote:

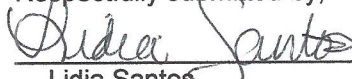
AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	

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

AYES:	5	Directors:	Oania, Stefani, Melgoza, Cochran and Montejano
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	


The meeting adjourned at 5:42 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Adriana Melgoza
President