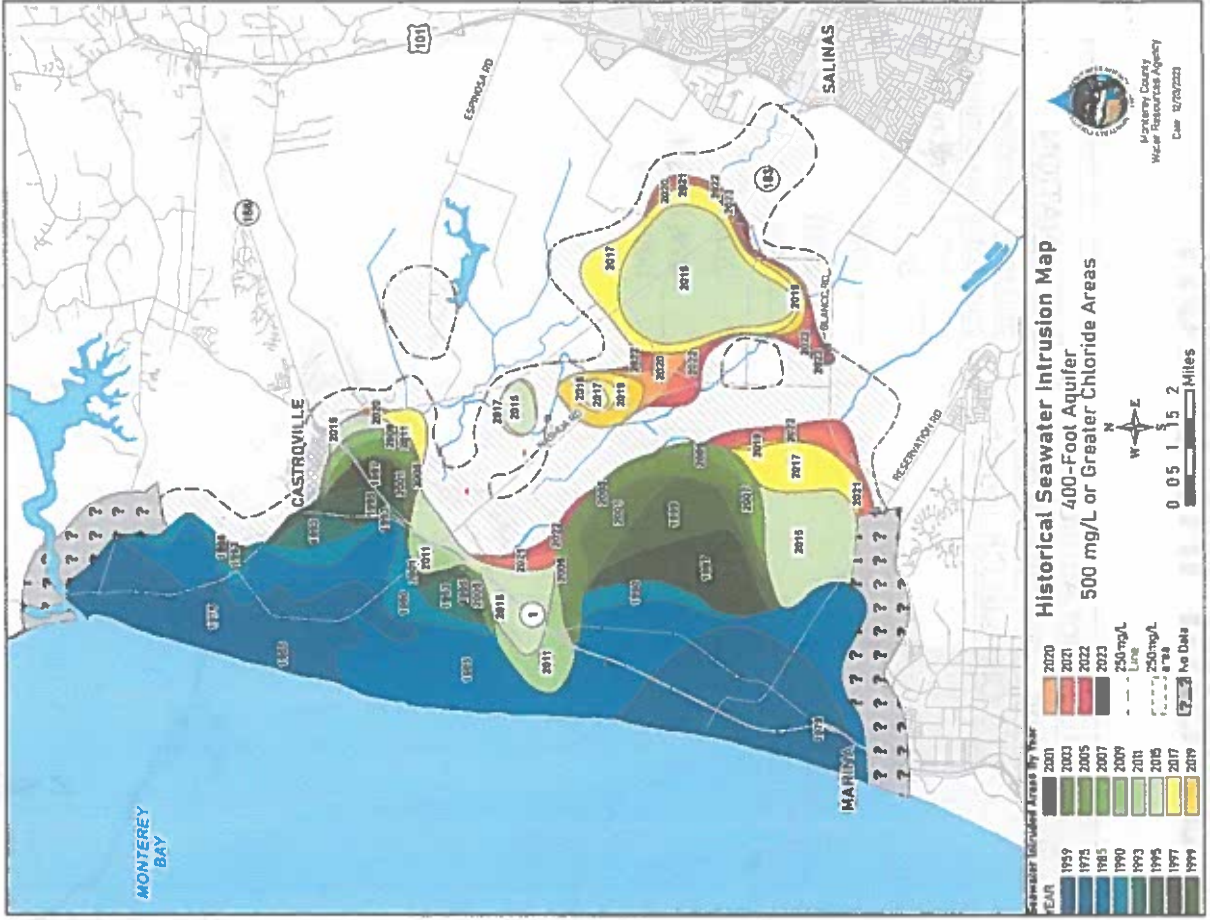
