

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
**CASTROVILLE COMMUNITY SERVICES DISTRICT**  
November 15, 2016

President Ron Stefani called the meeting to order at 4:35 p.m.

**ROLL CALL:**

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

**Absent:** Director Betty MacMillan

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:** None

**Guest:** Grant T. Leonard, Judy Burditt, David Armanasco, Lloyd Lowrey, Brian J. Cousino and Gary Porter

**PLEDGE OF ALLEGIANCE**

Director Silvestre Montejano led the Pledge of Allegiance.

**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 October 18, 2016 Scheduled Board Meeting. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	1	Directors:	MacMillan

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter from ACWA JPIA to Castroville CSD regarding Defensive Driver Training class held at the District.

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. *ACWA News* - Legislative Update: Six New California Laws Impacting Water
2. *The Desert Sun* – Editorial Board: California Must Recommit to Water Conservation
3. *Monterey County Weekly* – Denial of Controversial Oil Refinery Project is Appealed in SLO County
4. *Monterey Herald* – Pure Water Project Launches with Historic Agreement

*Informational items accepted as presented*

**PRESENTATIONS:**

1. Hinricher, Douglas & Porter LLP, Certified Public Accountants to present audit report for fiscal year ended June 30, 2016 – Castroville CSD's annual financial audit was recently completed and presented to the Board of Directors by Certified Public Accountants Gary Porter and Brian J. Cousino with Hinricher, Douglas & Porter, LLP. Per Mr. Cousino, 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. Cousino asked if the Board had any questions or concerns regarding the audit report. Since there were no questions, he informed the board that the only major shift on the financial statements reflected this year was the completion of the construction in progress of Well #5 Arsenic Treatment Project, which will now be depreciated. Also as discussed last year the financial statement as of fiscal year end June 30, 2015



now reflects the net pension liability. The implementation of GASB 68 for fiscal year June 30, 2015 was briefly discussed last year when the fiscal year ended June 30, 2014 audit was presented to the Board at the November 18, 2014 meeting. 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. Both Mr. Cousino and Mr. Porter also wanted to thank General Manager Eric Tynan and Office Manager/Secretary to the Board Lidia Santos for always having all the data ready for them when they arrive to the District to conduct the annual audit.

**Board President Stefani skipped down to New Business.**

**UNFINISHED BUSINESS:**

1. Update on levels for Well #2, #3 and #4 – General Manager Eric Tynan informed the Board on the current well levels as of November 1, 2016 were as follows: Well #2 is currently at 5.1 feet above sea level and on October 1, 2016 it was -6.1 feet below sea level. Well #3 is at -28.5 feet below sea level and on October 1, 2016 it was -45.1 feet below sea level, and Well #4 is at -43.3 feet below sea level and on October 1, 2016 it was -57.7 feet below sea level. A graph of the well trends for the months March 2015 through November 2016 can be viewed on page 17 of the board packet. General Manager Eric Tynan stated that the well levels are higher than last year's well levels. He is also looking at upgrading the telemetry system.
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 2013 vs. 2016 graph can be viewed on page 18 of the board packet. There is a decline in water usage from 2013 versus 2016. For the month of October 2013 water usage was 24.9 million gallons and October 2016 it is 23.3 million gallons. Overall water usage is 11.95% less in 2016 than 2013 thus far. As mentioned many times, Castroville does not have much opportunity for significant conservation measures as there is only one swimming pool property owner in town and mostly small yards and landscapes to maintain.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported that both he and President Ron Stefani continue to attend the GSA meetings. The GSA is to be comprised of eleven representative seats. As mentioned at the September 2016 Board meeting, Agriculture entities are requesting to hold five out of the eleven seats. However, other representatives in the working group are advocating that Agriculture entities only have four seats, because five seats would give them a super majority. It appears Agriculture entities will only have four seats.
4. 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 along with NCRPD General Manager Judy Burditt and David Armanasco. Per Mr. Leonard NCRPD had a meeting with David Armanasco with Armanasco Public Relations Inc (AMR), the consultant hired to assist the NCRPD with program funding for the tax measure to see what the next step should be. The NCRPD is not getting a response as quickly as they thought from the capital campaign. Mr. Armanasco stated that more outreach needs to be done to talk to people about the knowledge of the NCRPD and ask if there was a capital campaign would they take a pledge. He mentioned that they did have a successful meeting with a group of people who want to remain anonymous and are willing to make a pledge but an amount was not specified. He is also, trying to see if the NCRPD can find lead gifts of 250K-500K pledge. He too was hoping to be further along with the tax measure and he does not feel the capital campaign is limited to just Castroville and plans to contact community members in Moss Landing. NCRPD is looking for the least expensive way to conduct the passing of a parcel tax.
5. Update on Prop 84: Well 5 (formerly; Well 2B) Arsenic Treatment project – General Manager Eric Tynan reported to Board that the additional documentation required by the Department of Water Resources to finalize the completion of this project has been submitted by MNS Engineers. Once this documentation is approved by the Department of Water Resources, they will release the remaining funds for the Well 5, Arsenic Treatment project.



