

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
**CASTROVILLE COMMUNITY SERVICES DISTRICT**  
November 21, 2023

President Cosme Padilla called the meeting to order at 4:30 p.m.

**ROLL CALL:**

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

**Absent:** Director Greg MacMillan

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:**

**Guest:** Christine Kemp, District Legal Counsel; Scott German, CPA with Fechter & Company CPA's and Sarah Hardgrave, Senior Advisor/Deputy General Manager with Salinas Valley Basin Sustainability Agency

**PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by General Manger Eric Tynan at the request of President Cosme Padilla.

**ADDITIONS OR CORRECTIONS TO THE AGENDA**

**PUBLIC COMMENTS**

1. None

**CONSENT CALENDAR**

1. A motion was made by Glenn Oania and seconded by James Cochran to approve the minutes of the October 17, 2023 Regularly Scheduled Board Meeting. The motion carried by the following roll call votes:

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

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter of support for Castroville Community Services District from North County Fire Protection District, Monterey One Water and Monterey County Board of Supervisor Glenn Church regarding the WaterSMART Drought Response Program: Drought Resiliency Projects
2. Letter to the WaterSMART Drought Response Program: Drought Resiliency Projects from Castroville Community Services District.
3. Letter to the Salinas Valley Groundwater Sustainability Agency from Salinas Valley Water Coalition regarding proposed approach for fee study update.
4. Letter to the Salinas Valley Groundwater Sustainability Agency from Salinas Basin Water Alliance regarding the timeline and implementation of the outstanding issues surrounding the SVBGSA's multi-tier fee approach.
5. Letter from ACWA JPIA to Castroville Community Services District regarding liability and property risk assessment.
6. Letter from Salinas Valley Groundwater Sustainability Agency to Castroville Community Services regarding participation in a survey to obtain information about the large public water systems that serve urbanized areas for the feasibility study.

7. Letter from CSDA to Castroville Community Services District regarding the Inflation Reduction Act 2022, special districts can now receive direct payment subsidies for qualified renewable energy projects.

*Correspondence Calendar accepted as presented*

### **INFORMATIONAL ITEMS:**

1. *CalPers Employer News* – Making Progress: PEPRAs Positive Impact on Employer Costs
2. Certificate of Completion 2023 Board Secretary/Clerk Program Advance Coursework, Seaside, CA, November 6-8, 2023 for Castroville Community Services District Office Manager Lidia Santos

*Informational items accepted as presented*

### **PRESENTATIONS:**

1. Fechter & Company, Certified Public Accountants to present proposed final draft of audit report for fiscal year ended June 30, 2023 – Castroville CSD's annual financial audit for fiscal year ended June 30, 2023 was completed and presented to the Board of Directors by Certified Public Accountant Scott German with Fechter & Company. A copy of the audit can be viewed as an attachment to the November 21, 2023 board packet on the District website. Per Mr. German, Castroville CSD received a clean audit and opinion, which is issued by an auditor when the financial statements presented are free from material misstatements and are represented fairly in accordance with Generally Accepted Accounting Principles (GASB). In other words, Castroville CSD's financial condition, position, and operations are fairly presented in their financial statements. It is the best type of report opinion an auditee may receive from an external auditor. He informed the Board that they did not experience any difficulties or delays with management, in turn they have been very cooperative, responsive and are doing a great job. Mr. German reviewed the audit report with the Board by providing them with an overview of the Financial Statements, in particular the three statements presented: Government Wide (all activity for all fund types), Governmental Funds (all activity supported primarily by tax revenue) and Enterprise or Proprietary Funds (Business Type Activities supported by user fees). He pointed out to the Board that the pension asset (CalPERS) from the prior year, is now a liability due to the result of funding vs liability changes and it may continue to be volatile for the next few years as the market stabilizes. He also informed the Board that his firm tested the following: balance sheet, cash receipts, accounts receivable, accounts payable, payroll and reviewed banks statements as part of internal controls. They selected transactions at random to review and found no such indications of errors or fraud. In addition, he answered any questions the Board had regarding the audit report for fiscal year end June 30, 2023. Mr. German thanked the Board and also wanted to thank Castroville CSD management for being very cooperative, transparent and having all the data ready for them to view.

### **NEW BUSINESS:**

1. Resolution No.23-06, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2023, as Prepared by Fechter & Company, Certified Public Accountants – A motion is made by Ron Stefani and seconded by Glenn Oania to approve Resolution No. 23-06, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2023, as Prepared by Fechter & Company, Certified Public Accountants. The motion carried by the following roll call votes:

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

The Board of Directors skipped down to discuss item 5, Under New Business as Ms. Hardgrave had another meeting to attend.