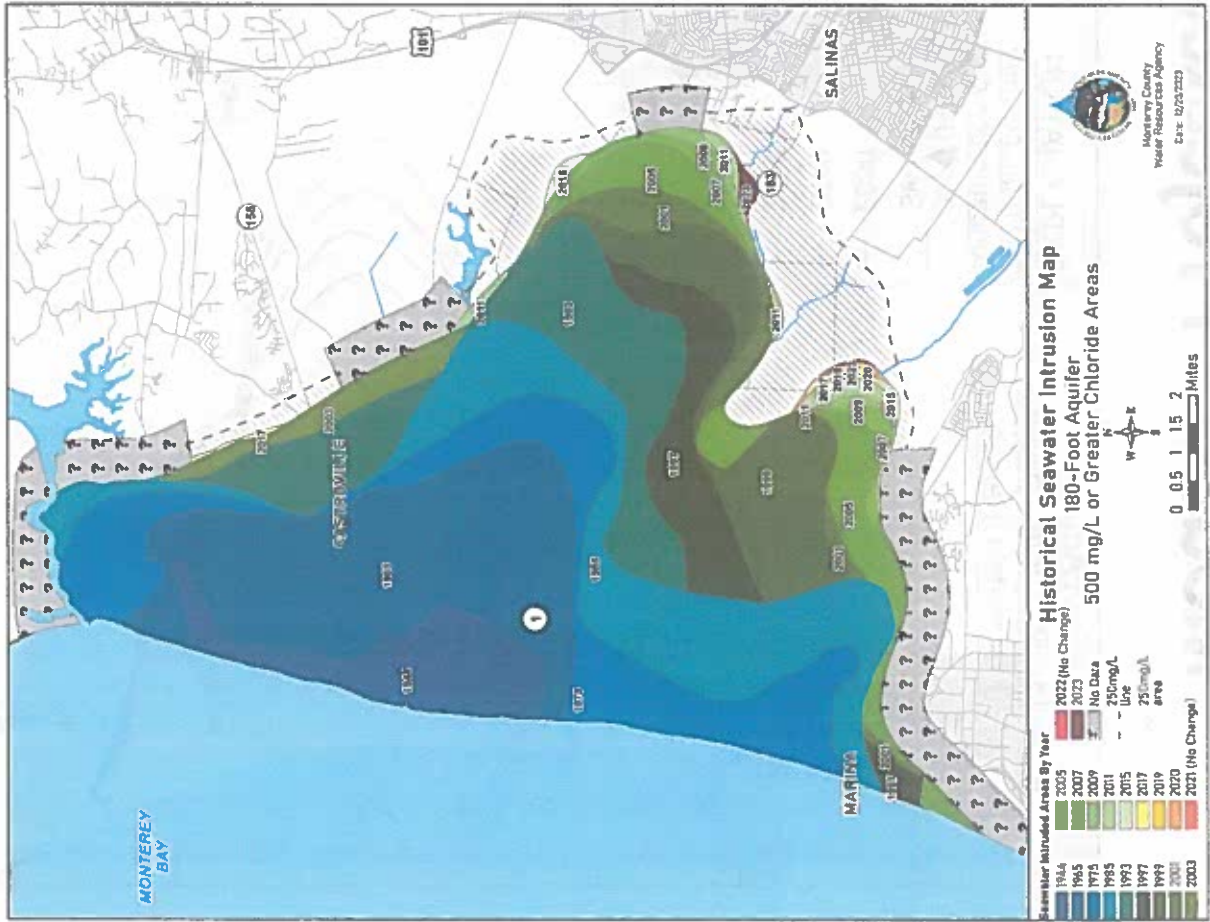
