

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

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

ROLL CALL:

Directors Present: Director Glenn Oania, Director Ron Stefani, Director Cosme Padilla and President Adriana Melgoza

Absent: Vice President James Cochran

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Cheryl Lasiewicz, Stephanie Basore, Michael Santos, Miguel Orozco and Isabella Orozco

PLEDGE OF ALLEGIANCE

At the request of President Adriana Melgoza, Director Glenn Oania led the pledge of allegiance.

PUBLIC COMMENTS

1. None.

CONSENT CALENDAR

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

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Letter and Award from ACWA JPIA recognizing Castroville CSD for having a Loss Ratio of 20% or less in the Liability and Property programs (loss ratio = total losses/total premiums).
2. Letter from Monterey County Farm Bureau to the California Coastal Commission regarding Comments Supporting Coastal Development Permit Issuance California American Water – Monterey Peninsula Water Supply Project.
3. Letter from Castroville CSD to the California Coastal Commission regarding the Staff Report, A-3MRA-19-0034; Permit for the Proposed Monterey Peninsula Water Supply Project.
4. Letter from Cal Am to Monterey One Water Board of Directors regarding the partnership and support provide by Monterey One Water in Cal Am's attempts to develop a long-term water supply solution for the Monterey Peninsula.
5. Letter from Monterey One Water to the California Coast Commission regarding a Resolution of the Board of Directors of Monterey One Water Stating that its Prior Approval to Proceed with the Potential Expansion of the Pure Water Monterey Project was done only as a Backup Plan for, and not as an Alternative to, Cal Am's Desalination Project.
6. Memorandum from Association of California Water Agencies (ACWA) to Member Agency Board Presidents and General Mangers regarding Notice of General Session Membership Meeting at ACWA 2019 Fall Conference.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey Herald* – Salinas Valley, Marina groundwater plans under public review, at odds
2. *Monterey County Weekly* – Squid dives deep into the weird politics of recycled water vs. desalination water
3. *Monterey Herald* – Replacing Cal Am with a public agency would lower water costs, study says
4. *Monterey Herald* – Public takeover of Cal Am’s local system is feasible, analysis finds
5. *Monterey Herald* – Coastal Commission to delay decision on Cal Am desal project
6. *Monterey County Weekly* – Squid Fry 11.07.19: That’s Debatable

Informational items accepted as presented

PRESENTATIONS:

1. Porter & Lasiewicz, Certified Public Accountants to present audit report for fiscal year ended June 30, 2019 – Castroville CSD’s annual financial audit for fiscal year ended June 30, 2019 was recently completed and presented to the Board of Directors by Certified Public Accountant Cheryl Lasiewicz with Porter & Lasiewicz. Per Ms. Lasiewicz, 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. She informed the Board that the staff is doing a great job. Ms. Lasiewicz reviewed the audit report with the Board and answered questions the Board had regarding the audit report for fiscal year end June 30, 2019. As of 2015-2016 the audit report now reflects the net pension liability and Director Ron Stefani informed Ms. Lasiewicz that the District just paid the full balance of the net pension liability for Classic members. Ms. Lasiewicz informed the Board that she was aware of the payment being made in August 2019 and it will be reflected in next year’s audit report, which is great accomplishment for the Castroville CSD. She also informed the Board that her 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. Ms. Lasiewicz also wanted to thank Castroville CSD staff for always being very cooperative, transparent and having all the data ready for them to view when they arrive to the District to conduct the annual audit.

