



CASTROVILLE COMMUNITY SERVICES DISTRICT

P.O. BOX 1065
OFFICE: 11499 GEIL STREET
CASTROVILLE, CA 95012
FAX (831) 633-3103

President – David Lewis
Vice President – Ron Stefani
Director – Adriana Melgoza
Director – Silvestre Montejano
Director – Betty MacMillan

24-HOUR TELEPHONE: (831) 633-2560

General Manager – Eric Tynan
Board Secretary – Lidia Santos

Website: CastrovilleCSD.org

AGENDA RESCHEDULED MEETING OF THE BOARD OF DIRECTORS TUESDAY, OCTOBER 27, 2015 – 4:30 P.M. DISTRICT BOARD ROOM – 11499 GEIL STREET

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board meeting, please contact Lidia Santos, Board Secretary during regular business hours at (831) 633-2560. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

CALL MEETING TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS – (Limited to three minutes per speaker within the jurisdiction of items not on the agenda. Public will have the opportunity to ask questions or make statements as the Board addresses each agenda item.)

CONSENT CALENDAR:

1. Approval of the September 15, 2015 Regular Board Meeting Minutes – **motion item**

CORRESPONDENCE:

1. Comment letter regarding the In-Basin Water to the CPUC from Castroville CSD General Manager Eric Tynan.

INFORMATIONAL ITEMS:

1. *Monterey County Farm Bureau* – Monterey County progress on groundwater sustainability
2. *Monterey Herald* – Water authority: Consider Seaside golf courses for desal returned water
3. *Monterey Herald* – Coastal Commission staff backs Cal Am test well resumption
4. *Monterey Herald* – Recycled water final EIR done, Oct. 8 hearing set
5. *Monterey County Weekly* – Brace for Impact
6. *Monterey Herald* – Groundwater replenishment project forges ahead of desal projects in PUC review

AGENDA, Page 2
October 27, 2015
CASTROVILLE COMMUNITY SERVICES DISTRICT

PRESENTATION:

1. Presentation of amended (without Well 6) Water Rate Study- Mike Sylvia, Senior Project Manager, Public Finance with Harris & Associates

UNFINISHED BUSINESS:

1. Accept Water Rate Study and setting of "Public Hearing Date" for adoption of the recommended rate structure – **motion item**
2. Update on well levels, chlorides and conductivity – Eric Tynan, General Manager
3. Update on Castroville CSD's conservation measures put in place for District customers both residential and commercial – Eric Tynan, General Manager
4. Update on the local groundwater sustainably agency (GSA) representation and formation – Eric Tynan, General Manager
5. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – Eric Tynan, General Manager
6. Update on tax measure for North County Recreation and Park District (NCRPD) – Eric Tynan, General Manager

NEW BUSINESS:

1. Approve five year CIP 2016/2020 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) – **motion item**
2. Update on Cal Am and Monterey County Water Resources Agency regarding the In-Basin Water from the Monterey Peninsula Water Supply Project (desal) – Eric Tynan, General Manager
3. Authorize Director Adriana Melgoza to attend the Public-Private Partnerships for Water Sector, October 28 and 29, 2015, hosted at Stanford University – **motion item**
4. Authorize interested Directors and General Manager to attend ACWA's 2015 Fall Conference & Exhibition, December 1-4, 2015 in Indian Wells, CA – **motion item**

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 – Ron Stefani, Director
2. Update on CSDA Annual Conference – Directors: Stefani, Melgoza, Lewis and Montejano
3. Update on other meetings/educational classes attended by the Directors

GENERAL OPERATIONS:

1. **General Manager's Report** – Compliance Update, Current Projects Update, Seminars Update, Staff Update, Suggestive Projects Discussions
2. **Operation's Report**
 - a) Water – Pumpage & Usage Update, Water Testing Update, Current Installation
 - b) Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues

AGENDA, Page 3
October 27, 2015
CASTROVILLE COMMUNITY SERVICES DISTRICT

- 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** – A/R Update, Water Sales, Water Usage
- 4. **Financial Reports** – Treasures Report-L.A.I.F., ****Internal Report**** and Administration Update

LIST OF CHECKS – September 2015 – motion item

ITEMS FOR NEXT MONTHS AGENDA: Tuesday, November 17, 2015 at 4:30 p.m.

CLOSE:

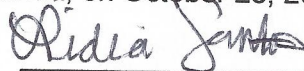
Adjournment to the next regular scheduled Board Meeting – **motion item**

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 11499 Geil Street, Castroville, California.

Certification of Posting

I certify that on October 23, 2015, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of the Castroville Community Services District, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2).

Executed at Castroville, California, on October 23, 2015.



Lidia Santos, Board Secretary

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
September 15, 2015

Vic President Ron Stefani called the meeting to order at 4:30 p.m. (President David Lewis was present and not feeling well and requested Stefani to chair the board meeting.)

ROLL CALL:

Directors Present: President David Lewis, Vice President Ron Stefan, Director Silvestre Montejano and Director Betty MacMillan

Absent: Director Adriana Melgoza (arrived at 4:56 p.m.)

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present: None

Guest: Lloyd Lowrey, Mike Sylvia, Patrick Dobbins, Paul Greenway and Grant Leonard

PLEDGE OF ALLEGIANCE

Director Silvestre Montejano led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by David Lewis and seconded by Betty MacMillan to approve the minutes of the August 18, 2015 Regular Board Meeting. The motion carried by the following vote:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter of support for the Castroville Multimodal Project: Asset Management Pilot Project Nomination sent to Caltrans District 5.
2. Email notice sent by Steve Collins to various entities and individuals, Subject: The Farmers are Clueless

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey Herald* – Cal Am, Castroville in early talks over desal water
2. *Monterey Herald* – Official: Gov. Jerry Brown's water cutback likely to be extended
3. *Monterey County Weekly* – Marina Coast ordered to pay \$1.8 million to county, Cal Am
4. *Monterey County Weekly* – Water Bearer the nonprofit leader at center of water war calls for logic in heated debates

Informational items accepted as presented

PRESENTATIONS:

1. None

UNFINISHED BUSINESS:

1. Update on well levels, chloride and conductivity – General Manager Eric Tynan informed the Board on the current static well levels. As of September 2015, Well #2 is currently at -31 feet below sea level, Well #3 is at -66 feet below sea level, and Well #4 is at -86 feet below sea level. A graph of the well trends for the months January 2015 through September 2015 can be viewed on page 20 of the board packet. One of the reasons the well levels may have slightly improved is if OceanMist modified pumping of their agricultural wells at the request of Castroville CSD General Manager in order to mitigate affects on Castroville CSD wells. The Board recommended the CSD General Manager send OceanMist a letter of gratitude if they are in fact doing their part to prevent Castroville CSD well levels from rising. The chloride and conductivity levels for the Well #3 continue to hold steady and the graph can be viewed on page 21 on the board packet. Well #3 is most at risk of seawater intrusion.
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 are still going well but there seems to be a few customers who continually need to be reminded of the conservations measures that are currently in place. This month's water bills will inform customers what may occur if they do not comply with the conservation measures put in place. First offense \$100, second offense \$250 and third offense \$500. Again, most customers have been very cooperative. As the graph shows, there is a drop in water usage from 2013 versus 2015. The graph can be viewed on page 22 of the board packet. For the month of August 2013 water usage was 25.8 million gallons and July 2015 it is 24.5 million gallons. Customers are doing their part to conserve, which is noticeable with all the dead lawns in town. Watering of lawns is currently limited to two days per week for all customers.
3. Update on the local groundwater sustainability agency (GSA) and representation – General Manager Eric Tynan reported to the Board that Monterey County Water Resources Agency (MCWRA) has selected a facilitator for the GSA as mentioned at last month's board meeting and everyone it still waiting to hear from the MCWRA on any further news. The "Proposed Comprehensive Basin Sustainability Plan for Halting Seawater Intrusion in the Salinas Valley Groundwater Basin" can be viewed on pages 23-29 of the board packet.
4. Update on Prop 84: Well 5 (formerly Well 2B) Arsenic Treatment project – General Manager Eric Tynan informed the Board that the project is two weeks behind schedule since the foundation needed to be modified due to unsuitable soil being discovered that was not anticipated. The soil turned out to be very expansive clay. Paul Greenway with MNS Engineers the firm contracted by the District to oversee the construction administration of Design-Build entity for Well 5 Arsenic Removal Treatment System advised the Board that Conco -West the contractor awarded the project is doing a great job. A photo montage will be presented to the Board at the next board meeting to view the progression that has been made on this project to date.
5. Update on tax measure for North County Recreation and Park District (NCRPD) – General Manager Eric Tynan informed the board that NCRPD Board Member Grant Leonard was present to provide an update on the tax measure. Mr. Leonard submitted a draft copy of a project list for NCRPD, which can be viewed on pages 29-B to 29-E of the board packet. The Five Year Capital Improvement program still needs to be organized in order of priority and these are just rough estimates of cost. He and Board Member Paul Cortopassi both sit on the ad hoc committee for NCRPD that was formed to work on a community outreach and development of a Capital Improvement Plan (CIP) needed to move forward with the tax measure. **(Director Adriana Melgoza arrived at 4:56 p.m.)**
6. Discussion of water rate structure recommendations and financial requirements to meet 218 compliance (Harris & Associates were the consultants selected to perform the water rate study) – General Manager Eric Tynan reported to the Board that the water rate study was completed and will be presented by Mike Sylvia with Harris & Associates. Mr. Sylvia reviewed the water utility rate study with the Board. A copy can be viewed as an attachment to the board packet. The following was discussed:
 - o Current Rate Structure
 - o Future Expense Analysis FY 2016-2020
 - o O & M Expense Budget Table FYE 2010-2020
 - o Complete Expense Budget Table FYE 2015-2020
 - o Recent Legal Change Affecting Water Rate Design
 - o Affects of San Juan Capistrano Case to CCSD
 - o Fixed vs. Variable Cost/Revenue Components

- o Water Consumption FYE 2014 & 2015
- o Rate Design Assumptions & Goals
- o New Rate Structure Options: Do Nothing, Cost/Revenue Allocations and Base Fee Heavy
- o Recommended Structure Option 2: Cos/Revenue Allocation Structure

Pros of Option 2: Cost Revenue Allocation Structure matches revenue needs with functionalized expenses, provides CIP funding for new wells and legally durable. Con: Significant increases in base fees and commodity charges. Vice President Ron Stefani thought that the increases were too significant for the customers of the District since this area is considered a disadvantaged community. The proposed five-year base rate structure fee varies depending on the base rate by meter size and the proposed five-year commodity rate structure for FYE 2016 will increase by 37.10%, FYE 2017 13.00%, FYE 2018 13.00%, FYE 2019 13.00% and FYE 2020 10.00%. In his opinion, the District should be able to use the 10 million it has in the bank to fund water or borrow against it. District Legal Counsel Lloyd Lowrey stated that the District's revenues collected for these other services other than water, belongs to that specific service and recommended against using these funds for the water fund, which can cause legal issues. Vice President Ron Stefani stated that he has not seen any real information on Well 6 and wants to see more information on this proposed project and thought the District was applying for a grant to fund this well. Vice President Stefani also stated that another option would be to do nothing and if the wells were to go dry, the State would step in and help. General Manager Eric Tynan informed the Board that the District has not raised water rates since 2004 and even with the water rate increases, customers would still have one of the lowest rates in Monterey County. The District should not depend on the State to step in and help. District Legal Counsel Lloyd Lowrey stated that if the water rate study is approved it would be valid for five years and if it is not necessary the Board does not have to increase water rates each year. Once the five years have passed if water rates were increased or not it would be required to go through the Prop 218 process again to justify rate increases. After much discussion, the Board requested to see the water rate study without Well 6 so they may compare it with this study. A motion is made by David Lewis and seconded by Adriana Melgoza to have Harris & Associates redo the water rate study without Well 6. The motion carried by the following vote:

AYES:	5	Directors:	Stefani, Melgoza, Montejano, MacMillan and Lewis
NOES:	0	Directors:	None
ABSENT/NOT			
PARTICIPATING:	0	Directors:	None

NEW BUSINESS:

1. Report on armed robbery that occurred at the District office on August 21, 2015 and security measures implemented – General Manager Eric Tynan notified the Board that the District office was robbed at gunpoint and fortunately no one was hurt. He and the billing clerk were the only ones in the office when the incident occurred. Additional security measures have been implemented since the robbery. Vice President Ron Stefani stated that the District should consider putting in a secure window/bar over the counter to prohibit anyone from jumping over the counter. General Manager Eric Tynan stated that the staff has a great relationship with the customers and this measure would likely take away from that. However, if the staff requests this measure, the District should consider it. This is only the second time the District has been robbed in 63 years.
2. Monterey County Public Works is requesting sewer realignment for Castroville Boulevard force main for a bike path installation – General Manager Eric Tynan reported to the Board that the County is requesting a sewer force main realignment to allow for the installation for the bike path bridge over the railroad tracks. Initially when the plans were 65% complete, CCSD was told only one manhole would need to be raised to grade. The latest plans show approximately 300 feet of sewer force main would need to be moved resulting in an estimated \$100K cost to Zone 2. CCSD has replied that they would like to see the contractor responsible for protecting the existing sewer force main in place during construction. The District is awaiting the County's response.

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 – Director Ron Stefani reported that the MRWPCA is still negotiating with Marina Cost Water District regarding the Pure Water Project.

2. Update on Oversight board meeting – Director Ron Stefani stated that the Oversight board meeting in scheduled for the 23rd of this month.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions (**Director Betty MacMillan left at 5.57 p.m.**)
2. Operation's Report
 - a) Water - Pumpage & Usage Update, Water Testing Update, New Service Installation Status Update, Current Contractor Work Update, Maintenance/Repair Update
 - b) Sewer & Storm Drain – Jetting, Connections, Maintenance/Repair Update
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 2015. A motion was made by David Lewis and seconded by Silvestre Montejano to pay all bills presented. The motion carried by the following vote:

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

CLOSE:

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

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

The meeting adjourned at 5:33 p.m. until the next scheduled meeting.

Respectfully submitted by,

Approved by,

Lidia Santos
Secretary to the Board

David Lewis
President



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COMMUNITY
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Ken Lewis, CPUC
c/o ESA
550 Kearny Street, Suite 800
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Fax: (415)896-0332
Email: MPWSP-EIR@esassoc.com

September 29, 2015

Subject: Comment Letter re: In-Basin Return Water

Dear Mr. Lewis:

The Castroville CSD would like to submit comments regarding California American's Desal project (MPWSP). Specifically, Castroville is interested in the fresh water (In-Basin) portion of the saltwater supplying the MPWSP through the slant wells supplying CalAm Desal Project. The California Legislature has determined in Section 8 of the Monterey County Water Resources Agency Act, codified in Section 52-8 of West's Water Code – Appendix, that an object and purpose of the Act is to prohibit groundwater exportation from the Salinas River Groundwater Basin. The portion of the Salinas River Groundwater Basin from which the CalAm slant well would draw water is also over-drafted and has been classified as an area of high priority under the Sustainable Groundwater Management Act of 2014 ("SGMA", Chapters 346, 347 and 348, Statutes of 2014). Export of groundwater from the Basin would be harmful to the Basin and contrary to law.

Castroville presently gets all of its water supply from the 400 foot aquifer through three production wells in the portion of the Salinas River Groundwater Basin designated as high priority under the SGMA. All of these wells are threatened by seawater intrusion. If the fresh part of the source water for MPWSP'S slant wells ("In-Basin water") were to become available to Castroville it would provide multiple benefits.

First, it would provide a new source for the Castroville Community, thus reducing or even eliminating pumping on the over drafted 400 foot aquifer helping to restore it to a balanced condition. Secondly, it would provide a Salinas Valley use for the In-Basin water 365 days a year and 24 hours a day primarily for the highest priority use under section 106 of the Water Code – domestic use.

While the In-Basin water will be a constant source the amount could vary over time. To fully utilize a constant source there needs to be ample storage. One means of storage would be injection into the Salinas Valley basin at a strategic point that would contribute to halting seawater intrusion as part of a comprehensive, conjunctive use plan including plans by the Monterey Regional Water Pollution Control Agency to treat and inject excess agricultural drainage water.

By Castroville accepting the In-Basin supply, it may be possible to reduce pumping on the 400 foot aquifer. This reduced pumping, along with the other water sources being injected into the 400 foot aquifer, would contribute to returning the over drafted Basin to a balanced state that would result in a long term, sustainable, water resource.

Finally, if Castroville were to accept the In-basin component of the MPWSP supply, the In-Basin water use would work to mitigate any effects of the slant well pumping while working towards the reversing seawater intrusion.

If you have any questions please feel free to contact me at eric@castrovillecsd.org or via the phone at 831-633-2560. Thank you for your time and consideration.

Sincerely,



J. Eric Tynan
General Manager

Monterey County progress on groundwater sustainability

Norm Groot 12:36 p.m. PDT September 29, 2015

As you may recall from my prior columns starting back in January, the Sustainably Groundwater Management Act (SGMA) was signed into law about a year ago and is now in effect. All of California's groundwater basins must comply with the new regulations aimed at achieving groundwater balance in the coming decades. Here locally, we have priority basins that must submit a sustainability plan by 2020, less than five years away.

While this may seem like a long time, given the amount of work we must complete to be able to submit a sustainability plan, that time is not so long at all. The complexities of the Salinas River Groundwater Basin, sub-basins, and the various confluences with agency jurisdictions make this a huge challenge for us as a community.

We all know the impacts of the drought at this point ... groundwater basins all over California are showing stress and wells have been pumping air in many areas. Somewhat fortunate for us here in the Salinas Valley, we have been better prepared by having a system of groundwater recharge in place. Projects like the two reservoirs and the Castroville Seawater Intrusion Project have helped to bring our groundwater basin closer to balance.

But of course, with four years of drought, we are now seeing the impacts of the lack of groundwater recharge, particularly in the South County area. Reservoir releases have not kept pace with the recharge amounts needed, partly due to decisions made on how to best manage the remaining water in the reservoirs. And that might be another story for another column ...

Immediately facing us here as we move towards compliance with SGMA is the formation of a Groundwater Sustainability Agency (GSA). This will be a local public entity that will have the ability to regulate groundwater use, levy assessments of fees either for water use or well heads (or both), and enforcement if the groundwater sustainability plan is violated in some way. Essentially, this agency will become the be-all, end-all of groundwater management in our county.

Given the complexities in our groundwater systems, it should be no surprise that many public water agencies and municipalities want to be involved in forming our GSA. Add in the other stakeholder groups who have interest in water resources for various reasons and issues, the list of those who wish (and should) be involved is growing weekly.

Over the past four months, representatives from Monterey County, city of Salinas, Water Resources Agency, and the agriculture industry have been meeting to select a facilitator for

the task of managing the process to form a GSA entity. There will be a wide variety of opinions on who, what, and how this agency should operate and be governed. The facilitator will have a big job of bringing the large stakeholder group to consensus so that a formal proposal can be approved by our Board of Supervisors before the 2017 deadline when we must inform the state of our agency description.

The selection of the facilitator was completed recently and the first orientation meeting was held to preliminarily identify the stakeholder cross-section that should be included when we have our first public meeting later this fall. The organizational efforts done now will help to guide the process at the beginning and then formulate a work plan that all stakeholders will follow.

Groundwater extraction and recharge management is coming, and we must best prepared as a community to ensure that our Groundwater Sustainability Plan is sensible, based on good science, and causes as minimal economic impacts as possible. There should be no rush to judgment when it comes to formulating this plan, and the establishment of a strong GSA is the first step in securing our groundwater future for all.

I keep joking that we will need to rent Sherwood Hall or Rabobank Stadium for our first stakeholder meeting ... there are that many who may be interested in the outcome of the GSA formation. Hopefully the crowd will be of manageable size as we get into the nitty-gritty details of the formation process. This could be democracy at its best as we plan the process to be inclusive, public and transparent.

Norm Groot is executive director of the Monterey County Farm Bureau.

Water authority: Consider Seaside golf courses for desal returned water

By [Jim Johnson](#), Monterey Herald

Posted: 09/24/15, 9:13 PM PDT | Updated: 2 hrs ago

[# Comments](#)

Monterey >> The Peninsula's mayors water authority will ask the state Public Utilities Commission to consider alternative destinations for "returned water" as part of its draft environmental impact report for the California American Water desalination project, including Seaside's Bayonet and Black Horse golf courses.

As part of a final comment letter on the draft desal project EIR, the water authority board agreed to include a passage requesting the draft EIR consider the Fort Ord golf courses, along with the city of Salinas, the Castroville Community Services District and the Castroville Seawater Intrusion Project as potential end users for any returned water.

The comment letter will be forwarded to the CPUC before the Sept. 30 deadline for public comment on the draft EIR, which was extended three months due to an apparent conflict involving consultant Geoscience's dual role on the project by working for both Cal Am and the CPUC, and president Dennis Williams' patented slant well technology used in the Cal Am slant test well.

In addition, the draft EIR will be recirculated as part of a joint state and federal environmental review document to be released next year.

Any portion of the feeder water Cal Am pumps for its north Marina desal plant that represents fresh water from the Salinas Valley groundwater basin must be "returned" to a basin user under the Monterey County Water Resources Agency Act, which prohibits exporting water from the basin.

Salinas, Castroville and the Castroville project are all linked to the basin, while the golf courses have a special exemption from the Agency Act according to the letter, and would have the added benefit of reducing pumping from the Seaside basin, another Cal Am obligation.

Authority executive director Jim Cullem noted the proposal, authored by Carmel mayor and authority president Jason Burnett, could help reduce the cost of desalinated water to the Peninsula by "creating a market" for the returned water that would generate more revenue.

Seaside Mayor Ralph Rubio praised the authority for considering all options, but noted the letter only says desal costs "could" be reduced for Peninsula customers.

Monterey County Farm Bureau executive director Norm Groot warned the authority that customers for the returned water would likely need to pay considerably less for the water than Peninsula customers would.

Advertisement

That raised concerns, expressed by Monterey resident Charles Cech and others, that the Peninsula would be “subsidizing” the returned water users.

But Pacific Grove mayor and authority member Bill Kampe said he didn’t see how to avoid what he called the “price” of tapping the Salinas Valley basin for feeder water.

Also Thursday, the authority board agreed to send a letter to the Coastal Commission in support of Cal Am’s amended desal test slant well permit set for the Oct. 6 commission agenda in Long Beach.

In addition, CPUC judge Gary Weatherford set an Oct. 12 conference to allow a status report on the desal project, including an updated project cost and schedule, including the supplemental groundwater replenishment project.

Jim Johnson can be reached at 726-4348.

Coastal Commission staff backs Cal Am test well resumption

By [Jim Johnson](#), Monterey Herald

Posted: 09/28/15, 7:06 PM PDT | Updated: 2 hrs ago

[3 Comments](#)

Monterey >> California American Water would be allowed to resume its stalled desalination test slant well pumping program if the Coastal Commission agrees with a staff recommendation.

According to a Coastal Commission staff report, Cal Am should measure the impact of its test well operation on crucial groundwater and salinity levels by comparing its well data to regional pumping data. That would help determine whether fluctuations are due to its test well pumping or regional influences.

