

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
CASTROVILLE COMMUNITY SERVICES DISTRICT  
July 16, 2019

President Adriana Melgoza called the meeting to order at 4:30 p.m.

**ROLL CALL:**

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

**Absent:**

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:**

**Guest:** Heather Lukas, PhD

**PLEDGE OF ALLEGIANCE**

Director Cosme Padilla led the Pledge of Allegiance at the request of Board President Adriana Melgoza.

**PUBLIC COMMENTS**

1. Heather Lukas, PhD Director of Community Solutions with Community Water Center a nonprofit organization. They based in the central valley and just opened a new office last September in Watsonville. They work on issues for access to safe and affordable drinking water, mostly with people who live in rural communities that have contaminated wells. She is here today to talk about a workshop that they will be hosting on Wednesday, July 31, 2019, 5-8 p.m. (dinner included), San Jerardo Cooperative, 24500 Calle El Rosario, Salinas, CA 93908 . This is a workshop on drinking water and groundwater planning in the Salinas Valley Basin to learn more about and get involved in the process of groundwater planning. They are trying to spread the word about this workshop to small water systems and asking for those who attend to please RSVP since dinner will be served. Director Ron Stefani has served on the Salinas Valley Basin Groundwater Sustainability Agency since it started and it currently the chair. It is an eleven person board. Director Stefani and General Manager Eric Tynan were part of the formation of this agency.

**CONSENT CALENDAR**

1. A motion was made by James Cochran and seconded by Glenn Oania to approve the minutes of the June 18, 2019 Scheduled Board Meeting. The motion carried by the following vote:

|                |   |            |  |
|----------------|---|------------|--|
| AYES:          | 5 | Directors: | Oania, Stefani, Padilla, Cochran and Melgoza |
| NOES:          | 0 | Directors: |  |
| ABSENT/NOT     |   |            |  |
| PARTICIPATING: | 0 | Directors: |  |

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Email reminder from Catherine Stedman, Manager External Affairs with California American Water regarding Monterey County Board of Supervisors hearing on the Desal Project scheduled for Monday, 15<sup>th</sup> of July at 10:30 a.m. (Talking Points)

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. Notice of Public Hearing Board of Supervisors regarding appeals by Public Water Now and Marina Coast Water District from a decision of the Monterey County Planning Commission approving a combined development permit, Monday, 15<sup>th</sup> of July at 10:30 a.m.
2. *Monterey County Herald* – Cal Am desal project appeal headed to Coastal Commission next month
3. *Monterey County Weekly* – Something in the water
4. *Monterey County Weekly* – Watered down

*Informational items accepted as presented*

**PRESENTATIONS:**

1. None

**NEW BUSINESS:**

1. Consider approving the 15 year amortization schedule for the CalPERS miscellaneous plan (pension rate plan 1221) for the Annual Unfunded Accrued Liability of the Castroville CSD – General Manager Eric Tynan recommended the Board consider the alternative 15 year amortization schedule, instead of the current amortization schedule since there would be a considerable estimated savings in interest (see page 17 and 18 of board packet for Amortization Schedule and Alternatives). The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Amount. The Castroville CSD's annual Lump Sum Prepayment amount is \$37,085 or if paid monthly \$3,200.53 for a total of \$38,406 which is amount due toward the Unfunded Accrued Liability. Director Ron Stefani recommended the Board consider prepaying the full balance of the Unfunded Accrued Liability. Office Manager Lidia Santos informed the Board that new CalPERS actuarial valuation as of June 30, 2018 will be out this upcoming mid August, which will change the amortization schedule due to the change is discount rate and assumption method used. However, an additional payment can be made, which would be applied to the Unfunded Accrued Liability balance. After some discussion, the Board requested as soon as this information is available to follow-up with CalPERS for the final payoff amount and relay this information to the board at the August 20, 2019 or September 17, 2019 board meeting. A motion is made by Ron Stefani and seconded by Glenn Oania to pay the annual Lump Sum Prepayment amount of \$37,085, plus an additional \$20,000 towards the Employer Unfunded Accrued Liability for a total of \$57,085. The motion carried by following vote:

|                           |   |            |  |
|---------------------------|---|------------|--|
| AYES:                     | 5 | Directors: | Oania, Stefani, Padilla, Cochran and Melgoza |
| NOES:                     | 0 | Directors: |  |
| ABSENT/NOT PARTICIPATING: | 0 | Directors: |  |