NEW BUSINESS:

1. Resolution No. 19-7, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2019, as prepared by Porter & Lasiewicz, Certified Public Accountants – Following the presentation of the audit and discussion, a motion is made by Glenn Oania and seconded by Cosme Padilla to approve Resolution No. 19-7, A Resolution of the Board of Directors of the Castroville Community Services District to Accept Audit Report for Fiscal Year Ended June 30, 2019 as prepared by Porter & Lasiewicz, Certified Public Accountants. The motion carried by the following vote:

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

Minutes of the Castroville Community Services District
November 19, 2019 Regular Board Meeting
Page 3

1. Recognize Office Manager/Secretary to the Board Lidia Santos; employee's long-term service contribution of 20 years to Castroville CSD – General Manager Eric Tynan acknowledged Office Manager/Secretary to the Board Lidia Santos for her long-term service of 20 years to Castroville CSD. President Adriana Melgoza presented her with an award for her long-term service contribution of 20 years to the District and congratulated her as did the rest of the Castroville CSD Board of Directors. Also, present were Ms. Santos spouse and parents. Per the employee handbook for her 20 years of service to the District, Ms. Santos will also receive a \$200 gift card/certificate of her choice. A motion is made by Cosme Padilla and seconded by Glenn Oania to recognize Lidia Santos, employee's long-term service contribution of 20 years to Castroville CSD. The motion carried by the following vote:

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

2. Consider approval of Grant Funding Assistance Scope of Service proposal from Gutierrez Consultants not to exceed \$48,500. – General Manager Eric Tynan reported to the Board that on pages 49-52 is the grant funding assistance scope of services submitted by Gutierrez Consultants. He recommended the Board consider approving the proposal submitted not to exceed \$48,500, which includes the \$43,500 in grant administration and grant applications costs that will be reimbursed to the District by the SWRCB Clean Water grant and \$5,000 to complete the IRWM application process as the District still needs the consultants grant funding assistance to continue providing funding assistance to the Castroville Community Services District. After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to approve the Grant Funding Assistance Scope of Service proposal from Gutierrez Consultants not to exceed \$48,500. The motion carried by the following vote:

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

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 they are now working on the planning and implementation grants for the Moss Landing sewer system with the SWRCB since the application has been accepted. The District has applied to the SWRCB Clean Water Program for \$500,000 to fund the planning and preliminary design of the Moss Landing Water Project. The application is complete and the District, with Gutierrez Consultants support, is working with SWRCB to finalize the financial agreement (see page 50 of the board packet for further information). For Water- Zone 1, Castroville CSD is still waiting to hear if the planning and implementation grant (Prop 1A funding) for \$347,000 through the Monterey Integrated Regional Management Plan will be awarded to Castroville CSD as it is considered a severely disadvantaged community. 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 good news for Well #3 is that the well has been cleaned, motor installed, drop-pipe on and the chlorides have dropped from 517 parts per million (ppm) to 400 ppm. The bad news is that he cannot seem to get Well #3 from producing

Minutes of the Castroville Community Services District
November 19, 2019 Regular Board Meeting
Page 4

coliform right now. He will continue to have Well #3 dosed with chlorine. As mentioned at last month's board meeting, the good news is that the drop-pipe worked and once Well #3 can pass the coliform bacteria detection, the well can be put back online and keep on going until the seawater hits the bottom perforation. Maggiora Brothers Drilling, Inc. is the contractor that did the rehabilitation of Well #3 and ended up doing a lot more additional work that was necessary to get the well functioning properly; about \$14,000 in labor and \$16,000 in parts. He stated had requested a proposal from the contract but has been very distracted with the Coastal Commission hearings. He met with the owner Mike Maggiora yesterday to discuss the invoices just submitted for services in August and in addition he had some of the install cost reduced. Again, the additional work was necessary and he will have these invoices on the agenda next month for Board approval.

