

**THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
July 19, 2016**

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

ROLL CALL:

Directors Present: President Ron Stefani, Director Adriana Melgoza and Director Betty MacMillan

Absent: Vice President Silvestre Montejano

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Judy Burditt, Grant T. Leonard, Glenn Oania and James Cochran

PLEDGE OF ALLEGIANCE

Director Betty MacMillan led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Betty MacMillan and seconded by Adrianna Melgoza to approve the minutes of the June 14, 2016 and June 28, 2016 Budget & Personnel Committee Meeting. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

2. A motion was made by Adriana Melgoza and seconded by Betty MacMillan to approve the minutes of the June 21, 2016 Scheduled Board Meeting. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Revised notice to Castroville CSD Board Members from Judy Burditt, General Manager of North County Recreation and Park District requesting "Extended Recreation Services" for fiscal year ending June 30, 2107.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *California Special Districts Association* – Grassroots action update
2. *Herald* – Editorial, June 24, 2016: State water board should listen to local experts
3. *Herald* – Ian Crooks: Debunking Marina Coast claims
4. *Grapevine* – A brief history of lead poisoning: From ancient Rome to Michigan, lead has plagued our bodies for centuries.

Informational items accepted as presented

PRESENTATIONS:

1. None

OPEN PUBLIC HEARING

1. Public Hearing – Receive Public Comment on Proposed Increases in District Rates, Fees, and Charges for Sewer Services for Castroville-Zone 2 (Moro Cojo, NMCHS and Monte Del Lago Mobile Home Parks) Service Area. – President Stefani opened the Public Hearing at 4:34 p.m.
 - President Stefani asked if there were any public comments to be made. There were no public comments.

CLOSE PUBLIC HEARING

President Stefani closed the Public Hearing at 4:35 p.m.

UNFINISHED BUSINESS:

1. Verbal report on results of Proposition 218 Protest to the Proposed Increased in District Rates, Fees, and Charges for Sewer Services for Castroville- Zone 2 (Moro Cojo, NMCHS and Monte Del Lago) Service Area – General Manager Eric Tynan reported to the Board that the Castroville CSD did not receive any protest letters from property owners. Notices were mailed to all property owners in Zone 2 informing them of the proposed increase in sewer rates.
2. Second Reading of Ordinance No. 67, An Ordinance Amending Section 1, Section 2, Section 3, Section 4, Section 7, Section 8, and Section 9 of Amended Ordinance No. 61, to Establish a Rate Schedule for Sewer Service for Castroville Zone 2 Service Area (Rancho Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park) by the Castroville Community Services District for Fiscal Years 2016/17 through 2020/21 – Board President Ron Stefani introduced and waived the Second Reading of Ordinance No 67, An Ordinance Amending Section 1, Section 2, Section 3, Section 4, Section 7, Section 8, and Section 9 of Amended Ordinance No. 61, to Establish a Rate Schedule for Sewer Service for Castroville Zone 2 Service Area (Rancho Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park) by the Castroville Community Services District for Fiscal Years 2016/17 through 2020/21.

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

3. Consider Adoption of Resolution No. 16-7, A Resolution of the Board of Directors of the Castroville Community Services District Declaring the Results of the Proposition 218 Protest Count for the Proposed Increases in District Rates, Fees, and Charges for Sewer Services for Castroville-Zone 2 Service Area (Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park), Finding No Majority Protest and Approving the Second Reading for the Adoption of Ordinance No. 67 to Enact the Revised Rate Schedule – Once the Board reviewed Resolution No. 16-7 and there were no questions from the public, a motion was made by Adriana Melgoza and seconded by Betty MacMillan to adopt Resolution No. 16-7, A Resolution of the Board of Directors of the Castroville Community Services District Declaring the Results of the Proposition 218 Protest Count for the Proposed Increases in District Rates, Fees, and Charges for Sewer Services for Castroville-Zone 2 Service Area (Moro Cojo, NMCHS and Monte Del Lago Mobile Home Park), Finding No Majority Protest and Approving the Second Reading for the Adoption of Ordinance No. 67 to Enact the Revised Rate Schedule, effective as of August 18, 2016. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

