

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
April 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, Director Adriana Melgoza, and Director Silvestre Montejano

Absent: Director Betty MacMillan

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Paul Greenway, Willy Nowotny, David T. Hodgins and Patrick Dobbins

PLEDGE OF ALLEGIANCE

President David Lewis led the Pledge of Allegiance.

PUBLIC COMMENTS

1. ACWA Joint Powers Insurance Authority Executive Committee Member David Hodgins presented to the Castroville CSD Board of Directors with the RPA Stabilization Fund Report and a check for the amount over the attachment point for \$870.06. He is the ACWA Region 5 Board of Director and also an elected board member for the Scotts Valley Water District. He wanted to personally present the check to the Board and acknowledge the District for doing a great job. The District participates in the Liability and Property Program.

CONSENT CALENDAR

1. A motion was made by Ron Stefani and seconded by Silvestre Montejano to amend and approve the minutes to reflect that Patrick Dobbins was present at the March 17, 2015 Regular Board Meeting. The motion carried by the following vote:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. None.

INFORMATIONAL ITEMS:

1. *AWWA Journal* – The bare facts about fixed amount of water compared with population growth through history
2. *Gov.Ca.gov/news* – Governor Brown Directs first ever statewide mandatory water reductions
3. *The Salinas Californian* – Brown orders steep cuts in state water use
4. *Associated Press* – Gov. seeks drought spending
5. *The Salinas Californian* – Drought to continue in West, forecasters predict
6. *The Salinas Californian* – Growers begin push to secure future water supply
7. *The Monterey County Weekly* – Cal Am proposes selling Salinas Valley water back to Salinas Valley users

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 26 feet below sea level, which is 6 feet lower as of March 23, 2015. Well #3 is at 29 feet below sea level, which is 4 feet lower as of March 23, 2015. Well #4 is at 61 feet below sea level, which is 18 feet lower as of March 23, 2015. Around this same time last year, Well #2 was at 8 feet below sea level, Well #3 was a 11.9 feet below sea level and Well #4 was at 17.1 feet below sea level. A picture of the well trends can be viewed on pages 18-19 of the board packet. There has not been much rain this winter and agriculture companies have started irrigating their fields again. General Manager Eric Tynan will continue to update the Board on the levels of the wells at the next board meeting.
2. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the board that Director Adriana Melgoza, NCRPD General Manager Judy Burditt, NCRPD Director Grant Leonard, the facilitator, Mr. Ramos with Ramos Cordova Strategy Group and he met again to discuss the tax measure for NCRPD. They have selected a core group to get this tax measure moving forward and will be sending notices out to them. In collaboration with Mr. Ramos, the facilitator they are planning to reach out first to key community members. General Manager Eric Tynan will continue to update the Board of the progress of the tax measure for the NCRPD.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he had spoken with MCWRA Assistant General Manager Rob Johnson and they are currently trying to obtain a facilitator. MCWRA has been having meetings but as of yet has not included water purveyors. When facilitated meetings commence, water purveyors will be invited to attend per Mr. Johnson.
4. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that Rich Guillen, grant administrator for Castroville CSD has submitted the third progress report to the Department of Water Resources (DWR). Paul Greenway with MNS Engineers has been helping him keep this project moving forward. The grant monies for Well 5 are strictly to be used for the construction phase of this project. The District is still waiting for approval from DWR regarding the amendments made to the grant contract by District Legal Counsel Lloyd Lowrey permitting the method of Design-Build for Well 5. Per Mr. Greenway, the District also applied for another Integrated Regional Water Management grant for \$4.5 million for an additional deep well. Per President David Lewis the District needs to do the best they can to try and stay prepared as the last thing the District would want is to wake-up one morning to no water.