3. Update on Moss Landing Manhole Replacement Project out to bid – General Manager Eric Tynan notified the Board that Monterey Peninsula Engineering just started working on the Moss Landing Manhole Replacement Project and are doing a great job. He was out in Moss Landing today and the contractor has already completed a couple of the manholes. Again, the project was delayed due to the Underground project that was just completed in Moss Landing as it would have interfered with this project.
4. Update on Cal Am's Monterey Peninsula Water Supply Project (MPWSP) – General Manager Eric Tynan reported to the Board that the Coastal Commission staff was recommending the denial of Monterey Peninsula Water Supply project (MPWSP) at the 14th of November Coastal Commission hearing that was held in Half Moon Bay. This decision was based on the study they completed and interviews with those parties they felt would be affected by this project. However, they had mostly only spoken with parties that are disadvantage communities that oppose the MPWSP. Furthermore, staff from the Coastal Commission never reached out to Castroville CSD who should have also been included and considered a severely disadvantage community. Castroville CSD, along with other groups affected by this decision, submitted letters of support for the MPWSP to the Coastal Commission to be heard at the upcoming 14th of November 2019 hearing in Half Moon Bay. General Manager Eric Tynan attended the hearing with Dale Husk. The Coastal Commission still had the hearing as scheduled but postponed the vote until March 2019 and this hearing will be held in Scotts Valley. Director Ron Stefani stated that Coastal Commission staff will probably deny it again because they have criteria to meet as with any project and environmentally this project will probably not pass these tests.
5. Progress report on Design for Reservoir No. 4 Fill Modification Project – General Manager Eric Tynan informed the Board that the documents for this project have been executed. Other than the documents being signed, there is still no further information to report at this time.

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 reported to the Board that they had a regular board meeting on October 28, 2019 and special board meeting on November 7, 2019. Discussed at the regular board meeting was a proposed resolution stating that this Board's prior approval of proceeding with the Pure Water Monterey Expansion Project was done only as a backup plan for, and not as an alternative to, CalAm's Desalination Project. Resolution 2019-9 was approved and passed at the regular board meeting on October 28, 2019 by Monterey One Water. At the November 7, 2019 special board meeting the Board of Directors discussed sending, on behalf of Monterey One Water Board of Directors, a proposed letter to the California Coastal Commission. The letter and Resolution 2019-9 can be viewed on pages 26-28 of this board packet.

Minutes of the Castroville Community Services District
November 19, 2019 Regular Board Meeting
Page 5

2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) – Director Ron Stefani let the Board know that the plan is out for a 45 day review. The GSA has supported the County taking over the Marina part. As mentioned at last month’s board meeting, Marina formed its own GSA on the 400 acres that is the site for the proposed Monterey Peninsula Water Supply Project. This has created an overlap, which has resulted in a conflict with the Salinas Valley Basin Groundwater Sustainability Agency. If Marina gets control they will not allow pumping. However, Monterey County submitted a letter to the Department of Waterworks that states if anything is unmanaged throughout the county, they will be the GSA. This letter by Monterey County was submitted in 2017; way ahead of Marina’s letter. Monterey County would just go back and say per our letter we will take all unmanaged areas, which would include the 400 acres that is the site for the proposed MPWSP. The SVBGSA approved the action (8-3) that Monterey County would take over if necessary at their most recent meeting. The Monterey Board of Supervisors will need to approve this and it is anticipated Marina will sue. Marina has not tried to meet with the GSA since they have the Coastal Commission on their side. The Marina GSA has put out their plan for review and it contradicts the SVBGSA, which is not good because if it gets submitted to the State like that, both plans will be rejected and declared unmanaged. For this reason, Monterey County will be stepping up and it is anticipated at the December 11, 2019 Board of Supervisors meeting, Monterey County will take proper action to take over the 400 acres site. The GSA meeting is the next day on December 12, 2019 and would take action to sign an agreement with Monterey County to take over management of that area. As mentioned before, the SVBGSA 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 Castroville residents need to be more informed about important water issues such as the Monterey Peninsula Water Supply Project so they can make informed decisions whether in favor or against it. Director Padilla stated he had spoken with Salinas LULAC Council President who suggest Castroville LULAC Council consider hosting a forum discussion on these issues. It would be beneficial to have Director Ron Stefani and General Manager Eric Tynan as speakers at this forum. President Melgoza stated it was a great idea but Castroville LULAC Council still needs to be contacted and willing to host the forum.

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 19, 2019 Regular Board Meeting
Page 6

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

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

There being no further business, a motion was made by James Cochran and seconded by Ron Stefani to adjourn to the next scheduled Board meeting; the motion carried by the following vote:

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

The meeting adjourned at 5:41 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Adriana Melgoza
President