Cal Am halted the test well pumping in June after about three months of activity when its monitoring wells showed a drop in groundwater levels indicating a trend toward violating its permit. It was required to submit an amended permit to resume the pumping, which is designed to evaluate the quality and quantity of proposed subsurface feeder water for its Monterey Peninsula desal plant.

Under the staff proposal, Cal Am would still be required to halt its test well operation if there's a 1.5-foot decrease in groundwater levels or a 2,000-parts-per-million increase in salinity levels in monitoring wells, but only in comparison to regional data.

Cal Am spokeswoman Catherine Stedman said company officials agree with the staff recommendation, which largely adheres to the company's own amended proposal.

"We look forward to the (Coastal Commission) hearing next week and are hopeful the commission will adopt the amendment and allow for resumed operation of the test well," Stedman said.

The Coastal Commission is set to consider the amended test well permit during its Oct. 8 meeting in Long Beach.

In issuing its recommendation, commission staff noted that Cal Am's monitoring had shown other basin and sub-basin wells exhibiting "substantial changes" due to regional influences, such as municipal groundwater pumping, seasonal agricultural uses, and changes in rainfall and streamflow.

The report also noted the commission conducted an independent review of the test well data and analysis submitted by Cal Am and the Hydrogeological Working Group.

Last week, the Peninsula mayors water authority agreed to send a letter to the commission in support of Cal Am's bid to resume the test pumping, which has been opposed by the Marina Coast Water District and Ag Land Trust, which both own nearby wells.

Jim Johnson can be reached at 726-4348.

Jim Johnson covers Monterey County government and water issues for the Monterey Herald. Reach the author at jjohnson@montereyherald.com or follow Jim on Twitter: [@JimJohnson_MCH](https://twitter.com/JimJohnson_MCH).

Recycled water final EIR done, Oct. 8 hearing set

By [Jim Johnson](#), Monterey Herald

Posted: 09/28/15, 6:59 PM PDT | Updated: 2 hrs ago

[# Comments](#)

Monterey >> Backers of the proposed groundwater replenishment project, dubbed Pure Water Monterey, have announced the release of a final project environmental impact report even as feeder source water talks inch forward.

On Friday, the Monterey Regional Water Pollution Control Agency announced the final EIR would be considered for certification during an Oct. 8 public hearing to be held by the agency board of directors at 3:30 p.m. at the agency's Ryan Ranch headquarters at 5 Harris Court, Bldg D, in Monterey.

"The future of water is here," Agency general manager Paul Sciuto said, noting the project proposes to address water supply, treatment and environmental mitigation on the Monterey Peninsula and in the Salinas Valley.

The project is a partnership of the agency and the Monterey Peninsula Water Management District. It seeks to tap municipal and industrial wastewater, urban stormwater runoff and surface water diversions, including Peninsula wastewater, Salinas Valley produce wash water, and contaminated Blanco Drain and Reclamation Ditch runoff, for treatment to potable water standards at a North Marina plant. That water will be delivered to the Seaside Basin for later potable use, as well as additional secondary treated water for the Castroville Seawater Intrusion Project to enhance ag irrigation and offset groundwater pumping in the Salinas Valley.

The final EIR release comes as four of the five parties to a preliminary feeder source water agreement are expected to extend a deadline for hammering out a final deal another three months to allow time to finalize the series of inter-agency pacts at the heart of a definitive agreement.

On Monday, the Monterey County Water Resources Agency board joined the water management district in agreeing to extend the preliminary agreement, and the agency board was expected to join them Monday night. The Salinas city council was expected to consider the extension soon. Only the Marina Coast Water District board may not agree to the proposed extension after previously declining to do so.

Extending the preliminary agreement, initially signed last fall, would set a new deadline of Dec. 31 to work out a final deal. The original preliminary agreement called for a final deal by March 31, but has been extended twice already.

Sciuto said most of inter-agency pacts are nearly done, including a water purchase agreement between the agency, the water management district and California American Water. That pact now includes a guarantee that Cal Am will buy 3,500 acre feet of water per year of the product water as a supplement to Cal Am's proposed Peninsula desalination plant aimed at providing a replacement potable source to offset the state-ordered cutback in pumping from the Carmel River. That would allow Cal Am to build a smaller desalination plant to provide about two-thirds of the needed water supply.

Only a proposed pact with Marina Coast for the use of the district's conveyance pipeline remains uncertain.

The project is expected to be ready to produce potable water by mid-2018, according to Sciuto, at least a year sooner than Cal Am's oft-delayed desalination project, and could be used to bolster the Peninsula argument in favor of a proposed four-year extension of the state water board's river pumping cutback order, and could be used to further trim river water use.

Jim Johnson can be reached at 726-4348.

NEWS

Brace for Impact

Officials try to figure out how to prevent Salinas River flooding before El Niño hits.

By Ana Ceballos

Two heavy storms in 1995 fueled by El Niño led the Salinas River to overflow, causing extensive flooding and thousands of residents to be displaced. Countywide, damage was estimated at \$250 million.

The aftermath of those storms are now coming into focus as scientists say weather conditions are lining up in ways not seen before.

Salinas officials admit they are not prepared to deal with the potentially devastating consequences—mainly because of the poor upkeep of the Salinas River and local creek levees, which city officials say were not constructed to flood standards and have not been properly maintained for eight years.

The Monterey County Farm Bureau held a private meeting with county, federal and state officials on Sept. 18 to review the Salinas River flood-prone areas and the economic impact if it floods.

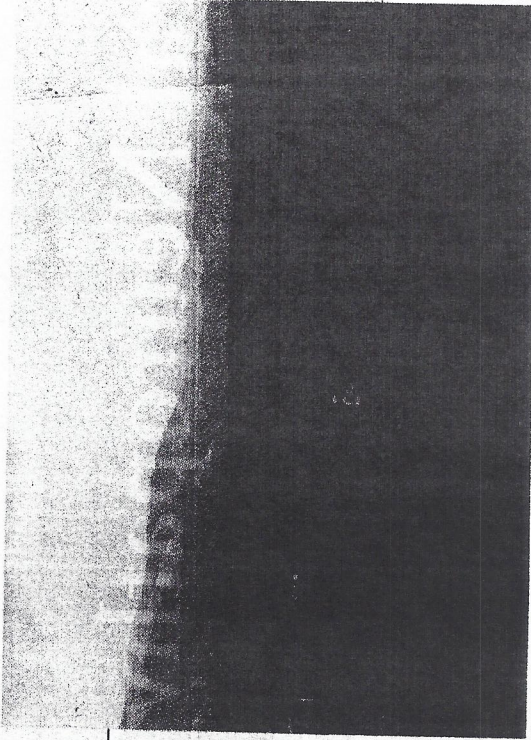
The potential damage this time around is estimated to exceed \$1 billion.

"We want community preparedness. We've flooded in the past," Salinas Fire Chief Ed Rodriguez says. "I've always believed that those who don't learn from history can be doomed to repeat it."

"If we can't farm, that would impact the availability of jobs."

To reduce the likelihood of flooding, riverbanks need to be cleared of undergrowth that currently blocks the high-flow section of the river near Chualar and Gonzales. But farmers and landowners first need to go through an arduous permit process approved by the Army Corps of Engineers, California Department of Fish & Wildlife and the Central Coast Regional Water Quality Control Board.

With a permit, a small portion of the upper river has been cleared, but water can still hit clogged areas near King City.



Farmers working on a field adjacent to the Salinas River. Officials have struggled over the years to clear the overgrown river channel.

If the river floods, it could devastate the distribution of winter crops nationwide, as farming would halt for a minimum of three months while scientists ensure no pathogens are present in the fields as part of federal regulations.

"If we can't farm, that would impact the availability of jobs," says Norm Groot, executive director of the farm bureau.

Alec Arago, who represents Congressman Sam Farr, says there is not much federal officials can do in time for the potential storm without having applications submitted by Salinas or the Monterey County Water Resources Agency.

Salinas Mayor Joe Gunter says he is in constant communication with state and federal officials, but Arago says this issue came onto the city's radar just weeks ago.

A permit to clear the entire river will be submitted in December; approval is not guaranteed. If approved, clearing would start at the earliest in October 2016—months after El Niño blows away. ★

Groundwater replenishment project forges ahead of desal project in PUC review

By [Jim Johnson](#), Monterey Herald

Posted: 10/12/15, 9:31 PM PDT | Updated: 7 hrs ago

San Francisco >> A groundwater replenishment project aimed at providing the Monterey Peninsula with potable recycled water continued to forge ahead of California American Water's desalination project during a state Public Utilities Commission hearing Monday.

But a three-person PUC panel made it clear it wants both projects to proceed in a speedy manner despite recent delays and challenges.

The panel — judges Gary Weatherford and Burton Mattson and Commissioner Catherine Sandoval — indicated it prefers to conduct evidentiary hearings in January on the groundwater project, specifically on a water purchase agreement between Cal Am and project backers the Monterey Regional Water Pollution Control Agency and the Monterey Peninsula Water Management District that would allow recycled water deliveries to the Peninsula.

If the project's product water is comparable in cost to desal product water, it would allow Cal Am to build a smaller desal plant, with the 3,500 acre-feet of recycled water making up the difference.

Monday's hearing comes on the heels of last week's certification of the final groundwater project environmental impact report by the Pollution Control Agency board. PCA General Manager Paul Sciuto said the groundwater replenishment project could supply water to the Peninsula by Thanksgiving 2018, well ahead of Cal Am's desal project.

On Monday, Planning and Conservation League director Jonas Minton said the state water board has "expressed great interest in any project capable of coming online" and helping Cal Am cut its illegal pumping from the Carmel River "sooner rather than later." Cal Am won't come close to meeting the Dec. 31, 2016, deadline for cutting the river pumping and is seeking an extension from the state water board.

By comparison, the panel asked participants in Monday's hearing to propose a new review schedule for the desal project within a week aimed at allowing evidentiary hearings by May. The project's recirculated draft state and federal environmental review document is expected to be released sometime next summer or fall. It had been delayed due to an apparent conflict of interest involving hydrogeology consultant Geoscience Support Services and president Dennis Williams that called into question critical project modeling and data.

Cal Am spokeswoman Catherine Stedman said Monday's hearing suggested the PUC "is interested in keeping the (desal) project on track."

"We are supportive of a schedule that would result in a decision as soon as possible and are hopeful that can be accomplished by third quarter 2016," Stedman said.

The panel also asked Cal Am to provide updated project cost estimates and water supply and demand projections as part of the testimony and evidentiary hearings, which would conclude that portion of the PUC process ahead of an eventual decision by the commission.

Both Monterey County Farm Bureau Executive Director Norm Groot and Salinas Valley Water Coalition President Nancy Isakson expressed concern about conducting evidentiary hearings on desal before all the relevant test slant well information and potential mitigation are available as part of the environmental review process.

Judge Weatherford said there would be plenty of opportunity to comment on the environmental review document, which is proceeding on a separate track. He also suggested the evidentiary record could be re-opened if new information emerges.

Jim Johnson can be reached at 726-4348.



Harris & AssociatesSM

SHAPING THE FUTURE ONE PROJECT AT A TIME.



Castroville Community Services District

Water Rate Study

Submitted to:
Castroville Community Services District

Prepared by:
HARRIS & ASSOCIATES, INC.
2 Salinas Street, Suite B
Salinas, CA 93901

October 15, 2015

Table of Contents

EXECUTIVE SUMMARY	1
Summarized Findings and Recommendations.....	1
SECTION I – INTRODUCTION	3
Overview	3
Current Rates	3
Rate Making Goals and Objectives	4
SECTION II – REVENUE & EXPENSE REQUIREMENT PROJECTIONS	5
Revenue Projections	5
Operating Expense Projections.....	6
Administrative Expense Projections	6
Capital Improvement Expense Projections.....	7
SECTION III – RATE DESIGN	10
Financial and Operational Goals and Assumptions	10
Legal Compliance	12
Base Rate Service Charges	12
Volumetric Commodity Charges	13
SECTION IV – CUSTOMER BILL IMPACTS.....	14
SECTION V – COMPARISON TO OTHER AREA WATER UTILITIES	16
SECTION VI – ADDITIONAL RECOMMENDATIONS	19
Adoption of a formal Capital Reserve Policy.....	19
Consideration of Debt Financing of Major Capital Repair or Replacement.....	19
Annual Review of Revenue and Expenses Prior to next scheduled Rate Adjustment.....	19
Consideration of Emergency Drought Policy	19



EXECUTIVE SUMMARY

Castroville Community Services District, hereafter (“CCSD” or the “District”) engaged Harris & Associates to conduct a comprehensive study of its water enterprise with the primary objective to create a financial plan and rate structure which balances the fiscal needs of the agency and limits the impact of a new rate structure upon its water utility customers. The preparation of this water rate study focused on projections of revenues, expenses of all types, and the water system cash & cash equivalents (fund) balance through Fiscal Year Ending (hereafter “FYE”) 2020. Based on these projections, revenue increases and base fee allocation adjustments were derived to meet the funding requirements and equalize meter size relative to overall system demands, respectively. The following findings and recommendations were made.

Summarized Findings and Recommendations

- **Key Assumptions:** Rates were set to generate revenue sufficient to fund CCSD’s water system operational, administrative and some capital improvement expenses from the rates, and to maintain the water utility fund balance in a range of \$3 to \$5 million. Well 6 funding, currently contemplated for FYE 2018 was not included in the rate structure.
- **Base Charge Structure:** Base charges are intended to apportion the cost of capacity among customers on the basis of the size of their services. The District’s current service charges for larger services are not aligned with the capacity that they provide. The proposed base charges are adjusted over the first two years of this study so that they are aligned by the third year. After the re-alignment is achieved by FYE 2018, subsequent rate increases through the end of this rate study are made by an equal percentage amount among all meter sizes.
- **Volumetric Charge Structure:** With the recent court opinion provided in the case of *Capistrano Taxpayers Association vs. City of San Juan Capistrano*, the District cannot maintain multiple consumption tiers and be legally compliant, since it derives its entire water supply from a single source (local groundwater wells). Given these recent legal changes, the recommended rate structure includes a single tier for all levels of consumption.
- **Base and Volumetric Charge Component Balance:** The revenue from the base charges is currently 54% of total rate revenue; while the remaining water rate revenue is generated by the volumetric charges. Efforts were made to maintain this balance, however in some of the fiscal years’ projections, the balance approaches 60% base/40% volumetric. Much of this is related to extraordinary base charge specific capital improvements, and is congruent with many other agencies’ rate structure updates, as a result of drought-motivated customers reducing consumption. By FYE 2020, the balance returns to 57% base/43% volumetric, which is very close to the historical norm.
- **Rate Projections:** The rate projections through FYE 2020 are shown in Table 1 on the following page. With these increases, the District will be able to fund all of its projected operational and administrative expenses, along with the majority of its planned capital improvements over the next five years on a pay-as-you-go cash basis as directed by CCSD Staff. In addition, fund balance, while expected to fall below the targeted range stated above due to large FYE 2016 capital expenses, will rebound by the end of the rate study period and reach an estimated \$3.6 million in FYE 2020.



CASTROVILLE COMMUNITY SERVICES DISTRICT
Water Rate Study

Table 1 – Current and Proposed Rate Structures

Meter Size	Service Type	FYE 2015 Current	FYE 2016 Proposed	FYE 2017 Proposed	FYE 2018 Proposed	FYE 2019 Proposed	FYE 2020 Proposed
3/4" Meter	Water	\$ 14.87	\$ 16.60	\$ 18.33	\$ 19.24	\$ 20.01	\$ 20.81
1" Meter	Water	\$ 24.73	\$ 27.67	\$ 30.62	\$ 32.15	\$ 33.43	\$ 34.77
1 1/2" Meter	Water	\$ 37.61	\$ 48.72	\$ 59.84	\$ 62.83	\$ 65.34	\$ 67.96
2" Meter	Water	\$ 58.37	\$ 77.80	\$ 97.24	\$ 102.10	\$ 106.18	\$ 110.43
3" Meter	Water	\$ 98.15	\$ 146.35	\$ 194.54	\$ 204.27	\$ 212.44	\$ 220.94
4" Meter	Water	\$ 186.48	\$ 244.98	\$ 303.47	\$ 318.64	\$ 331.39	\$ 344.65
6" Meter	Water	\$ 280.02	\$ 445.00	\$ 609.98	\$ 640.47	\$ 666.09	\$ 692.74
2" Meter	FireLine	\$ 9.17	\$ 9.71	\$ 10.26	\$ 10.77	\$ 11.20	\$ 11.65
3" Meter	FireLine	\$ 13.70	\$ 16.50	\$ 19.31	\$ 20.27	\$ 21.08	\$ 21.92
4" Meter	FireLine	\$ 18.75	\$ 28.61	\$ 38.48	\$ 40.40	\$ 42.01	\$ 43.70
6" Meter	FireLine	\$ 27.41	\$ 56.98	\$ 86.55	\$ 90.87	\$ 94.51	\$ 98.29
8" Meter	FireLine	\$ 36.55	\$ 75.97	\$ 115.38	\$ 121.15	\$ 126.00	\$ 131.04
10" Meter	FireLine	\$ 45.70	\$ 100.07	\$ 154.44	\$ 162.17	\$ 168.65	\$ 175.40
12" Meter	FireLine	\$ 54.58	\$ 135.34	\$ 216.11	\$ 226.91	\$ 235.99	\$ 245.43
No Size	Surcharge	\$ 14.87	\$ 16.60	\$ 18.33	\$ 19.24	\$ 20.01	\$ 20.81
Water Rate per cubic foot (cf):							
Existing Tier 1 Rate/cf (0-500):		\$ 0.0076					
Existing Tier 2 Rate/cf (501+):		\$ 0.0140					
Proposed Single Rate/cf			\$ 0.0140	\$ 0.0161	\$ 0.0180	\$ 0.0198	\$ 0.0218



SECTION I – INTRODUCTION

Overview

CCSD last adjusted water rates in 2004. In the ensuing eleven years, inflation has reduced the District's purchasing power by approximately 25%. Simultaneous with this reduction is the current severe drought currently gripping the State of California. The drought has already exacerbated a salt water intrusion issue into one of CCSD's three shallow-aquifer wells (Well 3). If the drought persists, and the other two wells (Wells 2 and 4) continue to show well water levels below sea level, salt water intrusion is expected in those facilities too. The salt water intrusion in Well 3 (and potential of the same in Wells 2 and 4) has created a need for a replacement groundwater source; and this requirement, in addition to other capital assets which need to be replaced as their usable lives are completed over the next few years comprise significant future capital asset expenses. (In some cases, CCSD has capital assets which have already completed their estimated usable lives, and correspondingly been fully depreciated, yet are still in service.) The District has completed a Capital Improvement Projects Budget through FYE 2020, and it is included in the analytical basis of this rate study. Given this backdrop of static revenue and escalating expenses of multiple types, this rate study identifies revenue increases and rate structure changes to implement rates for FYE 2016 through FYE 2020 while estimating expense escalation over the same period.

Current Rates

CCSD's water system serves a population of approximately 7,200 which includes 2,124 water connections in the Castroville area. CCSD water rate payers are billed the sum of two charges each month for water service: a base fee based on the size of service meter, and a two-tiered volumetric charge based on metered water use during the billing period. The base fee charge for a meter of any given size is the same for all meters of that size regardless of which customer class (e.g. residential, commercial or industrial) is served. In addition to water service, customers who receive fireline service and/or have multiple customers receiving water service from one meter (e.g. multi-family residential) pay additional base fees for these services. As mentioned above, CCSD last increased its rates in 2004. The current rates are shown in Table 2 below.

Table 2 – Current Rates

Monthly Base Water Rates		Monthly Base Fire Service Rates	
Meter Size (inches)	Amount	Meter Size (inches)	Amount
0.75	\$ 14.87	2.00	\$ 9.17
1.00	\$ 24.73	3.00	\$ 13.70
1.50	\$ 37.61	4.00	\$ 18.75
2.00	\$ 58.37	6.00	\$ 27.41
3.00	\$ 98.15	8.00	\$ 36.55
4.00	\$ 186.48	10.00	\$ 45.70
6.00	\$ 280.02	12.00	\$ 54.58
Additional Unit	\$ 14.87		
Volumetric Rates (per cubic foot - cf)			
0 to 500 cf	\$0.0076		
501 cf & up	\$0.0140		



Rate Making Goals and Objectives

CCSD has a number of rate-making goals and objectives that the recommended rate structure is designed to achieve. The rate structure is designed to provide for:

- **Revenue sufficiency** – Generate sufficient revenue to fund operating, administrative, and capital costs while maintaining a cash & cash equivalents reserve of \$3 to \$5 million as June 30, 2020.
- **Revenue stability** – Collect adequate revenue from all of the CCSD water utility's services to cover fixed and variable costs, while anticipating continued decreases in consumption due to the drought and customer reaction to rate structure modifications.
- **Administrative ease** – Enhance CCSD Staff's operationalization of new rates and promote seamless ongoing administration of the recommended rate structure.
- **Affordability** – Be as inexpensive as possible to customers while balancing CCSD's long-term financial needs to provide quality water services.
- **Customer acceptance** – Create a structure that is transparent and simple for customers to understand, thereby facilitating buy-in by all CCSD stakeholders.
- **Fairness** – Create a rate structure that promotes equity among customer classes and meter connection size, by prorating requisite costs by share of the water system's capacity in a legally compliant manner and reflecting rate study best practice methodologies.

Given a recent legal outcome related to multiple water usage tiers, *CTA vs. City of San Juan Capistrano*, and the fact that CCSD's sole source of water is groundwater, a key consideration of this rate study was creating a rate structure with a single commodity rate or tier per water unit consumed. This is important due to the legal requirements that were borne out of this legal decision.

In addition, Harris performed calculations regarding the congruence of CCSD base fees by meter size and each connection's calculated maximum safe capacity prorated as a share of the entire system capacity.

Thirdly, efforts were made within rate structure design to maintain the current proportional balance of fixed to variable elements of revenues and costs (54% fixed and 46% variable), although some years in the rate study period do reflect a slightly higher fixed component, which is similar to other agencies' recently updated rate structures as expenses escalate and consumption declines largely due to the drought.

Lastly, the recommended rate structure was largely designed to fund capital improvement plan budget items within the rate structure. The single exception to this premise was the removal of the \$1 million estimated construction cost of the deep aquifer Well 6 in FYE 2018, per CCSD Board of Directors' direction at the September 15, 2015 CCSD Board Meeting. It was reasoned that if Well 6 is needed, grant funding is a possibility to underwrite the cost of construction. If grant funding is not available and Well 6 is needed, the impact upon the ending Water Fund balance of \$3.6 million is a \$1 million reduction of available operational and capital funding.



