

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
September 19, 2017

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

ROLL CALL:

Directors Present: President Ron Stefani, Vice President Silvestre Montejano and Director Glenn Oania

Absent: Director Adriana Melgoza and Director James Cochran

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Lloyd Lowrey, Nick Smith and David Morisoli

PLEDGE OF ALLEGIANCE

At the request of President Ron Stefani, Vice President Silvestre Montejano led the Pledge of Allegiance.

PUBLIC COMMENTS

1. District Legal Counsel Lloyd Lowrey introduced Nick Smith a newly hired attorney with his firm to the board. Mr. Smith has been assisting him with cases. Prior to Mr. Smith working with his firm, he was a district attorney. The Board all greeted and welcomed Attorney Nick Smith.

CONSENT CALENDAR

1. A motion was made by Silvestre Montejano and seconded by Glenn Oania to approve the minutes of the August 15, 2017 Scheduled Board Meeting. The motion carried by the following vote:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. None

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *The Monterey Herald* – CPUC desal project hearing delay would allow more time for Pure Water Monterey expansion study
2. *The Monterey Herald* – No public ownership talks for joint Peninsula mayors water authority, water district meeting
3. *The Californian* – Central Coast conservationist sue water boards
4. *Water News* – Editorial: Water Commission's the wild card in how Proposition 1 money will be spent
5. *The Sacramento Bee* – Heat wave, fires, hurricanes bear the 'finger prints of climate change,' scientist say

Informational items accepted as presented

PRESENTATIONS:

1. None

NEW BUSINESS:

1. Approve Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date : June 30, 2017 and Measurement Date: June 30, 2017 prepared by Total Compensation Systems, Inc. – The Board reviewed the draft copy of the actuarial study prepared by Total Compensation Systems, Inc. Office Manger Lidia Santos informed the Board that Mr. Kischuk, consultant with Total Compensation Systems, Inc. provided the following response for a summary of the OBEB issues. Per Mr. Kischuk, the District provides medical benefits through CalPERS medical plan. The terms and conditions of participating in the CalPERS plan are contained in sections of the Government Code collectively known as PEMHCA. Among other things, PEMHCA requires the District to pay at least part of the cost of retiree medical benefits. In 2017, the District must pay \$128 per month for anyone receiving a pension benefit through CalPERS if that pensioner elects to be covered and pays the rest of the cost. The \$128 is indexed to the medical component of the CPI and has been set for \$133 per month in 2018. In addition, to this benefit, the District supplements the \$128 by paying up to the PERS Choice Other Northern California rate for retirees hired before January 1, 2013. Accounting Standards requires the District to accrue a liability for future District payments for the above benefits. Up to now, the District has been able to accrue liability gradually. However, due to the implementation of new GASB accounting standards, the District will need to recognize the entire earned liability at June 30, 2018. To comply with the current GASB accounting standards, we commissioned an actuarial valuation as of June 30, 2017. That valuation shows a liability for earned benefits of about \$370,000. The District has been accumulating assets in the CalPERS CERBT program and, at June 30, 2017, has accumulated about \$165,000 or 44.6% of the liability. Also, to fund the obligation over 20 years, the District would need to contribute the value of benefits earned by current eligible employees (the service cost of normal cost) plus an amount to accumulate the unfunded liability of about \$205,000 plus interest at the valuation rate of 7%. The total annual amount would be about \$19,000. This amount included the amount of any retiree premiums paid by the District. This amount was calculated as a level of percentage of payroll, so the amount would change from year to year based on the change in total payroll – which the valuation assumes is 2.75% per year. The above numbers can change over time based on how the liabilities and asset values actually change as opposed to what the valuation assumes. Under the accounting standards, the assets and liabilities are updated every year. After some discussion, a motion is made by Glenn Oania and seconded by Silvestre Montejano to approve the draft copy of the Actuarial Study of Retiree Health Liabilities Under GASB 74/75, Valuation Date: June 30, 2017 and Measurement Date: June 30, 2107 as prepared by Total Compensation Systems, Inc. and to fund the obligation over 20 years, the District would need to contribute the total annual amount of \$19,000 starting fiscal year 2017/2018. The motion carried by the following vote:

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

2. Appoint Ron Stefani as permanent Director for the Small Water System/Disadvantaged Community Seat on the Board of Directors for the Salinas Valley Groundwater Sustainability Agency (GSA) – A motion is made by Silvestre Montejano and seconded by Glenn Oania to officially appoint Ron Stefani as the permanent Director for the Small Water System/Disadvantaged Community Seat on the Board of Directors for the Salinas Valley Groundwater Sustainability Agency (GSA). The motion carried by the following vote:

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

UNFINISHED BUSINESS:

1. Update on the Local Groundwater Sustainability Agency (GSA) Formation and Appoint Alternate Director for the Small Water System/Disadvantaged Community Seat on the Board of Directors for the Salinas Valley GSA: The following candidate has submitted an application: Richard Bowyer and David Morisoli – General Manager Eric Tynan stated that he has not heard back from the Small Water System/Disadvantage Community Advisory Board and therefore is recommending Mr. David Morisoli for the alternate seat. He introduced Mr. David Morisoli to the Board and Mr. Morisoli let the Board know that he was interested in the alternate director position. He is currently the general manager of the Little Bear Mutual Water Company in King City which is CPUC regulated. He stated that he has the qualifications to be appointed to this seat. Per District Legal Counsel Lloyd Lowrey, legal counsel for the GSA will need to make a determination confirming that he is qualified for the alternate director seat. The motion is made by Glenn Oania and seconded by Silvestre Montejano to appoint David Morisoli to the alternate director seat for the Small Water System/Disadvantage Community Seat on the Board of Directors for the Small Water System/Disadvantage Community, subject to the determination that he meets the qualifications outlined by the GSA legal counsel. The motion carried by the following vote:

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

2. Paul W. Davis, AIA Architect with The Paul Davis Partnership present on behalf of the Housing Authority requesting to continue with master meters for the new construction of all their apartments – General Manager Eric Tynan informed the Board that a representative from the Housing Authority was not able to attend again and requested to be put on the agenda next month. District Legal Counsel Lloyd Lowrey presented the Board with a brief memo regarding Ordinance 59 Enforcement. A motion is made by Silvestre Montejano and seconded by Glenn Oania to table this item to the next regularly scheduled board meeting, which will be October 17, 2017. The motion carried by the following vote:

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

3. Update on levels for Well #2, #3, #4 and #5 – General Manager Eric Tynan informed the Board on the current well levels as of September 1, 2017 were as follows: Well #2 is currently at -19.3 feet below sea level and August 1, 2017 it was -22.2 feet below sea level. Well #3 is currently at -50.2 feet below sea level and August 1, 2017 it was -61 feet below sea level, and Well #4 is at -65.9 feet below sea level and August 1, 2017 it was -85.2 feet below sea level. Well #5 is currently at -36.1 feet below sea level and August 1, 2017 it was 32.3 not -2-7 feet below sea level. A graph of the well trends for the months August 2015 through September 2017 can be viewed on page 24 of the board packet. General Manager Eric Tynan stated that all the well levels expect for Well #5 are rising again. Well #5 is the deeper well and not rising as quickly as the other wells.
4. Update on tax measure for North County Recreation and Park District (NCRPD) and report on extended recreation services activities – General Manager Eric Tynan informed the Board that NCRPD General Manager Judy Burditt's 4th quarter (April-June 2017) report on extended recreation services activities can be viewed on pages 25-27 of the board packet. The NCRPD continues to focus on community outreach for the tax measure. There are no further updates at this time.
5. Update on request for MRWPCA Board of Directors to preserve the ex-officio seat on the MRWPCA Board of Directors for one person residing in the territory comprising the jurisdiction of the former Moss Landing County Sanitation District, which is due to expire on November 30, 2017, to be appointed by action of the Castroville CSD – General Manager Eric Tynan reported to the Board that the discussion/action to preserve the ex-officio seat for Moss Landing will be on the Monterey One Water agenda. The meeting is scheduled for this upcoming Monday, September 25, 2017 at 6:00 p.m. Director James Cochran will still be out of town for the One Water board meeting and General Manager Eric Tynan is the alternate for the seat therefore he will take Director Cochran's place to address permanently keeping the ex-officio seat with the Monterey One Water board.

6. Update on putting Tank 4 recoating project out to bid – General Manager Eric Tynan stated that he has MNS Engineer working on the bid documents and they will be ready next month to present to the board
7. 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 he has a meeting tomorrow to discuss the Moss Landing grants. He is working with Lidia Gutierrez with Gutierrez Consultants on assisting with the grants. She has helped other agencies with receiving grants. Tony Akel with Akel Engineering Group just completed the Moss Landing Sewer System Preliminary Risk Assessment as well.
8. Update on adjustment conversion for Well #5 Silvio Bernardi Arsenic Treatment Plant – General Manager Eric Tynan informed the Board that the permit for the adjustment conversion has been acquired. However, with this permit comes along additional requirements that will take time to implement and the District should have them in place by January of 2018.

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 – President Ron Stefani reported to the Board that at this meeting Monterey One Water gave the general manager a significant wage increase. The main discussion was how the PUC wants to review the cost of water for the Seaside basins.
2. Update on meetings/an educational class 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 – August 2017. A motion was made by Adriana Melgoza and seconded by Glenn Oania to pay all bills presented. The motion carried by the following vote:

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

CLOSE:

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

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

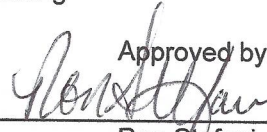
The meeting adjourned at 5:04 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Ron Stefani
President