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4. Update on levels for Well #2, #3 and #4 – General Manager Eric Tynan informed the Board on the current well levels as of July 1, 2016 were as follows: Well #2 is currently at -17 feet below sea level and on June 1, 2016 it was -14 feet below sea level. Well #3 is at -62.7 feet below sea level and on June 1, 2016 it was -52.7 feet below sea level, and Well #4 is at -80.1 feet below sea level and on June 1, 2016 it was -76.4 feet below sea level. A graph of the well trends for the months February 2015 through July 2016 can be viewed on page 34 of the board packet. Well #5 will also be included on this graph once the transducer arrives and is installed. Although the well levels continue to drop, the well levels are better than last year's well level numbers.
5. 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 conservations efforts 2013 vs. 2016 graph can be viewed on page 35 of the board packet. There is a drop in water usage from 2013 versus 2016. For the month of June 2013 water usage was 25.1 million gallons and June 2016 it is 23.8 million gallons. Notices were mailed to all water customers in English and Spanish that "Castroville CSD Announces Reduced Conservations Emergency Regulations to a Level I until October 31, 2016. The notice can be viewed on pages 36-39 which list the requirements for all Castroville CSD Water Users. Customers continue to do their part to conserve water.
6. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he and Board President Stefani continue to attend the scheduled Collaborative Work Group Meetings. Information on the scheduled meetings and topics to be discussed can be viewed on pages 40-43 of the agenda. At the latest meeting attended, concepts for governing a GSA were discussed. He and Board President Ron Stefani will continue to update the Board on any further developments at the next regularly scheduled board meeting.
7. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the Board that NCRPD General Manager Judy Burditt was present and here to update the Board. NCRPD, along with David Armanasco with Armanasco Public Relations Inc (AMR)., the consultant hired to assist the NCRPD with program funding (tax measure) have started moving forward with the capital campaign. Mr. Armanasco has acquired a list of businesses and has already made a few contacts and will work on additional contacts but is currently on vacation. In addition, the response so far seems to be favorable. NCRPD President Grant T. Leonard also concurred with General Manager Judy Burditt that the capital campaign does appear to be looking favorable.
8. Update on the Return Water Purchase Agreement between California American Water Company (Cal AM) and Castroville Community Services District – General Manager Eric Tynan reported to the Board that a group has filed a lawsuit against the settlement agreement. There are two settlement agreements and they are both tied to the water purchase agreement. Per District Legal Counsel Lloyd Lowrey Marina Coast Water District has filed opposition with the Public Utilities Commission (PUC) to the approval of the settlement agreement, whereas the other group has actually filed a lawsuit against the export of water from the Salinas basin on using this plan. The Water Purchase Agreement protects Castroville CSD from any lawsuits. Any lawsuits brought forward would be California American Water's fight.

ADJOURNMENT TO CLOSED SESSION

CLOSED SESSION: 5:13 p.m.

9. Pursuant to Government Code Section. 54957, the Board will discuss the following: Personnel Matters for all Water Service/Collection Systems Maintenance Worker I and 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 5:19 p.m.** There was no action taken.

UNFINISHED BUSINESS CONTINUED:

10. Recommendation of Budget & Personnel Committee (Directors: Betty MacMillan and Silvestre Montejano) 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

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Manager – Director Betty MacMillan recommended to the Board that there should be no salary increases due to rising cost in employee's health benefits and the need to increase water and sewer rates as well. A motion was made by Betty MacMillan and seconded by Adriana Melgoza to keep all employee salaries the same for fiscal year 2016/2017. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

11. Resolution No. 16-8 Adopting the District Budget for FY 2016/2017 and CIP 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 Board reviewed the FY 2016/2017 Budgets and CIP presented (can be viewed on pages 44-68 of the board packet) and upon the recommendation of the Budget and Personnel Committee (NCRPD General Manager Judy Burditt had provided the Budget Committee with all the financial data that was requested) agreed to amend the Governmental Zone 1 budget for extended recreational services from \$140,000 to \$150,849 of which \$50K will be allocated for the NCRPD tax measure. Ms. Burditt thanked the Board for their continued support. Furthermore, if the tax measure is successful, the NCRPD would no longer need to request extended recreational funding from Castroville CSD. A motion is made by Adriana Melgoza and seconded by Betty MacMillan to approve Resolution No. 16-8 Adopting the District Budget for FY 2016/2017 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 MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