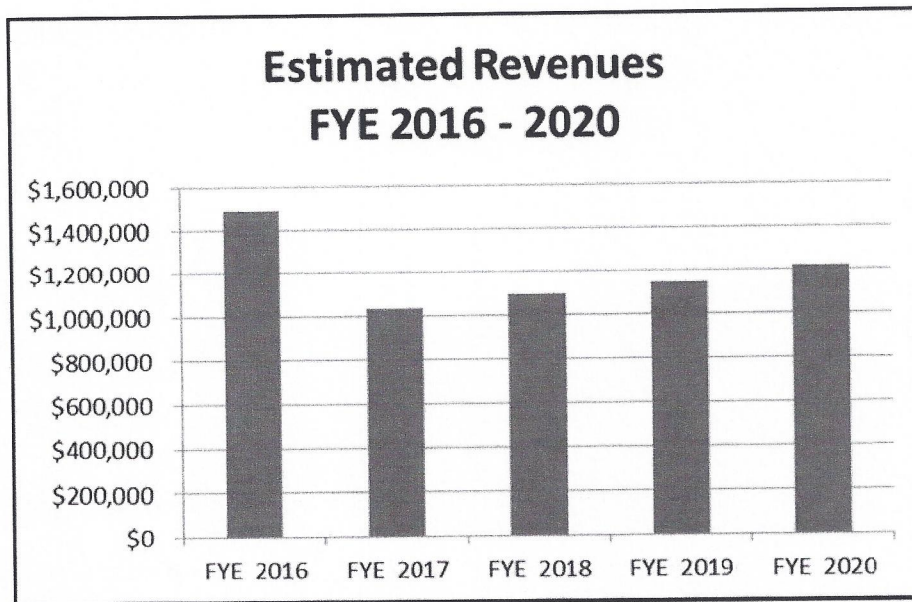
SECTION II – REVENUE & EXPENSE REQUIREMENT PROJECTIONS

To determine whether additional rate revenue is required, expense projections for operating, administrative, and capital expenses are compared with projected revenue from current rates. Rates are then increased so that the expenses are covered and operating and capital reserves are maintained. CCSD's FYE 2016 budget served as a starting point to determine the revenue requirement projections throughout the rate study period. Individual revenue and expense accounts from CCSD's accounting system were adjusted in each fiscal year in the rate study via consultant financial analysis projection. The consultant projections were presented to and discussed with CCSD Staff to confirm validity and insure accuracy.

Revenue Projections

Revenue from Metered Water Sales is extensively discussed in SECTION III – RATE DESIGN of this report, thus this section highlights all other revenue sources for the District. Most of the other revenue sources are static throughout the rate study period, and represent a small portion of the District's overall funding. However a few of the revenue sources do possess inter-year variability. First, new service connections revenue is expected to increase due to a few new connections which are expected to occur annually and are included in the set of assumptions within SECTION III – RATE DESIGN. Next, CCSD has secured \$581,000 in one-time grant funding for Well 2B/5 arsenic remediation in FYE 2016. Lastly, property tax assessment bond revenue includes \$29,000 in FYE 2016, which is congruent with the CCSD operating budget, and represents the full amount of annual revenue. However, FYE 2017 – 2020 only include the portion of property tax assessment bond revenue that offsets the expenses CCSD shoulders due to the existence of the assessment district. The remainder of revenue is actually offset by a long-term liability account, and since the rate study only considers revenue and expense accounts, it would overstate revenue to include this portion, especially over a multi-year period; thus the variance is omitted for the purpose of the rate study analysis in FYE 2017 – 2020.

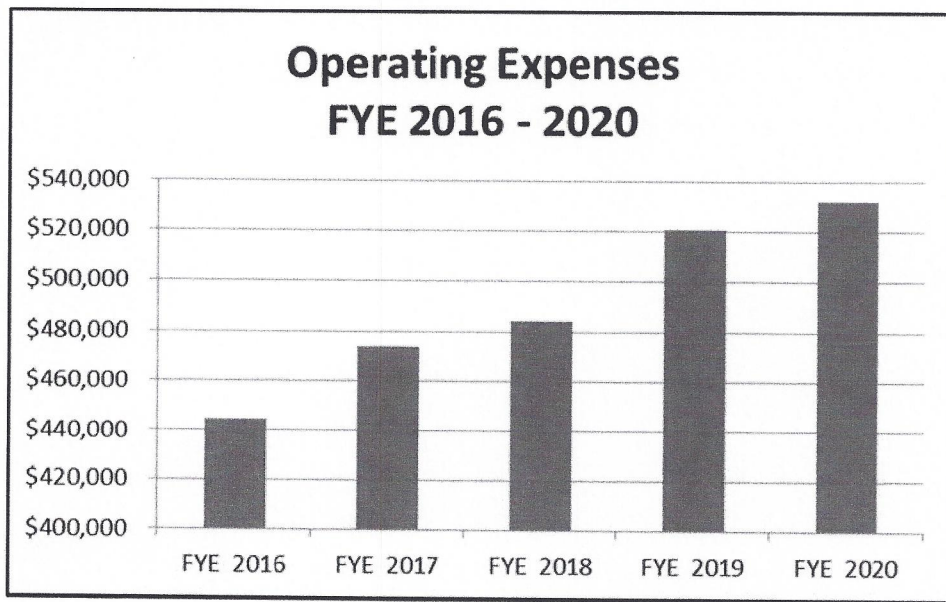
Chart 1 – Revenue Projections FYE 2016 – 2020



Operating Expense Projections

The category of Operating Expenses is forecast to increase by nearly 20% over the course of the rate study period. This aggregate variance is largely comprised of individual expenses that are forecast to increase by an annual inflation factor of 2% or remain flat through FYE 2020. While this seems contradictory, there are a few large expense accounts in this category that are forecast to increase by greater than 2% as described below. The three expenses with the largest forecast increases across the rate study period are PG&E Utilities, Fuel, and Depreciation (a non-cash expense) at 31%, 22% and 21%, respectively. Overall, this category's likely escalation in the future warrants strong rate structure adjustment consideration to provide financial strength and thereby surety of high quality water to the District's customers.

Chart 2 – Operating Expenses FYE 2016 – 2020

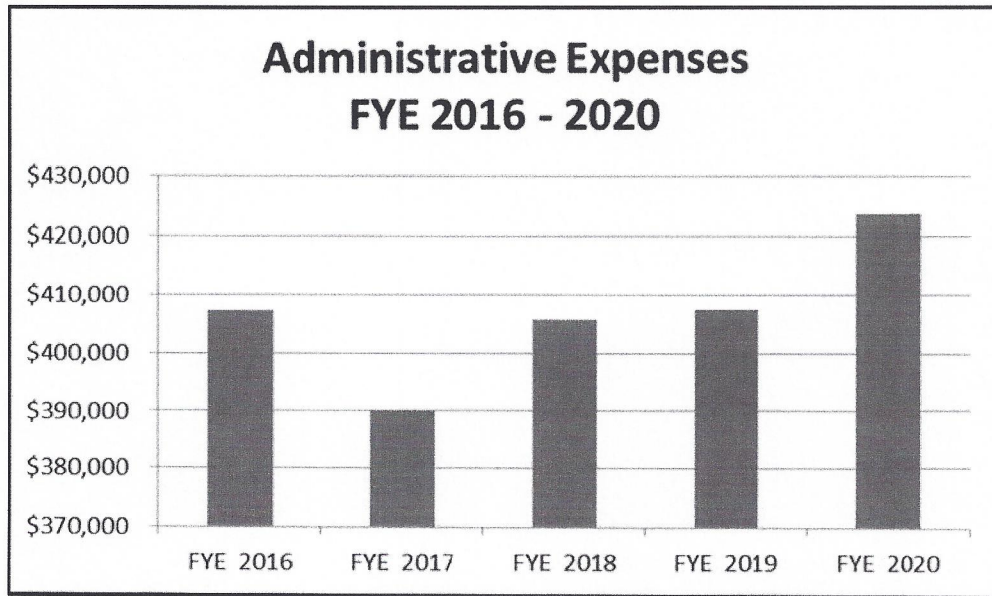


Administrative Expense Projections

The Administrative Expense category is forecast to increase by 4% over the full rate study period, so it's a much smaller multi-year increase than the Operating Expense category. Notable of the Administrative Expenses that do escalate significantly are a number of payroll expenses that are largely beyond the control of District Staff such as Employee Health Benefits, PERS Retirement Benefits, Retired Employee Benefits, and Other Post-Employment Benefits. In summary, the Administrative Expense Category is largely static over the rate study period which will help to minimize the impact of new rates on CCSD customers.



Chart 3 – Administrative Expenses FYE 2016 – 2020

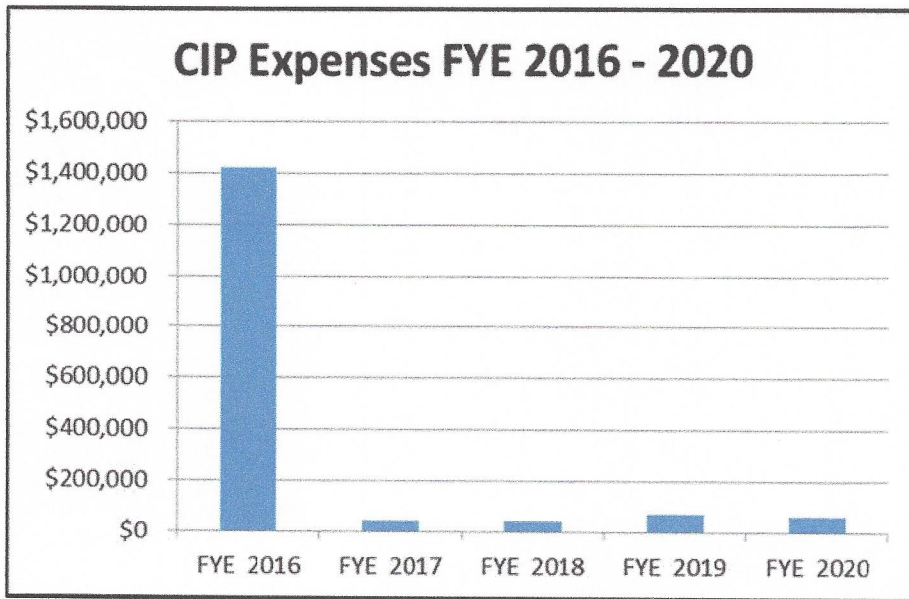


Capital Improvement Expense Projections

Capital Improvement Expenses are a significant factor in the recommended rate structure of this study. Per CCSD budget review for FYE 2010 through 2016, it is clear that a deferral of capital asset repair and/or replacement has occurred. CCSD is not unique in this regard, given that much of this time period saw the worst economy in the last 80 years. However fixed assets do wear out, and a review of CCSD's Capital Asset Detail and Depreciation Schedule show a number of assets that have either reached the end of their usable lives or will do so during the next few years. In addition to these aging assets, the severe drought that currently grips the western United States, has exacerbated salt water intrusion into CCSD's three wells and created a need for a replacement groundwater source, which the District has partially achieved with the construction of a deep aquifer well (Well 2B/5) in recent years. However, Well 2B/5 has levels of arsenic that exceed the Environmental Protection Agency's (EPA) limit of 10 parts per billion (ppb). The Well 2B/5 arsenic remediation, scheduled for completion in FYE 2016, is the primary Capital Improvement Project (CIP) included in the rate study, since its \$1.4 million cost represents 86% of the total CIP budget for the five year period FYE 2016 – 2020. While Well 2B/5 represents a partial supply solution, an additional deep aquifer well (Well 6) may be needed by FYE 2018 and is not included in this analysis, per Board of Directors' direction. Other capital improvement expenses the District plans to complete includes the replacement of valves, radio read meters, and pump equipment in each year of the analysis, along with service lateral replacements in FYE 2017 – 2020. Lastly, the District plans to replace vehicles in FYE 2019 and 2020. The capital improvements detailed above coupled with future repair/replacement efforts beyond the rate study period are assumed to be funded on a pay-as-you-go basis, meaning these costs are included in the recommended rate structure.

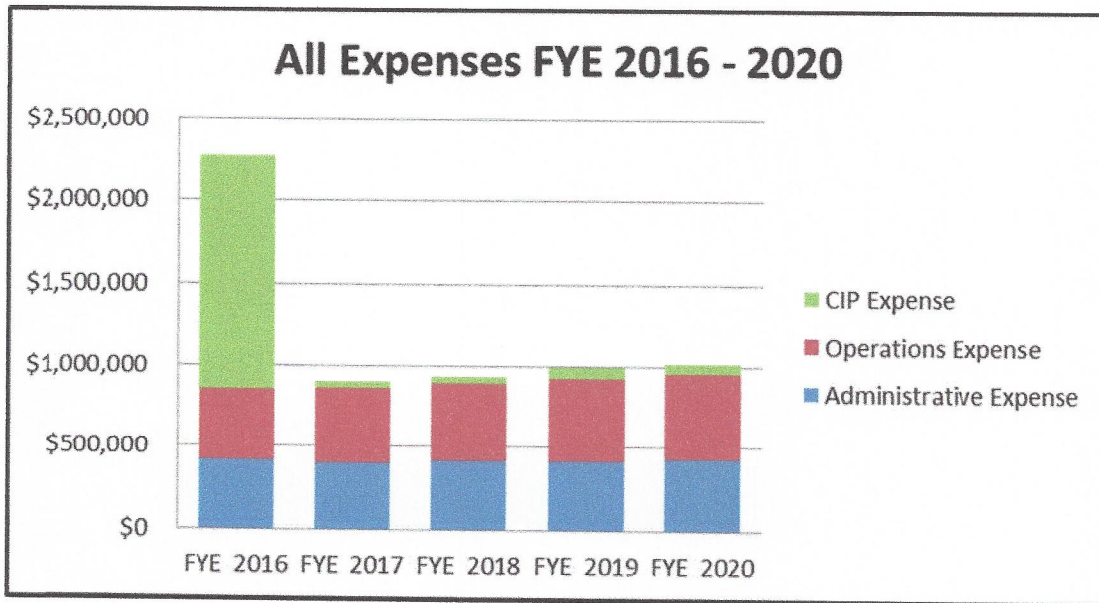


Chart 4 – CIP Expenses FYE 2016 – 2020



CCSD's water utility expenses of all types are illustrated in Chart 5 below for FYE 2016 – 2020.

Chart 5 – Total CCSD Water Expenses FYE 2016 – 2020



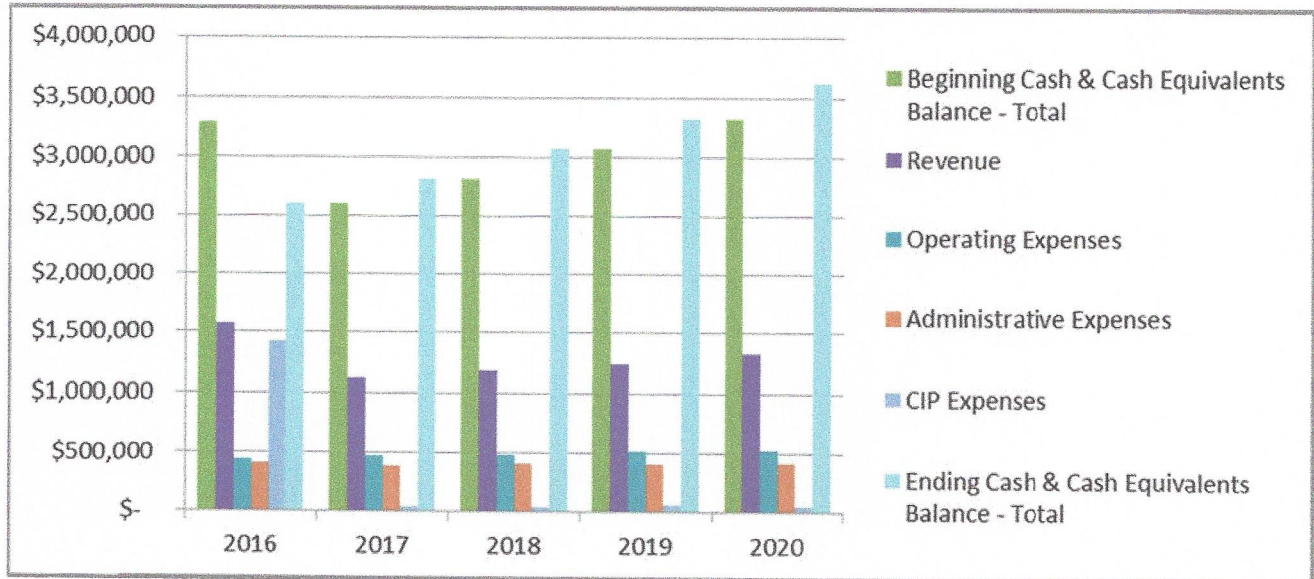
CASTROVILLE COMMUNITY SERVICES DISTRICT
Water Rate Study

The table and chart below summarize and illustrate CCSD's financial condition over the rate study period with the inclusion of beginning and ending cash & cash equivalents balances (fund balance). The recommended rate structure, as detailed in the next section, yields an ending fund balance of \$3.6 million.

Table 3 – CCSD Water Financial Summary Projection FYE 2016 – 2020

Fiscal Year Ending	2016	2017	2018	2019	2020
Beginning Cash & Cash Equivalents Balance - Total	\$ 3,292,789	\$ 2,595,923	\$ 2,811,937	\$ 3,070,637	\$ 3,318,811
Revenue	\$ 1,576,334	\$ 1,119,521	\$ 1,187,980	\$ 1,245,620	\$ 1,324,416
Operating Expenses	\$ 444,832	\$ 474,462	\$ 484,600	\$ 520,843	\$ 531,993
Administrative Expenses	\$ 407,368	\$ 390,045	\$ 405,680	\$ 407,603	\$ 423,827
CIP Expenses	\$ 1,421,000	\$ 39,000	\$ 39,000	\$ 69,000	\$ 59,000
Annual Surplus/(Deficit)	\$ (696,866)	\$ 216,014	\$ 258,700	\$ 248,174	\$ 309,595
Ending Cash & Cash Equivalents Balance - Total	\$ 2,595,923	\$ 2,811,937	\$ 3,070,637	\$ 3,318,811	\$ 3,628,406

Chart 6 – CCSD Water Financial Summary FYE 2016 – 2020



SECTION III – RATE DESIGN

The rate design produces rates that will generate the appropriate amount of revenue from the service and volumetric charges and, with respect to the volumetric charges, from each customer class. The estimated ending cash and cash equivalents balance of \$3.6 million is well within the stated goal range of \$3 to \$5 million while providing a partial hedge against the construction possibly of Well 6 in FYE 2018 at an estimated cost of \$1 million.

Service charge revenue covers a portion of the water system’s fixed costs, which are the majority of the District’s costs. The remainder of the fixed costs is covered by the volumetric charges. The District’s current service charges generate about 54 percent of the total rate revenue, which is above the upper limit recommended by California Urban Water Conservation Council guidelines. However, In view of the fact that the District is currently confronted with a multi-faceted financial challenge of replacing existing wells with a deep aquifer well replacement (and associated arsenic remediation), and declining water consumption as a result of the severe drought gripping California, having 54% to 60% of total revenue come from the fixed charge revenue component adds revenue stability during this period of extraordinary expenses and questionable sustainability of volumetric consumption.

Financial and Operational Goals and Assumptions

In designing the rate structure, Harris & Associates collaborated with CCSD Staff to determine a set of goals and assumptions to achieve in the new rate structure design. These elements included all of the following:

- **Customer Count/Connection Growth** – Estimates for connection growth are quite low. CCSD Staff expects to provide four or five “will serve” letters annually. The analysis reflects this slow increase over the rate study period.

Table 4 – Estimated Customer Counts by Meter Size and Service FYE 2016 – 2020

Meter Size	Acct Count by Meter Size	FYE 2015 AVG	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
3/4" Meter	Water	1133	1137	1142	1146	1150	1154
1" Meter	Water	132	132	133	133	134	135
1 1/2" Meter	Water	65	65	65	66	66	66
2" Meter	Water	49	49	49	50	50	50
3" Meter	Water	12	12	12	12	12	12
4" Meter	Water	2	2	2	2	2	2
6" Meter	Water	0	1	1	1	1	1
2" Meter	FireLine	8	8	8	8	8	8
3" Meter	FireLine	0	1	1	1	1	1
4" Meter	FireLine	17	17	17	17	17	17
6" Meter	FireLine	21	21	21	21	21	21
8" Meter	FireLine	18	18	18	18	18	18
10" Meter	FireLine	1	1	1	1	1	1
12" Meter	FireLine	2	2	2	2	2	2
No Size	Surcharge	544	546	548	550	552	554
No Size	Water CMPN	2	2	2	2	2	2
Total		2006	2015	2023	2031	2038	2046



- **Consumption** – Water consumption is anticipated to decrease by 20% over the rate study period with half of that decline estimated to come in FYE 2016. Recent years’ actual consumption data show a 4% or 5% reduction without a rate structure adjustment. In addition, national studies show that upon the establishment of utility rate increases, a reduction in consumption of 2% to 5% in the following year is typical. Consumption is estimated to level out between FYE 2019 and 2020.

Table 5 – Estimated Consumption by Meter Size & Service FYE 2016 – 2020

Water Use (cf) by		FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Meter Size	Meter Size						
3/4" Meter	Water	14,221,223	12,799,101	12,372,891	11,960,873	11,562,576	11,562,576
1" Meter	Water	1,985,648	1,787,083	1,727,573	1,670,045	1,614,433	1,614,433
1 1/2" Meter	Water	3,840,390	3,456,351	3,341,255	3,229,991	3,122,432	3,122,432
2" Meter	Water	3,280,342	2,952,308	2,853,996	2,758,958	2,667,085	2,667,085
3" Meter	Water	2,929,800	2,636,820	2,549,014	2,464,132	2,382,076	2,382,076
4" Meter	Water	4,226,300	3,803,670	3,677,008	3,554,563	3,436,196	3,436,196
6" Meter	Water	-	-	-	-	-	-
2" Meter	FireLine	11,198	5,599	5,599	5,599	5,599	5,599
3" Meter	FireLine	-	-	-	-	-	-
4" Meter	FireLine	108	648	648	648	648	648
6" Meter	FireLine	160	160	160	160	160	160
8" Meter	FireLine	1,003	1,003	1,003	1,003	1,003	1,003
10" Meter	FireLine	-	-	-	-	-	-
12" Meter	FireLine	21	21	21	21	21	21
No Size	Surcharge	-	-	-	-	-	-
No Size	Water CMPN	64,098	57,688	55,767	53,910	52,115	52,115
Total		30,560,291	27,500,452	26,584,934	25,699,903	24,844,344	24,844,344

- **Capital Asset Replacement** – As detailed earlier in this report, CCSD has a need for significant capital asset replacement or extraordinary repair, especially early in the rate study period (Well 2B/5 arsenic remediation). These expenses are included in the rate study budgeting, except for the possible \$1 million construction of Well 6 in FYE 2018.
- **Cash & Cash Equivalents Balance (Reserve)** – The Water Fund optimally needs to maintain a cash and cash equivalents balance of \$3 to \$5 million to ensure sufficient funding for standard operating & administrative expenses, capital improvement expenses, as well as any emergency costs.

