

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

March 15, 2016

President Ron Stefani called the meeting to order at 4:31 p.m.

Before starting with the items on the agenda, President Ron Stefani called for a moment of silence to be observed in remembrance of Eberardo Melgoza, Director Melgoza's father and former Castroville CSD Director Silvio Bernardi.

ROLL CALL:

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

Absent: Director Betty MacMillan

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Grant T. Leonard

PLEDGE OF ALLEGIANCE

At the request of President Ron Stefani, Grant T. Leonard led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by David Lewis and seconded by Silvestre Montejano to approve the minutes of the February 16, 2016 Scheduled Board Meeting. The motion carried by the following vote:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter of support for the Coastal Conservation and Research, Inc. application to the State Water Resources Control Board Proposition 1 Storm Water Grant Program (SWGP) on behalf of the Monterey County Resource Management Agency.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey Herald* – Castroville veterans housing project approval appealed
2. *The San Gabriel Valley Tribune* – State water board extends mandatory water conservation measures through October
3. *Courthouse News Service* – California says locals must police groundwater
4. *Mercury News* – El Niño: Summer drought rules likely to continue unless big storms come in March and April

Informational items accepted as presented

PRESENTATIONS:

1. None

UNFINISHED BUSINESS:

1. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that he has held off on authorizing the final payment to the Design-Build contractor Conco-West as there is one issue pending that needs to be resolved. The CO2 tanks on the Silvio Bernardi Water Treatment Facility for Well 5 are venting off too much gas. The CO2 tanks should be lasting 90 days not 20 days. He is meeting with the contractor tomorrow to resolve. Also, MNS Engineers will be hosting a luncheon presentation on Design-Build at the District office tomorrow. It is anticipated that there will be around 25 guests from various agencies in Monterey County attending the presentation. An invitation was also extended to the Castroville CSD Board of Directors.
2. Update on levels for Well #2, #3 and #4 – General Manager Eric Tynan informed the Board on the current well levels as of March 1, 2016 were as follows: Well #2 is currently at -2.9 feet below sea level and in February 1, 2016 it was 0.1feet above sea level. Well #3 is at -20.7 feet below sea level and in February 1, 2016 it was -13.9 feet below sea level, and Well #4 is at -30.6 feet below sea level and in February 1, 2016 it was -16.4 feet below sea level. A graph of the well trends for the months February 2015 through March 2016 can be viewed on page 15 of the board packet. The well levels dropped slightly from the previous months.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that he and Board President Stefani attended a meeting regarding the formation of a GSA executive committee. Forming a core group was discussed at this meeting. The next meeting is scheduled for next week, which both he and President Stefani plan to attend. He will continue to update the Board on any further developments at the next regularly scheduled board meeting.
4. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the Board that a week ago he attended a meeting with NCRPD General Manager Judy Burditt, NCRPD Board Member Grant T. Leonard and Consultant David Armanasco with Armanasco Public Relations to discuss the tax measure. Mr. Armanasco submitted a proposal to assist the NCRPD with a capital campaign to fund upgrades to the recreation center and an outreach and awareness building campaign to gain support for the passing of a property tax measure. General Manager Eric Tynan said that Mr. Armanasco's proposal was just received last night and the monthly fees for his services appear to be \$7,500. It is not clear, how many months his services would be needed. The November 2016 election is eight months from now and cost would be \$60,000 or more. However, he does feel Mr. Armanasco would get the job done but still has further questions and concerns that need to be addressed before the proposal is presented to the Board. NCRPD Board Member Grant T. Leonard reported to the Board that the NCRPD is very pleased to announce that they acquired a \$50K grant to renovate the play structures.
5. Update on Castroville Boulevard Bicycle/Pedestrian and Railroad Crossing Bridge; Project No. 8622 concerning the sewer relocation – General Manager Eric Tynan reported to the Board that there is no recent news to report on this project other than it is anticipated that work will begin July 2016.
6. Update on the status of the Return Water Planning Term Sheet regarding a partnership between Cal Am and Castroville CSD to reduce the District's draw of fresh water from the 400 foot aquifer in the Salinas Valley Basin – General Manager Eric Tynan notified the Board that District Legal Counsel Lloyd Lowrey would be reviewing the water purchase agreement. Mr. Lowrey is currently out of the office and scheduled to return on the 28th of March. Per President Stefani, the agreement with Cal Am needs to indemnify Castroville CSD. General Manager Eric Tynan also mentioned that Marina Coast Water District is stating that the water to be used for the purchase agreement is being drawn from the sub basin south of the Salinas River and this water needs to remain in that basin.

