

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
October 27, 2015

Vic President Ron Stefani called the meeting to order at 4:32 p.m.

ROLL CALL:

Directors Present: Vice President Ron Stefani, Director Silvestre Montejano and Director Betty MacMillan

Absent: President David Lewis and Director Adriana Melgoza

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Dennis Klingelhofer, Patrick Dobbins, and Grant Leonard

PLEDGE OF ALLEGIANCE

Director Silvestre Montejano led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Betty MacMillan and seconded by Silvestre Montejano to approve the minutes of the September 15, 2015 Regular Board Meeting. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	2	Directors:	Melgoza and Lewis

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Comment letter regarding the In-Basin Water to the CPUC from Castroville CSD General Manager Eric Tynan.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey County Farm Bureau* – Monterey County progress on groundwater sustainability
2. *Monterey Herald* – Water authority: Consider Seaside golf courses for desal returned water
3. *Monterey Herald* – Coastal Commission staff backs Cal Am test well resumption
4. *Monterey Herald* – Recycled water final EIR done, Oct. 8 hearing set
5. *Monterey County Weekly* – Brace for Impact
6. *Monterey Herald* – Groundwater replenishment project forges ahead of desal projects in PUC review

Informational items accepted as presented

PRESENTATIONS:

1. Presentation of amended (without Well 6) Water Rate Study- Dennis Klingelhofer, Market Leader-Community Services-VP with Harris & Associates introduced himself to the Board and announced that Mike Sylvia, Senior Project Manager, Public Finance was no longer with Harris & Associates. Mr. Sylvia left for another job opportunity and Mr. Klingelhofer will be taking his place. Mr. Sylvia had reviewed the water utility rate study with the Board at last month's board meeting and the Board had requested to exclude Well 6 from the study. A copy of the amended study can be viewed on pages 21-41 of the board packet. The proposed rate structures would be by meter size and a single water rate per cubic foot for fiscal year end 2016, 2017, 2018, 2019 and 2020. The current and proposed rate structures can be viewed on page 24, Table 1 of the board packet. Even with the proposed rate structures, Castroville CSD

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in comparison to other area water utilities is still the lowest cost water provider among those displayed (Table 12 and Chart 7 on page 38) for the average single family residential (SFR) customer with a ¾" meter and 1000 cubic foot of monthly usage. SFR customers with ¾" meters represent the majority customer class within the Castroville CSD water system customer group. Castroville CSD has not raised water rates since 2004. The primary recommendations are to follow Proposition 218 guidelines for compliance and given a recent legal outcome related to multiple water usage tiers, *CTA vs. City of San Juan Capistrano*, and the fact that Castroville CSD's sole source of water is groundwater, a key consideration of this rate study was creating a rate structure with a single commodity rate or tier per water unit consumed. This is important due to the legal requirements borne out of this legal decision. Lastly, the recommended rate structure was largely designed to fund capital improvement plan budget items within the rate structure. General Manager Eric Tynan requested the Board skip forward to New Business, item one on the Agenda and then return to Unfinished Business. Vice President Ron Stefani proceeded with New Business to review and approve the five year CIP presented.

UNFINISHED BUSINESS:

1. Accept Water Rate Study and setting of "Public Hearing Date" for adoption of the recommended rate structure – Vice President Ron Stefani stated that he was much more pleased with the amended rate study that did not include Well 6. Directors Betty MacMillan and Silvestre Montejano also agreed with Vice President Stefani. With Board approval, Mr. Klingelhofer stated that the "Notice of Public Hearing for the Castroville CSD, scheduled for Tuesday, December 15, 2015 meeting that will begin at 4:30 p.m. regarding proposed water rate adjustments will be mailed in English and Spanish this Friday, October 30, 2015 to each property owner and water customer. District Legal Counsel recommended the District at the next meeting adopt some guidelines on how protest votes will be tabulated. Furthermore, only one protest per property will be counted. The code provides guidance. After some discussion, a motion is made by Silvestre Montejano and seconded by Betty Macmillan to accept the Castroville CSD Water Rate Study and setting of "Public Hearing Date", Tuesday, December 15, 2015 at 4:30 p.m. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Lewis

2. Update on well levels, chloride and conductivity – General Manager Eric Tynan informed the Board on the current static well levels. As of October 2015, Well #2 is currently at -22 feet below sea level, Well #3 is at -45.3 feet below sea level, and Well #4 is at -55.3 feet below sea level. A graph of the well trends for the months January 2015 through October 2015 can be viewed on page 43 of the board packet. The well levels continue to slightly improve from the previous month. Most agriculture farming has started to move to Arizona. Forecasters are now predicting El Niño may hit us this winter after all. The chloride and conductivity levels for the Well #3 continue to hold steady as well.
3. 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 44 of the board packet. For the month of September 2013 water usage was 26.4 million gallons and September 2015 it is 24.2 million gallons. Customers continue to do their part to conserve.
4. 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 for the GSA. He spoke briefly on the telephone with the facilitator this morning, who had called to schedule a one hour phone conference for the 29th of October with Castroville CSD. Both General Manager Eric Tynan and Vice President Ron Stefani plan to be present for the scheduled phone conference at the District office this Thursday at 2:p.m on the 29th of October.

