

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
February 17, 2015

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

ROLL CALL:

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

Absent: None

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Paul Greenway, Willy R. Nowotny, Judy Burditt, Grant Leonard and Sally Childs with two CSUMB students

PLEDGE OF ALLEGIANCE

Director Adriana Melgoza led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None.

CONSENT CALENDAR

1. A motion was made by Betty MacMillan and seconded by Ron Stefani to approve the minutes of the January 20, 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 of support from Castroville CSD for the grant proposal entitled "Growing Environmental Stewards in the Community of Castroville."

Correspondence accepted as presented

INFORMATIONAL ITEMS:

1. *The Monterey Herald* – Desal plant pursuit to resume
2. *The Monterey Herald* – Oversight called for water basin initiative
3. *The Monterey Herald* – Judge delays EIR again
4. *The Monterey Herald* – Test wells halt bid denied
5. *The Salinas Californian*- Settlement struck in long-running land-use debate
6. *The Salinas Californian* – Supes to hear drought impact report
7. *The Monterey Herald* – Drought expected to continue, county pushes conservation
8. CSDA e-News- CalTRUST funds enter 2015 with over \$2 billion in assets

Informational items accepted as presented

PRESENTATIONS:

1. MNS Engineers to provide a presentation on Design-Build – MNS Engineers Willy R. Nowotny and Paul Greenway provided a basic PowerPoint presentation to the Board on the Design-Build delivery method and the benefits of this approach versus the traditional method of Design-Bid-Build. Mr. Nowotny mentioned that the legislation is brand new that now applies to special districts regarding the Design-Build delivery method and therefore there are no court interpretations yet, which was reiterated by District Legal Counsel Lloyd Lowrey at last month's board meeting. The provisions that would allow local agencies to do Design-Build have been completely revised. Mr. Lowrey also heard back from the

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office of Senator Wolk, who is the author of this legislation. Senator Wolk's office is requesting to see a project description before they would issue an opinion. Cities and counties are precluded from using Design-Build; however, local agencies do not have that preclusion. The question is whether this legislation applies to this project as it states that Design-Build can be used for fire protection facilities and that would be the factual argument to use. Per General Manager Eric Tynan as he stated at last month's board meeting and again today the Design-Build should apply to this project since a well provides water for fire protection. He also received verbal confirmation from the Department of Water Resources (DWR) that they were okay with Castroville CSD using Design-Build from the grant of 581K that was awarded for this project. District Legal Counsel Lloyd Lowrey recommended that written confirmation should be obtained from the DWR stating they were fine with the Design-Build method.

UNFINISHED BUSINESS:

1. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that he met with Sevrent Trent, Pure flow and MNS Engineers to discuss the arsenic treatment process. MNS Engineers is well known in the industry. Furthermore, they have great qualifications. With the assistance of MNS Engineers, he is optimistic that he will have Well 5 done by September of 2015 if the Design-Build method is permissible. He will also present a proposal to the Board from MNS Engineers for their services for the Well 5 Arsenic Treatment project at the next board meeting.
2. Update on well levels – General Manager Eric Tynan informed the Board on the current static well levels. Well #2 is currently 14.2 feet below sea level and up 2 feet from last month. Well #3 is 10.5 feet below sea level and up 6 feet from last month. Well #4 is 22.9 feet below sea level and up 10 feet from last month. The chloride levels are not showing any changes. General Manager Eric Tynan will continue to update the Board on the levels of the wells at the next board meeting.
3. Update on mural project for Castroville walkway over Highway 156 – General Manager Eric Tynan requested North Country Recreation and Park District, General Manager Judy Burditt update the Board on the status of the mural project. Per Ms. Burditt the mural project is stalled due to Caltrans' requirements (traffic, air and lead studies) to paint the mural directly on the wall. Caltrans also has a list of requirements for the wooden panels option that was being considered. The estimates for the additional requirements are costly. There might be an opportunity to acquire additional funding from the Community Foundation for the mural project if approved by them or for other projects planned in Castroville. She will report to the Board next month to see if there have been any further developments with this project. The budget set for the mural project is \$12,500. General Manager Eric Tynan will continue to update the Board at the next meeting.
4. Update on Castroville overhead sign - General Manager Eric Tynan reported to the Board that he has still not heard back from Steven Mayone with Mayone Structural Engineering, Inc. who was to review the Caltrans specifications and get back to him. He had contacted another company and is still waiting to hear from them as well. Caltrans is requiring that an engineer certify the structural integrity of the sign and is also requiring that the sign be brought up to Caltrans standards. This project may be stalled as well due to Caltrans requirements.
5. Update on tax measure for North Country Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the board that the informational meeting to discuss the tax measure for the NCRPD was cancelled since he and NCRPD, General Manager Judy Burditt were going to be the only two people able to attend the meeting. They will try to schedule another meeting. Ms. Burditt stated that it seems that only she and General Manager Eric Tynan are pushing for the tax measure. It is important to get a consultant on board to get the tax measure moving forward. The NCRPD has not had a tax measure increase since 1983.

