

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
**CASTROVILLE COMMUNITY SERVICES DISTRICT**  
December 20, 2022

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

**ROLL CALL:**

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

**Absent:** Vice President Glenn Oania

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:**

**Guest:**

**PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by Director Ron Stefani at the request of President James Cochran.

**Vice President Glenn Oania arrives at 4:22 p.m.**

**PUBLIC COMMENTS**

1. Jarret Garife introduced himself to the Board and informed them that he was interested in the open Board of Directors seat with Castroville CSD. He informed the Board of his qualification, that he is very involved with the community and his wife is also from Castroville.

**CONSENT CALENDAR**

1. A motion was made by Cosme Padilla and seconded by Ron Stefani to approve the minutes of the November 15, 2022 Regularly Scheduled Board Meeting. The motion carried by the following roll call votes:

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

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter from Special District Risk Management Authority to Castroville CSD regarding no paid workers' compensation claims in 2021-22.
2. Letter via email to California Coastal Commission from Salinas Basin Water Alliance regarding support of Coastal Development Permit Issuance Monterey Peninsula Water Supply Project, CSP Application No. 9-20-0603 California American Water, Monterey County
3. Letter via email to Chairperson Ybarra (Native American Tribes) from General Manager Eric Tynan regarding AB52 Consultation for Moss Landing Wastewater System Rehabilitation project (TCR-1 Native American Monitoring).
4. Letter from State Water Resources Control Board to Castroville CSD regarding failure to report paired chlorine residual for October 2022 for System No. 2710005.
5. Letter from ACWA JPIA and President's Special Recognition Award to Castroville CSD for achieving a low ratio of "Paid Claims and Case Reserves" in the Property Program for the period 07/01/2018 - 06/30/2021

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. *Monterey Herald* – Desalination is a critical component of water supply

2. *American Water* – California Coastal Commission Deems Application for Monterey Peninsula Water Supply Project Complete
3. California Coastal Commission Staff Report: Recommendation on Appeal De Novo Hearing and Consolidated Coastal Development Permit
4. Coalition of Peninsula Business: Some steps before final Coastal Commission desal permit is issued

*Informational items accepted as presented*

**PRESENTATIONS:**

1. Fechter & Company, Certified Public Accountants to present audit report for fiscal year ended June 30, 2022 – CPA Castroville CSD's annual financial audit for fiscal year ended June 30, 2022 was recently 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 December 20, 2022 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 and answered any questions the Board had regarding the audit report for fiscal year end June 30, 2022. Annual adjustment made to the financial statements will be to the pension and to the post retirement benefit accounts from actuarial reports. 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. Once again, Mr. German 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.22-20, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2022, as Prepared by Fechter & Company, Certified Public Accountants – A motion is made by Ron Stefani and seconded by Glenn Oania to approve Resolution No. 22-20, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2022, as Prepared by Fechter & Company, Certified Public Accountants. The motion carried by the following roll call votes:

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

2. Select two directors (Investment Committee) to recommend finance investment opportunities for Castroville CSD – Director Ron Stefani spoke on behalf of the Board and informed General Manager Eric Tynan that the Board would like to see a list of investment opportunities that have been researched and reviewed with accredited institutions before an investment committee is selected and aware of what investments are permitted by Special Districts. A list of authorized investment types can be viewed on page 33 of Castroville CSD's audit report prepared by Fechter and Company, Certified Public Accountants for fiscal year ended June 30, 22. General Manager Eric Tynan stated he will contact various financial institutions for investment opportunities. A motion is made by Ron Stefani and seconded by Cosme Padilla to table this item until additional information is obtained before an Investment Committee is selected. The motion carried by the following roll call votes:

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

3. New President and Vice President shall be elected every two years by the Board, acquire the chair as of January as it is the Board's policy to rotate the office of President among the Board Members – Vice Next in line to be president is Glenn Oania and vice president Cosme Padilla. However, Glenn Oania declined the position of President. After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to appoint Director Cosme Padilla as President and Director Ron Stefani as Vice President to be effective the next board meeting. The motion carried by the following roll call votes:

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

4. Appoint a new Board Member as the new ACWA JPIA Representative, previously former Director Melgoza –Office Manager/Secretary to the Board advised the Board that the district needs to appoint a new ACWA JPIA Representative since former Director Adriana Melgoza no longer is on the Castroville CSD Board. After some discussion, a motion is made by Glenn Oania and seconded by James Cochran to appoint Ron Stefani as the new ACWA JPIA Representative for the Castroville CSD. The motion carried by the following roll call votes:

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

5. Post Notice of Vacancy, seeking applicants for the one (1) open seat on the Castroville CSD Board of Directors not filled during the November 2022 election, 2 year term – The Board directed the General Manager Eric Tynan to post a notice of vacancy in various public locations regarding the open seat on the Castroville CSD Board. The Notice of Vacancy and application will also be posted on the district's website [www.castrovillecsd.org](http://www.castrovillecsd.org) and will be due by January 14, 2023 by 4:00 p.m. Aware that a seat was not filled during the elections for the Castroville CSD, three community members have already shown interest in the seat. A new board member will be appointed at the January 17, 2023 board meeting. A motion is made by Ron Stefani and seconded by Cosme Padilla effective immediately to move forward with positing the Notice of Vacancy and have applications available for those members of the community interested in the seat. The motion carried by the following roll call votes:

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

6. Discuss proposed water service intertie with Marina Coast Water District – Director Ron Stefani along with the rest of the Board concurred that Marina Coast Water District has never discussed with the Castroville CSD Board of Directors on a proposed water service intertie with them and needs to be discussed in more detail. Per newspaper articles written, specifically the Monterey County Weekly it appears they are building a narrative that they are going to save Castroville CSD. General Manager Eric Tynan stated he could request the Marina Coast Water District General Manager to attend a board meeting to see if he would like to discuss the proposed water service intertie further with the

Castroville CSD Board. At this time the Board directed General Manager Eric Tynan to instead respond to the Marina Coast General Manager and let him know that Castroville CSD has no agreement with them on a proposed water service intertie, has not decided what the Board wants to do and would want to own its own intertie line and able to disconnect the line if needed.

7. Consider approving new changes in Noland Hamerly Etienne & Hoss (NHEH) Attorneys at Law hourly rates from \$290/hour to \$340/hour, effective January 1, 2023 – General Manager Eric Tynan stated the notice regarding NHEH Billing Rate Increase can be viewed on page 27 of this board packet. General Manager let the Board know that he thought the rate increase was significant. The Board responded that the district does not spend much on legal fees. After some discussion, a motion is made by Cosme Padilla and seconded by Ron Stefani to approve NHEH billing rate increase, effective January 1, 2023. The motion carried by the following roll call votes:

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

8. Notice of Intent to adopt a mitigated negative declaration for Moss Landing Wastewater System Rehabilitation Project filed – General Manager Eric Tynan reported to the Board that the Notice of Intent (NOI) to adopt a mitigated negative declaration for Moss Landing Wastewater System Rehabilitation Project was filed on November 18, 2022. This is mostly for work at Station 1. Only one comment has been received and it was from Caltrans. The filed NOI can be viewed on pages 28-32 of this board packet. Director Ron Stefani stated that he believes the NOI also requires Board approval.
9. Award contract to Monterey Peninsula Engineering for the Castroville Water Valves Replacement Project, not to exceed \$121,000 – General Manager Eric Tynan informed the Board that he had MNS Engineers handle the bidding requirements for the Castroville Water Valves Replacement Project. Monterey Peninsula Engineering (MPE) was determined to be responsible, responsive per the bidding requirements and the lowest bidder for this. Notice of Intention to Award Contract to MPE and MPE Bid Form for Construction Contract can be viewed on pages 33-42 of this board packet. Director Ron Stefani asked why has a Notice of Intention to Award Contract been sent as the board usually views a list of all the bids that have been submitted and would like to continue to have the board see all the bids submitted before taking any actions in the future. Per General Manger Eric Tynan there were only two other bids received beside MPE who was the apparent low bidder. The Don Chapin Company and Johnson & Company also submitted a bid. Also, Castroville CSD is to provide the valves so the project should be less and will not exceed \$121,000. District to review which valves are most critical, may phase the work over time as bid was almost double the estimated engineers of \$61,000. May only perform the two valves scheduled for the Caltrans Highway 143 project. After some discussion, a motion is made by Ron Stefani and seconded by Glenn Oania to award the contract to Monterey Peninsula Engineering for the Castroville Water Valves Replacement Project not to exceed \$121,000. The motion carried by the following roll call votes:

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

#### UNFINISHED BUSINESS:

1. Update on Well levels – General Manager Eric Tynan reported to the Board that the well levels report can be viewed on page 43 of this board packet. Per the graph, Well levels rebounded from last month's well levels graph. As mentioned prior, the District continues to monitor the chloride levels of all the wells. Chloride levels are rising, which is a big concern. Well #3 is not pumping and the motor is not hooked up. A desalter is being considered for Well #3.

2. Update on Asset Management and Maintenance Projects (Castroville Water Valves Replacement Project and Maggiora Bros. Drilling Inc. for the Replacement of Well #4 Pump) - General Manager Eric Tynan reported to the Board Monterey Peninsula Engineering was the apparent low bidder for the Castroville Water Valves Replacement Project. Maggiora Brothers Drilling is still waiting for parts to arrive. Once the parts needed have arrived, Maggiora Brothers Drilling will be installing a new submersible pump at Well #4 and converting it from oil to water lubrication. MNS Engineers will assist as needed with the projects listed on the Action Plan report for Asset Management and Maintenance Project, which can be viewed on pages 44-45 of this board packet.
  