Minutes of the Castroville Community Services District  
November 21, 2023 Regular Board Meeting  
Page 3

2. Monterey One Water (M1W) is a public entity and exists under the laws of the State of California per the 1979 Joint Powers Agreement (JPA). Consider amending the JPA, specifically the formula for weighted vote – Vice President Ron Stefani who also sits on the M1W Board informed the Castroville CSD Board that Monterey One Water Board of Directors is considering amending the JPA, specifically the formula for weighted vote by the Board. The memo from M1W General Manager Sciuto to the M1W Board can be viewed on pages 33-36 of this board packet. Participating entities formed the JPA and obtain number of votes based on a member's population (see page 34). However, it limits the votes, once the population reaches 100,000 and above to only 6 number of votes. The City of Salinas has a population of 160,000 and still only gets 6 votes and for this reason is asking to change the agreement. Vice President Stefani is recommending the Castroville CSD Board leave the weighted vote formula and adjust the agreement to reflect that populations 100,000 and above receive their just votes for every 24,999 increase in population: 100,000 to 124,999 and 125,000 to 149,999 and 150,000 to 174,999 and so forth. After some discussion, a motion was made by Ron Stefani and seconded by James Cochran to leave the weighted vote formula as is for Castroville CSD and adjust the agreement to reflect that populations 100,000 and above receive their just vote for every 24,999 increase in population: 100,000 to 124,999 and 125,000 to 149,999 and 150,000 to 174,999 and so forth. The motion carried by the following roll call votes:

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

3. Request Monterey County install stop signs at intersection of Walsh/Castro Street and Wood/Jackson Street – General Manager Eric Tyan reported to the Board that he met with Supervisor Church about having Monterey County install stop signs at intersection of Walsh/Castro Street and Wood/Jackson Street. Supervisor Church stated the County would have to do a study before considering these stop signs. However, is in support of these stop signs at these locations.
4. Consider attendance of Castroville CSD Board of Directors to the 2024 WateReuse Symposium, March 11-14, 2024 in Denver, Colorado – There was no action taken on this item as the Board of Directors were not interested in attending this conference. Vice President Ron Stefani stated if he was interested in attending, Monterey One Water should be the one to pay for him to attend as he is a Board of Director for Monterey One Water.
5. Discuss potential funding sources for community outreach program – General Manager Eric Tyan introduced Sarah Hardgrave, Senior Advisor/Deputy General Manager with Salinas Valley Basin Sustainability Agency and asked her to inform the Board about this great opportunity for the District regarding community outreach and how it may potentially benefit Castroville CSD. Ms. Hardgrave informed the Board that they have received a grant for \$25k that is available and flexible for any public outreach materials and would be able to work together with Castroville CSD to help design informative materials such as posters and banners for the District. President Cosme Padilla stated he is very interested and would like to learn more about it. President Padilla mentioned that he wants to provide outreach by working with North Monterey County Unified School District and to the Castroville community. Vice President Ron Stefani stated this would be a great way to educate the rate payers by providing them with information about Castroville CSD. Ms. Hardgrave would love to hear any ideas and thoughts and is here to help. General Manager Eric stated Castroville CSD can schedule a meeting to meet with her to discuss further. Ms. Hardgrave thanked the Board for their time and excused herself from the meeting at 5:23 p.m. The Board returned to item 1, Under New Business.

6. Castroville CSD consider doing a new median household income (MHI) study by Rural Community Assistance Corporation (RCAC) – General Manager Eric Tynan let the board know that he had spoken to RCAC about doing a MHI study for Castroville CSD. In 2007 RCAC completed this study at no cost to the District. Having an updated MHI study is beneficial when the District applies for grants or is considering a rate increase.