Table 6 – CCSD Water Financial Summary Projection FYE 2016 – 2020

Fiscal Year Ending	2016	2017	2018	2019	2020
Beginning Cash & Cash Equivalents Balance - Total	\$ 3,292,789	\$ 2,595,923	\$ 2,811,937	\$ 3,070,637	\$ 3,318,811
Revenue	\$ 1,576,334	\$ 1,119,521	\$ 1,187,980	\$ 1,245,620	\$ 1,324,416
Operating Expenses	\$ 444,832	\$ 474,462	\$ 484,600	\$ 520,843	\$ 531,993
Administrative Expenses	\$ 407,368	\$ 390,045	\$ 405,680	\$ 407,603	\$ 423,827
CIP Expenses	\$ 1,421,000	\$ 39,000	\$ 39,000	\$ 69,000	\$ 59,000
Annual Surplus/(Deficit)	\$ (696,866)	\$ 216,014	\$ 258,700	\$ 248,174	\$ 309,595
Ending Cash & Cash Equivalents Balance - Total	\$ 2,595,923	\$ 2,811,937	\$ 3,070,637	\$ 3,318,811	\$ 3,628,406



- **Proportional Revenue/Cost Ratio of Base vs. Volumetric Components** – Rate structure design efforts have been made to maintain the current proportion of 54% base and 46% volumetric revenue/cost components; however due to unusually large CIP expenses and an anticipated decline in consumption some of the rate study fiscal years approach a 60% base/40% volumetric split between revenue/cost components.

Legal Compliance

The ruling on a recent California court case, *Capistrano Taxpayers Association (CTA) vs. City of San Juan Capistrano (SJC)*, has a significant effect on the volumetric rate component of the rate structure. The ruling from the Appellate Court in April 2015, which was indirectly confirmed by the California Supreme Court (via the High Court's refusal to hear the case in July 2015), states that tiered water rates are fine within the Proposition 218 world, however the tiers must correspond to the actual cost of providing service at a given level of usage rather than by pre-determined usage budgets. For water agencies that procure water from distinctly different sources (e.g. groundwater vs. surface water vs. purchased water from another agency), this cost of service variance at different levels is possible to quantify. However, since CCSD provides all of its water via a single source (groundwater), a cost of service variance does not exist. Since a cost of service variance does not exist, a multiple-tiered volumetric rate structure is not compliant with CTA vs. SJC. Given this legal precedent, the volumetric component of the recommend rate structure has a single tier.

Base Rate Service Charges

The base rate service charges within the recommended rate structure represent two modifications from the current structure. The first is simply a general escalation due to the CIP expenses being built into the rates on a Pay-As-You-Go structure, meaning no debt financing or other outside funding is expected to underwrite these expenses which are much larger than prior years' budgets. The second modification is a method of sizing the base fees by each connection's prorated share of the entire system capacity. This reallocation of the overall system capacity to each of the system connections by each connection's share of the system capacity is synonymous with the manner prescribed in the American Water Works Association, *AWWA Manual M1, Sixth Edition* (hereafter "M1 Manual"). The M1 Manual further advocates the use of cost functionalization, which is the proration of the projected agency costs to base water, base fire service, or volumetric (commodity) cost categories. This process was completed as a part of the analysis and provides the budgetary basis to quantify the reallocation of system capacity described above to each connection size and service type. Because the reallocation is a significant change, it is recommended to be phased in over two years (FYE 2016 and 2017). The recommended base rates by meter size and service type are shown in Table 7 on the following page.



Table 7 – Current and Recommended Base Rates

Meter Size	Service Type	FYE 2015 (Current)	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
3/4" Meter	Water	\$ 14.87	\$ 16.60	\$ 18.33	\$ 19.24	\$ 20.01	\$ 20.81
1" Meter	Water	\$ 24.73	\$ 27.67	\$ 30.62	\$ 32.15	\$ 33.43	\$ 34.77
1 1/2" Meter	Water	\$ 37.61	\$ 48.72	\$ 59.84	\$ 62.83	\$ 65.34	\$ 67.96
2" Meter	Water	\$ 58.37	\$ 77.80	\$ 97.24	\$ 102.10	\$ 106.18	\$ 110.43
3" Meter	Water	\$ 98.15	\$ 146.35	\$ 194.54	\$ 204.27	\$ 212.44	\$ 220.94
4" Meter	Water	\$ 186.48	\$ 244.98	\$ 303.47	\$ 318.64	\$ 331.39	\$ 344.65
6" Meter	Water	\$ 280.02	\$ 445.00	\$ 609.98	\$ 640.47	\$ 666.09	\$ 692.74
2" Meter	FireLine	\$ 9.17	\$ 9.71	\$ 10.26	\$ 10.77	\$ 11.20	\$ 11.65
3" Meter	FireLine	\$ 13.70	\$ 16.50	\$ 19.31	\$ 20.27	\$ 21.08	\$ 21.92
4" Meter	FireLine	\$ 18.75	\$ 28.61	\$ 38.48	\$ 40.40	\$ 42.01	\$ 43.70
6" Meter	FireLine	\$ 27.41	\$ 56.98	\$ 86.55	\$ 90.87	\$ 94.51	\$ 98.29
8" Meter	FireLine	\$ 36.55	\$ 75.97	\$ 115.38	\$ 121.15	\$ 126.00	\$ 131.04
10" Meter	FireLine	\$ 45.70	\$ 100.07	\$ 154.44	\$ 162.17	\$ 168.65	\$ 175.40
12" Meter	FireLine	\$ 54.58	\$ 135.34	\$ 216.11	\$ 226.91	\$ 235.99	\$ 245.43
No Size	Surcharge	\$ 14.87	\$ 16.60	\$ 18.33	\$ 19.24	\$ 20.01	\$ 20.81

Volumetric Commodity Charges

Similar to the base rate structure, the recommended volumetric rate structure suggests two primary changes to the current rate structure. First, as detailed in the Legal Compliance subsection earlier in this section, the recommended rate structure eliminates the current first tier and simply assumes all water consumption is billed at \$0.014/cubic foot (cf), which is the current rate structure's second tier. This provides legal compliance to CTA vs. SJC, simplicity of billing for CCSD Staff, and simplicity of understanding among rate payers in estimating/calculating their monthly bills. The second change is related to commodity pricing escalation to assist in funding the large CIP expenses previously mentioned in this rate study report, while maintaining a close semblance to the current revenue/cost ratio of base and volumetric components. The recommended volumetric rates are illustrated in Table 8 below.

Table 8 – Current and Recommended Volumetric Rates

Water Rate per cf:	FYE 2015 (Current)	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Existing Tier 1 Rate/cf (0-500):	\$ 0.0076					
Existing Tier 2 Rate/cf (501+):	\$ 0.0140					
Proposed Single Rate/cf		\$ 0.0140	\$ 0.0161	\$ 0.0180	\$ 0.0198	\$ 0.0218



SECTION IV – CUSTOMER BILL IMPACTS

As previously detailed, the District’s customers pay the sum of two charges every month for water service: a basic service charge based on the size of the service meter plus a volumetric charge based on metered water use during the billing period. Because of the structure of the rates, the impact on bills depends on the amount of water use. Examples of the effect of the recommended rate structure are illustrated in the following tables.

Table 9 – Single Family Residential Customer

SFR Water Customer (assume 3/4" meter & 1,000 cf)	Current					
	(FYE 2015)	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Base Fee	\$ 14.87	\$ 16.60	\$ 18.33	\$ 19.24	\$ 20.01	\$ 20.81
Tier 1	\$ 3.80	\$ 14.00	\$ 16.10	\$ 18.03	\$ 19.84	\$ 21.82
Tier 2	\$ 7.00	n/a	n/a	n/a	n/a	n/a
Total	\$ 25.67	\$ 30.60	\$ 34.43	\$ 37.28	\$ 39.85	\$ 42.63
<i>Base % Δ from Current (FYE 2015)</i>		11.63%	23.25%	29.41%	34.59%	39.98%
<i>Commodity % Δ from Current (FYE 2015)</i>		29.63%	49.07%	66.96%	83.66%	102.03%
<i>Total Cost % Δ from Current (FYE 2015)</i>		19.20%	34.12%	45.21%	55.24%	66.08%
<i>Total Cost % Δ from Prior Year</i>		19.20%	12.51%	8.27%	6.90%	6.99%
<i>Base \$ Δ from Current (FYE 2015)</i>		\$ 1.73	\$ 3.46	\$ 4.37	\$ 5.14	\$ 5.94
<i>Commodity \$ Δ from Current (FYE 2015)</i>		\$ 3.20	\$ 5.30	\$ 7.23	\$ 9.04	\$ 11.02
<i>Total Cost \$ Δ from Current (FYE 2015)</i>		\$ 4.93	\$ 8.76	\$ 11.61	\$ 14.18	\$ 16.96
<i>Total Cost \$ Δ from Prior Year</i>		\$ 4.93	\$ 3.83	\$ 2.85	\$ 2.57	\$ 2.78

Table 10 – Commercial Customer

Commercial Water Customer (assume 1 1/2" meter & 5,400 cf)	Current					
	(FYE 2015)	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Base Fee	\$ 37.61	\$ 48.72	\$ 59.84	\$ 62.83	\$ 65.34	\$ 67.96
Tier 1	\$ 3.80	\$ 75.60	\$ 86.94	\$ 97.37	\$ 107.11	\$ 117.82
Tier 2	\$ 68.60	n/a	n/a	n/a	n/a	n/a
Total	\$ 110.01	\$ 124.32	\$ 146.78	\$ 160.20	\$ 172.45	\$ 185.78
<i>Base % Δ from Current (FYE 2015)</i>		29.55%	59.10%	67.06%	73.74%	80.69%
<i>Commodity % Δ from Current (FYE 2015)</i>		4.42%	20.08%	34.49%	47.94%	62.74%
<i>Total Cost % Δ from Current (FYE 2015)</i>		13.01%	33.42%	45.63%	56.76%	68.87%
<i>Total Cost % Δ from Prior Year</i>		13.01%	18.06%	9.15%	7.65%	7.73%
<i>Base \$ Δ from Current (FYE 2015)</i>		\$ 11.11	\$ 22.23	\$ 25.22	\$ 27.73	\$ 30.35
<i>Commodity \$ Δ from Current (FYE 2015)</i>		\$ 3.20	\$ 14.54	\$ 24.97	\$ 34.71	\$ 45.42
<i>Total Cost \$ Δ from Current (FYE 2015)</i>		\$ 14.31	\$ 36.77	\$ 50.19	\$ 62.44	\$ 75.77
<i>Total Cost \$ Δ from Prior Year</i>		\$ 14.31	\$ 22.45	\$ 13.42	\$ 12.25	\$ 13.32



Table 11 – Industrial Customer

Industrial Water Customer (assume 3" meter & 25,000 cf)	Current (FYE 2015)	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Base Fee	\$ 98.15	\$ 146.35	\$ 194.54	\$ 204.27	\$ 212.44	\$ 220.94
Tier 1	\$ 3.80	\$ 350.00	\$ 402.50	\$ 450.80	\$ 495.88	\$ 545.47
Tier 2	\$ 343.00	n/a	n/a	n/a	n/a	n/a
Total	\$ 444.95	\$ 496.35	\$ 597.04	\$ 655.07	\$ 708.32	\$ 766.41
<i>Base % Δ from Current (FYE 2015)</i>		49.11%	98.21%	108.12%	116.45%	125.10%
<i>Commodity % Δ from Current (FYE 2015)</i>		0.92%	16.06%	29.99%	42.99%	57.29%
<i>Total Cost % Δ from Current (FYE 2015)</i>		11.55%	34.18%	47.22%	59.19%	72.25%
<i>Total Cost % Δ from Prior Year</i>		11.55%	20.29%	9.72%	8.13%	8.20%
<i>Base \$ Δ from Current (FYE 2015)</i>	\$ 48.20	\$ 96.39	\$ 106.12	\$ 114.29	\$ 122.79	
<i>Commodity \$ Δ from Current (FYE 2015)</i>	\$ 3.20	\$ 55.70	\$ 104.00	\$ 149.08	\$ 198.67	
<i>Total Cost \$ Δ from Current (FYE 2015)</i>	\$ 51.40	\$ 152.09	\$ 210.12	\$ 263.37	\$ 321.46	
<i>Total Cost \$ Δ from Prior Year</i>	\$ 51.40	\$ 100.70	\$ 58.03	\$ 53.25	\$ 58.09	



SECTION V – COMPARISON TO OTHER AREA WATER UTILITIES

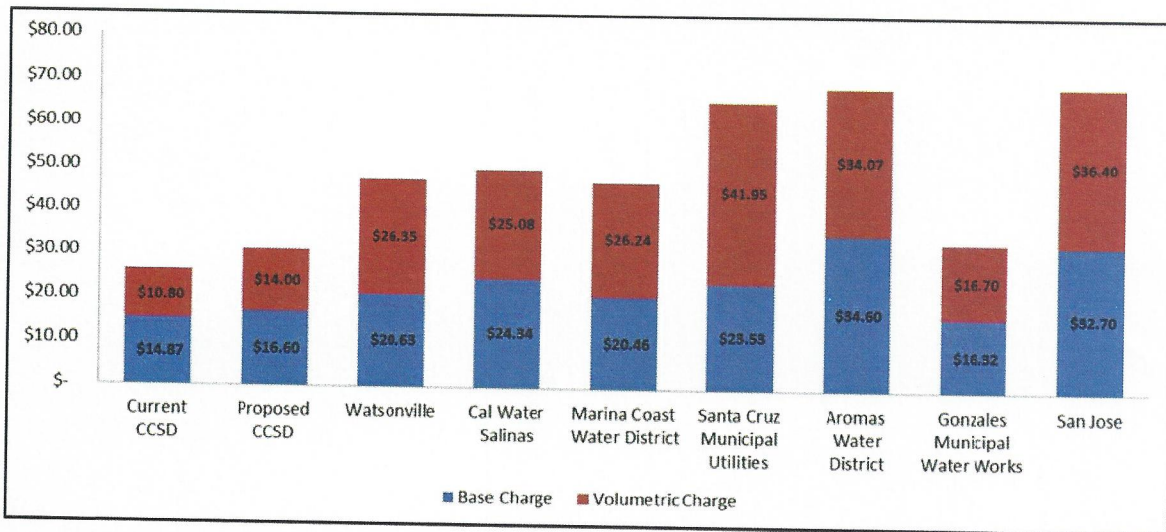
Analogous to the previous section, the tables and charts below show a comparative illustration of both the current and proposed FYE 2016 CCSD expenses by the same customer classes and usage as compared to other water utility providers in the region.

As the data shows below, even with the proposed rate increases, CCSD is still the lowest cost water provider among those displayed here for the average single family residential (SFR) customer with a ¾” meter and 1000 cf of monthly usage. SFR customers with ¾” meters represent the majority customer class within the CCSD water system customer group.

Table 12 – Single Family Residential Customer Cost Comparison by Regional Water Providers

SFR Water Customer (assume ¾" meter & 1,000 cf)										
	Current CCSD	Proposed CCSD	Watsonville	Cal Water Salinas	Marina Coast Water District	Santa Cruz Municipal Utilities	Aromas Water District	Gonzales Municipal Water Works	San Jose	
Base Charge	\$ 14.87	\$ 16.60	\$ 20.63	\$ 24.34	\$ 20.46	\$ 23.53	\$ 34.60	\$ 16.32	\$ 32.70	
Volumetric Charge	\$ 10.80	\$ 14.00	\$ 26.35	\$ 25.08	\$ 26.24	\$ 41.95	\$ 34.07	\$ 16.70	\$ 36.40	
Total	\$ 25.67	\$ 30.60	\$ 46.98	\$ 49.42	\$ 46.70	\$ 65.48	\$ 68.67	\$ 33.02	\$ 69.10	

Chart 7 – Single Family Residential Customer Cost Comparison by Regional Water Providers



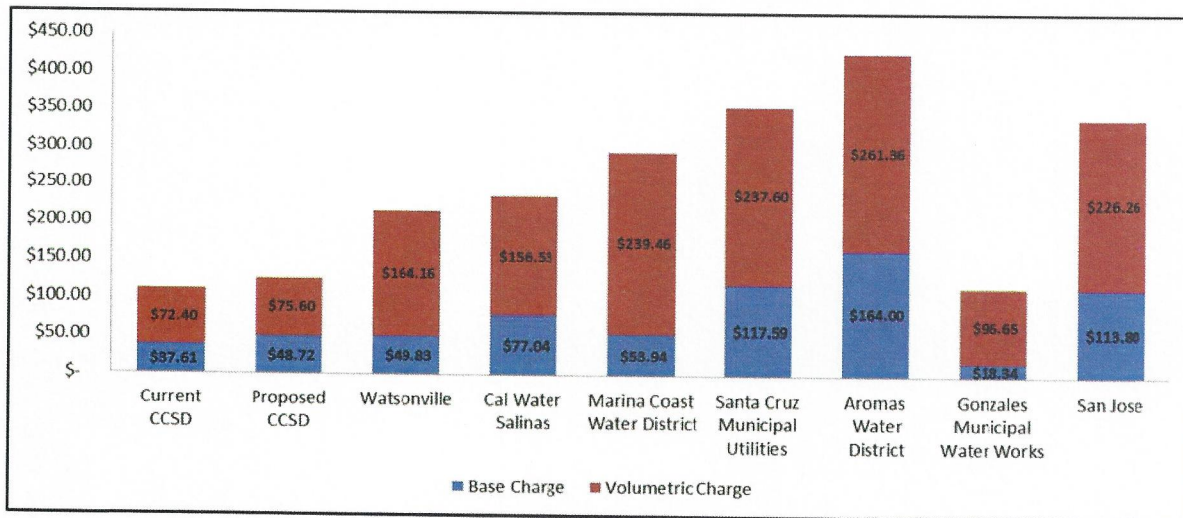
CASTROVILLE COMMUNITY SERVICES DISTRICT
Water Rate Study

Similar to the SFR comparison, the commercial customer cost comparison shows that the proposed CCSD rate structure would still leave CCSD as the second most affordable water provider in the region among the sample of agencies shown below.

Table 13 – Commercial Customer Cost Comparison by Regional Water Providers

Commercial Water Customer (assume 1 1/2" meter & 5,400 cf)										
	Current CCSD	Proposed CCSD	Watsonville	Cal Water Salinas	Marina Coast Water District	Santa Cruz Municipal Utilities	Aromas Water District	Gonzales Municipal Water Works	San Jose	
Base Charge	\$ 37.61	\$ 48.72	\$ 49.83	\$ 77.04	\$ 53.94	\$ 117.59	\$ 164.00	\$ 18.34	\$ 113.80	
Volumetric Charge	\$ 72.40	\$ 75.60	\$ 164.16	\$ 156.53	\$ 239.46	\$ 237.60	\$ 261.36	\$ 96.65	\$ 226.26	
Total	\$ 110.01	\$ 124.32	\$ 213.99	\$ 233.57	\$ 293.40	\$ 355.19	\$ 425.36	\$ 114.99	\$ 340.06	

Chart 8 – Commercial Customer Cost Comparison by Regional Water Providers



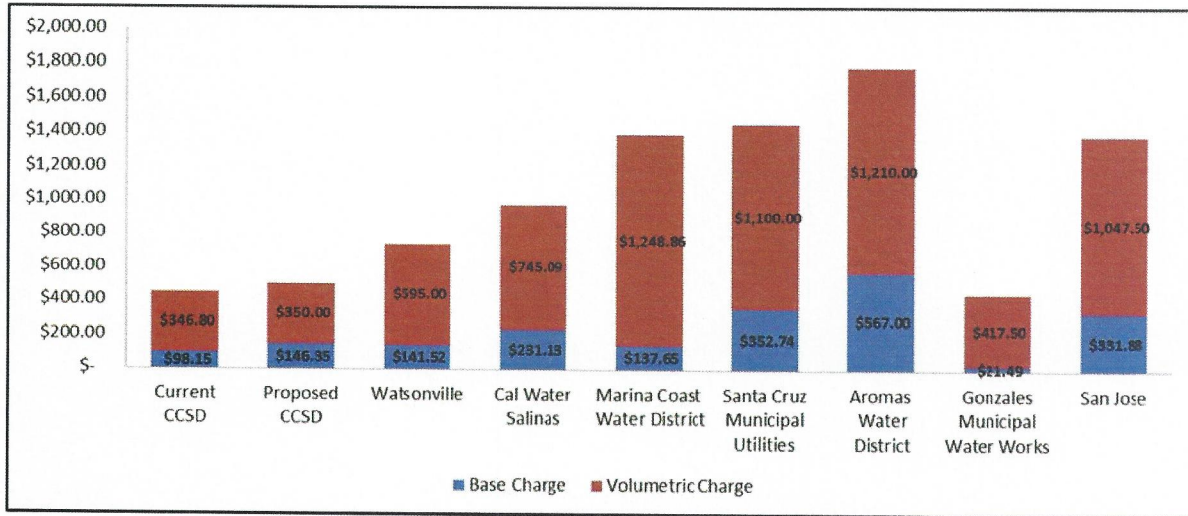
CASTROVILLE COMMUNITY SERVICES DISTRICT
Water Rate Study

Consistent with the commercial cost comparison on the previous page, the industrial cost comparison, depicted below in Table 14 and Chart 9 again shows that the CCSD proposed rate structure is still among the lowest cost among the regional water suppliers included in the data set by a wide margin, with only the City of Gonzales being slightly lower.

Table 14 – Industrial Customer Cost Comparison by Regional Water Providers

Industrial Water Customer (assume 3" meter & 25,000 cf)										
	Current CCSD	Proposed CCSD	Watsonville	Cal Water Salinas	Marina Coast Water District	Santa Cruz Municipal Utilities	Aromas Water District	Gonzales Municipal Water Works	San Jose	
Base Charge	\$ 98.15	\$ 146.35	\$ 141.52	\$ 231.13	\$ 137.65	\$ 352.74	\$ 567.00	\$ 21.49	\$ 331.88	
Volumetric Charge	\$ 346.80	\$ 350.00	\$ 595.00	\$ 745.09	\$ 1,248.86	\$ 1,100.00	\$ 1,210.00	\$ 417.50	\$ 1,047.50	
Total	\$ 444.95	\$ 496.35	\$ 736.52	\$ 976.22	\$ 1,386.51	\$ 1,452.74	\$ 1,777.00	\$ 438.99	\$ 1,379.38	

Chart 9 – Industrial Customer Cost Comparison by Regional Water Providers



SECTION VI – ADDITIONAL RECOMMENDATIONS

Adoption of a formal Capital Reserve Policy

Harris & Associates recommends CCSD research and adopt a formal Capital Reserve Policy. There are numerous resources available to facilitate this endeavor including the Government Finance Officers Association (GFOA) Best Practices on financial management and the California Municipal Finance Officers various online resources and listserv. The establishment of such a policy would assist the District in the long-term financial planning of capital asset replacement, and promote a more proactive rather than reactive method of capital budgeting.