NEW BUSINESS:

1. Approve Design-Build advertising for arsenic treatment of Well 2B/5 - General Manager Eric Tynan informed the Board that he would like to move forward with the advertising of this project as a Design-Build for the arsenic treatment of Well 2B/5 (See memo from general manager to the Board on pages 20-21 of board packet.) As mentioned earlier, the District is waiting for the Department of Water Resources (DWR) to approve the amendment to the contract, which permits Design-Build. District Legal Counsel Lloyd Lowrey stated that the Board may approve the Design-Build advertising for the arsenic treatment of Well 2B/5 but should not award the contract until the amendments to the contract have been approved by DWR, which permits Design-Build. After some discussion, a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve the Design-Build advertising for arsenic treatment of Well 2B/5; however the contract cannot be awarded until the amendments to the contract have been approved by DWR, which permits Design-Build. The motion carried by the following vote:

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

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2. Resolution No. 15-1 Declaring a Level 2 Water Supply Shortage (21% reduction) – General Manager Eric Tynan reported to the Board that Governor Brown declared statewide a measure to reduce water use by 25%. He also requested the Board amend Resolution No. 15-1 Declaring a Level 2 Water Supply Shortage to reflect 25% reduction instead of 21% as recommend by District Legal Counsel Lloyd Lowrey. A Level 2 Water Supply Shortage (25% reduction) will limit customers to outdoor irrigation of turf and ornamental landscape to two days per week from April to October with houses and businesses with street addresses ending in odd numbers irrigate on Monday and Friday. Houses and businesses with street addresses ending in even numbers irrigate on Tuesday and Saturday. All irrigation must occur before 9:00 a.m. and after 5 p.m. Washing of vehicles is prohibited except at a commercial car washing facility that utilizes a re-circulating water system to capture or reuse water. A \$500 fine may be imposed for violators. The conservation measures would be enforced by the District. A notice to inform the customers of the expected water conservation measures will be mailed in English and Spanish. General Manager Eric Tynan expressed concerns that it would be difficult for the District to meet the 25% reduction. Castroville has small lawns, there is only one residential pool in town, water loss for the District is at 8 ½ percent and the industry standard is 12%-15%. In 2000 water pumped was at 1,010 acre feet and fifteen years later it is at 820 acre feet (for further detail see memo from the General Manager to the Board on page 22 of the board packet.) Per District Legal Counsel Lloyd Lowrey, the District has a target of 25% reduction to meet. What the new regulations are going to ask this district and other similar districts is to limit outdoor irrigation of ornamental landscaping or turf, of potable water of the persons it serves to no more than two days per week. Also, the District will need to submit a report in December 2015 that includes total potable water production by month from June to November and total potable water production from June to November 2013 for a basis of comparison to the State Water Resources Control Board. All the District needs to do is to adopt this resolution, enforce it and submit the required information in December 2015. General Manager Eric Tynan informed the Board that he has already notified Commercial Parkway owners of the coming water reduction measures since they have the biggest lawns. School lawns will also have to comply with the water reduction measures. After some discussion, a motion is made by Silvestre Montejano and seconded by Adriana Melgoza to approve amended Resolution No. 15-1 Declaring a Level 2 Water Supply Shortage (25% reduction). The motion carried by the following vote:

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

3. Consider raising water rates by 10% annually for the next five years – General Manager Eric Tynan reported to the Board that the District may need to put one or two deeper wells in that cost \$2-\$4 million dollars. Furthermore, with conservation measures in place, District water revenue will be reduced. What he is asking of the Board, is for a motion to proceed with measures necessary to raise rate through the Proposition 218 process, 10% a year increase based on water department needs. The District has one of the lowest water rates and 2004 was the last time water rates were increased. Per Vice President Ron Stefani with a Proposition 218 process, the people need to see exactly what you are going to spend the money on. Per District Legal Counsel Lloyd Lowrey, the first thing is to determine how the District wants to proceed, assuming it will provide services just for the District boundaries. The District will need to take a look at what the needs are by identifying the projects and amount of money needed. There will also need to be some kind of validation of tying the rates to the amount of money that will be needed to collect for that period of time. This information provides the documentation that the rate payers are legally entitled to see. The courts are strict with requiring compliance with an audit trail from the need to the amount of fee of charge. Proposition 218 would be a protest. More than 50% have to protest. The notices should be sent out in English/Spanish. A motion is made by Silvestre Montejano and seconded by Ron Stefani to direct the General Manager to study the need for a rate increase by providing a rate study and capital improvement plan and reporting the findings back to the Board at a future meeting. The motion carried by the following vote:

