

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
CASTROVILLE COMMUNITY SERVICES DISTRICT  
May 16, 2017

President Ron Stefani called the meeting to order at 4:30 p.m.

**ROLL CALL:**

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

**Absent:**

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:** Jonathan Varela

**Guest:** Grant T. Leonard, Judy Burditt and Paul Sciuto

**PLEDGE OF ALLEGIANCE**

Vice President Silvestre Montejano led the Pledge of Allegiance.

General Manager Eric Tynan Introduced and welcomed the new employee Jonathan Varela hired to fill the open position of Water Service/Collection Systems Maintenance Worker II to the Castroville CSD Board. Mr. Varela thanked the General Manager for this opportunity and will make the District proud.

**PUBLIC COMMENTS**

1. None

**CONSENT CALENDAR**

1. A motion was made by Silvestre Montejano and seconded by Adriana Melgoza to approve the minutes of the April 18, 2017 Scheduled Board Meeting. The motion carried by the following vote:

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

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter from Castroville CSD at the request of OceanMist in support of annexation and cooperation in that process so that such service can be implemented for the property located at the North entrance along Washington Street in Castroville. Castroville CSD has the available capacity to provide domestic water and wastewater service to the Laguna Mist 400-bed farm labor housing project.
2. Letter from Castroville CSD at the request of OceanMist regarding the District's long term water supply.

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. *Monterey Herald* – Keith Van Der Maaten: New draft EIR needed for Cal Am desal plant
2. *Monterey Herald* – Salinas Valley groundwater agency faces off with Marina Coast, Greenfield over boundaries

*Informational items accepted as presented*

**PRESENTATIONS:**

1. Discuss the proposed MRWPCA 10% rate increase (over 3 years) and why this 10% increase is necessary, the aging infrastructure and the CIP projects this will fund. This rate increase will not fund any portion of the Pure Water Monterey project. – Paul Sciuto, General Manager, MRWPCA informed the Board that MRWPCA is going through the Prop 218 process and explained to the Board why the

rate increase is necessary over the next three years. Findings of the rate study: CIP identifies \$10 million per year in capital needs yet current rates only generate about \$3.9 million in annual funding (\$3.4 million for CIP + \$500K Capital Equipment), increased maintenance needs of aging facilities, fund reserves low compared to industry standards, PERS contribution requirements are increasing and ongoing cost inflation. He emphasized that none of the rate increase goes to support Pure Water Monterey. The Board did not have any questions or concerns. General Manager Sciuto thanked the board for their time and support and reported to them that a Public Hearing on the Prop 218 will occur on the 5<sup>th</sup> of June at 6:00 p.m. at the MRWPCA administrative offices in Ryan Ranch for any member of the public who is interested in attending.

**NEW BUSINESS:**

1. Preliminary 2017/18 Operating Budgets & CIP for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, & Monte Del Lago Mobile Home Park Zone 2) and Sewer (Moss Landing Zone 3) – General Manager Eric Tynan and the Board reviewed and discussed all budget items and the CIP for the different funds. However, the Budget & Personnel Committee: Stefani and Oania had met on May 4, 2017 and discussed and reviewed the budgets as well. Water (Castroville Zone 1) budget includes the water rate increase that was approved through the Prop 218 process and also the sewer rate increase for Sewer (Moro Cojo, NMCHS, & Monte Del Lago Mobile Park Zone 2) that was also approved through the Prop 218 process. The Board agreed to leave the preliminary 2017/18 Operating Budgets presented with the exception of discussing the budget item for “Extended Recreational Services” for North County Recreation and Park District further, which is currently reflecting a 100K for Castroville Zone 1 Governmental. The next item on the agenda to be discussed further is “Extended Recreational Services.” The preliminary 2017/18 Operating Budgets & CIP. Final adoption of the budget will not be made until the June 20, 2017 regularly scheduled board meeting.
2. Request for funding “Extended Recreation Services” with North County Recreation and Park District for fiscal year 2017/2018 – Eric Tynan, General Manager reported to the Board that budget item, account #7850 is currently reflecting \$100K for North County Recreation and Park District (NCRPD) to provide “Extended Recreational Services”. General Manager Eric Tynan reminded the Board that funding for “Extended Recreational Services” comes from ad valorem property taxes, which can be used for any services the District provides or from the Zone 1 Governmental Fund, which has a fund balance of \$265,896 as of March 31, 2017. The last few years funding has come from the Zone 1 Governmental Fund. NCRPD General Manager Judy Burditt was present and had submitted her request for fiscal year 2017/18 for “Extended Recreational Services” and is asking for \$109,993. The request, along with additional information for NCRPD can be viewed on pages 37-54 of the board packet. Director Glenn Oania was on the Budget & Personnel Committee and he reported to the Board that in his opinion “Extended Recreational Services” should only be receiving a fixed annual dollar amount. He also had additional questions for NCRPD that were answered by Director Grant T. Leonard and General Manger Judy Burditt both with NCRPD. General Manager Eric Tynan also recommended to the Board that they allocate a fixed amount of funding each year for NCRPD. The budget is currently reflecting 100k for fiscal year 2017/2018. Per President Ron Stefani if the tax measure goes well next year, this may be the last year NCRPD may request “Extended Recreational Services”.
3. The Board will take action to designate Eric Tynan, General Manager as labor negotiator for all employees for the District for purpose of (Gov. Code Sec. 54957.6) - After some discussion, a motion is made by Glenn Oania and seconded by James Cochran for the Board to take action to designate General Manager Eric Tynan as labor negotiator for all employees for the District for purpose of (Gove. Code Sec. 54957.6). The motion carried by the following vote:

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

**ADJOURNMENT TO CLOSED SESSION**

**CLOSED SESSION: 5:32 p.m.**

4. Pursuant to Government Code Section. 54957, the Board will discuss the following: Personnel Matters for all Water Service/Collection Systems Maintenance Worker II, Customer Service Representative, Office Manager/Executive Assistant/Board Secretary and the General Manager.