Consideration of Debt Financing of Major Capital Repair or Replacement

Currently, CCSD has no long-term water utility debt financing, except for the Castroville Water Project Assessment District with a few years remaining on its debt service schedule and an outstanding balance of \$126,000 as of June 30, 2015. Given this lack of financial leverage, it may be prudent to explore funding major capital improvements in the future (beyond FYE 2020) with a form of debt financing. Examples include land secured financing (e.g. assessment & special tax districts) and tax-exempt, bank qualified loans. By using these financing mechanisms, the large capital costs of assets with long usable lives (10 years or more) can be shared among both current and future ratepayers. This chronological cost spread functions to equalize water system costs and create inter-generational equity among CCSD's water customers.

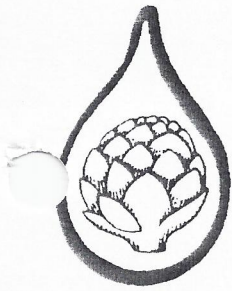
Annual Review of Revenue and Expenses Prior to next scheduled Rate Adjustment

This rate study, like most in California projects revenues and expenses over a five year period. It is important to note that each of the annual rate adjustments require CCSD Board of Directors approval and proper noticing. Harris & Associates recommends CCSD review actual revenues and expenses annually to confirm its water utility financial condition. This will be particularly important during the FYE 2017 and 2018 budgeting processes, mainly due to the likelihood that by then CCSD Staff will know whether Well 6 is needed or not, and if it is how to finance it. On the other hand, if the well is not needed or grant funding will completely funds the construction, at the end of FYE 2018, CCSD projects to have achieved its minimum goal of \$3 million in fund balance. At that time, CCSD Staff and Board of Directors could decide to hold rates steady, since the minimum fund balance would be recouped (after funding the Well 2B/5 arsenic work in FYE 2016).

Consideration of Emergency Drought Policy

As discussed throughout this rate study report, the current drought is very serious. Given the gravity of the situation, the CCSD Board of Directors are advised to consider an Emergency Drought Policy, particularly if the drought persists. A policy in this regard would set high-volume water use penalties upon water customers in the event of a declaration of a drought emergency by the Board of Directors. A general example of this would be a fixed amount penalty for water use that exceeds 150% of the average water consumption of a given customer class. Specifically, if the Board made the declaration, which triggers the policy, and given that average SFR monthly consumption is 1000 cf; if a SFR customer consumed more than 1500 cf in a month, a fixed dollar penalty would be added to the next month's bill. This type of structure is compliant with the CTA vs. SJC court case, and provides a means to influence lower consumption during severe droughts





CASTROVILLE COMMUNITY
SERVICES DISTRICT

From the desk of
Eric Tynan – General Manager
Phone (831) 633-2560

TO: Castroville CSD Board of Directors

DATE: October 20, 2015

RE: Proposal for Rate Increase and Preparation for a 218 Measure

RECOMMENDATION:

Accept presentation of the Water Utility Rate Structure Study by Harris & Associates and schedule a Public Hearing date for the adoption of the recommended rate structure.

SUMMARY:

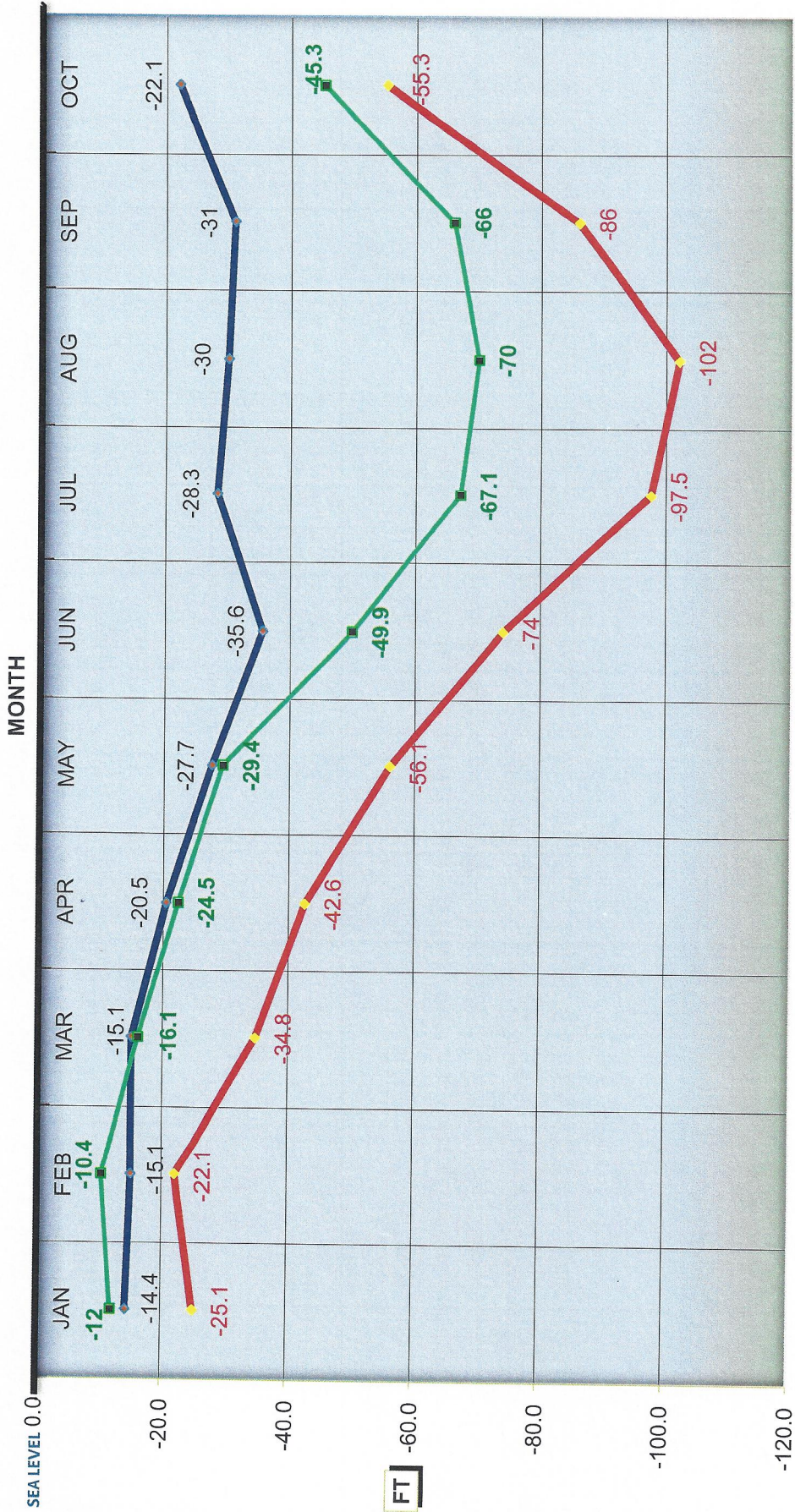
The Castroville Community Services District is considering a 218 Measure to raise District water user fees in order to secure future water supplies and meet existing cost increases due to inflation. In addition, there has also been a recent court finding that the District's existing tiered rates are no longer legal thus requiring the District to adopt a new rate structure.

The District has not raised rates since 2004 in which time it has seen a 25% decrease in its purchasing power as shown on page 12 of the Water Utility Rate Structure Study presented by Harris & Associates.

The need to raise rates is partially due to the four year drought and its affects on the District's wells. All three of the Districts production wells are well below sea level and at severe risk of sea water intrusion. The proposed increase would provide multiple benefits. First, stabilize the District's reserves and second allow it to finance additional water sources should the drought continue and third help with funding should an alternate water source such as Desal becomes viable.

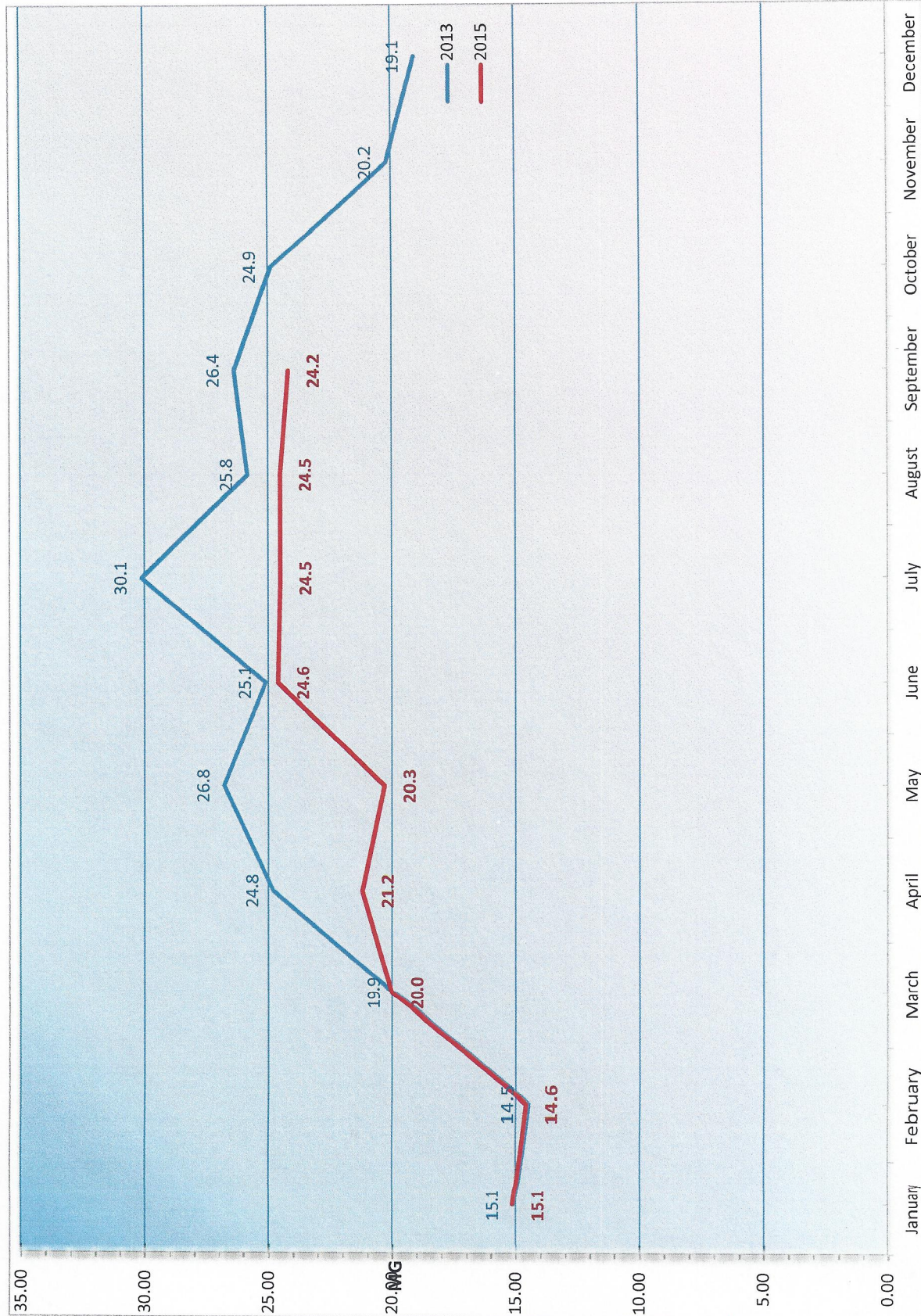
In conclusion, should the District not raise rates the Water Utility Rate Structure Study shows it would result in the District having only 15% of reserves on hand for a new water supply in an emergency.

CASTROVILLE WELL LEVELS 2015



ET copy

CONSERVATION EFFORTS 2013 vs 2015



192.6 MB
- 173.9 MB

9.7%
Conserved



2015

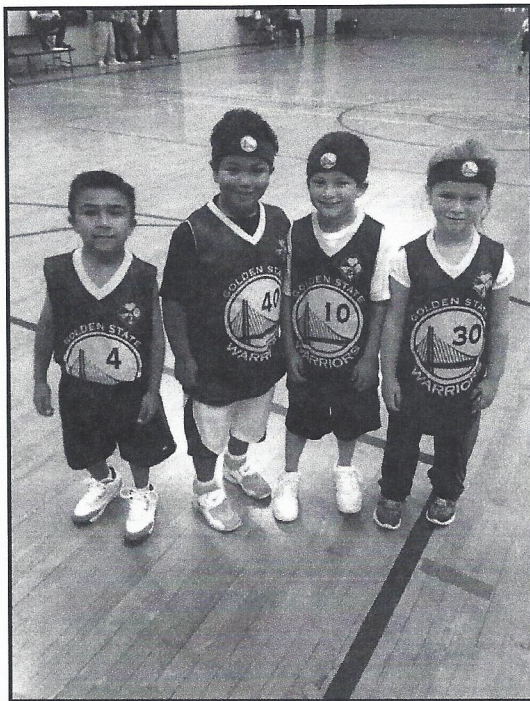
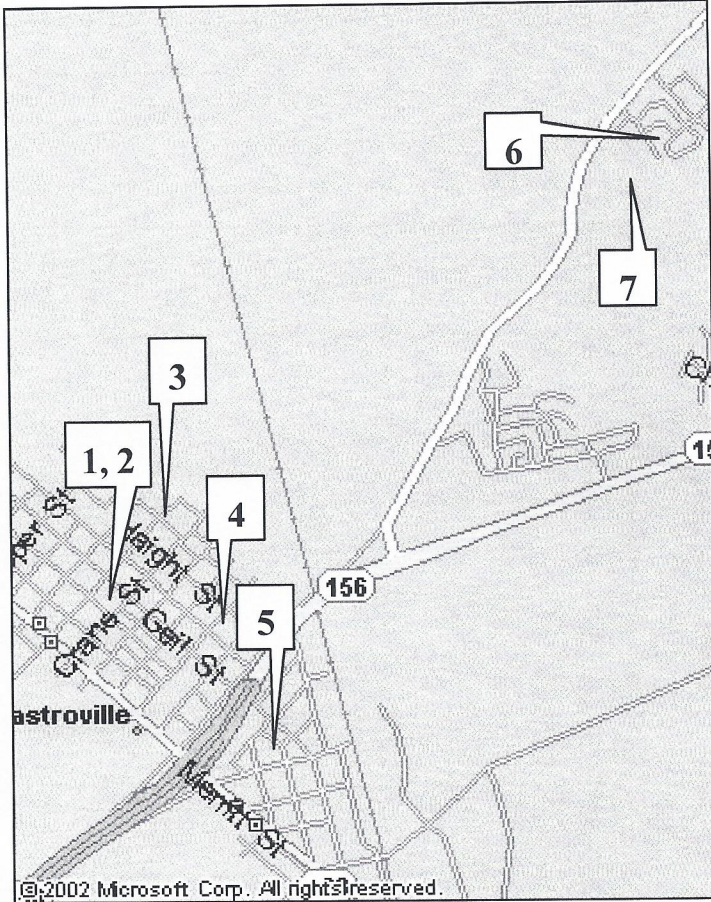
Capital Improvement Program

Adopted by the Board

October 2015

Table of Contents

District Information	2
Funding for the District	2
District Facilities.....	3
Capital Improvement Program	5



North County Recreation Facilities

1. **North County Recreation Center**
11261 Crane Street
2. **The Skate Park & Center Playground**
(corner of) Preston & Pomeroy Streets
3. **Crane Street Park**
end of Crane at Rico Street
4. **The North County Sports Complex**
The Japanese School House
[entire block] at Pajaro and Geil Streets
5. **Cato Phillips Park**
Wood and California Street
6. **Rancho Moro Cojo Park**
Comunidad Way
7. **Moro Cojo Trail**
Castroville Boulevard

District Information

The North County Recreation and Park District is approximately 46 square miles, composed mostly of farmlands and estuaries. Castroville, Elkhorn, Moss Landing, Oak Hills and Rancho Moro Cojo residential neighborhoods lie within the District's boundaries. The Moro Cojo, Castroville, Elkhorn and Tembladero Sloughs also help shape the landscape character of the District.

The North County Recreation and Park District was formed as a special district in 1954 from a local voter initiative. Recreation and Park Districts provide recreational opportunities as a local government function within a specific boundary and provide services at the highest levels of accountability and responsibility to the public.

Our district is governed by a board of directors (5), appointed for fixed terms, and are directly accountable to the public. Directors are members of the community and are continually interacting within the framework of community agencies and activities.

We are here to fulfill your recreational needs, and we are interested in knowing how you think we are doing. Please send correspondence to the following address or give us a call. District Office is located in the N.C. Rec. Center at 11261 Crane Street, Castroville. Mailing address is P.O. Box 652, Castroville, CA 95012. You can also reach District staff by phoning, faxing or emailing information: Phone (831)633-3084 fax (831)633-3160. Email: ncrpd@ncrpd.org.

Funding for the District

Funding for the District comes from the following sources: property taxes (a percentage of the "one percent" property tax), program fees and charges, assessment districts, local, state and federal grants, and donations. The District also hosts and participates in periodic fundraising events, such as the annual Castroville Crab Boil and the Castroville Artichoke Festival.

Recreation programs have increased dramatically in recent years, although Recreation Districts have consistently shown the slowest rate of spending growth among local government agencies, which presents a financial challenge for recreation districts.

District Facilities

The North County Recreation and Park District maintains and operates the following recreational facilities and parks:

The North County Recreation Center and Center Park is located at 11261 Crane Street and is the hub of the District. The Center has an indoor basketball court, meeting room, a large kitchen, and a large BBQ pit. The Center is the home of the Castroville Senior Center, After School Programs, the North County Farmers' Market, and the District Office. The Center is open Monday through Friday from 9:00 a.m. - 8:00 p.m., Friday's schedule sometimes varies. You can check with the District Office for availability. The Center is open to the public at no charge during regular hours. You can play a variety of sports in the gym area. Sport's equipment and games can be checked out through the office. The meeting room is open for specialty classes and homework. The Center Park hosts a children's play area, basketball courts (2), a community skate park, and a lawn area.

Cato Phillips Park is located on Wood Street in Castroville. This is a park with a basketball court, play area, and picnic tables.

Crane Street Park is located at the end of Crane Street overlooking the artichoke fields on the East Side of town. This park has a children's play area, a picnic table with a BBQ pit, and a large grass area. The park was built with the assistance of the Monterey County Redevelopment Agency.

North County Sports Complex is located on Geil and Union Street in Castroville. One of Monterey County's great gems, this complex offers a restaurant quality snack bar with spacious and clean restroom facilities. It is the home of the Jr. Giants Program, our PONY League, Youth Soccer, and Flag Football Leagues. It is also utilized via rental by the community for tournaments, youth football practices, and soccer practices. Please note: Use of this facility requires a signed release of liability permit & a fee. OPEN USE dates for community access will be posted, based upon field availability, and may be subject to change.

Japanese School House is located at 11199 Geil St. This historical building has been recently renovated and is available for small gatherings, meetings, and classes.

Rancho Moro Cojo Park. This is a 3.4 acre park in the Rancho Moro Cojo subdivision and is located on the corner of Los Ninos and Comunidad Way. This park has a baseball diamond, practice soccer field, children's play area, picnic tables and BBQ pits.

Moro Cojo Nature and Recreation facility is located off Castroville Blvd. and accessed from our Rancho Moro Cojo Park. This facility is host to the districts only open space.

Capital Improvement Program

The Capital Improvements Program (CIP) is a multiple year forecast of the capital needs of the District. The CIP is intended to be used as both a list of near term needs and a list of long range projects aimed at implementing the community's vision for the District. The District CIP is designed to enhance the overall quality of the District's facilities. These planned capital improvement projects improve our infrastructure, which in turn allows for the continued use of parks, play areas, and buildings.

Specifically, the CIP is a five-year projection of planned improvements to the District's parks and facilities. The CIP provides a "blueprint" for spending priorities over a five-year period. CIP Projects are individual construction projects that provide improvements to the District's facilities or additions, such as land, buildings, and infrastructure.

No actual expenditures are made until they are included in the annual budget, which is reviewed and approved by the Board of Directors. Appropriations for capital improvement items lapse at the end of the fiscal year but are re-budgeted and re-appropriated as needed until the project is completed or changed. The operating and maintenance costs for capital assets, once complete, are funded through the operating budget.

The public is always welcome to provide input on capital improvements. The public is invited to provide comment at the beginning of every Board meeting and at the annual Public Hearing held before the budget is approved. Additionally, members of the public can contact staff and Board members throughout the year. This CIP is made available to the public at the District's office and on the District's web site.

