

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
February 19, 2019

Vice President James Cochran called the meeting to order at 4:30 p.m.

ROLL CALL:

Directors Present: Vice President James Cochran, Director Glenn Oania, Director Ron Stefani and Director Cosme Padilla

Absent: President Adriana Melgoza

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Christine Kemp

PLEDGE OF ALLEGIANCE

Director Ron Stefani led the Pledge of Allegiance.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Ron Stefani and seconded by Glenn Oania to approve the minutes of the January 15, 2019 Scheduled Board Meeting. The motion carried by the following vote:

| | | | |
|----------------|---|------------|-------------------------------------|
| AYES: | 4 | Directors: | Oania, Stefani, Padilla and Cochran |
| NOES: | 0 | Directors: | |
| ABSENT/NOT | | | |
| PARTICIPATING: | 1 | Directors: | Melgoza |

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Request from Remy Moose Manley law firm for Notice and California Public Records Act Request from Castroville CSD Relating to the Monterey Peninsula Water Supply Project (SCH No. 2006101004) proposed by California American Water Company.
2. 2nd quarter (October-December 2018) report on extend recreation services activities from General Manager Judy Burditt, North County Recreation and Park District.
3. Letter of support for the North County Recreation and Park District's proposal to acquire La Scuola building to create a dedicated Senior Center for our aging community.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey County Weekly* – Deep Threat: As seawater intrusion advances, new farmland puts Marina's water supply in peril
2. *Cal Bio*, Christina Babbitt, Environmental Defense Fund – The Clock is ticking for groundwater managers in California's most over-drafted basins
3. *The Herald* – Pure Water Monterey project hits home stretch
4. *Monterey County Weekly* – Squid: Marina Coast Water District and the city of Marina's fight against California American Water's planned—and already approved by the California Public Utilities Commission—desalination project in Marina.

Informational items accepted as presented

PRESENTATIONS:

1. None

NEW BUSINESS:

1. Consider appointing a single director or an ad hoc committee as a representative(s) to speak on behalf of the Castroville CSD in regards to the Moss Landing Community Plan – After some discussion, a motion is made by Ron Stefani and seconded by Glenn Oania to appoint (ad hoc committee) Directors James Cochran and Cosme Padilla as a representatives to speak on behalf of Castroville CSD in regards to the Moss Landing Community Plan. The motion carried by the following vote:

| | | | |
|---------------------------|---|------------|-------------------------------------|
| AYES: | 4 | Directors: | Oania, Stefani, Padilla and Cochran |
| NOES: | 0 | Directors: | |
| ABSENT/NOT PARTICIPATING: | 1 | Directors: | Melgoza |

2. Consider quote from Borges & Mahoney for purchase of a new chlorinator generator for Well #2 , #5 (\$21,430) and Well Site 4 (\$25,714) plus applicable taxes and shipping – General Manager Eric Tynan informed the Board that he did a 60 day trial of the new chlorinator generator for Well #2, #5 which is coming to an end. The new chlorinator is working great and he would like to purchase it along with another chlorinator for Well Site 4. A motion is made by Glenn Oania and seconded by Cosme Padilla to approve the purchase of new chlorinator generator for Well #2 , #5 (\$21,430) and Well Site 4 (\$25,714) plus applicable taxes and shipping. The motion carried by the following vote:

| | | | |
|---------------------------|---|------------|-------------------------------------|
| AYES: | 4 | Directors: | Oania, Stefani, Padilla and Cochran |
| NOES: | 0 | Directors: | |
| ABSENT/NOT PARTICIPATING: | 1 | Directors: | Melgoza |

3. Consider approving the Castroville CSD Actuarial Study of Retiree Health Liabilities Under GASB 74/75 Roll-forward Valuation, Valuation Date: June 30, 2017, Measurement Date: June 30, 2018 as prepared by Total Compensations Systems, Inc. – Office Manager Lidia Santos pointed out to the Board that on page 4 of the actuarial study it shows that for current employees, the value of benefits “accrued” in the year beginning July 1, 2108 (the service cost) is \$1,914. This service cost would increase each year based on covered payroll. Had Castroville Community Services District begun accruing retiree health benefits when each current employee and retiree was hired, a substantial liability would have accumulated. The study estimates the amount that would have accumulated at June 30, 2018 to be \$394,981. This amount is called the “Total OPEB Liability” (TOL). Castroville Community Services District has set aside funds to cover retiree health liabilities in a GASB 75 qualifying trust. The Fiduciary Net Position of the trust at June 30, 2018 was \$196,683. This leaves a Net OPEB Liability (NOL) o \$198,298. The estimate was based on employees as of June 2017. Over time, liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees. The full report can be viewed as an attachment to the full agenda for February 19, 2019. The actuarial study was enclosed with the compete board packet agenda for their review. A motion is made by Ron Stefani and seconded by Glenn Oania to approve the Castroville CSD Actuarial Study of Retiree Health Liabilities Under GASB 74/75 Roll-forward Valuation, Valuation Date: June 30, 2017, Measurement Date: June 30, 2018 as prepared by Total Compensations Systems, Inc. The motion carried by the following vote:

| | | | |
|---------------------------|---|------------|-------------------------------------|
| AYES: | 4 | Directors: | Oania, Stefani, Padilla and Cochran |
| NOES: | 0 | Directors: | |
| ABSENT/NOT PARTICIPATING: | 1 | Directors: | Melgoza |

4. Authorize Directors and General Manager to attend the 2019 ACWA Spring Conference and Exhibition, May 8-10, 2019 Monterey, CA – Some of the Directors (Stefani, Padilla and possibly Melgoza) and General Manager Eric Tynan expressed interest to attend the 2019 ACWA Spring Conference and

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Exhibition .Conference fees and preliminary agenda can be viewed on pages 29-30 of board packet. After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to authorize the attendance of the Castroville CSD Board of Directors who want to attend the ACWA Fall Conference and Exhibition, May 8-10, 2019, Monterey, CA, along with General Manager Eric Tynan and to notify the Board Secretary by no later than April 19, 2019 to take advantage of the advance pricing. The motion item carried by the following vote:

| | | | |
|----------------|---|------------|-------------------------------------|
| AYES: | 4 | Directors: | Oania, Stefani, Padilla and Cochran |
| NOES: | 0 | Directors: | |
| ABSENT/NOT | | | |
| PARTICIPATING: | 1 | Directors: | Melgoza |

UNFINISHED BUSINESS:

1. Update on status of grants for Moss Landing-Sewer Zone 3, Castroville-Sewer Zone 1 and Castroville-Water Zone 1 for system upgrades and improvements - General Manager Eric Tynan informed the Board that a meeting was held at the District office for the Monterey Integrated Regional Management Plan to decide on which projects to move forward with for grant funding for the different entities involved. As a reminder to the Board, it appears Castroville CSD is the only disadvantaged community that applied for this implementation grant and there is \$347,000 guaranteed for a disadvantaged community for the water system. The District has a great chance of being awarded this grant. However, he and Lidia (grant writer), with Gutierrez Consultants are still working on the Moss Landing grants but he has been informed by the lead operator that some of the manholes are eroded in this zone and at least seven will need to be replaced soon. At the next regularly scheduled board meeting, 19th of March he will have Ms. Gutierrez present. Current funding efforts: Moss Landing sewer system improvements, Castroville emergency well replacement, Castroville water supply improvements and Castroville wastewater improvements.
2. Status of Well #3 – General Manager Eric Tynan informed the Board that he has contacted two well drillers; Maggiora Brothers Drilling and Alsop Electric Motor Shop to see if they would be able to investigate Well #3 to see if the K-packers could be leaking and need to be re-installed. The sleeve will need to be pulled and then re-install the K-Packers. Maggiora Brothers Drilling has submitted the necessary information: a quote of (\$11,000), Risk Transfer and Certificates of Insurance to the District and for this reason has approved for them to start the work on Well #3. If Well #3, can be saved, the District would save over a million dollars since a new well would not be needed.
3. Update on Cal Am's Monterey Peninsula Water Supply Project – General Manager Eric Tynan once again reminded the Board that Marina Coast Water District and City of Marina filed a lawsuit with the California Public Utilities Commission (CPUC) because they issued Cal Am a certificate of public necessity which allows Cal Am to proceed with their desal project. General Manager Eric Tynan stated that he attended the Marina City Council/Planning Commission meeting and explained in detail how the Monterey Peninsula Water Supply Project does not affect Marina's water supply. A lot of inaccurate information was presented by Marina Coast Water District and their consultants regarding the availability of fresh water to off-set the seawater intrusion. The next meeting is scheduled on the 28th of February, which he plans to attend and any directors are welcomed to join him. He plans to submit a package in advance for information to be presented at this meeting. Marina Coast Water District and the City of Marina are trying to kill the Cal Am Desal Project that would guarantee Castroville fresh water. Instead they want to use Pure Water Monterey to solve Peninsula water needs by supplying water to the Peninsula to deal with a cease and desist order 95-10. The planning documents for the desal supply line to Castroville have been completed by Cal Am.