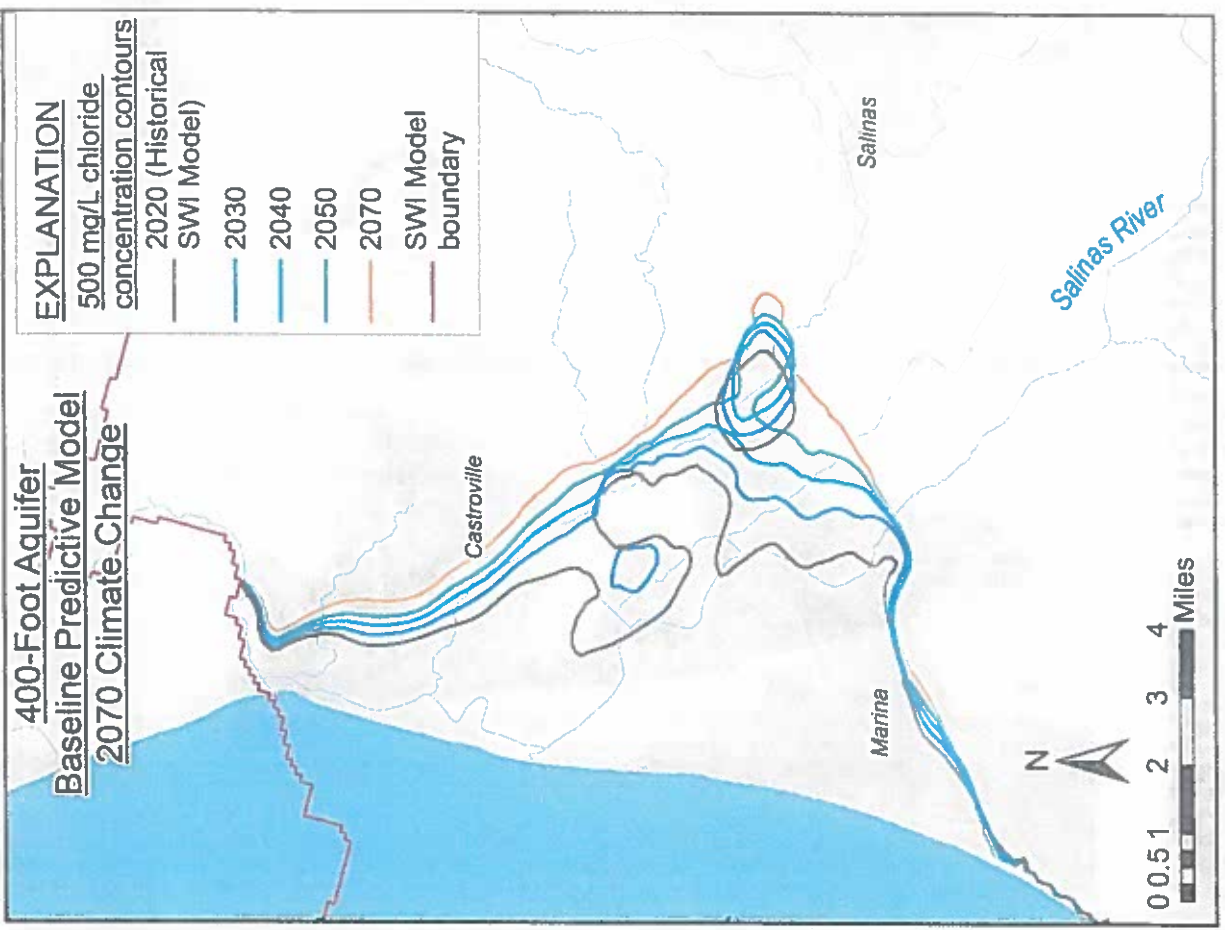