NEW BUSINESS:

1. Approve "Castroville Community Services District Investment and Deposit Policy" for fiscal year 2016/2017 – The Board approves this policy annually, which can be viewed on pages 69-73 of the board packet. A motion is made by Betty MacMillan and seconded by Adriana Melgoza to approve "Castroville Community Services District Investment and Deposit Policy" for fiscal year 2016/2017. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

2. Authorize those Board of Directors and General Manager who are interested in attending the California Special Districts Association (CSDA) Annual Conference, scheduled for October 10-13, 2016 in San Diego, CA –After some discussion, a few of the Directors and General Manager expressed interest in attending the CSDA Annual Conference scheduled for October 10-13, 2016 in San Diego, CA. Information on the conference can be viewed on pages 74-76 of the board packet. The A motion is made by Adriana Melgoza and seconded by Betty MacMillan to authorize the Board of Directors and General Manager that are interested to attend the CSDA Conference scheduled for October 10-13, 2016 in San Diego, CA. The motion carried by the following vote:

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

3. Approve the hourly billing rate of \$265 for Noland, Hamerly Etienne & Hoss Attorneys at Law effective as of July 1, 2016 – General Manager Eric Tynan reported to the Board that Noland, Hamerly, Etienne & Hoss has notified the District that the billing rate for NHEH attorney will be \$265.00 per hour effective

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July 1, 2016. Per District Legal Counsel Lloyd Lowrey who is with NHEH, Board approval and written confirmation is being requested. Last year, billing rates were not increased. After some discussion, a motion is made by Betty MacMillan and seconded by Adriana Melgoza to approve the hourly billing rate of \$265 for Noland, Hamerly, Etienne & Hoss Attorneys at Law effective as of July 1, 2016.

AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

4. Castroville CSD Board of Directors appointment of seat: The board seat was vacated by resignation; and the position to be filled is a 4-year term ending November 2017. Applications for the board seat will be reviewed; an appointment made and the oath of office administered to the newly appointed director. The following candidates; Glenn Oania and James Cochran have submitted an application – Mr. Glenn Oania was a former Castroville CSD 40 plus year employee of the District who retired a few years ago and a resident of Castroville. Mr. James Cochran is a resident of Moss Landing. District Legal Counsel advised the Board that the only manner Castroville CSD can obtain representation for Moss Landing on the MRWPCA Board is to appoint/elect a candidate from Moss Landing service area. Even though the District was to appoint a candidate from Moss Landing to the Castroville CSD and then to the MRWPCA seat, the MRWPCA seat is currently an ex-officio seat (non-voting seat.) If there are no candidates on the Castroville CSD Board, the seat would remain vacant. President Ron Stefani asked each candidate to introduce themselves. The Board asked each of them a few questions and in turn answered any question they had. After much discussion, the Board felt it was important to appoint a representative from Moss Landing to have a board member from this service area and also on the MRWPCA board, with the aspirations of making it a voting seat once again. A motion is made by Adriana Melgoza and seconded by Betty MacMillan to appoint James Cochran to the Castroville CSD Board of Directors.

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 at the MRWPCA meeting the Board did approve the Moss Landing representation on the MRWPCA board as an ex-officio seat. Castroville CSD will need to send notice to MRWPCA to inform them Castroville CSD has appointed a board member from the Moss Landing service area and is entitled to the ex-officio seat with MRWPCA.
2. Update on meetings/educational classes attended by the Directors – None to report at this time.

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 – June 2016. A motion was made by Adriana Melgoza and seconded by Betty MacMillan to pay all bills presented. The motion carried by the following vote:

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AYES:	3	Directors:	Stefani, Melgoza and MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

CLOSE:

There being no further business, a motion was made by Betty MacMillan 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 MacMillan
NOES:	0	Directors:	None
ABSENT/NOT PARTICIPATING:	1	Directors:	Montejano

The meeting adjourned at 5:35 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Ron Stefani
President