North County Recreation and Park District Five Year Capital Improvement Program Project List

Capital Projects		Estimated Cost	Funded Yes/No	Completion Year
North County Recreation Center				
1	Upgrade video surveillance system	\$ 12,000	No	2016
2	New metal roof on BBQ area	\$ 6,000	No	2016
3	Facility heating and A/C including demo of current boiler system	\$ 85,000	No	2017
4	Paint interior and exterior	\$ 18,000	No	2017
5	Remove pine trees along Crane Street	\$ 14,000	No	2017
6	Replace backboards and winch system	\$ 10,000	No	2017
7	Rear storage yard (remove existing trailer, install new storage units)	\$ 30,000	No	2018
8	Replace fencing around perimeter	\$ 10,000	No	2018
9	Install maintenance yard	\$ 10,000	No	2018
10	Remodel or refurbish bathrooms (toilets, ventilation, sinks, stalls, water heaters, ADA)	\$ 20,000	No	2019
11	Replace gym lighting with new halogen energy efficient lighting	\$ 25,000	No	2019
12	Kitchen remodel to include walk-in in refrigeration	\$ 125,000	No	2019
13	Re-wire center upgrade electrical service	\$ 25,000	No	2019
14	Gym expansion for spectator seating	\$ 25,000	No	2019
15	Center expansion - create Senior Center, Teen Center and storage areas.	\$ 500,000	No	2019
Total		\$ 915,000		
The Skate Park and Center Playground				
1	Install railing along ADA walkway	\$ 2,000	No	2016
2	New play structure with play and pour base	\$ 50,000	No	2017
3	Resurface basketball courts	\$ 50,000	No	2017
4	Replace basketball backstops	\$ 20,000	No	2017
5	Replace skate park bench	\$ 1,500	No	2017
6	Repair sidewalks and driveway	\$ 10,000	No	2017
7	Demo and replace stairs with ADA compliant steps	\$ 3,000	No	2017
Total		\$ 136,500		
Crane Street Park				
1	Add new concrete area for ADA table and handicap access	\$ 2,500	No	2016
2	New amenities (garbage bins, park bench, table, BBQ grill)	\$ 2,500	No	2016
3	Install park signage (name, rules)	\$ 1,000	No	2016
4	Install automated irrigation system	\$ 2,000	No	2016

	New play structure	\$	30,000	No	2018
6	Plant shade trees	\$	1,000	No	2018
7	Install fencing	\$	2,000	No	2018
8	Park lighting (solar)	\$	4,000	No	2018
9	Backfill and install retaining wall to level park play area	\$	10,000	No	2019
	Total	\$	55,000		
Sports Complex and Japanese School House					
1	Install Pan and Tilt camera system	\$	10,000	No	2016
2	Add lighting behind bathrooms and around JSH	\$	2,000	No	2016
3	Expand netting system to protect neighbors from errant balls	\$	16,000	No	2016
4	ADA bench/table	\$	2,000	No	2016
5	Install roofing over maintenance yard	\$	5,000	No	2018
6	Install tot lot play structure	\$	15,000	No	2019
7	Repair/replace scoreboard	\$	15,000	No	2019
8	Install field lighting	\$	250,000	No	2019
9	JSH- Install hardwood flooring over existing floor	\$	15,000	No	N/A *
10	JSH-Add fencing behind building and lawn area	\$	4,000	No	N/A *
11	Repair irrigation system	\$	10,000	No	N/A *
	Total	\$	344,000		
* Pending Redevelopment/Successor Agency Action					
Cato-Phillips Park					
1	Install automated irrigation system	\$	2,000	No	2016
2	Replace back fencing	\$	10,000	No	2018
3	Ranch style fencing on alley side of park	\$	1,000	No	2018
4	Resurface blacktop areas	\$	10,000	No	2018
5	Install play and pour surfacing in play area	\$	15,000	No	2018
6	Replace/refurbish turf	\$	3,000	No	2018
7	New landscaping	\$	3,000	No	2018
	Total	\$	44,000		
Rancho Mojo Cojo Park					
1	Install security lighting and surveillance system	\$	10,000	No	2016
2	Reurbish automated irrigation system	\$	10,000	No	2016
3	Add soil amendments and reseed or return	\$	5,000	No	2016
4	Install community garden area	\$	2,000	No	2016
5	Install french drain	\$	3,000	No	2016
6	Replace tables and bench seating	\$	15,000	No	2017
7	Replace play structure	\$	45,000	No	2017
8	Remove storage container and replace with metal maintenance shed	\$	15,000	No	2018
9	Install tennis court and lighting	\$	50,000	No	2019

Total		\$	155,000		
Moro Cojo Trail					
1	Regrade hiking trails	\$	2,000	No	2017
2	Install trail signage	\$	1,000	No	2017
3	Install flashcams at trail entrances and along trail	\$	10,000	No	2017
Total		\$	13,000		
Maintenance Shop					
1	Eye wash station	\$	500	No	2015
2	Better lighting over work bench	\$	500	No	2015
3	Complete duct work for shop ventilation	\$	2,000	No	2016
Total		\$	3,000		
Equipment					
1	Table Saw (shop)	\$	1,000	No	2016
2	Turf Tiger mower	\$	14,000	Yes*	2016
3	Tiller/aerator	\$	500	No	2016
4	Commercial size wood chipper	\$	2,000	No	2016
5	Scissor Lift	\$	14,000	No	2017
6	Forklift attachment for tractor	\$	1,000	No	2017
7	Maintenance truck (2)	\$	70,000	No	2017
8	Equipment trailer (double axle dump trailer, with lift gate)	\$	50,000	No	2017
9	10 person van (2)	\$	70,000	No	2017
10	Walk behind Trencher	\$	2,000	No	2018
11	Electric Turf Maintenance vehicle	\$	20,000	No	2018
12	Light towers (2)	\$	30,000	No	2019
13	Tractor (large)	\$	70,000	No	2019
14	Water tank with trailer	\$	10,000	No	2019
Total		\$	354,500		
	*Municipal lease purchase				
Acquisition					
1	Land for additional soccer fields/youth football	N/A		No	
2	Land for adult softball field	N/A		No	
Total		Unknown			
CIP Total					
			\$2,020,000.00		



**CASTROVILLE COMMUNITY
SERVICES DISTRICT**

From the desk of
Eric Tynan – General Manager
Phone (831) 633-2560

TO: Castroville CSD Board of Directors

DATE: October 20, 2015

RE: Proposed Capital Improvement Plan for FY-2016 thru FY-2020

RECOMMENDATION;

Accept Capital Improvement Plan for FY-2016 thru FY-2020

SUMMARY:

The Castroville Community Services District's proposed CIP is based on the best estimate of revenues and expenditures in the next five years. The CIP acts as a guide to where and what resources will be used to meet the demands of its various services and also give the Board some idea of the resources available to meet the future needs of the different services .

The CIP addresses the varied accounts and how they are served and the resources needed to meet those challenges. While a CIP is a guide for the District it is not immune to change if in the future if the Board of Directors feels that the situation calls for a change in the CIP such as speeding up or putting off a purchase, project or service.

In conclusion, should the Board of Directors accept the CIP it will still be brought back yearly for review and changes to meet the steps necessary to keep the District a smooth and efficient operating entity.

Castroville Community Services District

SUMMARY of All SERVICES

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	TOTALS
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
Revenue						
Water	\$ 1,473,250	\$ 900,250	\$ 900,250	\$ 900,250	\$ 900,250	\$ 5,074,250
ZONE 1 Sewer & Storm Drain	\$ 281,468	\$ 296,300	\$ 298,976	\$ 300,670	\$ 302,381	\$ 1,479,795
ZONE 1 Governmental	\$ 133,100	\$ 133,100	\$ 133,100	\$ 133,100	\$ 133,100	\$ 665,500
ZONE 2 Sewer & Storm Drain	\$ 89,000	\$ 91,755	\$ 94,490	\$ 97,306	\$ 100,208	\$ 472,759
ZONE 2 Governmental	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 170,000
ZONE 3 Sewer ML	\$ 307,000	\$ 262,300	\$ 264,487	\$ 266,732	\$ 269,034	\$ 1,369,553
Total Revenue	\$ 2,317,818	\$ 1,717,705	\$ 1,725,303	\$ 1,732,058	\$ 1,738,973	\$ 9,231,857
Application of Funds						
Operating & Admin Expense						
Water Operating & Admin Exp	\$ 852,200	\$ 877,766	\$ 904,099	\$ 931,222	\$ 959,159	\$ 4,524,446
Zone 1 Sewer & Storm Drain	\$ 407,676	\$ 418,276	\$ 429,151	\$ 440,309	\$ 451,757	\$ 2,147,169
ZONE 1 Governmental	\$ 162,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 732,000
Zone 2 Sewer & Storm Drain	\$ 113,201	\$ 115,878	\$ 118,891	\$ 121,982	\$ 125,153	\$ 595,105
Zone 2 Governmental	\$ 8,850	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 41,250
Zone 3 Sewer ML	\$ 154,700	\$ 160,176	\$ 165,743	\$ 170,402	\$ 175,157	\$ 826,178
Total Application of Funds	\$ 1,699,027	\$ 1,722,596	\$ 1,768,384	\$ 1,814,415	\$ 1,861,726	\$ 8,866,148
Capital Improvement Projects						
Water	\$ 1,443,000	\$ 58,000	\$ 58,000	\$ 88,000	\$ 78,000	\$ 1,725,000
Zone 1 Sewer & Storm Drain	\$ 3,000	\$ 30,000	\$ 210,000	\$ 10,000	\$ 10,000	\$ 263,000
Zone 1 Governmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Zone 2 Sewer & Storm Drain	\$ 24,000	\$ 10,000	\$ 35,000	\$ 5,000	\$ 5,000	\$ 79,000
ZONE 2 Governmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZONE 3 Sewer ML	\$ 30,000	\$ 60,000	\$ 60,000	\$ 35,000	\$ 35,000	\$ 220,000
Total CIP	\$ 1,500,000	\$ 158,000	\$ 363,000	\$ 138,000	\$ 128,000	\$ 2,287,000
Total Revenue Requirements	\$ 3,199,027	\$ 1,880,596	\$ 2,131,384	\$ 1,952,415	\$ 1,989,726	\$ 11,153,148
Surplus / (Deficit)	\$ (881,209)	\$ (162,891)	\$ (406,081)	\$ (220,357)	\$ (250,753)	\$ (1,921,291)
Less: Funding from savings						
CAMP						
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						NET

Castroville Community Services District

Water

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	TOTALS
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
Operating Revenues						
Water Revenue	\$ 831,500	\$ 831,500	\$ 831,500	\$ 831,500	\$ 831,500	
New connections	\$ 4,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	
Other Revenues	\$ 49,750	\$ 49,750	\$ 49,750	\$ 49,750	\$ 49,750	
DWR Grants-New Water supply -Storage	\$ 581,000	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues						
Water Interest Earned	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	
Total Revenue	\$ 1,473,250	\$ 900,250	\$ 900,250	\$ 900,250	\$ 900,250	\$ 5,074,250
Application of Funds						
Operating Expenses						
General Operation Expenses	\$ 444,832	\$ 458,177	\$ 471,922	\$ 486,080	\$ 500,662	
Administration Expenses	\$ 407,368	\$ 419,589	\$ 432,177	\$ 445,142	\$ 458,496	
Total Application of Funds	\$ 852,200	\$ 877,766	\$ 904,099	\$ 931,222	\$ 959,159	\$ 4,524,446
Capital Improvement Projects						
New Well # 5 Treatment	\$ 1,400,000					
New Trucks				\$ 30,000	\$ 20,000	
Valve & Main Replacements	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Radio read meters	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Pumping Equipment	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
Lateral Replacement(plastic/copper)		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
New Water Supply						
New Tank @ site 4						
Total CIP	\$ 1,443,000	\$ 58,000	\$ 58,000	\$ 88,000	\$ 78,000	\$ 1,725,000
Total Revenue Requirements	\$ 2,295,200	\$ 935,766	\$ 962,099	\$ 1,019,222	\$ 1,037,159	\$ 6,249,446
NET						
Surplus / (Deficit)	\$ (821,950)	\$ (58,000)	\$ (61,849)	\$ (118,972)	\$ (136,909)	\$ (1,197,680)
Less: Funding from savings						
CAMP						
LAIF Account						
New Debt						
Total Additional Funding Sources		\$ -	\$ -			\$ -

Castroville Community Services District

ZONE 1 Sewer & Storm Drain

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	TOTALS
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
Operating Revenues						
User Fees #75301	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	
Property Tax	\$100,300	\$100,300	\$100,300	\$100,300	\$100,300	
ROPS Pass Through Income	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	
New Service and Connection Fees	\$3,168	\$10,000	\$10,000	\$10,000	\$10,000	
Interest Revenue	\$20,000	\$26,000	\$26,676	\$27,370	\$28,081	
USDA Loan from Moss Landing	\$21,000	\$23,000	\$25,000	\$26,000	\$27,000	
Misc Revenue	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	
Total Revenue	\$281,468	\$296,300	\$298,976	\$300,670	\$302,381	\$1,479,795
Application of Funds						
Operating Expense						
General Operation Expenses	\$157,634	\$161,732	\$165,938	\$170,252	\$174,678	
Administration Expense	\$250,042	\$256,543	\$263,213	\$270,057	\$277,078	
Total Application of Funds	\$407,676	\$418,276	\$429,151	\$440,309	\$451,757	\$2,147,168
Capital Improvement Projects						
Lift Station Pumps	\$3,000	\$10,000	\$10,000	\$10,000	\$10,000	
New Truck		\$20,000				
New Jetter Truck			\$200,000			
Total Capital Improvement Projects	\$3,000	\$30,000	\$210,000	\$10,000	\$10,000	\$263,000
Total Revenue Requirements	\$410,676	\$448,276	\$639,151	\$450,309	\$461,757	\$2,410,168
Surplus / (Deficit)	-\$129,208	-\$151,976	-\$340,175	-\$149,639	-\$159,376	NET -\$930,373
Less: Funding from savings						
CAMP						
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources	\$0	\$0	\$0	\$0	\$0	\$0

Castroville Community Services District

ZONE 2 Sewer & Storm Drain

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	TOTALS
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
Operating Revenues						
User Fees Moro Cojo #73701	\$54,000	\$55,620	\$57,289	\$59,007	\$60,777	Increase by 3%?
User Fees NMCHS & Mobile #74701	\$34,500	\$35,535	\$36,601	\$37,699	\$38,830	
Non-Operating Revenues						
Interest Revenue	\$500	\$600	\$600	\$600	\$600	
Total Revenue	\$89,000	\$91,755	\$94,490	\$97,306	\$100,208	\$472,759
Application of Funds						
Operating Expenses						
General Operation Expenses	\$54,210	\$55,353	\$56,792	\$58,269	\$59,784	
Administration Expenses	\$58,991	\$60,525	\$62,098	\$63,713	\$65,370	
Total Application of Funds	\$113,201	\$115,878	\$118,891	\$121,982	\$125,153	\$595,104
Capital Improvement Projects						
Lift Station Pumps	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	
New Truck		\$5,000				
New Jetter Truck			\$30,000			
Sewer Lines	\$20,000					
Relocate force main for Bike path						
Total Capital Improvement Projects	\$24,000	\$10,000	\$35,000	\$5,000	\$5,000	\$79,000
Total Revenue Requirements	\$137,201	\$125,878	\$153,891	\$126,982	\$130,153	\$674,104
						NET
Surplus / (Deficit)	-\$48,201	-\$34,123	-\$59,401	-\$29,675	-\$29,946	-\$201,346
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources						

Castroville Community Services District

ZONE 3 Sewer

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	TOTALS
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
Operating Revenues						
Sanitation Fees Collected by MRWPCA	\$174,000	\$174,000	\$174,000	\$174,000	\$174,000	
Property Tax	\$82,000	\$84,132	\$86,319	\$88,564	\$90,866	
New Sewer Connection Fees	\$50,000	\$3,168	\$3,168	\$3,168	\$3,168	
Interest Revenue	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
Total Revenue	\$307,000	\$262,300	\$264,487	\$266,732	\$269,034	\$1,369,554
Application of Funds						
Operating Expense						
General Operation Expense	\$59,309	\$60,851	\$62,433	\$64,056	\$65,722	
Administration Expense	\$74,391	\$76,325	\$78,310	\$80,346	\$82,435	
USDA Loan to Sewer Zone 1	\$21,000	\$23,000	\$25,000	\$26,000	\$27,000	
Total Application of Funds	\$154,700	\$160,176	\$165,743	\$170,402	\$175,157	\$826,178
Capital Improvement Projects						
Lift Station Pumps	\$3,000	\$10,000	\$10,000	\$10,000	\$10,000	
New Truck		\$5,000				
Sewer Main/ Manhole Rehabilitation	\$27,000	\$10,000	\$10,000	\$5,000	\$5,000	
New Jetter Truck			\$20,000			
Video		\$15,000				
New Motor Control Centers		\$20,000	\$20,000	\$20,000	\$20,000	
Total Capital Improvement Projects	\$30,000	\$60,000	\$60,000	\$35,000	\$35,000	\$220,000
Total Revenue Requirements	\$184,700	\$220,176	\$225,743	\$205,402	\$210,157	\$1,046,178
						NET
Surplus / (Deficit)	\$122,300	\$42,124	\$38,745	\$61,330	\$58,878	\$323,376
Less: Funding from savings						
CAMP						
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources	\$0	\$0	\$0	\$0	\$0	\$0

ZONE 1 GOVERNMENTAL

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
User Fees-Street Lights #75301	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	
Interest Revenue	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	
Reserves	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Total Revenue	\$ 133,100	\$ 133,100	\$ 133,100	\$ 133,100	\$ 133,100	\$ 665,500
Application of Funds						
Other Operation & Maintenance						
Street light Utilities	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	
Castroville Sign Maintenance	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	
Pedestrian Over cross Maintenance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
NMCR&PD	\$ 120,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Total Application of Funds	\$ 162,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 732,000
Capital Improvement Projects						
Total Capital Improvement Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Requirements	\$ 162,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 142,400	\$ 732,000
Surplus / (Deficit)	\$ (29,300)	\$ (9,300)	\$ (9,300)	\$ (9,300)	\$ (9,300)	NET \$ (66,500)
Less: Funding from savings						
CAMP						
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Castroville Community Services District

ZONE 2 GOVERNMENTAL

Five Year Capital Improvement and Operational Planning 2015

Fiscal Year Ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	
	Year 1	Year 2	Year 3	Year 4	Year 5	
Sources of Funds						
User Fees-Street, Open Sp & Street Lights #73701	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500	
Interest Revenue	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
Total Revenue	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 170,000
Application of Funds						
Other Operation & Maintenance						
Open Space Maintenance	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	
Street Light Utility	\$ 4,450	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	
Road Repair	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	
Street Signage	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 500	
Total Application of Funds	\$ 8,850	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 41,250
Capital Improvement Projects						
None						
Total Capital Improvement Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue Requirements	\$ 8,850	\$ 8,100	\$ 8,100	\$ 8,100	\$ 8,100	\$ 41,250
Surplus / (Deficit)	\$ 25,150	\$ 25,900	\$ 25,900	\$ 25,900	\$ 25,900	NET \$ 128,750
Less: Funding from savings						
CAMP						
Grants						
LAIF Account						
New Debt						
Total Additional Funding Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Save the Date

October 28th and 29th, 2015

Public-Private Partnerships for
The Water Sector
Executive Education

Hosted at Stanford University

Learn best practices in evaluating and implementing public-private partnerships for drinking water supply and treatment, wastewater, and stormwater infrastructure.

Enrollment limited to public-sector officials.

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KEY MODULES

Risk Transfer
and Financing

Methods and
Metrics for
Evaluating P3s

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Stanford GPC Executive Education

Public-Private Partnerships for the Water Sector - October 28th and 29th, 2015

The Stanford GPC's newest Executive Education program is tailored exclusively for public officials and employees. Co-sponsored by the [West Coast Infrastructure Exchange \(WCX\)](#)--the nation's first non-profit infrastructure exchange dedicated to innovation in infrastructure delivery--the program is designed for public sector officials and employees with responsibility for drinking water supply and treatment, wastewater, and stormwater infrastructure. It will train participants in the evaluation and implementation of Public-Private Partnerships (P3s) to ensure the greatest value-for-money for their jurisdictions' and utilities' ratepayers.

The [two-day Executive Education program](#) will be held on campus at Stanford University on October 28th and 29th, 2015 and will consist of modules taught by Stanford faculty and panels of practitioners from successfully structured water sector P3s.

Please Note: At this time this pilot course offering is available only for current public-sector leaders, managers, and administrators. We hope to develop additional education offerings in the future that private-sector operators and investors may participate in.

Program Overview

The program is designed for public officials and employees with responsibility for water sector financing and/or procurement: elected officials, water utility general managers, chief financial officers, and directors of departments of public works. It will consist of 3 modules:

- Module 1 - *P3 Basics*: Risk Transfer, Long-Term Alignment, and Performance-Based Contracting
- Module 2 - *Evaluating Whether a P3 is Right for Your Project*: Key Methods and Metrics
- Module 3 - *Implementing your P3*: The Procurement Process and Key Terms for Your Concession Agreement

To register, please visit [here](#).

Please select an attendee type.

Regular Standard \$ 700



CASTROVILLE COMMUNITY SERVICES DISTRICT

GENERAL MANAGER'S REPORT

OCTOBER 20, 2015

❖ Regulatory Compliance

- ❑ No coliform violations (all routine samples negative) for September 2015
- ❑ Submitted water quality reports to 8 large Water system customers
- ❑ Preparing CDPH Well permit for new well #5
- ❑ Preparing DWR Well permit for new well #5
- ❑ Preparing MCWRA Well permit for new well #5
- ❑ Regulatory documentation for CCSD sewer jetting activities
- ❑ Submitted California Integrated Water Quality "No spill" report for CCSD and Moss Landing for September 2015
- ❑ Regulatory documentation for MLCSD sewer jetting activities
- ❑ Regulatory documentation for CCSD sewer jetting activities

❖ Current Projects

- ❑ MLCSD Operations, see report in Board packet
- ❑ Complete Arsenic Treatment system for Well #5
- ❑ Moro Cojo Operations, see report in Board packet
- ❑ Permit new Well 5 (formerly Well 2B) including CEQA documentation
- ❑ Update sewer ordinances for CCSD and Moss Landing
- ❑ Repair blockage on Castroville Blvd sewer siphon
- ❑ Sewer cleaning, repair, video and maintenance program for CCSD
- ❑ Assist NCP&RD with proposed tax measure – committee formed
- ❑ Enforce Water Conservation level 2

❖ Completed Projects

- ❑ 2 Street light out- reported to PG&E
- ❑ Installed security mirror and received quote on updated visual & audio security system
- ❑ Repaired south facing lights on Castroville Overhead sign
- ❑ Completed SWRCB annual sewer system questionnaire for all three zones
- ❑ 100% of Backflows tested in system since Aug 1
- ❑ Grant application for 4.9 million dollar IRWMP submitted to DWR

❖ Upcoming Projects

- ❑ Well #3 replacement / rehab
- ❑ 183 Multimodal Caltrans project
- ❑ Meet with NMR&PD Ballot Committee re: tax measure for NCR&PD
- ❑ Resolve Moss Landing MRWPCA seat on Board of directors
- ❑ Consider Desal opportunities- Deep water Desal /CalAm
- ❑ Upgrade Moss Landing Lift station Motor control centers
- ❑ Bike path over railroad tracks to Castroville Blvd
- ❑ Design Washington sewer bypass line

Meetings/Seminars (attended)

- ❑ Staff meeting to address security issues and cash handling protocols-all
- ❑ California Special District Assoc. conference in Monterey-Ron, Adriana, Silvestre, Eric & Lidia
- ❑ Special District Water Managers Meeting
- ❑ Kick off meeting for Well #5 Arsenic Treatment System installation
- ❑ TAMC Citizens Advisory Group (CAG) re: tax measure advisory committee
- ❑ Met Robert Murdoch re: bike path over pass conflict with District sewer force main
- ❑ Monterey County Sherriff's Citizens Advisory Group-Adriana & Eric
- ❑ Special District Water Managers meeting- Eric & Keith Van Der Maaten
- ❑ Meeting with Tom Moore, Director of MCWD- Ron and Eric
- ❑ Monthly Rotary Board meeting

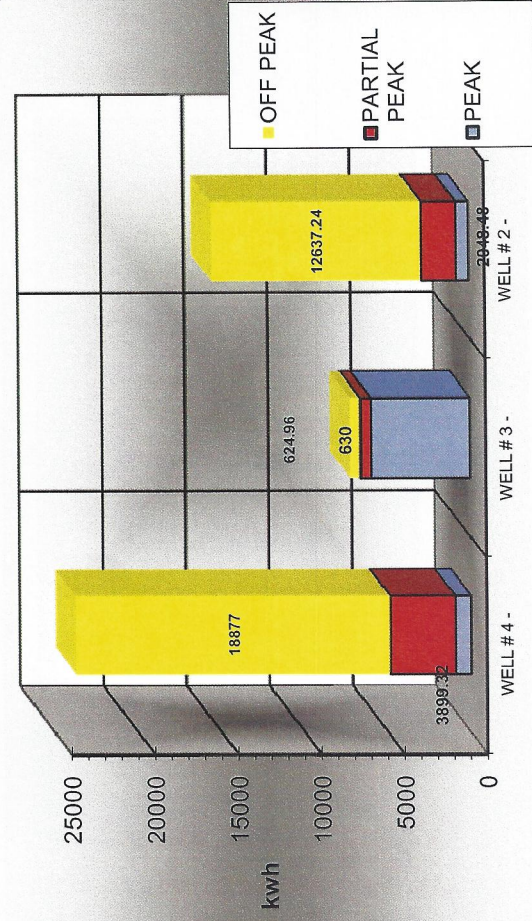
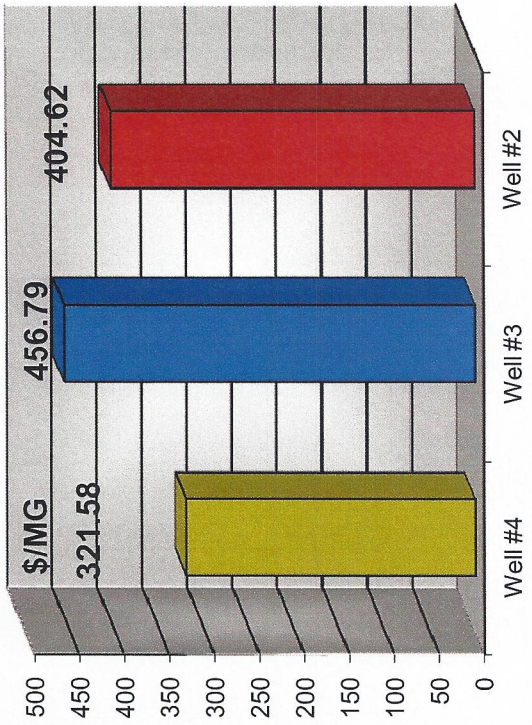
❖ Meetings/Seminars (upcoming)