NEW BUSINESS:

1. Resolution No.16-3 Declaring a Level 2 Water Supply Shortage (25% Reduction) is still in Effect until October 2016 – General Manager Eric Tynan informed the Board that the State drought restrictions are still in effect until October 2016. Resolution No. 16-3 extends the conservations efforts that were put in place in April of 2015. The only changes made to the extended conservations efforts are that all houses

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and businesses irrigate on the same days, which is now on Tuesday and Saturday before 9:00 a.m. and after 5:00 p.m. Notices will be mailed to all customers this week in both English and Spanish to inform them that the drought restrictions are still in effect until October 2016. A motion is made by David Lewis and seconded by Adriana Melgoza to approve Resolution No. 16-3 Declaring a Level 2 Water Supply Shortage (25% Reduction) is still in Effect until October 2016. The motion carried by the following vote:

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

1. Consider amending annual 2015/16 Operating Budgets for Castroville Zone 1-Water, Castroville Zone 1-Sewer, Moro Cojo Zone 2-Sewer, Moro Cojo Zone 2 – Governmental and Moss Landing Zone 3-Sewer – General Manager Eric Tynan presented the amended budgets for Castroville Zone 1-Water, Castroville Zone 1-Sewer, Moro Cojo Zone 2 –Governmental and Moss Landing Zone 3-Sewer. The Board reviewed the amended 2015/16 Operating Budgets and the only additional changes made was to the Operating Budget for Zone 1-Water at the request of Office Manger Lidia Santos to budget line item #5740 for Computer Program/Upgrade to reduce it from \$10,000 to \$5,000 and to increase Capital Expenditures/Assets by \$5,000 for Billing Software. A motion is made by Adriana Melgoza and seconded by David Lewis to approve the amended 2015/16 Operating Budgets presented for Castroville Zone 1-Water with changes requested, Castroville Zone 1-Sewer, Moro Cojo Zone 2-Sewer, Moro Cojo Zone 2 – Governmental and Moss Landing Zone 3-Sewer. The motion carried by the following vote:

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

2. Discussion on whether to consider a LED Street Light Conversion Program – Eric Tynan, General Manager informed the Board that AMBAG has a LED Street Light Conversion Program. If Castroville CSD would like to participate, PG&E would change out the street lights and the cost of changing these lights would be refunded to PG&E by the electrical savings of the LED lights, which is anticipated to take two to three years. Castroville CSD would sign a contract with PG&E to change the fixtures from high pressure sodium to LED. General Manager Eric Tynan will be meeting with an AMBAG specialist and PG&E representative in the next several weeks to discuss further.
3. Consider how to proceed with Principal Financial Group, Inc. common stock – General Manager Eric Tynan reported to the Board that the District currently holds 578 common stock shares with Principal Financial Group, which was purchased when the District was still the Castroville County Water District; therefore these funds belong to the Water fund. The estimated market value as of November 9, 2015 is \$29,165.88. After some discussion a motion is made by David Lewis and seconded by Silvestre Montejano to direct the General Manger Eric Tynan to investigate further, sell the 578 shares and deposit the funds obtained to the Water fund. The motion carried by the following vote:

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

4. Election of LAFCO Commissioner; vote for one: Grant T. Leonard, North County Recreation and Park District; Warren E. Poitras, Monterey County Regional Fire District or Stephen Snodgrass, Pajaro/Sunny Mesa CSD – The Board reviewed the election ballot for LAFCO. General Manager Eric Tynan recommended the Board vote for Grant T. Leonard, North County Recreation and Park District. After some discussion, a motion is made by David Lewis and seconded by Silvestre Montejano to vote for Grant T. Leonard for the position of LAFCO Commissioner. The motion carried by the following vote:

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

5. Approve attendance of interested Board of Directors and General Manager Eric Tynan to the ACWA Spring Conference & Exhibition, May 3-6, 2016, Monterey Marriott & Portola Hotel – After some discussion, President Stefani and General Manager Eric Tynan informed the Board that they were definitely interested in attending the conference. Director Melgoza may be interested in attending as well but is not sure at this moment. A motion is made by Adriana Melgoza and David Lewis to approve the attendance of interested Castroville CSD Board of Directors and the General Manager to the ACWA Spring Conference & Exhibition, May 3-6 2016 and to register by the deadline April 8, 2016. The motion carried by the following vote:

AYES: 4 Directors: Stefani, Montejano, Melgoza 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 – President Ron Stefani reported that the MRWPCA is scheduling tours with all MRWPCA members to tour the Pure Water Recycled Project.
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 – February 2016. A motion was made by Silvestre Montejano and seconded by Adriana Melgoza to pay all bills presented. The motion carried by the following vote:

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

CLOSE:

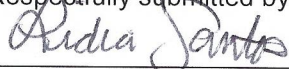
There being no further business, a motion was made by David Lewis and seconded by Adriana Melgoza to adjourn to the next scheduled Board meeting; the motion carried by the following vote:

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

The meeting adjourned in memory of Eberardo Melgoza, Director Melgoza's father and former Castroville CSD Director Silvio Bernardi at 5:11 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Ron Stefani
President