#### UNFINISHED BUSINESS:

1. Review Preliminary Wastewater Collection System Master Plan Amendment for Oak Hills Development regarding potential connection to Castroville CSD system – General Manager Eric Tynan reported to the Board that the Preliminary Wastewater Collection System Master Plan Amendment for Oak Hills Development, prepared by Akel Engineering Group for Cal Am can be viewed on page 41-50 of this board packet. At this time this is all preliminary and he just wanted to provide this information to the Castroville CSD Board so they are informed of this potential project.
2. Update on Ocean Mist pond (small pond) – At last month's board meeting, General Manager Eric Tynan reported to the Board about a homeless encampment on one of the District's storm drain ponds located behind Ocean Mist. The homeless were excavating the berm to fill in the pond and causing serious health issues since they have no sanitary system on site. On Friday, 20<sup>th</sup> of October, the Sherrif's Department gave the homeless encampment a 5 day notice to vacate the property, which they did but left a lot of trash behind. Any trash left behind, Castroville CSD will need to cleanup. General Manager Eric Tynan had Randazzo cleanup and dispose of the trash for \$5,000. He also had Randazzo provide storm pond improvements to the pond due to the damage made by the homeless encampment; not to exceed \$10k. The small pond now has a nice berm as there was quite a bit of muck and sediment in the pond.
3. Update on application submitted to LAFCO for Annexation of Finepro, LLC Property APN: 413-012-014 to the Castroville Community Services District – General Manager Eric Tynan informed the Board that he plans to attend the Public Hearing for the annexation of Finepro, LLC Property APN: 413-012-014 to the Castroville Community Services District to be considered and should be approved on Monday, December 4, 2023 at 3:00 p.m. LAFCO meeting. For more detailed information, see page 51 of this board packet on the LAFCO Notice of Public Hearing regarding this request.
4. Update on Well levels – General Manager Eric Tynan reported to the Board that the well levels report from January 2020 to present can be viewed on page 52 of this board packet. Per the graph, well levels are looking pretty good. Good news, it appears Well #5 has recharged and well levels have gone up. The bubblers give a direct calculation of well levels. The District continues to monitor the chloride levels of all the wells. Well #3 is not pumping and the motor is not hooked up. A desalter is being considered for Well #3.
5. Update on status of grants for Castroville-Sewer Zone 1 (**Washington Sewer Trunk Line Bypass**), Moss Landing-Sewer Zone 3 **Moss Landing Wastewater System Rehabilitation Project**) land acquisition for Lift Station 1, Castroville-Water Zone 1 (**Emergency Deep Aquifer Supply and Storage Tank Project, Well No. 6**) for system upgrades and improvements, and **Castroville Landmark Sign at Highway 183**. MNS Engineers is working on all this projects for the Castroville CSD – General Manager Eric Tynan reported to the Board on the following projects:

**The Washington Bypass Sewer Project** – General Manager Eric Tynan stated there was no update or action plan to report this month, other than the update that was provided last month by Nick Panofsky, P.E. with MNS Engineers. Once environmental and land acquisition is completed, MNS Engineers will complete the application for the next phase and will also update the engineering report submitted with the grant application. The target date is January 2024 for final grant information submittal. MNS is currently revising the appraisal for the mobile home park to reduce valued based overlap with existing easement. MNS subconsultant ARWS is preparing offer paper work. CEQA compliance is complete. Permits are required due to jurisdictional wetlands in agricultural ditch. Two permits are required from

Federal Agencies. MNS is coordinating with Rincon to obtain these permits. Mentioned at a prior meeting, MNS Engineers sent a letter along with the encroachment permit application to Caltrans regarding notification to perform construction for a new 24" sewer bypass in the community of Castroville in unincorporated Monterey County, California – Washington Sewer Trunk Line Bypass Project. Castroville CSD will construct approximately 1,350 linear feet of 24" trunk sewer bypass from the intersection of Washington St. and Merrit St., then across the undeveloped areas and beneath Route 1 to the Monterey One Water station pump located at the south end of Watsonville Road. Approximately 450 feet of the proposed sewer line will be in the Caltrans right-of-way. Castroville CSD applied for the \$3.5 million grant for this project and the State is saying Castroville CSD is good to go for this grant once the environmental review is completed. Castroville CSD approved the environmental proposal from MNS Engineers for this project, which is complete. State Water Resources Control Board, SRF set aside for small disadvantaged communities, "The Small Community Clean Water Waste Water Funding Program." The proposal for Professional Engineering and Construction Management Services-Washington Sewer Trunk Line Bypass Final Design and Construction (not to exceed \$498,141) is contingent on award of grant to Castroville CSD. The Board approved at the November 21, 2023 board meeting MNS Engineers proposals for Professional Engineering Services-Washington Sewer Trunk Line Bypass Regulatory Permitting Support (\$19,622) and Washington Sewer Trunk Line Bypass Right-of-Way Acquisition (\$81,610) total \$101,232.