- ❑ Redevelopment Oversight Committee- Ron
- ❑ Special District Water Managers meeting
- ❑ Moss Landing Community Plan Update
- ❑ Monterey County Sherriff's Citizens Advisory Group-Adriana & Eric
- ❑ NMR&PD Ballot Committee re: tax measure for NCR&PD
- ❑ Special District Managers meeting
- ❑ Meeting with Moss Landing Chamber
- ❑ MRWPCA meetings – Ron
- ❑ TAMC HWY 156 Citizens Advisory Group (CAG)

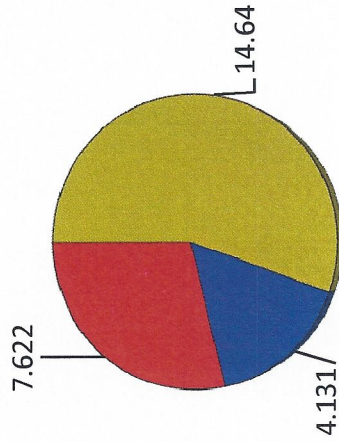
❖ Improvements/Ideas/Suggestions

- ❑ Consider Tony Akel to do Sewer master plan for Moss Landing
- ❑ Select areas for Saddle and lateral replacement program
- ❑ Select Water Main valves for replacement

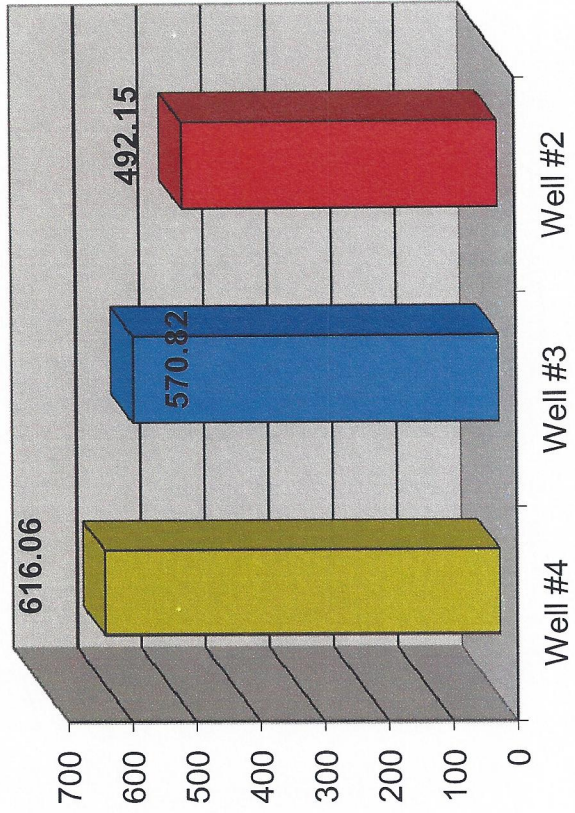
SEPTEMBER 2015



Million Gallons



GAL / KWH





CASTROVILLE COMMUNITY SERVICES DISTRICT

OPERATIONS REPORT

Emergency calls for the month of September:

- a) N/A

Maintenance:

- a) Continue to exercise valves in the distribution system.
- b) Continue to flush the fire hydrants.
- c) Run the stand-by engines at the water plant sites bi-weekly.
- d) Run the stand-by engines at the sewer lift station weekly.
- e) Documented/covered graffiti.
- f) Cosmetic site/station maintenance.
- g) Cleaned storm drains.
- h) Jetted sewer mains.
- i) Backflow Prevention testing.
- j) New battery for generator at Castroville Blvd. Lift Station.
- k) Videoed clean out 15.72 on Haight Street, and corresponding asphalt repair.
- l) Repaired leak on Castro St.
- m) Attended class on Well megging at Castroville library.
- n) Made signs for street sweeping.
- o) Repaired Jetter pump.
- p) Installed locks at Moss Landing Station 2 and 3.
- q) Repaired damaged hydrant from previous month.
- r) Replaced the transducer at Station 2.
- s) Replaced float for Pump 2 at Station 2.
- t) New Stainless Steel Lid installed at Station 3.
- u) Replaced Booster 1 at Site 4.

Work Orders:

- | | |
|--------------------------------|----------------------------------|
| a) 48 Hour notices - 49 | g) Padlock Service - 2 |
| b) Final bill – read meter - 6 | h) Toilet Rebate inspection - 0 |
| c) Investigate - 5 | i) Reconnection - 3 |
| d) Miscellaneous - 0 | j) Shut Off - 5 |
| e) Install / Change Meter - 16 | k) TOTAL WORK ORDERS - 89 |
| f) Turn On Service - 3 | |



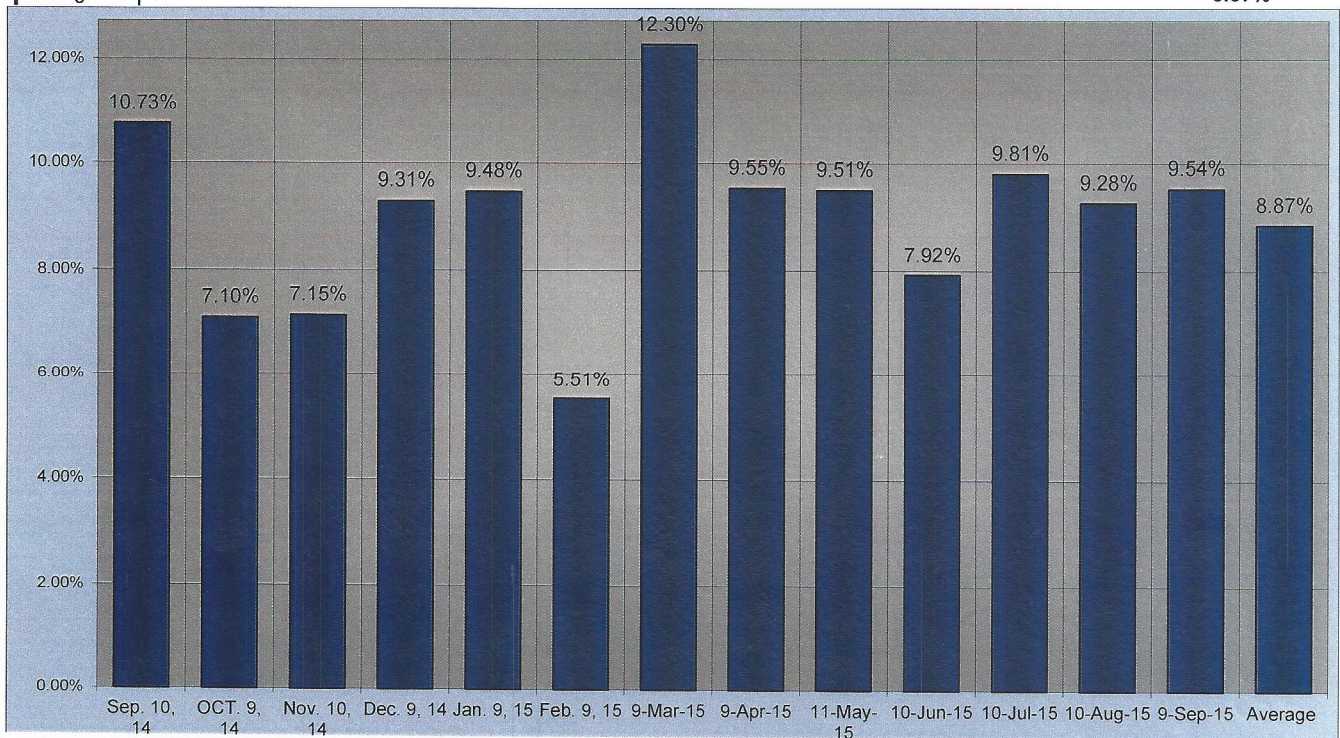
Castroville Community Services District



Percent Water Loss Month & Year

Month	Site 2 Well Gal.	Site 3 Well Gal.	Site 4 Well Gal.	Totals	Totals	miscellaneous	Unaccounted
				Water Pumped	Water Sold		Water %
Sep. 10, 14	10962000	4598000	9436000	24996000	21834479	Hydrant meters 405259, Jetting 15000k gal. Flushing 0k gal. Leaks 150000k. FD 4000	10.73%
OCT. 9, 14	12169000	4407000	7586000	24162000	21361653	Hydrant meters 251170, Jetting 14000k gal. Flushing 0k gal. Leaks 760000k. FD 4000	7.10%
Nov. 10, 14	13377000	4465000	6461000	24303000	22370787	Hydrant meters 251170, Jetting 14000k gal. Flushing 10k gal. Leaks 10k. FD 4000	7.15%
Dec. 9, 14	5635000	3150000	8728000	17513000	15765109	Hydrant meters 65532, Jetting 13320k gal. Flushing 24k gal. Leaks 12k. FD 4000	9.31%
Jan. 9, 15	4680000	3880000	7432000	15992000	14263410	Hydrant meters 153789, Jetting 25500k gal. Flushing 3k gal. Leaks 25k. FD 4000	9.48%
Feb. 9, 15	7517000	0	8556000	16073000	14987234	Hydrant meters 132396, Jetting 18k gal. Flushing 22k gal. Leaks 20k. FD 4000	5.51%
9-Mar-15	6554000	0	8854000	15408000	13323203	Hydrant meters 160147, Jetting 10k gal. Flushing 10k gal. Leaks 0k. FD 4000	12.30%
9-Apr-15	6368000	2950000	11432000	20750000	18485877	Hydrant meters 225420, Jetting 10k gal. Flushing 21k gal. Leaks 10k. FD 4000	9.55%
11-May-15	8845000	1064000	12559000	22468000	20011977	Hydrant meters 251170, Jetting 14000k gal. Flushing 18k gal. Leaks 20k. FD 4000	9.51%
10-Jun-15	6686000	4729000	10309000	21724000	19595303	Hydrant meters 369362, Jetting 20k gal. Flushing 10k gal. Leaks 0k. FD 4000	7.92%
10-Jul-15	7272000	4740000	11803000	23815000	21125397	Hydrant meters 300399, Jetting & Flushing 20k gal. Leaks 25k. FD 4000	9.81%
10-Aug-15	8585000	3454000	13280000	25319000	22402143	Hydrant meters 516419, Jetting & Flushing 18k gal. Leaks 26k. FD 4000	9.28%
9-Sep-15	6876000	4181000	13840000	24897000	22155228	Hydrant meters 276162, Jetting & Flushing 22k gal. Leaks 60k. FD 4000	9.54%
Average							8.87%

R.O. softner 4000 gal.
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Castroville

SEPTEMBER 2015 JETTING



CASTROVILLE COMMUNITY SERVICES DISTRICT



MORO COJO - ZONE 2 MONTHLY O&M REPORT SEPTEMBER 2015

❖ **LIFT STATION @ CASTROVILLE BLVD**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **LIFT STATION @ COMPO DE CASA**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **JETTING ACTIVITIES**

- ❑ Jetted sewer lines btwn MH #57 to-MH #58
- ❑ Jetted sewer lines btwn MH #61 to-MH #61.2
- ❑ Jetted sewer lines btwn MH #57 to-MH #57.1
- ❑ Jetted sewer lines btwn Lift Station to-MH #69
- ❑ Jetted sewer lines btwn MH #58 to-MH #58.1
- ❑ Jetted sewer lines btwn MH #70 to-MH #71
- ❑ Total jetted approx. 1351 feet

❖ **OTHER MATTERS**

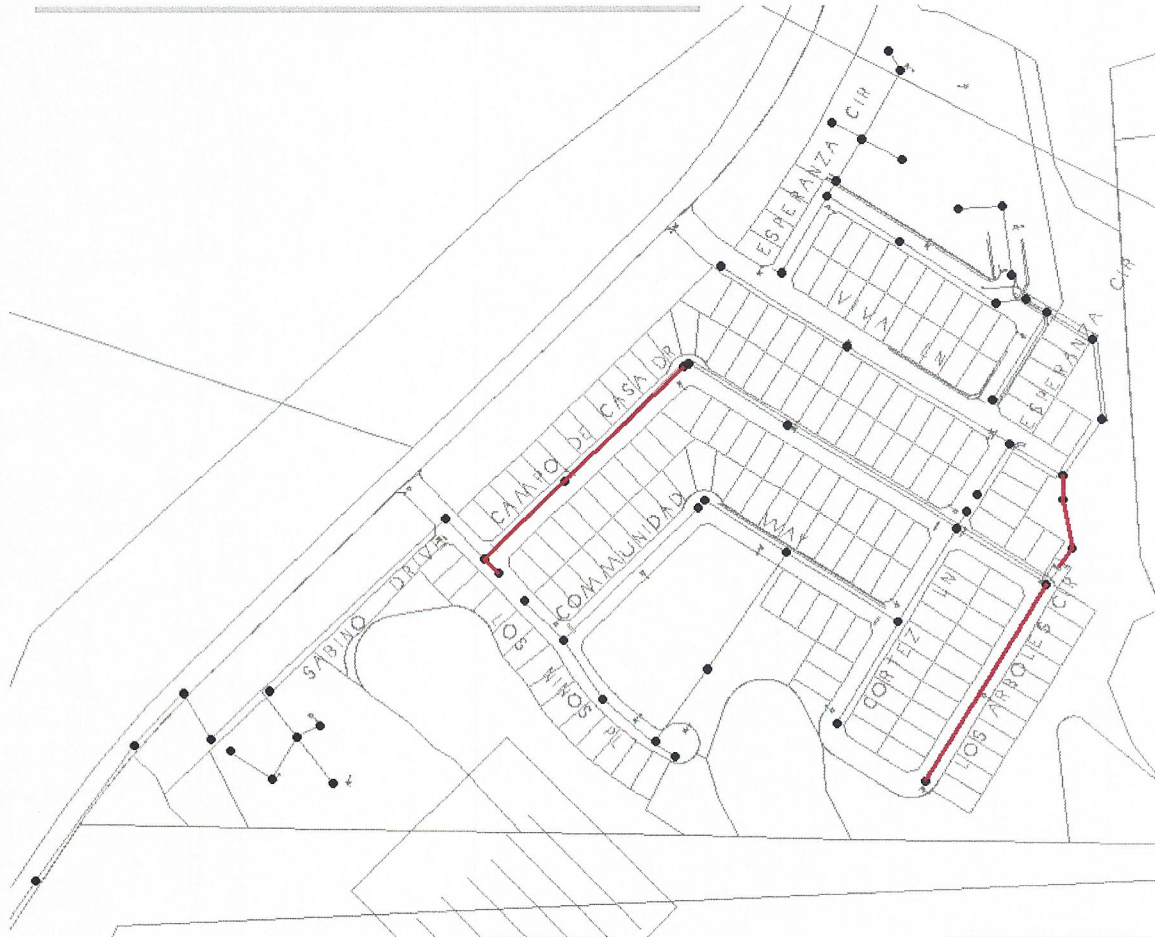
- ❑ Responded to 3 Under ground Alert marking requests
- ❑ Reported 0 street light outages
- ❑ Installed ne Battery @ Castroville Blvd Lift Station
- ❑ Performed inspection of all storm drains in September 2015
- ❑ Emailed notice of "no spill" to CIWQS 9-1-2015
- ❑ Coordinated open space maintenance of field area mowing in June 2015
- ❑ Completed resurfacing of all residential roads in June 2014
- ❑ Completed restriping of all residential roads in June 2014
- ❑ Completed street sweeping in August 2014

❖ **Improvements/CIP/Suggestions**

- ❑ Need to confirm that stormdrain interceptors are clear and detention ponds are clean



MORO COJO SEPTEMBER 2015 JETTING



ID	Type	Activity	When Ended	Who	Why	Downstream Manhole ID	Upstream Manhole ID	Feet Jett
Campo De Casa4	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 57	MH 58	300. ft
Los Arboles Cir	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 61	CO 61.2	450. ft
Los Ninos2	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 57	CO 57.1	42.0 ft
Moro Cojo/field	8" PVC	Jetted	9/1/2015	G/DC	Routine	⊙	MH 69	52.0 ft
Viva Ln/5	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 69	MH 70	108. ft
Campo De Casa3	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 58	MH 58.1	319. ft
Viva Ln/4	8" PVC	Jetted	9/1/2015	G/DC	Routine	MH 70	MH 71	80.0 ft

Maintenance

Feet Jetted 1351

CASTROVILLE COMMUNITY SERVICES DISTRICT



MOSS LANDING (ZONE 3) MONTHLY O&M REPORT SEPTEMBER 2015

❖ **LIFT STATION # 1 (Struve Rd)**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **LIFT STATION #2 (Hwy 1 @ Pottery barn)**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **LIFT STATION #3 (in front of Phil's fish market)**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **LIFT STATION #4 (Potrero Rd)**

- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/3/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/10/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/17/2015
- ❑ Did pump-down, alarm check, and general inspection of Lift Station 9/24/2015

❖ **JETTING ACTIVITIES**

- ❑ Jetted sewer lines btwn MH #23 to-MH #23.1
- ❑ Jetted sewer lines btwn MH #23.1 to-MH #24
- ❑ Jetted sewer lines btwn MH #23 to-MH #40
- ❑ Total jetted approx. 588 feet

❖ **OTHER MATTERS**

- ❑ Responded to 4 Under ground Alert marking requests
- ❑ Replaced 3 failing man-holes along hwy 1 in May 2015
- ❑ Working on grant application for \$2.5 Million for upgrades, replacements and repair of sewer system
- ❑ Installed lid locks on Station #2 and Station #3
- ❑ Perform Bi-annual inspection of grease traps @ various facilities in March and November
- ❑ Emailed notice of "no spill" to CIWQS 9-1-2015

❖ **Improvements/CIP/Suggestions**

- ❑ Need to recoat or replace 12-15 manholes that internal walls are failing
- ❑ Completed modification of Sewer Allocation Plan

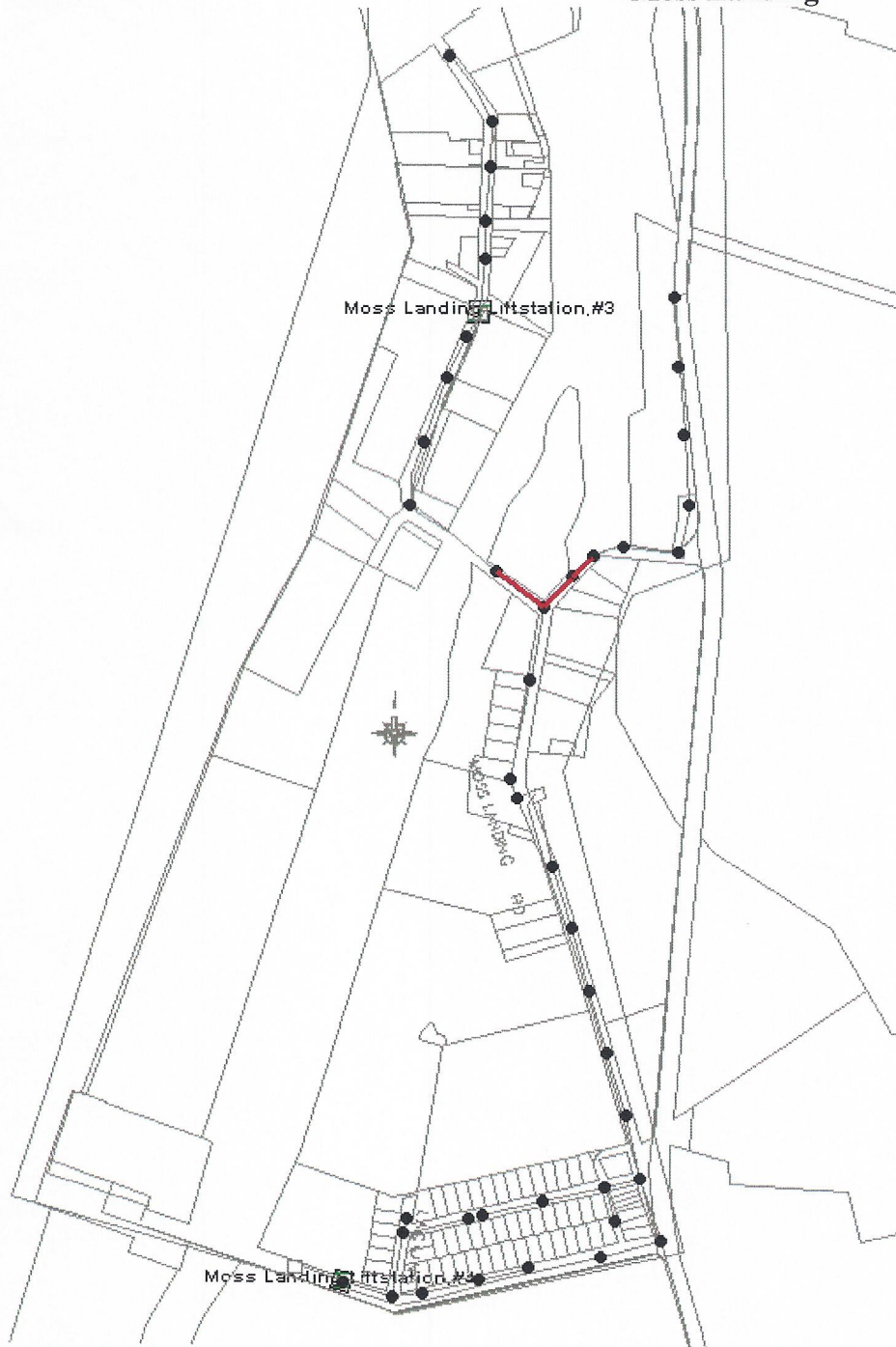


Sewer Jetted lines

SEPTEMBER

Moss Landing

SEPTEMBER 22, 2015



ID	Type	Activity	When Ended	Who	Why	Downstream Manhole ID	Upstream Manhole ID	Feet Jetted
MH23.1>MH23	SDR35 8"	Jetted	9/1/2015	MG/DC	Routine	MH23 ML	MH23.1 ML	190.00 ft
MH24>MH23	SDR35 8"	Jetted	9/1/2015	MG/DC	Routine	MH23.1 ML	MH24 ML	132.00 ft
MH40>MH23	SDR35 8"	Jetted	9/1/2015	MG/DC	Routine	MH23 ML	MH40 ML	266.00 ft
Feet Jetted								588