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

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4. Castroville CSD to consider taking Cal Am's in-basin water – General Manager Eric Tynan notified the Board that there is a possibility the Salinas Valley fresh water component, which needs to stay in-basin, may become available for municipal use. If more than 3% of the water pulled in through the slant wells is fresh water, then pumping would not be allowed. Vice President Ron Stefani stated that the initial test pulled 20%, so this water will not become available for municipal use.
5. Approve Noland Hamerly Etienne & Hoss Attorneys at Law proposed billing rate of \$250 per hour effective July 1, 2015, presently billing rate \$240 per hour rate – The Board is pleased with the legal service provided by District Legal Counsel Lloyd Lowrey. A motion is made by Ron Stefani and seconded by Adriana Melgoza to approve Noland Hamerly Etienne & Hoss Attorneys at Law proposed billing rate of \$250 per hour effective July 1, 2015 for the District. The motion carried by the following vote:

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

6. Resolution No. 15-2 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges - Resolution 15-2 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges needs to be approved by the Board to levy assessments for the Castroville Water Project Assessment District, Series 1982-1A, 1982-1B, 1982-1C and property related user fees for tax codes 75301, 73701 and 74701. A motion is made by Adriana Melgoza and seconded by Ron Stefani to approve Resolution No.15-2 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges. The motion carried by the following vote:

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

7. Resolution No. 15-3 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election – Office Manager Lidia Santos informed the Board that three seats (Lewis, Stefani and MacMillan) are up for elections this November 3, 2015. Resolution No. 15-3 Ordering an Election, Requesting County Elections to Conduct the Elections, and Requesting Consolidation of the Election needs to be approved by the Board and submitted to Monterey County Elections Department. After some discussion, a motion was made by Silvestre Montejano and seconded by Ron Stefani to approve Resolution No. 15-3 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election. The Board also determined that the Statement of Qualifications would be limited to 200 words and the candidate would also be responsible for paying the cost of publishing the Statement of Qualifications and in the event of a tie, the District would not conduct a special runoff election for this election. The motion carried by the following vote:

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

8. Approve replacing three manholes: #27, #28 and #29 along Highway 1 in Moss Landing, not to exceed \$22K by West Valley Construction – General Manager Eric Tynan reported to the Board that three manholes are in need of repair in Moss Landing. He received three proposals and is recommending the Board select West Valley Construction, the lowest bidder to complete the work. (See pages 32-35 to review the General Manager's memo to the Board and proposals submitted.) After some discussion, a motion is made by Ron Stefani and seconded by Adriana Melgoza to approve replacing three

manholes: #27, #28 and #29 along Highway 1 in Moss landing, not to exceed \$22K by West Valley Construction as recommend by the General Manager. The motion carried by the following vote:

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

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 biggest news is that MRWPCA has hired a new general manager to replace the current General Manager Keith Israel who has announced his retirement this summer. MRWPCA is also conducting a rate study.
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 – March 2015. A motion was made by Adriana Melgoza and seconded by Ron Stefani to pay all bills presented. The motion carried by the following vote:

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

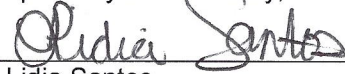
CLOSE:

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

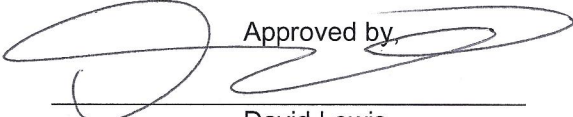
AYES:	4	Directors:	Stefani, Melgoza, Montejano and Lewis
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	MacMillan

The meeting adjourned at 5:43 p.m. until the next scheduled meeting.

Respectfully submitted by,


Lidia Santos
Secretary to the Board

Approved by,


David Lewis
President