

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT

July 21, 2015

President David Lewis called the meeting to order at 4:30 p.m.

ROLL CALL:

Directors Present: President David Lewis, Vice President Ron Stefani and Director Adriana Melgoza

Absent: Director Betty MacMillan and Director Silvestre Montejano

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Grant Leonard, Sally Childs, Patrick Dobbins, Mike Sylvia, and Mike Pinto. Anne Secker arrived at 4:37 p.m., and Judy Burditt arrived shortly thereafter.

PLEDGE OF ALLEGIANCE

President David Lewis led the Pledge of Allegiance.

PUBLIC COMMENTS

1. Sally Childs noticed that the County workers are overwatering the landscape at the Andy Ausonio Library and asked who she would notify to report water waste. General Manager Eric Tynan informed her that any water waste should be reported to Castroville CSD. The District has a process in place to address water waste. He had already talked to the County about this and will follow-up with them again to make sure they are complying with the water measures put in place at this time.

CONSENT CALENDAR

1. A motion was made by Ron Stefani and seconded by David Lewis to approve the minutes of the June 9, 2015 Personnel Committee Meeting. The motion carried by the following vote:

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

2. A motion was made by Ron Stefani and seconded by Adrianna Melgoza to approve the minutes of the June 12, 2015 Budget Committee Meeting. The motion carried by the following vote:

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

3. A motion was made by Adriana Melgoza and seconded by Ron Stefani to approve the minutes of the June 16, 2015 Regular Board Meeting. The motion carried by the following vote:

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

4. A motion was made by Ron Stefani and seconded by David Lewis to approve the minutes of the July 2, 2015 Special Board Meeting. The motion carried by the following vote:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter to Castroville CSD Board of Directors from Judy Burditt, General Manager, North County Recreation and Park District (NCRPD) requesting funding for "Recreation Services" for fiscal year 2015/2016.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey County Weekly* – Science of Salt
2. *Monterey County Weekly* – Positive Slant
3. *ACWA News* – Water Conservation: Viewing rebates as bonuses
4. *Monterey County Weekly* – LAFCO followed all the rules in giving Pajaro/Sunny Mesa an appointed board, officials says
5. *Associated Press* – California regulators discuss water pricing for drought
6. *Mercury News* – Coming El Niño could be strongest on record
7. *The Monterey Herald* – People's Desal Project starts EIR process
8. *The Monterey Herald* – Cal Am must seek amended test slant well permit

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. Well #2 is currently at -35.6 feet below sea level, Well #3 is at -49.9 feet below sea level, and Well #4 is at -74 feet below sea level as of June 2015. A graph of the well trends for the months January 2015 through June 2015 can be viewed on page 26 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. However, as of July 21, 2015 Well #2 is currently at -28 feet below sea level, Well #3 is at -57 feet below sea level, and Well #4 is at -99.5 feet below sea level. He stated that this low well levels are a concern and it is frustrating that surrounding agricultural farmers have no water restrictions during this drought, which is definitely having an impact on the District's well levels.
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 24 of the board packet. However, it appears for the month of June 2013 water usage should be higher and he will have the data double checked. Overall, customers both residential and commercial understand California is in a drought and are being cooperative with the conservation measures put in place. For those that do not comply, they are first given a verbal or written notice, which usually resolves the issue.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he and Marina Coast Water District Interim General Manager Bill Kocher met with OceanMist Farms, inquiring of their interest in forming a JPA to lead a sub-basin groundwater sustainability effort. OceanMist Farms has shown no interest in forming a JPA, so instead Castroville CSD is waiting for Monterey County Water Resources Agency (MCWRA) to select a facilitator to get the GSA moving forward.
4. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that the Castroville CSD has received from Conco-West Inc. a schedule on how the Arsenic Treatment project will progress for Well No. 5. The schedule can be viewed on page 29 of the board packet. MNS Engineers were selected by the Board for the Construction Administration of Well No. 5. Engineer Willy Nowotny reviewed the schedule with the Board and answered any questions or

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concerns they had. General Manager Eric Tynan also mentioned that the soil surveys done by Don Chapin Co. at the site a few years back can be used, which also saves the District money.

5. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the board that he believes there has been no meeting since May 19, 2015 scheduled to discuss the NCRPD tax measure. Present was NCRPD board member Grant Leonard who confirmed that a meeting was scheduled but later cancelled. They are looking to reschedule the meeting soon to further discuss the tax measure and capital improvement projects for NCRPD.
6. 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 provided the District with a Water Rate and Fee Study Calendar, which can be viewed on page 30 of the board packet. Mr. Sylvia reviewed the Calendar that provides a timeline of what steps will be taken to move forward with a water rate structure increase with the staff and Board that were present. General Manager Eric Tynan emphasized that it was important to get this water rate study done and if needed increase water rates. Furthermore, there is a two year waiting period to obtain qualified well drillers.
7. Resolution No. 15-5 Adopting the District Budget for FY 2015/2016 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 informed the Board minor changes were made to some of the budget line items. For recreational services, Director Melgoza had two questions: (1) What were the fees for some of these programs and (2) What were the options available for those parents that could not afford to pay. NCRPD Director Leonard will forward these questions to NCRPD Manager Burditt to address. The Board reviewed the FY 2015/2016 Budgets and a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve Resolution No. 15-5 Adopting the District Budget for FY 2015/2016 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). The Motion carried by the following vote:

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

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 San Jarado was going to be a partner with Castroville CSD in applying for this grant. It now appears San Jarado is no longer considered a disadvantaged community, therefore not a viable partner. Castroville CSD is required to be the lead agency and may consider two other disadvantage communities. Castroville CSD would need to enter into a grant agreement with the California Department of Water Resources as the lead agency to be considered for the IRWM grant funding. To administer the IRWM grant funding he would have the District contract with Rich Guillen Associates who has provided a proposal for \$7,500 to do the work. Resolution No. 15-6 of the Board of Directors of the Castroville CSD to enter into Grant agreement with the California Department of Water Resources will need to be executed if the Board agrees to move forward with the IRWM grant funding.

