

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
May 15, 2018

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

ROLL CALL:

Directors Present: Director James Cochran, Director Glenn Oania and Director Ron Stefani

Absent: President Silvestre Montejano and Vice President Adriana Melgoza

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Judy Burditt, Alex Lopez and Grant Leonard

PLEDGE OF ALLEGIANCE

Director Ron Stefani led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by James Cochran and seconded by Glenn Oania to approve the minutes of the April 17, 2018 Scheduled Board Meeting and the May 2, 2018 Budget & Personnel Committee Meeting. The motion carried by the following vote:

AYES:	3	Directors:	Cochran, Oania and Stefani
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Montejano

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Memo from General Manager Eric Tynan to the Castroville CSD Board of Directors reminding the Board's of their obligating to conduct the General Manager's performance review as per the General Manager's employment contract dated July 1, 2015.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *The Monterey Herald* – Salinas Valley wells moratorium gets thumbs up over ag concerns
2. *Monterey County Weekly* – Marina Coast's resistance to Cal Am's desal project is not just smoke – it's a warning shot
3. *Monterey County Weekly* – Squid dips a tentacle into the fierce debate over Monterey County groundwater
4. *Monterey County Weekly* – Recognized by Monterey County Bar Association, Lloyd Lowrey, Jr.
5. *U.S. Bureau of Labor Statistics* – Consumer Price Index rose 2.4 percent for the year ending March 2018

Informational items accepted as presented

PRESENTATIONS:

1. None

NEW BUSINESS:

1. North County Recreation and Park District (NCRPD) request for funding, \$142,907 "Extended Recreation Services" for fiscal year 2018/2019 – NCRPD General Manager Judy Burditt expressed to the Board that she was very grateful for the funding NCRPD has received over the years. NCRPD is requesting \$142,907 funding for extended recreation services for fiscal year 2018/2019. She submitted a scope of services with additional information (which can be viewed on pages 21-32 of this board packet) to be provided such as maintenance equipment and supplies- \$13,504, recreation services- \$111,403 and capital projects-\$18,000 to the Castroville CSD Budget & Personnel Committee meeting that was held on the 2nd of May and is also included in this board packet. The budget allocated for extended recreations services as recommended by Castroville CSD General Manager Eric Tynan reflects 100k, pending Board approval. She informed the Board that she needs to be able to provide livable wages to her staff and just recently lost her program manager to a better paying job. It has been hard to keep great staff. She also noticed that Castroville CSD is considering providing their staff with a raise and hopes they understand and consider her request. Again, she is grateful to Castroville CSD, but does need the funding she has requested for extended recreation services for 2018/2019. General Manager Eric Tynan stated that he does support providing extended recreational services to NCRPD. However, for fiscal year 2018/2019 he is recommending the Board provide 100K for extended recreational services and noted that this Board has been very generous with NCRPD all these years and even assisted them with funding for a tax measure as well. Castroville-Zone 1 does not charge for sewer fees and the funds collected for ad valorem property taxes are also needed for district capital projects. Director Ron Stefani stated he supports funding the NCRPD District for extended recreational services and would like to see them receive at least \$118k. Furthermore, Castroville CSD took over CSA-14 from the County to have more local control, which includes extended recreational services. In addition, it appears interest rates continue to rise and interest income for Sewer-Zone1 collected may be double of what is budgeted for fiscal year 2018/2019. If there's insufficient revenue for Sewer-Zone1, then the Board should consider implementing a sewer fee. However, there also appears to be sufficient funds available in the accounts and he does not see that they are specifically earmarked for specific projects. Director Glenn Oania suggested funding for extended recreational services should be 100k. General Manager Eric Tynan requested the Board look at page 61 of this board packet for a list of specific projects he is currently working on for the district. Although the district is applying for grants, there are no guarantees it will qualify for them and will still need to be able to fund these projects. For Castroville- Zone 1 project 3 is the Castroville Washington Bypass Wastewater Improvements project that is estimated to cost \$2.8 million.
2. Preliminary 2018-19 Operating Budgets for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, & Monte Del Lago Mobile Home Park Zone 2) and Sewer (Moss Landing Zone 3) – General Manager Eric Tynan and the Board reviewed and discussed all budget items for the different funds. However, the Budget & Personnel Committee: Directors Cochran and Oania had met on May 2, 2018 and discussed and reviewed the budgets as well. Water (Castroville Zone 1) budget includes the water rate increases per Ordinance No. 66 that was approved January 19, 2016 for fiscal years 2016/2017 through 2020/21 and also the sewer rate increases for Sewer (Moro Cojo, NMCHS, & Monte Del Lago Mobile Park Zone 2) that was also approved July 19, 2016 for fiscal years 2016/2017 through 2020/21. The Board agreed to leave the preliminary 2018/19 Operating Budgets presented with the exception of discussing the budget item for "Extended Recreational Services" for North County Recreation and Park District further, which is currently reflecting a 100K for Castroville Zone 1-Sewer to reflect \$118k transfer out to Governmental - Castroville Zone1 instead. Final adoption of the budget will not be made until the June 19, 2018 regularly scheduled board meeting.
3. Resolution No.18-2 Ordering an Election, Requesting the County Elections Department to Conduct the Election, and Requesting Consolidation of the Election – Office Manager Lidia Santos informed the Board that four seats are open for elections this November 6, 2018. Two seats are for a 4 year term (Melgoza and Montejano) and the other two seats are a for a 2 year term (Cochran and Oania). Resolution No. 18-2 Ordering an Election, Requesting the County Elections Department to Conduct the Elections, and Requesting Consolidation of the Election needs to be approved by the Board and submitted to Monterey County Elections Department. 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. After some discussion, a motion was made by James Cochran and seconded by Glenn Oania to approve Resolution No. 18-2 Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election. The motion carried by the following vote:

AYES:	3	Directors:	Cochran, Oania and Stefani
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Montejano

4. Amend "Employee Handbook", Section 15.0 Drug and Alcohol Conditions Related to Safety Sensitive Positions to include and refer to the CCSD Alcohol Misuse & Controlled Substance Use Policy – The Board reviewed the new policy. A motion is made by Glenn Oania and seconded by James Cochran to amend the "Employee Handbook", Section 15.0 Drug and Alcohol Conditions Related to Safety Sensitive Positions to include and refer to the CCSD Alcohol Misuse & Controlled Substance Use Policy. The motion carried by the following vote:

AYES:	3	Directors:	Cochran, Oania and Stefani
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Montejano

UNFINISHED BUSINESS:

1. Update on approving intervention as a party in CPUC proceeding A. 1201-19 – General Manager Eric Tynan reported to the Board that the Castroville CSD submitted a motion for party status in the application of California-American Water Company (U210W) for approval of the Monterey Water Supply Project to Public Utilities Commission. The application was returned with comments and District Legal Counsel Lloyd Lowrey will resubmit the application again by this week. Also, Castroville CSD will be resubmitting the application with other parties that are supporting the District such as the Salinas Valley Water Coalition and Farm Bureau.
2. Update on levels for Well #2, #3 #4 and #5 – General Manager Eric Tynan informed the Board of the well levels. The current well levels as of May 1, 2018 were as follows: Well #2 is currently at -16.4 feet below sea level and April 1, 2018 it was -8.7. Well #3 is currently at -32 feet below sea level and April 1, 2018 it was -25. Well #4 is at -37.4 feet below sea level and April 1, 2018 it was -24.4 feet below sea level. Well #5 is currently at -27.8 feet below sea level and April 1, 2018 it was a -29.4 feet below sea level. Unfortunately, Well #3 is turning salty and unofficially it is at 588 mcl and secondary mcl is at 500. The State Water Resources Control Board prefers the levels to be under 250 mcl for the secondary standard. He met with Monterey One Water to see if the District can reverse osmosis (RO) the well and will be exploring this option further. A graph of the well trends for the months February 2016 through May 2018 can be viewed on page 60 of the board packet.
3. Update on the Local Groundwater Sustainability Agency (GSA) – Director Ron Stefani informed the Board that the GSA has had its first little setback. The board voted to not support paying Monterey County Water Resources Agency \$85k to finish the groundwater extractions (GEMS), which is all the data that is needed to look at the valley. They think that they already paid for it and it should have been done already. The 17th of May is the next meeting from 2- 5 p.m., Schilling Place, Salinas and the advisory committee is invited to attend. General Manager Eric Tynan stated he would attend the meeting. At this meeting the consultant will ask the board what direction they want to go; shut wells off to balance the basin or come up with new sources. They also have obtained consultants for financing to determine how it will all be paid for.
4. Update on status of grants for Moss Landing-Sewer Zone 3, Castroville-Sewer Zone 1 and Castroville-Water Zone 1 for system upgrades and improvements - General Manager Eric Tynan reported to the Board that Castroville CSD submitted a grant application for Prop 1 funding to the State Water Resource Control Board for the Moss Landing Sewer Zone 3 and they are now requiring a new medium household income study (MHI). A new MHI is being done but it has delayed the grant once again. The