2. Discussion on whether to appoint/reappoint alternate Director Dave Morisoli for a new three year term of office to the Small Water System/Disadvantaged Community seat on the Board of Directors for the Salinas Valley Basin Groundwater Sustainability Agency (Director Stefan was appointed as the director and this is for the alternate position) – Director Ron Stefani stated that they did not reappoint Mr. Morisoli and the last SVBGSA meeting because they are waiting for confirmation from legal counsel to confirm that Mr. Morisoli is still eligible for the alternate

seat. Director Ron Stefani suggested Castroville CSD needs to advertise the alternate seat and see which water systems meet the requirements. The SVBGSA bylaws may need to be reviewed further. Heather Lukacs, PhD stated she had initially assisted Director Ron Stefani and General Manager Eric Tynan two years ago to help recruit for the alternate position and put together a one page application which lists the qualification needed. In her opinion, the person selected to the alternate seat should be really interested, an advocated for drinking water in small systems and have the time commitment to serve. Once a qualified candidate(s) application is received, Castroville CSD can vote to select an alternate for the SVBGSA seat. In addition, Castroville CSD should have the application from the last time but she will also forward it if she locates it.

#### **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 let the Board know that he advised the consultant that the Moss Landing-Sewer Zone 3 grant needs to be finalized since it has already been two years that the District has been working on applying for this grant. Even if the grant is awarded soon, it could be another two years before the funding is received for a construction grant. The consultant informed him that she has hired an intern to assist her with finalizing the grant application and should be wrapped up by the end of the month. He continues to work with Gutierrez Consultants and MNS Engineers for grant assistance. 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 and update on renovation of Well #3 by Maggiora Bros Drilling, Inc. – General Manager Eric Tynan informed the Board that the inspection and valuation of Well #3 has been completed. The pump and motor will be reinstalled with a drop pipe, which will pull from the lower perforations. This will hopefully by the district sometime until the Monterey Peninsula Water Supply project comes online or the other alternative is to drill a new well. Well #3 should be back online by mid August. Maggiora Brothers Drilling, Inc. is currently booked up but it should not take long for them to get Well #3 back online.
3. Update on Moss Landing Manhole Replacement Project out to bid – General Manager Eric Tynan reported to the Board that Paul Greenway with MNS Engineers is working on get this project out to bid. He will follow-up with the engineer on the request for proposal (RFP). In addition, the specs are ready for this project to repair 7 manholes on Moss Landing Road from the Shakespeare Theater to the front of the North Monterey County School District office.
4. Update on Cal Am's Monterey Peninsula Water Supply Project (MPWSP) – General Manager Eric Tynan reported to the Board that last Thursday, July 11, 2019 he and District Legal Counsel Christine Kemp left at 6:30 a.m. to San Luis Obispo to attend the Coastal Commission hearing on whether California American Water and others can appeal the Marina city denial of a key permit for the proposed desalination project. This item was not heard by the Coastal Commission until 11:00 p.m. and it was voted on by 11:54 p.m. They voted no, which means yes, since it is considered a double negative. They denied Marina's attempt to stop the Coastal Commission to be allowed to hear it (MPWSP). The next hearing will be in September or November, possibly Eureka, these Costal Commission hearings are held at various locations throughout the state, which he plans on attending as well. On July 15, 2019 he also attend a Public Hearing at the Board of Supervisors, County of Monterey regarding an appeals by Public Water Now and Marina Coast Water District from a decision of the Monterey County Planning Commission approving a Combined Development Permit on April 24, 2019 decision approving application (PLN150889/California-American Water Company) for a Combine Development Permit for a 6.4 million gallon per day (mgd) desalination plant and

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related facilities, a component of the overall MPWSP. Directors Stefani and Padilla also attended. The Board of Supervisors voted to uphold the decision made at the April 24, 2019 approving a Combined Development Permit.