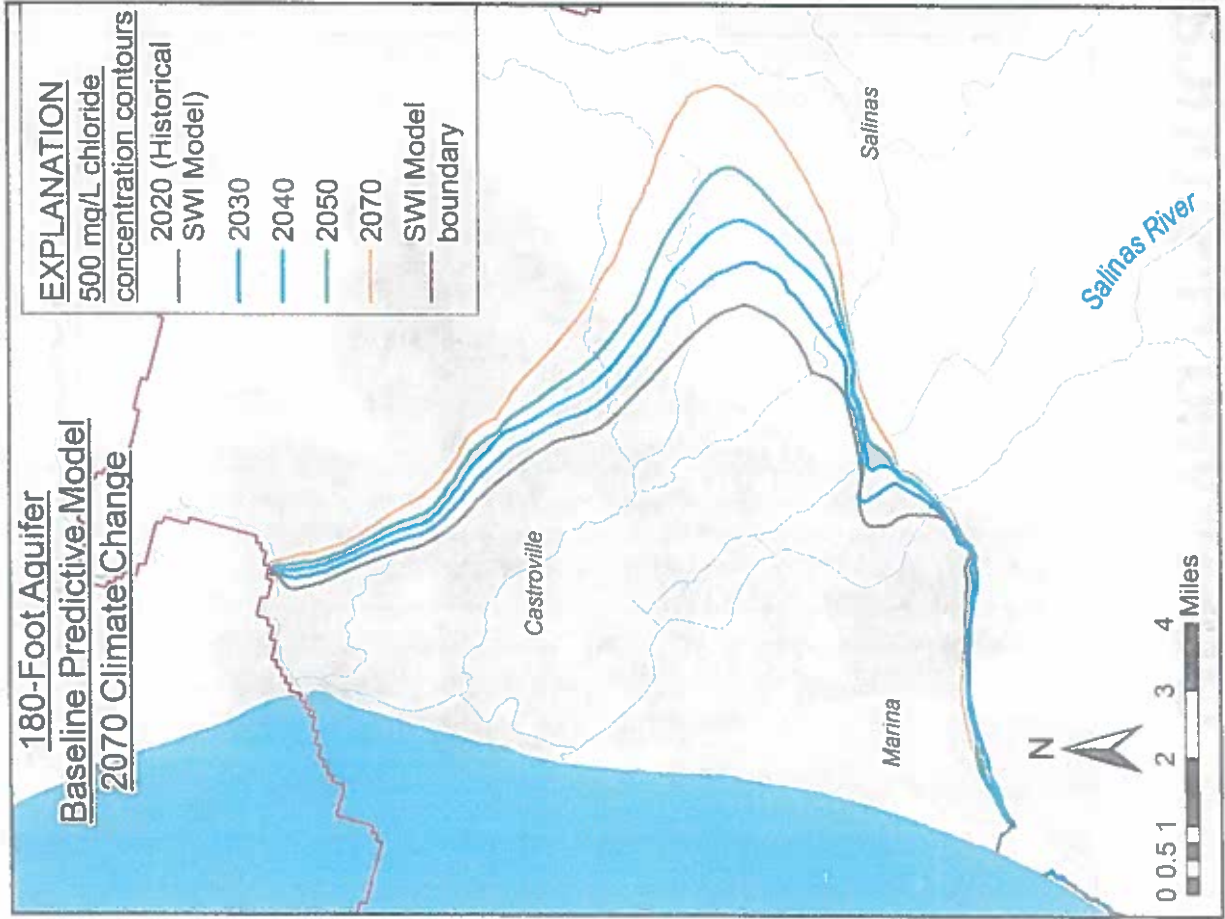