**Moss Landing Wastewater System Rehabilitation Project** – General Manager Eric Tynan stated there was no update or action plan to report this month, other than the update that was provided last month by Nick Panofsky, P.E. with MNS Engineers. Construction Grant Application for CWSRF is part of the grant. Grant application in process and MNS to research if current costs over the planning grant amount can be reimbursed by the CWSRF grant. As discussed earlier, the land acquisition of Lift Station 1 is pending LAFCO annexation. LAFCO application is in progress by Castroville CSD. MNS/Rincon prepared a CEQA exemption in support of the annexation. Furthermore, California Coastal Commission is requiring a jurisdictional delineation and Lake and Streambed Alteration (LSA) notification for work on the Elkhorn Slough Bridge, which MNS/Rincon are preparing an amendment to add this work to the Project Scope. As mentioned prior, Ortega (FINEPRO, LLC (seller) approved the sale for the easement for \$10,000 in Moss Landing and the District is still working on finalizing the sale of the easement pending LAFCO approval, which is required before acquiring the property. However, the seller is aware it is helpful to the LAFCO process to get a signed easement deed and Right of Way Agreement which is held in escrow and not recorded until the LAFCO process is completed, and the sewer project is authorized and the seller authorized for sewer hook-up. An escrow agreement would be needed for this process. Also discussed prior, General Manager Eric Tynan reported to the Board that the pipeline under the bridge is still under the mitigated negative declaration and without the bike bridge being built by the County, Castroville CSD will have to do it on their own and build under the existing structure a 4" pipeline, which is right over the Elkhorn Slough, Marine Sanctuary and Harbor. For this project, MNS is to prepare a construction application following the 60% completion. The Board had approved a proposal with MNS Engineers to provide professional engineering services for the Moss Landing Wastewater System Rehabilitation Project \$462,722 in 2021. General Manager Eric Tynan had previously approved Amendment No.1 for this project for an additional \$14,520 for the arborist and at the November 21, 2023 board meeting the Board approved Amendment No. 2 for \$59,104 as costs have increased due to plans specifications changing due to the County not building the bridge noted above.

**Emergency Deep Aquifer Supply and Storage Tank** – General Manager Eric Tynan stated there was no update or action plan to report this month, other than the Well#6 grant has been submitted and the prior update that was provided last month by Nick Panofsky, P.E. with MNS Engineers. He reminded the Board that MNS is not doing the design of Well #6, Pueblo is. At a prior meeting, the Board approved grant writing services, fee proposal from MNS Engineers for Bureau of Reclamation WaterSMART: Drought Resiliency Projects, not to exceed \$29,415. As mentioned prior, construction funding is pending to move the project forward. The hydrogeologic approach was discussed with Mike Burke the hydrologist with Pueblo who will advance the well contract documents to nearly bid ready, to be finalized and advertised upon securing project construction funding. In addition, MNS has substantial funds remaining

Minutes of the Castroville Community Services District  
November 21, 2023 Regular Board Meeting

Page 6

in the budget (\$60k), which MNS will review if these remaining funds can be used for applying for construction funding for the project. The 30% design has been completed as of May 2022. The 60% design has been completed on the application for the construction. The District is still working on getting grant funds for the construction of the deep well and CEQA is complete.

**The Overhead Sign at Highway 183:.** Per General Manager Eric Tynan he reported to the Board that he had left a message for Corby Kilmer with Caltrans to attend or do a conference call for this board meeting but did not hear back from her. The Board reiterated that they want to see this project completed. As mentioned last month, this process was started in 2019 and it was to be completed by July 2023. Castroville CSD will be lucky if this project is completed by April 2024. Furthermore, Caltrans is still debating the foundation. Caltrans may need to take the signs that is currently up and remove it to investigate the foundation and the fear is that the sign could possibly not go back up. Per Vice President Ron Stefani, in his opinion Castroville CSD is invested in this project and the community expects it to be completed. Caltrans works on their own schedule and Castroville CSD will just have to wait Caltrans out. President Cosme Padilla stated that he is also frustrated with how this project has been moving along but will not give up on this project. If CCSD needs to provide additional funds to finalize this project and can do it legally, then it will need to come before the Board to make that decision. The community expects to see this project completed. Directors James Cochran and Glenn Oania asked if General Manager Eric Tynan could have a Caltrans representative attend the next board meeting to address issues and concerns. The Board approved the Cooperative Agreement and Maintenance Agreement with Caltrans for the Overhead Sign in October 2022. The State has also requested a traffic control plan and a storm water control plan which was prepared by MNS Engineers and sent to the state. MNS will be handling the administration for this project. Resolution No.2022-14, Engaging Signs By Van for the Design, Fabrication, and Installation of the Castroville Landmark Sign was approved. MNS to continue working with Signs By Van and draft a Project Management Professional (PMP), contract, encroachment permit. Castroville CSD received a check from Caltrans in the amount of \$127,955.28 February 2, 2023, a check for \$17,580 May 24, 2023 and a check for \$9,461.25 September 12, 2023. The original placement of the post, will remain in the same spot as long as Castroville CSD Engineers say it is safe. Previously, Caltrans was telling Signs By Van where to put them and the locations that they want has a lot of underground utilities.