**CLOSED SESSION: 4:59 p.m.**

1. CONFERENCE WITH LEGAL COUNSEL- Anticipated Litigation, Significant exposure to Litigation Pursuant to Government Code Section 54956.9 (d)(2) and (e)(1)-Appeal from Coastal Permit Decision of Local Agency-Monterey Peninsula Water Supply Project. (Not a Project under CEQA Guideline 15378).
2. 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: 5:01 p.m.**

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

1. In regards to closed session item one; this item was not discussed since District Legal Counsel Christine Kemp was not present.
2. In regards to closed session item two; there was no action taken as, still pending action taken from the June 18, 2019 meeting where it was a unanimous vote of the Board to authorize the General Manager Eric Tynan to enter into a purchase contract with the property located at 11380 Commercial Parkway, a portion of APN# 113-491-021, contingent upon further defining more less the 10,000 square feet of property so there is an accurate description of the property being purchased. The purchase at close of escrow is after the lot-line adjustment and the small retaining wall is built by the seller.

**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 that many people have been hearing about the Pure Water Monterey Expansion project and some people are testifying that Monterey One Water is ready to move forward with this project. However, there is one big problem; 30-40 million dollars. Before this project can move forward, Monterey One Water will need to know who is going to pay for it and who is going to buying it in order to finance it. A water purchase agreement needs to be in place. The City of Seaside, City of Monterey and City of Del Rey Oaks all need water. If these cities collaborate and put something together then possibly this project can move forward. The EIR process requires a notice of preparation, which requires a public meeting, which was held a month ago. So many people think this project has been started since they are taking comments and the EIR will be finalized in 8-10 months. The EIR is valid for 5 years and may only need so updating. Again, a water purchase agreement needs to be in place before this project moves forward.
2. Update on the Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) – Director Ron Stefani state that Chapter 6 is out for draft comments and has a lot of controversy since it

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is the water budget. Chapter 8 is some of the projects that will come up with alternative water sources. Chapter 9 is just out to the planning commission, which no one can view yet. This plan needs to be all out in draft form by November 2019 and accepted by the State in January 2020.

3. Update on meetings or educational classes attended by the Directors – Director Cosme Padilla reported to the Board that he had met with Supervisor Philips to discuss the streets in Castroville and if he can obtain more funding for significant street repairs needed in Castroville. It would be great to have Supervisor Philips attend the next board meeting to discuss how we can get the County to allocate a bigger piece of the pie for street repairs that are needed in Castroville.

### 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 – June 2019.** A motion was made by Glenn Oania and seconded by Ron Stefani to pay all bills presented .The motion carried by the following vote:

|                           |   |            |  |
|---------------------------|---|------------|--|
| AYES:                     | 5 | Directors: | Oania, Stefani, Padilla, Cochran and Melgoza |
| NOES:                     | 0 | Directors: |  |
| ABSENT/NOT PARTICIPATING: | 0 | Directors: |  |

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 vote:

|                           |   |            |  |
|---------------------------|---|------------|--|
| AYES:                     | 5 | Directors: | Oania, Stefani, Padilla, Cochran and Melgoza |
| NOES:                     | 0 | Directors: |  |
| ABSENT/NOT PARTICIPATING: | 0 | Directors: |  |

The meeting adjourned at 5:40 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos  
Secretary to the Board

Approved by,



Adriana Melgoza  
President