# Observed Historical Seawater Intrusion



# Model of Projected Seawater Intrusion



Castroville Community Services District Board Meeting 3/19/24, 4:30pm

- What are CCSD's main water problems and/or concerns?
- What solutions have you explored to address those problems?
- What challenges have you encountered to enacting those solutions?
- Taking into consideration your answers to the above questions, what are your preferred options at this point?
- Is there any information the GSA could provide that would be a benefit to you?
- This could be anything from additional messaging to help convey information to your residents and customers, more information about possible GSA projects to help inform your decision making
- The GSA is working on regional scale projects and management actions to address seawater intrusion and other groundwater issues in the Castroville area. How can the GSA provide support or resources for CCSD's involvement in these efforts or help address CCSD's challenges?

**MEMORANDUM**

**TO:** Board of Directors, Castroville  
Community Services District      **FILE NO:** 15537.000

**FROM:** Christine Kemp/Heidi A. Quinn      **CLIENT:** Castroville Community Services  
District

**DATE:** March 19, 2024

**SUBJECT:** Ad Valorum Property Taxes

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**ISSUE:**

How may Castroville Community Services District (“CCSD”) spend the ad valorum tax proceeds in terms of recreation facilities and community recreation? What expenditures are consistent with CCSD’s powers to fund community recreation? May CCSD provide funding directly to private organizations?

**SHORT ANSWER:**

CCSD may spend the ad valorum tax proceeds in furtherance of its exercise of powers, including recreation facilities and community recreation. However, during CCSD’s formation process, it was understood and promised that the North County Recreation and Park District (“NCRPD”) would be the primary provider of parks and community recreation, and CCSD would exercise its powers by augmenting programs for the NCRPD. If there is a duplication of services with NCRPD, NCRPD has the right of first refusal. In addition, while CCSD can partner with other public agencies to provide such services, it may not provide funding directly to private organizations.

**ANALYSIS:**

**Background - Formation**

The predecessor to the Castroville Community Services District (“CCSD”) was the Castroville Water District (“CWD”), a County Water District formed under County Water District Law, set forth at California Water Code section 30000 et seq. The statute authorized CWD to provide water and sewer services, fire protection service, recreational facilities, and sanitation service, and to provide, generate, and deliver electric power for its own purposes. Historically, however, CWD provided water service. In 2006, CWD began to provide sewer and storm drain services.

County Service Area 14 ("CSA-14") was formed in 1962 by resolution of the Monterey County ("County") Board of Supervisors pursuant to County Service Area Law, set forth at Government Code section 25210.1 et seq. It was organized to provide services to the Castroville area. CSA-14 received property tax revenues from taxes that pre-date Proposition 13, which were allocated as needed to fund services. CSA-14 initially provided funding for street lighting, pigeon abatement, recreational programs, and open-space and street maintenance services on a contractual basis. In 2006, sewer and storm drain services were transferred from CSA-14 to CWD.

In March 2007, the CWD Board of Directors adopted a resolution requesting the County Board of Supervisors join CWD in requesting reorganization of CWD and CSA-14 to form CCSD. On June 26, 2007, the CWD Board adopted a resolution of application to the Local Agency Formation Commission of Monterey County ("LAFCO") to initiate proceedings to reorganize CWD and CSA-14 as CCSD. (CWD Resolution 07-5.) The purpose of the reorganization was to provide more efficient and economical delivery of services managed by the persons most directly affected. The CWD Resolution provided that all responsibility for services provided by CWD and CSA-14 would be transferred to CCSD, and would be financed from CWD's assets. Property tax revenue from CWD would be allocated to CCSD to fund services including water, sewer, recreation facilities, community recreation, street lighting, streets, weed and rubbish abatement, and land acquisition for habitat mitigation. The CWD Resolution provides that CCSD is to provide services at the level currently provided by CWD and CSA-14.

On October 22, 2007, LAFCO Commissioners adopted Resolution 07-15 ("LAFCO Resolution"), which approved the dissolution of CWD and CSA-14 to form CCSD. The LAFCO Resolution does not specifically cite to the Government Code, rather LAFCO lists CCSD's powers. The Resolution provides that CCSD has "authority to provide water, sewer, storm water, recreation facilities, community recreation, street lighting, street maintenance, pest control, and acquire land for habitat mitigation." Further, "[c]ommunity recreation and recreation facility services will be provided by augmenting programs for the North County Recreation and Park District."

The LAFCO Resolution also incorporates as a finding, and a condition of approval, a September 5, 2007 letter ("9/5/2007 Letter") CWD sent to NCRPD clarifying the position of CWD and its successor as it relates to providing recreational programs and facilities in the Castroville area. The 09/5/2007 Letter makes clear that CWD and CSA-14 applied to LAFCO requesting powers relating to Parks and Recreation, with the intention to augment NCRPD in the same manner, i.e., "funding existing programs provided by NCRPD." In the event a potential duplication of services arises with CCSD, NCRPD will have the first right of refusal. The Commission findings addressed concerns raised by Monterey County Parks regarding the role of the CCSD and NCRPD in providing community recreation and parks to the Castroville area.