3. Update on DWR Desal grant application – General Manager Eric Tynan informed the Board the DWR Desal grant application was prepared and submitted by MNS Engineers in October 2022. MNS Engineers is following up with the status of the grant application which is on-going. 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 –**Moss Landing Sewer (No Action Plan obtained):** General Manager Eric Tynan reported to the Board as mentioned prior, MNS is finishing up the 60% design and the environmental is underway. MNS is to prepare a construction application following the 60% completion. Ortega 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. **The Washington Bypass (Action Plan pages 52-53):** As previously mentioned, the State has requested the full application for \$3.5 million projects by mid-July. CCSD approved the environmental proposal from MNS Engineers for this project, which they have been working on. Once the environmental is complete, MNS to submit the funding application for the next phase. Permits are required due to jurisdictional wetlands. Three permits from three Federal agencies are also required. General Manager Eric Tynan sent email on AB52, completed in November 2022. Once the environmental is completed, MNS to submit the funding application for the next phase, spring 2023. As mentioned previously, since the potholing has been completed as well as 60% of the plans, the District has received all the grant funds of \$61,807 from DWR. The District has applied for a grant for finishing the design and construction, California Housing Community Development, Infill Infrastructure Grant and still waiting to hear on the status of this grant. In addition, State Water Resources Control Board, SRF set aside for small disadvantaged communities, “The Small Community Clean Water Waste Water Funding Program.” MNS is preparing the application as the State has requested the full application for \$3.5 million. The proposal for Professional Engineering and Constructions Management Services-Washington Sewer Trunk Line Bypass Final Design and Construction (not to exceed \$498,141) is contingent on award of grant to CCSD. **Emergency Deep Aquifer Supply and Storage Tank (Action Plan, pages 46-50):** As previously mentioned, the District still needs to finalize the purchase of the land that is being acquired from adjacent property owner, which should happen soon since a copy of the grant deed has been obtained from the Monterey County Clerk Recorder’s Office and a copy provided to the adjacent property owner. Title Company requirements to finalize purchase: ROW resolution of the general manager (Resolution No. 22-17 already submitted) authority and name change of property owner. The 30% design has been completed as of May 2022. MNS to check back with DWR on the grant and MNS to prepare a Future Grant Application if SCDR is a “no go”. MNS also submitted a grant application on behalf of CCSD for the SCDR grant. However, this grant is first come first serve and there are 55 applicants ahead of CCSD. Still, partial funding is a possibility. MNS Engineers to check back with DWR. The CEQA Notice of Exemption for the Castroville CSD to be filed at County Clerk for the Emergency Deep Aquifer Supply and Storage Tank Project. **The Overhead Sign at Highway 183 (Action Plan pages 54-55):** As mentioned previously, 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. General Manager Eric Tynan will most likely have MNS handling the administration for this project pending board approval. 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 issued a check to Signs for Vans for \$40,000 to help him off set cost. The first invoice was submitted to Caltrans on behalf of Castroville CSD from Signs By Van on the 17<sup>th</sup> of October 2022 for grant reimbursement. Castroville

4. was informed it would take three weeks for funds to be disbursed and approval is still pending. Furthermore, Signs By Van has submitted a second invoice that does not meet with Caltrans guidelines for approval. The Invoice was returned for corrections The action plans were put together by Paul Greenway, G7ei Inc. and have provided a timeline on the status of where the grants are. 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.

**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 – Director Ron Stefani reported that new members will be on the MIW board and Salinas Valley will be losing its power. Tom Moore will be the chairperson. In addition, MIW has everything ready for the Expansion project, which is currently on hold. The Water Purchase Agreement, Cal Am paid 24 million dollars to put in a parallel pipe and pumping equipment to be able to move the expansion water and use it. The ruling a CPUC said they cannot get reimbursed for it. The Expansion project is on hold and costing the Peninsula rate payers more money. MIW also did approve with moving forward on putting the bills on the property taxes to collect the fees.
2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) meeting – Director Ron Stefani stated that it is moving along. Alejo, at the last meeting is requesting that the GSA look at well levels and how close they are to their measurable objectives and sustainable yields.
3. Update on meetings or educational classes attended by the Directors – None

## 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*

**CHECK LIST** – November 2022. A motion was made by Glenn Oania and seconded by Cosme Padilla to pay all bills presented. The motion carried by the following roll call votes:

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

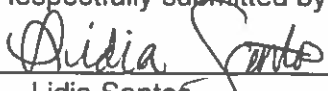
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There being no further business, a motion was made by Glenn Oania and seconded by Ron Stefani to adjourn to the next scheduled Board meeting; the motion carried by the following roll call votes:

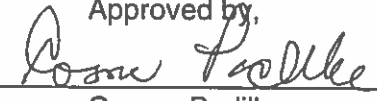
|                |   |            |                                      |
|----------------|---|------------|--------------------------------------|
| AYES:          | 4 | Directors: | Oania, Stefani, Padilla, and Cochran |
| NOES:          | 0 | Directors: |                                      |
|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

The meeting adjourned at 6:08 p.m. until the next scheduled meeting

Respectfully submitted by,

  
\_\_\_\_\_  
Lidia Santos  
Secretary to the Board

Approved by,

  
\_\_\_\_\_  
Cosme Padilla  
President