CLOSED SESSION: 5:03 p.m.

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Eric Tynan)
Property Location: 11380 Commercial Parkway
A Portion of APN# 113-491-021
Negotiating Parties: Castroville CSD and Andrew E. Ausonio ETAL
Property Owner: Andrew E. Ausonio ETAL
Under Negotiation: Property Negotiations

ANNOUNCEMENT OF CLOSED SESSION ITEM: (if applicable): Open Session: 5:20 p.m. At last month's board meeting, the Board directed General Manager Eric Tynan, who was appointed real property negotiator for the Castroville CSD to negotiate the property purchase of 11380 Commercial Parkway, (listed above) with the property owner, Andrew E. Ausonio ETAL and report back to the board in closed session at the next regularly scheduled board meeting. **No action was taken at this meeting.**

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

BOARD OF DIRECTORS COMMUNICATION: When needed, this time is reserved for the Board of Directors to communicate activity, educational classes, and/or Committee reports.

1. Update on Monterey One Water board meeting – Director Ron Stefani announced if there was a vote on the purchase water agreement, Monterey One Water Board, Marina Coast Water District would vote with the Peninsula as they are in favor of stopping the project and instead going with the expanded Pure Water Supply Project. Castroville CSD would be out voted.
2. Update on the Local Groundwater Sustainability Agency (GSA) Formation – Director Ron Stefani reported to the Board as mentioned at last month's board meeting that chapters 1-4 of the Groundwater Sustainability Plan have been completed. These chapters consist of the basic information such as a description of the basin. Currently, Chapters 1-4 are out for a 30 day review. They are now working on Chapter 5, which will explain how water comes in naturally to the basin and how it goes out naturally to the basin. He believes Chapter 6 will be the water budget, how much is pumped out and in. Chapter 7-8 will be determining the projects. They are still a few months away from determining what kind of projects they will recommend for seawater intrusion. There are a total of 11 chapters that have to be submitted by June 2019. At the next meeting in March they will be approving the fees which currently stand at \$2.26 per year per connection. These fees will bill collected on the property tax roll. The GSA would collect the funds directly from Monterey County.
3. Update on meetings or educational classes attended by the Directors – Director Cosme Padilla stated that he along with Director James Cochran and General Manager Eric Tynan had attended the Moss Landing Community Plan update. Furthermore, he once again noticed that the Moss Landing Harbor District seems to think it can dictate what Castroville CSD can or cannot do in regards to sewer capacity and allocations. The Moss Landing Harbor District's consultant, Marc Del Piero Attorney at Law informed him that Castroville CSD former District Legal Counsel Lloyd Lowrey should have advised that CEQA was required. Director Padilla noted that the Castroville CSD minutes do reflect that Mr. Lowrey had advised the Board that CEQA was not required since this was not a project. Per General Manager Eric Tynan, sewer was not subject to CEQA because it was not a project when Castroville CSD merged with the County Sanitation District. When the regional pump station was put in place, this was considered a project prior to Castroville CSD taking over sewer services.

Director Ron Stefani excuses himself from the board meeting at 5:36 p.m.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions
2. Operation's Report
 - a) Water – Pumpage & Usage Update, Water Testing Update, Current Installation
 - b) Water -Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issue
 - c) Sewer & Storm Drain – Jetting, Current Installation Status Update, Current Contractor Work Update, Maintenance/Repair Update, Customer Service Update, Safety Issues
3. Customer /Billing Reports – Water Sales, Water Usage, A/R Update, Customer Service Update
4. Financial Reports – Treasures L.A.I.F. Report, Internal Report, Administration Update

General Operations Reports were accepted as presented

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CHECK LIST –January 2019. A motion was made by Glenn Oania and seconded by Cosme Padilla to pay all bills presented. The motion carried by the following vote:

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

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

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

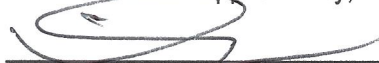
The meeting adjourned at 5:52 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Adriana Melgoza
President