NEW BUSINESS:

1. Consider sending a letter from Castroville CSD to Monterey County Water Resources Agency (MCWRA) regarding local groundwater sustainability agency (GSA) representation - General Manager Eric Tynan informed the Board that Director Ron Stefani, District Legal Counsel Lloyd Lowrey and he have attended a few meetings on the Sustainable Groundwater Act of 2014. It requires the formation of a groundwater sustainability agencies (GSAs) tasked with assessing the conditions in their local

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basins and adopting locally-based sustainable plans. It provides for limited state intervention only when a GSA is not formed and/or fails to create and implement a plan that will result in groundwater sustainability within 20 years (see pages 20-21 of the board packet for further information on the Act.). Per Mr. Lowrey, MCWRA in theory would be the overall agency to form the groundwater sustainability agency (GSA). However, there is concern about urban water purveyors having a voice. It appears MCWRA will be designated as that groundwater sustainability agency for Monterey County. At these meetings that he attended for the Act, it was indicated that it may be possible to have a groundwater sustainability agency, which would be MCWRA and still have input/representation from urban water purveyors. General Manager Eric Tynan is aware that there are other urban water purveyors who want representation. He will collaborate with Soledad, Salinas and Marina to help draft a memorandum of understanding (MOU) regarding the formation of a joint powers authority (JPA) to oversee the Sustainable Groundwater Management Act of 2014. The letter should be sent to the Board of Supervisors since they are the governing board of MCWRA. A motion is made by Ron Stefani and seconded by Adriana Melgoza to send a letter to the Monterey County Board of Supervisor once the District has collaborated with the other urban water purveyors regarding Local groundwater sustainability agency (GSA) representation. 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. Amend annual 2014/15 Operating Budget for Castroville (Zone 1) Water – Once the Board reviewed the amended 2014/15 Operating Budget for Castroville (zone 1) Water, a motion is made by Betty MacMillan and seconded by Silvestre Montejano to approve the amended budget. 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. Amend annual 2014/15 Operating Budget for Castroville (Zone 1) Sewer and Governmental – Once the Board reviewed the amended 2014/15 Operating Budget for Castroville (Zone 1) Sewer and Governmental, a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve the amended budget. 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. Amend annual 2014/15 Operating Budget for Moro Cojo & Monte De Lago (Zone 2) Sewer – Once the Board reviewed the amended 2014/15 Operating Budget for Moro Cojo & Monte De Lago (Zone 2) Sewer, a motion is made by Adriana Melgoza and seconded by Betty MacMillan to approve the amended budget. 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 |

5. Amend annual 2014/15 Operating Budget for Moss Landing (Zone 3) Sewer – Once the Board reviewed the amended 2014/15 Operating Budget for Moss Landing (Zone 3) Sewer, a motion is made by Silvestre Montejano and seconded by Ron Stefani to approve the amended budget. 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 |

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 to the Board that a 3 million dollar budget was approved to continue the Groundwater Replenishment project and the Monterey Peninsula Water Management District is funding 75 percent of it. Cal Am is following through with looking at their part on the draft of the water purchase agreement. This is the most important part of the agreement because you have to have a buyer that agrees to pay for the water and once you have a buyer that does agree to pay for the water, then financing opens up. PUC approval will probably not happen until the middle of next year.
2. Update on Oversight board meeting – Director Ron Stefani stated that the Oversight board met this morning. The good news is that they are going to combine all the Redevelopment Oversight boards in Monterey County into one by January 2017. The biggest issue is the land management plan that has to be approved by the Department of Finance and the East Garrison disposition and development agreement.

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 – January 2015. A motion was made by Ron Stefani 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 |

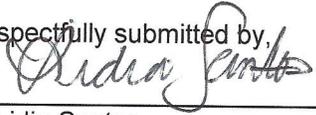
CLOSE:

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 |

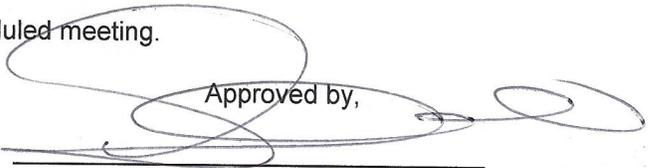
The meeting adjourned at 5:58 p.m. until the next scheduled meeting.

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



David Lewis
President