Current grants awarded are the Clean Water Small Communities Planning Grant (\$500,000) with State Waterboards for administration, preliminary engineering report, plans and specs for sewer in Moss Landing, project assigned to MNS Engineers. The IRWM Implementation Grant (\$395,000) is with DWR for the Deep Well (Well #6) and the use will be specified in the DWR/MCRWA agreement. The DAC Involvement Programs amount \$61,807 with DWR is for the design of the Washington Sewer Bypass for Castroville sewer is also assigned to MNS Engineers. Current funding efforts: Moss Landing sewer system improvements, Castroville emergency well replacement, Castroville water supply improvements and Castroville wastewater improvements.

**CLOSED SESSION:** At 5.56 p.m. the Board went into Closed Session.

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR** pursuant to Government Code Section 54956.8

Property Location: APN: 030-141-022-000 and 030-141-023-000, Southwest corner of Merritt Street and Washington Street, Castroville, CA

Negotiating Parties: Castroville CSD and Salvador Alvarez and Hermilinda Alvarez  
Property Owner: Salvador Alvarez and Hermilinda Alvarez  
Under Negotiation: Property Negotiations

Minutes of the Castroville Community Services District  
November 21, 2023 Regular Board Meeting  
Page 7

Property Location: APN: 133-143-016-000, Highway 1 at Washington Road, Castroville, CA

Negotiating Parties: Castroville CSD and Vegetable Ranches, LLC  
Property Owner: Vegetable Ranches, LLC  
Under Negotiation: Property Negotiations

**ANNOUNCEMENT OF CLOSED SESSION ITEM:** (if applicable): The board will reconvene into open session prior to adjournment and shall announce any action taken during the closed session. At 6.14 p.m. the Board returned to Open Session and per District Legal Counsel Christine Kemp directed General Manager to discuss property easement negotiation on the two above listed property locations on behalf of Castroville CSD.

**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 (M1W) board meeting – Vice President Ron Stefani stated that M1W mostly discussed MIW's weighted voting policy in which each representative has a variable voting power as determined by the population they serve. General Manager Eric Tynan attended the last MIW meeting in place of Vice President Stefani. At this meeting on the agenda MIW was going to vote whether to put the M1W rate payer fee charges on the property tax bill. However, this item was tabled. Per Vice President Ron Stefani, M1W did vote to put the rate payer fee charges on the property tax bill. Also, employee contracts are up and negotiation will begin with employees.
2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) meeting – Vice President Ron Stefani reported to the Board that tonight the Castroville CSD Board met Sarah Hardgrave, Senior Advisor/Deputy General Manager with Salinas Valley Basin Sustainability Agency.
3. Update on meetings or educational classes attended by the Directors – President Cosme Padilla stated he attended a meeting with Supervisor Church and General Manager Eric Tynan to discuss the installation of stop signs at the intersection of Walsh/Castro Street and Wood/Jackson Street, including speed bumps on Geil Street. Also, discussed with Supervisor Church was the Castroville Community Plan, which is at a standstill. He also attended the event put on by NMCUSD along with North County Recreation & Park District who hosted the 2<sup>nd</sup> Annual Community Resource Festival on Sunday, November 5, 2023 at the North County Receptions Park District between 12:00-4:00 p.m. This event was free and the community was able to learn about the many resources available in their county. Unfortunately, he was not able to set up a booth to represent Castroville CSD as he did not have sufficient materials to educate the community about the District and can hopefully do it next year. Furthermore, he would like to discuss at the next meeting how ad valorem property taxes may be used.

## 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*

Minutes of the Castroville Community Services District  
November 21, 2023 Regular Board Meeting  
Page 8

**CHECK LIST** – October 2023. A motion was made by Ron Stefani and seconded by James Cochran to pay all bills presented. The motion carried by the following roll call votes:

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

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

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

Before the meeting adjourned, General Manager Eric Tynan wanted to thank Nick Panofsky, PE with MNS Engineers for attending the meeting and updating the Board on the status of the ongoing projects. Mr. Panofsky replied that he was happy to be here. The meeting adjourned at 5:59 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos  
Secretary to the Board

Approved by,



Cosme Padilla  
President