Accounts Receivable Summary

From 09/01/2015 Through 09/30/2015

<u>OPEN BALANCE</u>	<u>28,362.67</u>				<u>Balance</u>
<u>MONTHLY-Charge</u>	<u>Minimum</u>	<u>Overage</u>	<u>Usage</u>	<u>Bills</u>	<u>Total</u>
ATER	26,762.98	37,322.99	2,953,921.00	1,390	64,085.97
RELINE	1,753.07	3.02	197.00	66	1,756.09
RCHARGE	8,074.41	0.00	0.00	131	8,074.41
ATER CMPND	0.00	104.39	7,811.00	2	104.39
*Total Charge	<u>36,590.46</u>	<u>37,430.40</u>	<u>2,961,929.00</u>	<u>1,589</u>	<u>74,020.86</u>

<u>MONTHLY-Miscellaneous</u>	<u>Amount</u>
ATER Miscellaneous	686.00
*Total Miscellaneous	<u>686.00</u>

103,069.53

<u>MONTHLY-Payment</u>	<u>Amount</u>
ATER	-52,538.39
ATER Miscellaneous	-632.24
RELINE	-1,377.68
RCHARGE	-8,516.03
ATER CMPND	-72.86
*Total Payments	<u>-63,137.20</u>

50,511.14

49,878.90

48,501.22

39,985.19

39,912.33

<u>MONTHLY-Write-Off</u>	<u>Amount</u>
ATER	-5.73
Total Write-Off	<u>-5.73</u>

39,906.60

<u>MONTHLY-Deposit Applied</u>	<u>Amount</u>
ATER	-276.21
ATER Miscellaneous	-13.79
Total Deposit Applied	<u>-290.00</u>

39,630.39

39,616.60

<u>MONTHLY-Refund</u>	<u>Amount</u>
ATER	66.17
Total Refund	<u>66.17</u>

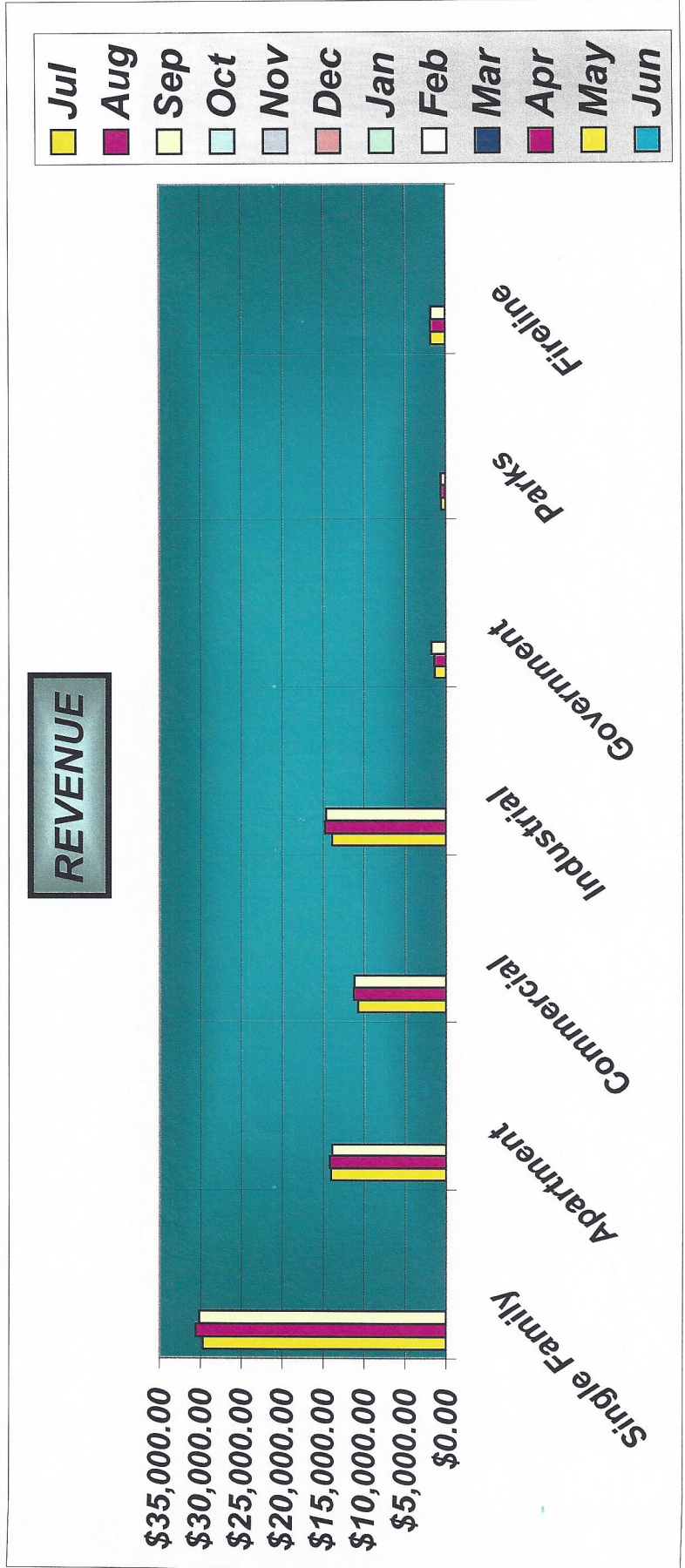
39,682.77

Closing Balance
39,682.77

27

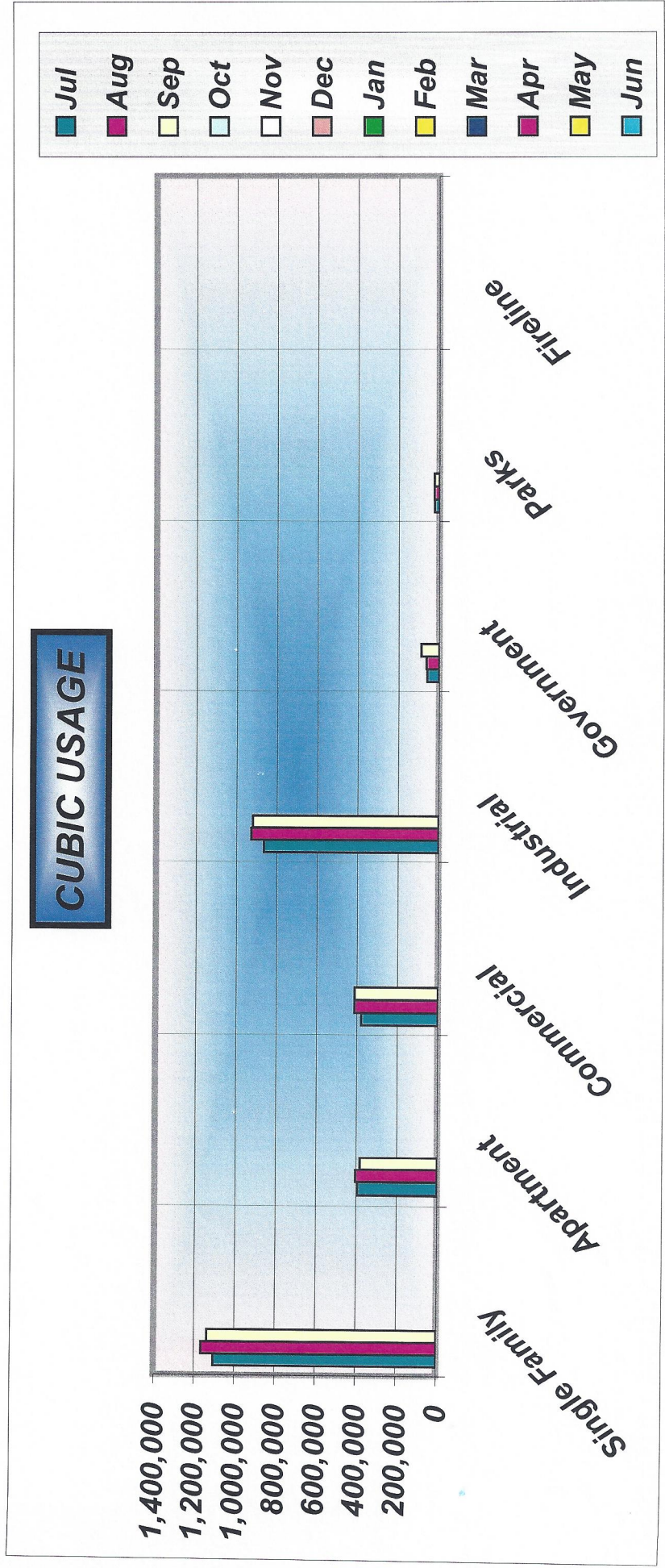
Annual Water Revenue By Classification 2015-2016

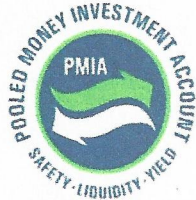
	Single Family	Apartment	Commercial	Industrial	Government	Parks	Fireline	Totals
Jul	\$29,730.21	\$14,087.59	\$10,759.68	\$13,902.96	\$1,352.28	\$561.22	\$1,785.92	\$72,179.86
Aug	\$30,589.22	\$14,200.75	\$11,252.36	\$14,777.27	\$1,392.36	\$579.43	\$1,795.48	\$74,586.87
Sep	\$30,178.30	\$13,900.54	\$11,179.87	\$14,675.27	\$1,758.45	\$572.34	\$1,756.09	\$74,020.86
Oct								
Nov								
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Totals	\$90,497.73	\$42,188.88	\$33,191.91	\$43,355.50	\$4,503.09	\$1,712.99	\$5,337.49	\$220,787.59



Annual Water Usage By Classification 2015-2016

	Single Family	Apartment	Commercial	Industrial	Government	Parks	Fireline	Totals
Jul	1,103,762	394,286	378,291	864,658	59,383	23,514	357	2,824,251
Aug	1,164,678	404,433	411,816	927,150	62,186	24,533	143	2,994,939
Sep	1,135,330	382,236	412,166	919,454	88,550	23,996	197	2,961,929
Oct								
Nov								
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								
Totals	3,403,770	1,180,955	1,202,273	2,711,262	210,119	72,043	697	8,781,119





JOHN CHIANG
TREASURER
STATE OF CALIFORNIA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/30/15	0.35	0.33	210
10/01/15	0.36	0.36	225
10/02/15	0.36	0.36	224
10/03/15	0.36	0.36	224
10/04/15	0.36	0.36	224
10/05/15	0.36	0.36	224
10/06/15	0.36	0.36	221
10/07/15	0.35	0.36	218
10/08/15	0.35	0.36	216
10/09/15	0.36	0.36	218
10/10/15	0.36	0.36	218
10/11/15	0.36	0.36	218
10/12/15	0.36	0.36	215
10/13/15	0.36	0.36	214

* Daily yield does not reflect capital gains or losses

LAIF Performance Report

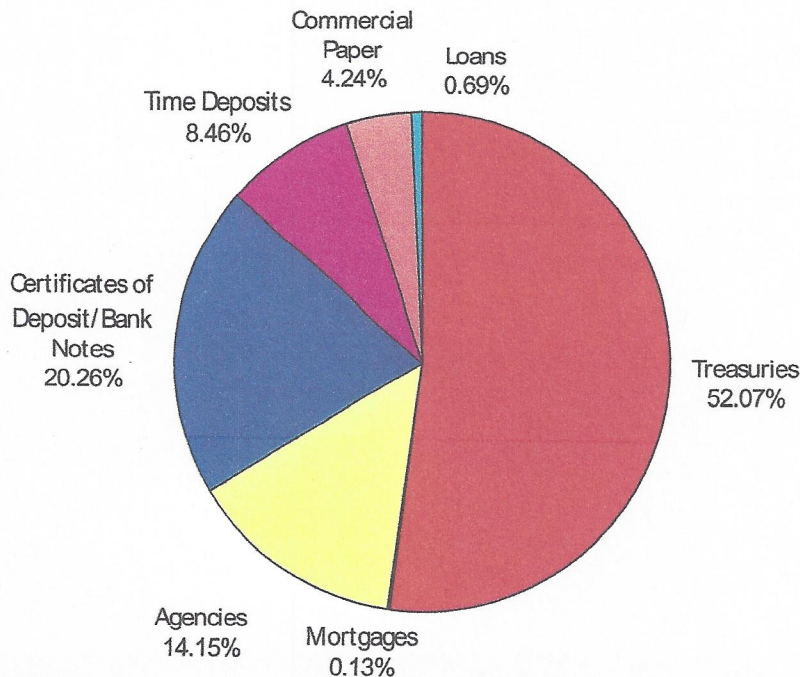
Quarter Ending 06/30/15

Apportionment Rate: 0.28%
 Earnings Ratio: 0.00000776875573384
 Fair Value Factor: 1.000375979
 Daily: 0.31%
 Quarter to Date: 0.29%
 Average Life: 239

PMIA Average Monthly Effective Yields

SEP 2015 0.337%
 AUG 2015 0.330%
 JUL 2015 0.320%

Pooled Money Investment Account
Portfolio Composition
09/30/15
\$66.5 billion



**CASTROVILLE COMMUNITY SERVICES DISTRICT
INTERNAL REPORT**

Receipts, Disbursements, and Bank Balances as of September 30, 2015

Ending balance as of August 31, 2015 \$10,338,136.17

RABOBANK, GENERAL FUND - Revenue and Expenses

Beginning Balance	100,585.83
Water Receipts	63,379.11
Miscellaneous Receipts	6,071.22
Incoming Wire from LAIF 9/1/2015	350,000.00
Interest Earned	4.26
Bank Fees & Returned Check	(15.00)
Expenses (Checks Written)	(381,966.50)
Misc Revenue Over or Short	0.25
Credit Card Fees	(93.36)
Ending Balance for General Fund	<u>137,965.81</u>

RABOBANK, CUSTOMER DEPOSIT FUND

Beginning Balance	63,956.28
New Deposits (opened accounts)	360.00
New Water Connection Deposit	1,000.00
Interest Earned	1.08
NSF Check and Bank Fee	(70.00)
Deposits Returned or Applied to Accounts	(290.00)
Ending Balance for Customer Deposit Fund	<u>64,957.36</u>

LAIF FUND

Beginning Balance	7,550,424.34
Outgoing Wire to Rabobank 9/1/2015	(350,000.00)
Ending Balance for LAIF Fund	<u>7,200,424.34</u>

CAMP FUND

Sewer (Zone 1) Capital Improvements Account	112,750.91
Monthly Interest Earned	11.88
Ending Balance for CAMP Fund	<u>112,762.79</u>
Sewer (Zone 1) Reserves Account	223,059.83
Monthly Interest Earned	23.50
Ending Balance for CAMP Fund	<u>223,083.33</u>

CalTRUST-INVESTMENT

Sewer (Zone 1) Medium-Term Account Balance Forward	2,287,358.95
Income Distribution	1,590.42
Unrealized GAIN (Loss)	6,832.68
Ending Balance for CalTRUST Medium-Term Fund	<u>2,295,782.05</u>

New Balance as of September 30, 2015	10,034,975.68
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Castroville Community Services District

List of Checks for September 2015

Date	Number	Name	Memo	Amount
General Fund Checking				
9/1/2015	22860	Pacific Gas & Electric		\$ 9,539.18
		continued	Office	\$ 316.29
		continued	Street Lights	\$ 3,719.47
9/3/2015	22861	3T Equipment Company, Inc.	Parts and Supplies	\$ 58.72
9/3/2015	22862	Aramark Uniform Service	Operator Uniforms & Mats	\$ 190.46
9/3/2015	22863	AT&T	Telephone Service	\$ 258.81
9/3/2015	22864	BAVCO	Backflow Testing Supplies	\$ 34.51
9/3/2015	22865	California Water Service Company	Water Service at Moro Cojo	\$ 70.32
9/3/2015	22866	CalPERS - Health Benefits	Employee Medical Benefits	\$ 8,541.69
9/3/2015	22867	Castroville Auto Parts	Parts and Supplies	\$ 13.98
9/3/2015	22868	Castroville Tire & Rim	Tire Disposal Fees	\$ 8.00
9/3/2015	22869	Conco West Inc.	Well 5 Arsenic Treatment Project	\$ 278,483.66
9/3/2015	22870	MNS Engineers, Inc.	Well 5 Arsenic Treatment Project	\$ 8,445.06
		continued	Assist with Application-IRWM Grant	\$ 9,405.00
9/3/2015	22871	Noland, Hamerly, Etienne, Hoss	Legal Fees	\$ 988.00
9/3/2015	22872	PERS-Employer Contribution	Bi-Weekly Retirement Benefits	\$ 1,370.14
9/3/2015	22873	Potter's Electronics	Repair/Maintenance Video Camera	\$ 150.00
9/3/2015	22874	Principal Life Group	Employee Life Insurance	\$ 89.55
	22875-			
9/3/2015	22880	District Employees'	Bi-Weekly Net Payroll	\$ 10,848.09
9/3/2015	22881	EDD	Bi-Weekly Payroll Taxes	\$ 920.24
9/3/2015	22882	PERS -Employees' Contribution	Bi-Weekly Retirement Benefits	\$ 1,207.50
9/3/2015	22883	VALIC	Bi-Weekly Deferred Comp	\$ 1,265.00
9/3/2015	1	Electronic Federal Tax Payment	Bi-Weekly Payroll Taxes	\$ 5,198.94
9/17/2015	22884	ACWA/JPIA	Employee Dental/Vision/EAP	\$ 1,088.79
9/17/2015	22885	Adriana Melgoza	9-15-2015 Board Meeting	\$ 100.00
9/17/2015	22886	American Water Works Assoc.	Annual Membership Dues-GM	\$ 249.00
9/17/2015	22887	Aramark Uniform Service	Operator Uniforms & Mats	\$ 289.92
9/17/2015	22888	BAVCO	Backflow Testing Supplies	\$ 138.03
9/17/2015	22889	Beibz-on Signs	Signs Made for Storm Drain Sweeping	\$ 387.45
9/17/2015	22890	Betty MacMillan	9-15-2015 Board Meeting	\$ 100.00
9/17/2015	22891	Carmel Marina Corporation	Garbage Disposal Fee	\$ 29.65
9/17/2015	22892	Casillas Ag Repair	Stainless Steel Cover for Lift Station #3	\$ 280.00
9/17/2015	22893	Castroville Hardware	Parts and Supplies	\$ 236.90
9/17/2015	22894	Chevron and Texaco Business	Fuel for Vehicles	\$ 617.80
9/17/2015	22895	Computer Guy-Tom Fish	Computer Repair/Maintenance	\$ 140.00
9/17/2015	22896	David Lewis	9-15-2015 Board Meeting	\$ 100.00
9/17/2015	22897	Green Line	Sewer Plug on Main Street	\$ 855.00
9/17/2015	22898	Harris & Associates, Inc.	Water Rate Study Fees	\$ 7,982.50
9/17/2015	22899	HD Supply Waterworks	Meters: Parts & Supplies	\$ 1,103.16
9/17/2015	22900	M.R.W.P.C.A	CSDA 1/2 Conference Fee for Stefani	\$ 275.00
9/17/2015	22901	Miguel Garcia-Expense	Monthly Cell Phone Reimbursement	\$ 25.00
9/17/2015	22902	MBAS	Water Testing Fees	\$ 286.00
9/17/2015	22903	Monterey Bay Water Works	Training Class for Operators	\$ 105.00
9/17/2015	22904	Office Depot, Inc.	Office Supplies	\$ 391.06
9/17/2015	22905	Pacific Gas & Electric	Steel Garage	\$ 11.03
		continued	Zone 1 & 2 Lift Stations	\$ 997.24
		continued	ML Zone 3 Lift Stations	\$ 963.89

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82

Date	Number	Name	Memo	Amount
9/17/2015	22906	PERS-Employer Contribution	Bi-Weekly Retirement Benefits	\$ 1,370.14
9/17/2015	22907	Pitney Bowes Purchase Power	Postage for Meter & Meter Rental	\$ 973.22
9/17/2015	22908	Redshift Internet Services	Upgrade Internet Connection	\$ 189.65
9/17/2015	22909	Rich Guillen Associates	Prop 84 Grant Administration Fees	\$ 40.00
9/17/2015	22910	Ronald J. Stefani	9-15-2015 Board Meeting	\$ 100.00
9/17/2015	22911	SDRMA	Premium Balance Due for 2014/15	\$ 1,057.00
9/17/2015	22912	Silvestre Montejano	9-15-2015 Board Meeting	\$ 100.00
9/17/2015	22913	Sprint	Long Distance Telephone Service	\$ 42.65
9/17/2015	22914	Cardmember Service-Eric continued continued continued	Lunch Meetings Board Meeting Snacks Signs Made for Storm Drain Sweeping	\$ 86.26 \$ 17.31 \$ 142.25
9/17/2015	22915	Cardmember Service-Lidia continued	Replace Garage Door Handle Operators Cellular Phones	\$ 81.84 \$ 102.69
9/17/2015	22916	Cardmember Service-Roberto	Monthly Web Page Service	\$ 114.95
9/17/2015	22917	Cardmember Service-Roberto	Void	\$ -
	22918-		Parts for Well Sites & Stations	\$ 260.61
9/17/2015	22923	District Employees'	Bi-Weekly Net Payroll	\$ 10,838.47
9/17/2015	22924	EDD	Bi-Weekly Payroll Taxes	\$ 914.83
9/17/2015	22925	PERS -Employees' Contribution	Bi-Weekly Retirement Benefits	\$ 1,207.50
9/17/2015	22926	VALIC	Bi-Weekly Deferred Comp	\$ 1,265.00
9/17/2015	1	Electronic Federal Tax Payment	Bi-Weekly Payroll Taxes	\$ 5,187.10
Total General Fund - Checking				\$ 381,966.50
Customer Deposit Fund				
9/30/2015	3646	Amy Watkins	Deposit Refund	\$ 60.00
9/30/2015	3647	Guadalupe Mexicano	Deposit Refund	\$ 6.17
9/30/2015	3648	Castroville CSD	September Closure's	\$ 223.83
Total Customer Deposit Fund				\$ 290.00



Calendar for year 2015 (United States)

January						
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March						
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December						
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Holidays:

Jan 1 New Year's Day

Jul 3 'Independence Day' observed

Nov 11 Veterans Day

Jan 19 Martin Luther King Day

Jul 4 Independence Day

Nov 26 Thanksgiving Day

Feb 16 Presidents' Day

Sep 7 Labor Day

Dec 25 Christmas Day

May 25 Memorial Day

Oct 12 Columbus Day (Most regions)

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