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5. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that the adsorbative media vessels were installed. The project is now on schedule and on budget. The District is preparing to integrate the monitoring and control systems. A photo montage was presented to the Board that shows the progression that has been made on this project to date.
6. 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 submitted a 2015 Capital Improvement Program for NCRPD, which can be viewed on pages 45-53 of the board packet. He provided an overview on the following contents: district information, funding for the district, district facilities and capital improvement program. Once the 2015 Capital Improvement Program is finalized, the next step would be to get the community's input and support to be able to go out for a tax measure. He also announced that General Manager Judy Burditt plans to retire by the end of 2016. At the last NCRPD meeting, the board put in place a succession plan and part of that plan was restructuring current staff. The Board eliminated the Assistant General Manager and Administrative Assistant positions. Some staff was given new titles and duties. They are currently hiring a Director of Finance so the entire burdens of all these duties are just not solely the responsibility of the General Manager.

NEW BUSINESS:

1. Approve five year CIP 2016/2020 for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, Monte Del Lago Mobile Park Zone 2) and Sewer (Moss Landing Zone 3) – General Manager Eric Tynan presented a five year CIP 2016/2020 for all the District funds. A change needed to be made to the CIP for Water. Radio read meters are reflecting under Capital Improvement Projects and will need to be allocated to General Operation Expenses instead; \$25,000 for the next five years since it is the repair and maintenance of the registers for these meters. A motion is made by Betty MacMillan and seconded by Silvestre Montejano to approve the five year CIP 2016/2020 for Water (Castroville Zone 1) with the amendment, Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, Monte Del Lago Mobile Park Zone 2) and Sewer (Moss Landing Zone 3) that was presented. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	2	Directors:	Melgoza and Lewis

2. Update on Cal Am and Monterey County Water Resources Agency regarding the In-Basin Water from the Monterey Peninsula Water Supply Project (desal) – General Manager Eric Tynan met with the Mayor of Carmel Jason Burnett to discuss Castroville CSD possibly taking the In-Basin water. It was discussed with General Manager David Chardavoyne from Monterey County Water Resources Agency (MCWRA) on possibly creating an MOU between MCWRA, Cal AM, Carmel and Castroville CSD regarding the In-Basin water. However, there is nothing concrete at this time.
3. Authorize Director Adriana Melgoza to attend the Public-Private Partnerships for Water Sector, October 28 and 29, 2015, hosted at Stanford University – Director Adriana Melgoza was on vacation in Mexico and reported by email to General Manager Eric Tynan that she was evacuated to a shelter on the 23rd of October due to hurricane Patricia and not sure what day she would be returning to the USA. She was not present at this board meeting and for this reason the Board decided to take no action on this item as she may still be out of the country.
4. Authorize interested Directors and General Manager to attend ACWA's 2015 Fall Conference & Exhibition, December 1-4, 2015 in Indian Wells, CA – ACWA's 2015 Fall Conference & Exhibition is scheduled to be held this December 1-4 in Indian Wells, CA. After some discussion Vice President Ron Stefani stated that he was interested in attending. General Manager Eric Tynan also stated he may be interested to attend as well. A motion is made by Betty MacMillan and seconded by Silvestre Montejano to authorize Vice President Ron Stefani and General Manager Eric Tynan to attend ACWA's Fall Conference & Exhibition. The motion carried by the following vote:

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AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Lewis

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 met on the 8th of October to approve the EIR Ground Water Replenishment Project. Yesterday MRWPCA approved the Amended and Restated Water Recycling Agreement between MRWPCA and Monterey County Water Resources Agency.
2. Update on CSDA Annual Conference – Director Ron Stefani stated that he enjoyed the conference and the various topic items discussed. He learned that CalPERS is reducing the discount rate and is looking to raise employees' contribution in order to offset the employers' contributions. Director Silvestre Montejano was scheduled to attend the Public Speaking workshop and stated that he thought it was on Tuesday not Monday and apologized for not attending the workshop. Directors Melgoza and Lewis were not present to provide an update on the conference.

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
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 – September 2015. A motion was made by Betty MacMillan and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Lewis

CLOSE:

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

AYES:	3	Directors:	Stefani, Montejano, and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Lewis

The meeting adjourned at 5:14 p.m. until the next scheduled meeting.

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Ron Stefani
Vice President