**ANNOUNCEMENT OF CLOSED SESSION ITEM:** (if applicable):

The board will reconvene into open session prior to adjournment and shall announce any action taken during the closed session. **The Board returned to open session at 5:38 p.m.** There was no action taken.

**NEW BUSINESS CONTINUED:**

5. Recommendation of Budget & Personnel Committee (Directors: Ron Stefani and Glenn Oania) regarding the salary of all District staff: Water Service/Collection Systems Maintenance Worker I and II, Customer Service Representative, Office Manager/Executive Assistant/Board Secretary and the General Manager – The Budget & Personnel Committee met on May 4, 2017 with General Manager Eric Tynan. Their recommendation to the Board is to approve a 3% cost of living increase for all staff; except the Customer Service Representative will receive a 4% increase upon the adoption of the 2017/2018 budgets. The hourly increase for all staff would start on July 6, 2017 and can be viewed on pages 55-56 of the board packet. A motion is made by Adriana Melgoza and seconded by Silvestre Montejano to approve a 3% hourly wage increase for all staff, except a 4% hourly wage increase for the Customer Service Rep to start on July 6, 2017, pending approval of the 2017/18 Budget at the June 20, 2017 board meeting. The motion carried by the following vote:

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

**UNFINISHED BUSINESS:**

1. Update on the Local Groundwater Sustainability Agency (GSA) Formation and Appoint Alternate Director for the Public Water System/Private Non-Profit Water System/Disadvantaged Community Seat on the Board of Directors for the Salinas Valley GSA: The following candidates have submitted an application; Richard Boyer and Frank P. Stanek – General Manager Eric Tynan reported to the Board that the Small Water System/Disadvantaged Community committee will be an advisory committee to Castroville CSD. President Ron Stefani is the primary director on the Small Water System/Disadvantaged Community seat for the GSA Joint Powers Authority. The alternate director, Hilary Q. Thomas that was appointed at last month's board meeting has resigned. Another candidate has submitted an application but the Small Water System/Disadvantage Community committee has not had a chance to review Mr. Stanke's application. A motion is made by Glenn Oania and seconded by Adriana Melgoza to table this item to the next month's board meeting. The motion carried by the following vote:

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

2. Update on levels for Well #2, #3, #4 and #5 – General Manager Eric Tynan informed the Board on the current well levels as of May 1, 2017 were as follows: Well #2 is currently at -8.2 feet below sea level and on April 1, 2017 it was -8.2 feet below sea level. Well #3 is currently at -24 feet below sea level and on April 1, 2017 it was -19.3 feet below sea level, and Well #4 is at -39.2 feet below sea level and

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on April 1, 2017 it was -29.5 feet below sea level. Well #5 is currently at -3.2 feet below sea level and in April 1, 2017 it was -8 feet below sea level. A graph of the well trends for the months August 2015 through May 2017 can be viewed on page 61 of the board packet. General Manager Eric Tynan stated that the well levels continue to decline but well levels are still ahead of where they were last year at this time.

3. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan had Director Grant T. Leonard from NCRPD provide the update since he was present at the board meeting. Per Mr. Leonard the NCRPD did apply for the North Monterey County Community grant through the Foundation and the deadline was the 19<sup>th</sup> of May. They are also planning to put the tax measure on the ballot either in June or November of 2018 for the reason that the Election Department changed elections for Special Districts from odd to even years and therefore it would be more cost effective to put the tax measure on the ballot in 2018.
4. Update on the Castroville CSD Medium Household Income study (MHI) to certify status as a “Disadvantaged Community” (DAC) to facilitate grant applications for water and sewer capital improvements for Castroville – General Manager Eric Tynan reported to the Board that Castroville CSD meet the requirements to be classified as a “Severely Disadvantaged Community”. With this new classification he is working on applying for grants and funding opportunities to apply for state and federal funding programs for water system improvements and upgrades. Also, as mentioned at last month’s board meeting, annual water systems fees for connections fees with the State Water Resources Control Board would be reduced from \$9,000 to \$4,000 due to Castroville being classified as a “Severely Disadvantaged Community”.
5. Update on the progress of the Castroville Boulevard Bicycle/Pedestrian and Railroad Crossing Bridge; Project No. 8622 (Monterey County) - General Manager Eric Tynan reported to the Board that this project hit another snag. One of the posts is 10 feet off and this miscalculation has caused a delay. As discussed prior, the County’s contractors accidentally punctured a water main when they were drilling in March 2017. Castroville CSD had properly marked all the water-lines before the drilling began for this project. The second water main break did not require a boil order notice since no laterals were affected. The County was billed by Castroville CSD for the damage caused by their contractors for both of these incidents. The County informed him that payment should be received soon by Castroville CSD for the first incident, which occurred in February 2017.

**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 to the Board that MRWPCA had their groundbreaking ceremony for the Pure Water Monterey project on Friday, May 5, 2017. The event went well and many agencies from Monterey County attended.
2. Update on meetings/an educational class attended by the Directors – President Ron Stefani was not able to attend the ACWA Spring Conference in Monterey, May 10-12, 2017 after all due to it had conflicted with important personal matters.

## 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

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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 2017. A motion was made by Adriana Melgoza and seconded by Glenn Oania to pay all bills presented. The motion carried by the following vote:

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


**CLOSE:**

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

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

The meeting adjourned at 5:54 p.m. until the next scheduled meeting

Respectfully submitted by,

  
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Lidia Santos  
Secretary to the Board

Approved by,  
  
\_\_\_\_\_  
Ron Stefani  
President