NEW BUSINESS:

1. Resolution No. 15-6 Enter into Grant Agreement with the California Department of Water Resources – After some discussion, a motion is made by Adriana Melgoza and seconded by Ron Stefani to approve Resolution No. 15-6 Enter into Grant Agreement with the California Department of Water Resources. The motion carried by the following vote:

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

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2. Report on Moss Landing Sewer Systems Connection Fee Development – General Manager Eric Tynan reported to the Board that he acquired the services of Mike Sylvia with Harris & Associates for the development of a wastewater connection fee for the Moss Landing Wastewater Collection System. They have submitted a report that summarizes their analysis and provides their professional and technical opinion in setting the Moss Landing Wastewater Collection System Connection Fee. The report can be viewed on pages 56-61 of the board packet. Mr. Sylvia goes over the key points of the report with the Board and the recommended Moss Landing Wastewater Collection System Connection Fees per EDU is \$3,183. The next step is to adopt an Ordinance to approve the connection fees. CFO Mike Pinto with MBARI stated that he is pleased with Castroville CSD acquiring the Moss Landing sanitation system and the progress the District has made since taking over.
3. Resolution No. 15-7 to Adopt Proposed Amendment to the Moss Landing Sewer Allocation Plan (MLSAP) – General Manager Eric Tynan requested the Board adopt Resolution No. 15-17, which increases the allocations from 105,000 gallons per day to 140,000 gallons per day for the MLSAP. This is well below the actual system capacity of 309,000 gallons per day. The changes made only affect allocation for two of the five zones. Current allocation for Area #3-The Island is 14,000 gallons per day and would now have an allocation of 30,000 gallons per day an increase of 16,000 gallons per day. Current allocation for Area #5 Downtown is 13,000 gallons per day and would now have an allocation of 52,650 which is an increase of 19,000 gallon per day as long as it conforms to the Moss Landing Community Plan and California Coastal Commission guidelines. District Legal Counsel Anne Secker (in place of District Legal Counsel Lloyd Lowrey who is on vacation) advised the Board that all appropriate steps have been taken to notice this item on the agenda and for this reason the District can move forward with Resolution No. 15-7. CFO Mike Pinto with MBARI stated that they support the changes being made to the MLSAP. A motion is made by Ron Stefani and seconded by Adriana Melgoza to adopt Resolution No. 15-7, accepting the 2015 Moss Landing Sewer Allocation Plan. The motion carried by the following vote:

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

4. Approve "Castroville Community Services District Investment and Deposit Policy" for fiscal year 2015/2016 – After some discussion, a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve the CCSD Investment and Deposit Policy for fiscal year 2015/2016. The motion carried by the following vote:

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

5. Vote to elect a representative to the California Special Districts Association Board of Directors 2015 Election, Coastal Network, Seat A, (vote for only one) – The Board of Directors reviewed the 3 candidates running for the election: Robert Blair with Nipomo Community Services District, Peter Le with Marina Coast Water District and Elaine Magner with Pleasant Valley Recreation & Park District. They asked General Manager Eric Tynan to recommend a candidate and he suggested they vote to elect Robert Blair with the Nipomo Community Services District. A motion is made by Ron Stefani and seconded by Adriana Melgoza to vote to elect Robert Blair to the California Districts Association of Directors 2015 Election, Coastal Network, Seat A. The motion carried by the following vote:

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

6. Authorize Board of Directors to attend the California Special Districts Association Conference, scheduled for September 21-24 in Monterey, CA – The majority of the Board expressed interest in wanting to attend the CSDA conference, which will be held in Monterey. A motion is made by David Lewis and seconded by Ron Stefani to authorize up to five Board of Directors to attend the California Special Districts Association

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Conference, scheduled for September in Monterey. The motion carried by the following vote:

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

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 first meeting in 27 years was held with the new MRWPCA General Manager Paul A. Sciuto. As the new General Manager he had to respond to a wastewater release to the ocean on May 18, 2015 in Pacific Grove.
2. Update on Oversight board meeting – Director Ron Stefani stated there was no meeting this month. The meetings are held quarterly.

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 – June 2015. A motion was made by Ron Stefani and seconded by Adriana Melgoza to pay all bills presented. The motion carried by the following vote:

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

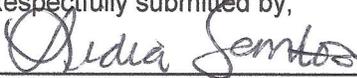
CLOSE:

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

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

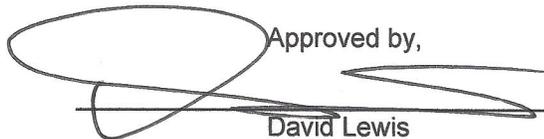
The meeting adjourned at 5:20 p.m. until the next scheduled meeting.

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



David Lewis
President