### **Powers of CCSD**

The CWD Resolution specifically enumerates the services to be provided by CCSD:

- |  |                       |
|--|-----------------------|
| a. Water                                       | Govt. Code §61100(a)  |
| b. Sewer, recycled water and storm water       | Govt. Code §61100(b)  |
| c. Recreation facilities, including open space | Govt. Code §61100(e)  |
| d. Community recreation                        | Govt. Code §61100(f)  |
| e. Street lighting                             | Govt. Code §61100(g)  |
| f. Streets, etc.                               | Govt. Code §61100(l)  |
| g. Weed and rubbish abatement                  | Govt. Code §61100(t)  |
| h. Pest control and abatement                  | Govt. Code §61100(y)  |
| i. Acquire, etc. land for habitat mitigation.  | Govt. Code §61100(ae) |

Government Code section 61100, Community Services District Law, provides that a district may “[a]cquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.” (Govt. Code § 61100(e).) Section 61100 (f) provides a district may also “[o]rganize, promote, conduct, and advertise programs of community recreation, in the same manner as a recreation and park district . . .” The Public Resources Code sets forth definitions for “Recreation,” and “Recreation Facility.”<sup>1</sup>

Public Resources Code section 5786.11 provides that a park and recreation district “may cooperate with any city, county, special district, school district, state agency, or federal agency” to carry out its purposes, and may “jointly acquire, construct, improve, maintain, and operate recreation facilities and programs of community recreation with any other public agency.” (Pub. Res. Code §5786.11.) A district may also contract with other public agencies to provide recreation facilities and programs of community recreation within the district’s boundaries, or within the boundaries of other public agencies. (Pub. Res. Code §5786.13.) A district may: (a) organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community’s quality of life; (b) establish systems of recreation and recreation facilities, including, but not limited to, parks and open space; and (c) acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district’s boundaries. (Pub. Res. Code §5786.) However, pursuant to an opinion by the Attorney General, a district may not enter into a contract with a private organization to have the private organization expend district funds. (See 32 Op.Atty.Gen. 3 [a district may not furnish to members of the general public golfing facilities and instructions which were not under supervision and control of the district.])

<sup>1</sup> “Recreation” is defined as “any voluntary activity which contributes to the education, entertainment, or cultural, mental, moral, or physical development of the individual, group, or community that attends, observes, or participates” and includes any “activity in the fields of art, athletics, drama, habitat conservation, handicrafts, literature, music, nature study, open-space conservation, science, sports, and any formal or informal play that includes these activities.” (Pub. Res. Code §5780.1(g).)

“Recreation Facility” is defined as an “area, place, structure, or other facility under the jurisdiction of a public agency” and includes “an arts and crafts room, auditorium, beach, camp, community center, golf course, gymnasium, lake, meeting place, open space, park, parkway, playground, playing court, playing field, recreational reservoir, river, and swimming pool.” (Pub. Res. Code §5780.1(h).)

Although the statutory language for recreation facility and community recreation services under the Government Code and the Public Resources Code is broad, the language of the Resolutions adopted by both CWD and LAFCO are more restrictive. The LAFCO Resolution specifically incorporates the 9/05/2007 Letter, requiring CCSD to continue to augment NCRPD in the same manner as the existing CSA-14, i.e., funding existing programs provided by NCRPD.

### CONCLUSION:

CCSD receives ad valorem tax revenue, which it may expend in the exercise of its powers. The CWD and LAFCO Resolutions set forth CCSD's powers, which include expenditures for recreation facilities and community recreation. However, during CCSD's formation process, it was understood and conditioned on a commitment that CCSD would exercise such recreation powers by funding existing programs for the NCRPD, and augmenting their programs.

To provide a legal opinion on a specific expenditure, we would need to analyze the details of the proposal.