

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
**CASTROVILLE COMMUNITY SERVICES DISTRICT**  
December 20, 2016

President Ron Stefani called the meeting to order at 4:32 p.m.

**ROLL CALL:**

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

**Absent:** Director Betty MacMillan and Director Adriana Melgoza

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:** None

**Guest:** Grant T. Leonard, Lloyd Lowrey, Leslie J. Girard and Heather Lukacs

**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 James Cochran to approve the minutes of the November 15, 2016 Scheduled Board Meeting. The motion carried by the following vote:

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

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter from ACWA JPIA recognizing Castroville CSD for having a Loss Ratio of 20% or less in the Liability program for the period of 10/01/2012 - 09/30/2015 and Property program for the period of 04/01/2012 - 03/31/2015 with a President's Special Recognition Award.

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. *Monterey Herald* – County supervisor question water agency proposal
2. *Santa Cruz Sentinel* – Stanford takes crack at studying Central Coast aquifer seawater intrusion
3. *San Francisco Daily Journal* – Justices to weigh scope of CPRA
4. *Monterey Herald* - \$10 million state grant for recycled water project
5. *Monterey Herald* – Approval of desal project now not expected until March 2018

*Informational items accepted as presented*

**PRESENTATIONS:**

1. None

**NEW BUSINESS:**

1. Take action on bids received from qualified vendors with demonstrated industry experience to construct and deliver a fully operational vehicle for high pressure cleaning of sewer system infrastructure – General Manager Eric Tynan reported to the Board that there were only two bids received. One bid was

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submitted by 3T Equipment for \$213,177.18 and the other bid by Owens Equipment for \$249,284.00. Both vendors are well qualified. 3T Equipment is the lowest qualified bidder and this vehicle meets the District's needs. Furthermore, Carmel Area Wastewater District also purchased this same vehicle earlier this year and they are happy with it. After some discussion, a motion is made by Silvestre Montejano and seconded by James Cochran to approve the bid from 3T Equipment for \$213,177.18. The motion carried by the following vote:

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

2. Resolution No. 16-11, A Resolution of the Board of Directors of the Castroville Community Services District Approving the Rescheduling of Governing Body Member Elections from Odd-Numbered Years to Even-Numbered Years, in Accordance with Elections Code § 1303(b) and Senate Bill 415 (2015-2016 Regular Sessions), and Requesting the Approval of the County of Monterey to Consolidate the Same with the Statewide General Election Pursuant to Elections Code § 10404 – Directors: Melgoza, Montejano and Cochran were up for election in November 2017 and it will now be November 2018 upon approval of Resolution No. 16-11. Ron Stefani and Betty MacMillan were up for election in November 2019 and it will now be November 2020 upon approval of Resolution No. 16-11. A motion is made by Silvestre Montejano and seconded by James Cochran to Resolution No. 16-11, Approving the Rescheduling of Governing Body Member Elections from Odd-Numbered Years to Even-Numbered Years, in Accordance with Elections Code § 1303(b) and Senate Bill 415 (2015-2016 Regular Sessions), and Requesting the Approval of the County of Monterey to Consolidate the Same with the Statewide General Election Pursuant to Elections Code § 10404. The motion carried by the following vote:

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

3. Resolution No. 16-12, A Resolution of the Board of Directors of the Castroville Community Services District Approving Joint Powers Agreement for Groundwater Management – County of Monterey Chief Assistant County Counsel Leslie J. Girard stated that they have been working very hard on the GSA and is hoping to have all members involved approve and execute the Joint Powers Agreement for Groundwater Management by the first of the year in order to get the GSA going. He also stated that he is looking forward to having Castroville CSD participate and made the Board aware that in order to provide the necessary capital to initially fund the Agency during Fiscal Year 2017-2018 and 2018-2019, the members participating will each provide the listed Initial Contribution per the agreement to the Agency's Treasurer/Auditor no later than July 7, 2017 and July 6, 2018. For Castroville CSD the contribution amount will be \$20,000 each fiscal year. He then answered any questions and concerns the Board and the public had regarding the Joint Powers Agreement for Groundwater Management. District Legal Counsel Lloyd Lowrey stated that the concept of the draft is excellent and really a worthwhile effort. Also, present was Heather Lukacs, PhD. with the Environmental Justice Coalition for Water, a nonprofit agency. She was here to voice Castroville CSD's support to sign on to the draft Joint Powers Agreement for Groundwater Management. Castroville CSD is currently the pointing authority, which is a really important role. General Manager Eric Tynan also recommended the Board approve the Joint Powers Agreement for the Groundwater Management. A motion is made by Silvestre Montejano and seconded by James Cochran to approve Resolution No. 16-12, A Resolution of the Board of Directors of the Castroville Community Services District Approving Joint Powers Agreement for Groundwater Management. The motion carried by the following vote:

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

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4. Resolution No. 16-13, A Resolution of the Board of Directors of the Castroville Community Services District Approving Advance Retirement of Bonds – After some discussion, a motion is made by Silvestre Montejano and seconded by James Cochran to approve Resolution No. 16-13, Approving Advance Retirement of Bonds as long as the Bonds can be prepaid at any time without a premium as per USDA (the Bondholder) stated. The motion carried by the following vote:

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

5. Increase replacement cost to \$60K for radio read meter registers that are failing due to acceleration of expiring batteries – General Manager Eric Tynan reported to the Board that the radio read meter registers have been failing due to the acceleration of expiring batteries. The radio read meter registers were all booked as one asset with a life of 30 years, which has usually been the case for previous meters installed in the District. However, the register component should have been booked separately with only a 10 year life. For this reason, the registers are an expense. The radio read meter registers were done in a three year period with 1/3 of the town completed each year. Unfortunately, the batteries on these radio meters are expiring all at once. The District is able to purchase a bulk of this registers at a discounted price until the end of this month. After some discussion, a motion is made by Silvestre Montejano and seconded by James Cochran to increase the replacement cost to \$60K for radio read meter registers. The motion carried by the following vote:

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

6. Policy on inserts and messaging for District water bill mailings – General Manager Eric Tynan informed the Board that on page 34 of the board packet a policy can be viewed on what type of inserts and messaging for District water bill mailings pending Board approval would be permitted. Messaging on bills and inserts only for non-profits and non-religious entities and any deviation must be approved by at least two directors. Vice President Silvestre Montejano requested to table this item until the next regularly scheduled board meeting since Director Adriana Melgoza was not present and this was her idea. A motion is made by Silvestre Montejano and seconded by James Cochran. The motion carried by the following vote:

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

**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 December 1, 2016 were as follows: Well #2 is currently at 10 feet above sea level and on November 1, 2016 it was 5.1 feet above sea level. Well #3 is at -29.2 feet below sea level and on November 1, 2016 it was -28.5 feet below sea level, and Well #4 is at -38.5 feet below sea level and on November 1, 2016 it was -43.3 feet below sea level. A graph of the well trends for the months March 2015 through December 2016 can be viewed on page 35 of the board packet. General Manager Eric Tynan stated that the Well #2 is doing phenomenal and the rest of the wells are doing better too. However, Well 3 chloride levels are rising and an option would be to possibly sleeve the well.
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 36 of the board packet. There is a decline in water usage from 2013 versus 2016. For the month of November 2013 water usage was 20.2 million gallons and November 2016 it is 17.2 million gallons. The results were reported to the State Water Resource Control Board on December 15, 2016 as required.

3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported that Resolution No. 16-12, A Resolution of the Board of Directors of the Castroville Community Services District Approving Joint Powers Agreement for Groundwater Management was just discussed and approved by the Board. Both he and President Ron Stefani continue to attend the GSA meetings.
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. Per Mr. Leonard NCRPD they continue to have meetings. They are planning to have a meeting on January 5, 2017 and another meeting with the capital campaign committee on January 9, 2017. He will have more information to report at the next regularly scheduled January 17, 2017 Castroville CSD board meeting. General Manager Eric Tynan stated that more outreach still needs to be done and NCRPD Director Grant Leonard has been doing a great job.
5. Update on Prop 84: Well 5 (formerly; Well 2B) Arsenic Treatment project – General Manager Eric Tynan reported to Board that the Department of Water Resources should release the remaining funds for the Well 5 Arsenic Treatment project by late January 2017.
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 Rural Community Assistance Corporation (RCAC) will conduct a MHI study for Castroville. He is working with Kimberly Strong with RCAC to try to determine the District’s eligibility to apply for state funding programs for water system improvements and upgrades. As part of the funding application process and to determine the District’s eligibility for funding, RCAC will be performing a household income survey of the District’s water customers. Notices will be mailed out to water customers in January informing them that RCAC will be mailing them an income survey letter and form and to please respond and return it in the postage-paid envelope that will be included.
7. Update on the Castroville CSD grant funding for Moss Landing (Sewer-Zone 3) for system upgrades - General Manager Eric Tynan reported to the Board that Moss Landing is already certified as a “Severe Disadvantage Community” and therefore is applying for grants for Moss Landing sewer system (Zone 3) to replace the motor control centers, repair twelve manholes and the force main across Highway 1 bridge over the Elkhorn Slough. MNS Engineers has been assisting him with this project but he has also contacted a grant writer to submit a proposal for their services to assist the District with applying for grant funding for Moss Landing sewer system upgrades.

**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 at the MRWPCA meeting they went over the audit for fiscal year ended June 30, 2016 and reviewed financial reports.
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

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*General Operations Reports were accepted as presented*

**CHECK LIST** – November 2016. A motion was made by James Cochran and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

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

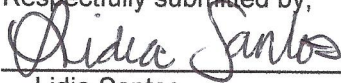
**CLOSE:**

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

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

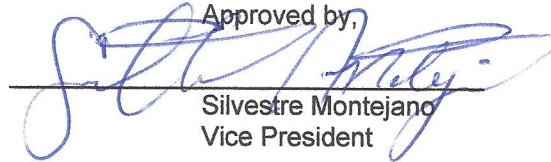
The meeting adjourned at 5:21 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos  
Secretary to the Board

Approved by,



Silvestre Montejano  
Vice President