District is also working on project two, the Castroville Water Supply Line Tank and System Improvements project. This project is for the pipeline to go to Cal Am source water. Project three is the Castroville Washington Bypass Wastewater Improvements, which is the pipeline that goes from the intersection of Tembladera and Washington; it's the old sewer main that goes underneath the highway to the sewer pump station, which used to be the Castroville Treatment Plant. For more detailed information on these projects, refer to page 60 of this board packet.

5. Update on radio system upgrades for water and sewer systems for \$15,956 and have contractor install – General Manager Eric Tynan notified the Board that the equipment (radio system upgrades) for water and sewer systems are being programmed by the contractor Mike Brigham with Life Control Systems. The radios will be installed this week with ethernet technology.
6. Update on Moss Landing Sewer Allocation Plan – General Manger Eric Tynan let the Board know that a meeting has been scheduled for May 23, 2018 at 3 p.m. with the Moss Landing Harbor District at their office to further discuss the 2013 Sewer Allocation Plan. District Legal Counsel Lloyd Lowrey and Directors Ron Stefani and James Cochran also plan to attend this meeting.
7. Update on North County Recreation and Park District tax measure (NCRPD) – NCRPD President Grant Leonard reported to the Board that the district is moving forward with a survey for the tax measure and it will be mailed out on the 21st of May. If the survey shows favorable, they are hoping to have the tax measure on the November ballot but it will have to be approved by the Monterey County Board of Supervisors since they are a dependent special district. If the survey results are unfavorable, the measure will not be put on the ballot since it would be too expensive for NCRPD for the reason that they cover a large area of North Monterey County.

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 Monterey One Water board meeting – Director Ron Stefani reported to the Board that the biggest issue at this time is that the Monterey One Water operators are still negotiating their union contract and have obtained an attorney to represent them. Also, everyone has submitted to extend the cease and dismiss order (CDO) for Cal Am pumping out of the Carmel River. They are also going to the PUC trying to still get the expanded Recycled Water project going.
2. Update on meetings/an educational class attended by the Directors – There are no updates.

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 Issue
 - 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 – April 2018. A motion was made by Glenn Oania and seconded by James Cochran to pay all bills presented. The motion carried by the following vote:

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May 15, 2018 Regular Board Meeting
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AYES:	3	Directors:	Cochran, Oania and Stefani
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Montejano

CLOSED SESSION: District Legal Counsel was not present; therefore there was no closed session.

1. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
Pending litigation pursuant to Government Code Section 54956.9: One case. Kathryn Parish, Trustee of the John & Irene Duran Family Trust, Plaintiff v. Castroville Community Services District; and Does 1 to 100 Inclusive, Defendants. Monterey County Superior Court Case No. 18CV00213.

ANNOUNCEMENT OF CLOSED SESSION ITEM: (if applicable):

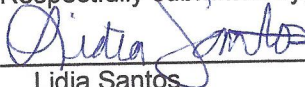
The board will reconvene into open session prior to adjournment and shall announce any action taken during the closed session.

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

AYES:	3	Directors:	Cochran, Oania and Stefani
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	2	Directors:	Melgoza and Montejano

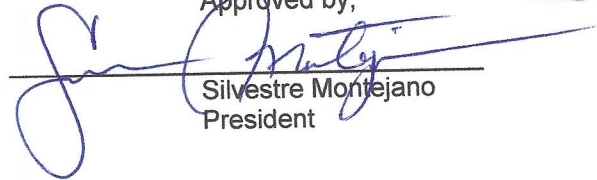
The meeting adjourned at 5:50 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Silvestre Montejano
President