6. 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 the good news is Rural Community Assistance Corporation (RCAC) will conduct a MHI study for Castroville. However, for Castroville to be considered a DAC the average customer water bill needs to be about \$67 a month. Currently, even with the recent rate increases the average water bill is about \$32 per month. It will be difficult to consider Castroville a DAC. NCRPD General Manager Judy Burdiitt stated that she would be interested in the findings of the Castroville CSD Medium Household Income study. Moss Landing is already considered a severe DAC and is therefore pursuing grant funding for the sewer system.
7. Update on Request for Proposal on purchase of a "Sewer Jetter Cleaner Replacement" for fiscal year 2016/2017 - General Manager Eric Tynan reported to the Board that the request for proposal on a new Sewer Jetter Cleaner was published in the Monterey County Weekly on the 17<sup>th</sup> of November. The sealed proposals must be received by 1:00 p.m., Wednesday, December 14, 2016 by the District at which time they will be publicly opened and read. The bids received will be presented to the Board at the December 20, 2016 meeting.

**NEW BUSINESS:**

**The Board skipped down from the Presentation to New Business.**

1. Resolution No. 16-10, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2016, as Prepared by Hinricher, Douglas & Porter, Certified Public Accountants – Following the presentation of the audit and discussion, a motion is made by Adriana Melgoza and seconded by Silvestre Montejano to approve Resolution No. 16-10, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2016 as prepared by Hinricher, Douglas & Porter, Certified Public Accountants. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	MacMillan

2. Proposal for Audit Services Agreement 2017-2019 from Hinricher, Douglas & Porter LLP, Certified Public Accountants – The Board reviewed the proposal for Audit Services Agreement 2017-2019 from Hinricher, Douglas & Porter LLP, Certified Public Accountants and a motion was made by Silvestre Montejano and seconded by Adriana Melgoza to approve the Audit Services Agreement 2017-2019 submitted by Hinricher, Douglas & Porter LLP, Certified Public Accountants. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	MacMillan

3. Change the regular order of business of the Board per the Board Procedure Manual, Section 25 – General Manager Eric Tynan requested the Board changed the "Order of Business" on the agenda by moving New Business after Presentation. A motion was made by Adriana Melgoza and seconded by Silvestre Montejano to approve changing the order of business recommended by the General Manager. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	MacMillan

The Board returned to the regular order of business, Unfinished Business, item 1.

**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 stated that the MRWPCA General Manager Paul Scuito received a nominal raise as he received a great rating. The Pure Water Monterey project is moving forward and has received national recognition awards.
2. Update on meetings/educational classes attended by the Directors – None to report

**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** – October 2016. A motion was made by Adriana Melgoza and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	1	Directors:	MacMillan

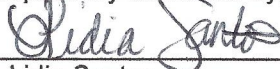
**CLOSE:**

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

AYES:	4	Directors:	Stefani, Montejano, Melgoza and Cochran
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	1	Directors:	MacMillan

The meeting adjourned at 5:33 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos  
Secretary to the Board

Approved by,



Ron Stefani  
President