

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF  
CASTROVILLE COMMUNITY SERVICES DISTRICT

June 16, 2020

Vice President James Cochran called the meeting to order at 4:38 p.m.

**ROLL CALL:**

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

**Absent:** President Adriana Melgoza

**General Manager:** Eric Tynan

**Secretary to the Board:** Lidia Santos

**Staff Present:**

**Guest:** Director Grant Leonard of North County Recreation & Park District

**PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by General Manager Eric Tynan at the request of Vice President James Cochran.

**PUBLIC COMMENTS**

1. None

**CONSENT CALENDAR**

1. A motion was made by Cosme Padilla and seconded by Ron Stefani to approve the minutes of the May 14, 2020 Budget & Personnel Committee Meeting. The motion carried by the following roll call vote:

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

2. A motion was made by Ron Stefani and seconded by Glenn Oania to approve the minutes of the May 19, 2020 Regularly Scheduled Board Meeting. The motion carried by the following roll call vote:

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

*Consent Calendar accepted as presented*

**CORRESPONDENCE:**

1. Letter to Castroville CSD from water customer/Spencer family thanking the district for its service in this time of crisis (Covid-19 pandemic).
2. Letter to California Transportation Commission from Castroville CSD in support for the State Route 156 Castroville Boulevard Interchange Project for Senate Bill 1 Funding
3. Memo to Recycled Water Committee from Monterey One Water General Manager Paul A. Sciuto to discuss and consider any options relative to the PWM Expansion Project and the SEIR not certified).

*Correspondence Calendar accepted as presented*

**INFORMATIONAL ITEMS:**

1. *Monterey Herald* – Coastal Commission expected to consider Cal Am project in August

2. *Monterey County Weekly* – Regarding the Pure Water Monterey expansion proposal
3. Lozano Smith Attorneys At Law Client News Brief, November 2019, Number 65 – New Laws will Impact Public Work Projects
4. WRime Report – Implications of Findings

*Informational items accepted as presented*

**PRESENTATIONS:**

1. None

**NEW BUSINESS:**

1. Department of Finance to provide Castroville CSD with a population study/count for its service area – General Manager Eric Tynan reported to the Board that he is currently working with the Department of Finance to obtain a certified population count for Castroville as he believes the population is over 10,000. If Castroville's population count reaches over 10,000, Castroville CSD would be able to request to increase its Monterey One Water (M1W) weighted vote from one to two in accordance with Section 3.04, Voting of the M1W Joint Exercise of Powers Agreement. Castroville CSD currently has one weighted vote (population 0 to 9,999 votes 1) and he is looking to see if the Department of Finance can have a population study based on sewer flows per capita to justify Castroville's population as he believes it is more than 9,999. If the population is at 10,000, Castroville CSD can acquire an additional vote. The current population figures reflected by the Census and Association of Monterey Bay Area Governments figures are under representing Castroville's population.
2. Approve Resolution No. 2020-05, Approving Professional Engineering Services Proposal for Washington Sewer Trunk Line Bypass 30% Design Work – General Manager Eric Tynan informed the Board that although at last month's board meeting the board approved the proposal from MNS Engineers for the Washington Sewer Trunk Line Bypass 30% Design Work, a resolution is required in order to apply for a grant related to this project. District Legal Counsel Christine Kemp drafted Resolution No. 2020-05 and marked Exhibit A is the proposal from MNS Engineers Inc., which can be viewed on pages 28-35. After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to approve Resolution No. 2020-05, A Resolution of The Board of Directors of The Castroville Community Services District Approving Professional Engineering Services Proposal for Washington Sewer Trunk Line Bypass 30% Design Work. The motion carried by the following roll call vote:  
  
AYES: 4 Directors: Stefani, Padilla, Oania and Cochran  
NOES: 0 Directors:  
ABSENT/NOT  
PARTICIPATING: 1 Directors: Melgoza
3. Approve Resolution No. 2020-06, Authorizing a Financial Assistance Application for Enhancement of Existing District Water Infrastructure – General Manager Eric Tynan let the Board know that a resolution is required for the \$397,000 grant the District applied to the State Water Department of Water Resources for an Integrated Regional Water Management (IRWM) Disadvantaged Community Involvement Grant and whereas, the Integrated Regional Water Management administers the grant funding and whereas the grant funding is available under the Proposition 1 Implementation Grant Funds. This resolution authorizes and directs the District's General Manager and designates the General Manager as the District's "Authorized Representative". See pages 36-37 for detailed language of the resolution. District Legal Counsel Christine Kemp also reviewed Resolution No. 2020-06. After some discussion, a motion is made by Glenn Oania and seconded by Cosme Padilla to approve Resolution No. 2020-06, Authorizing a Financial Assistance Application for Enhancement of Existing District Water Infrastructure. The motion carried by the following roll call vote:

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June 16, 2020 Regular Board Meeting  
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AYES: 4 Directors: Stefani, Padilla, Oania and Cochran  
NOES: 0 Directors:  
ABSENT/NOT  
PARTICIPATING: 1 Directors: Melgoza

4. Approve "Castroville CSD Investment and Deposit Policy" for fiscal year 2020/2021 – The Board approves this policy annually, which can be viewed on pages 38-42 of the board packet. A motion is made by Ron Stefani and seconded by Glenn Oania to approve "Castroville Community Services District Investment and Deposit Policy" for fiscal year 2020/2021. The motion carried by the following roll call vote:

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

5. The Board will take action to designate Eric Tynan, General Manager as labor negotiator for all employees for the District for purpose of (Gov. Code Sec. 54957.6) – After some discussion, a motion is made by Cosme Padilla and seconded Ron Stefani to designate General Manager Eric Tynan as labor negotiator for all employees for the District for purpose of (Gov. Code Sec. 54957.6). The motion carried by the following roll call vote:

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

**UNFINISHED BUSINESS:**

1. Resolution No. 20-4 Adopting the District Budget for FY 2020/2021 for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, Monte Del Lago Mobile Park Zone 2) and Sewer (Moss Landing Zone 3) and 5 year CIP.
- Recommendation of the Budget & Personnel Committee (Directors: Stefani and Padilla) to consider along with the annual income and operating budget for fiscal year 2020/2021:
    - Extended recreational services with North County Recreation & Park District
    - Includes Zone 1, water rate increases 7% for 2020/2021 per summary of Ordinance No. 66, adopted January 2016
    - Includes Zone 2, sewer rate increases 4% for 2020/2021 per summary of Ordinance No. 67, adopted July 2016
    - Three (3%) percent salary increases for all senior District staff and 3.45% Operator II and 3.85% Operator I.
    - Capital Improvement Projects

The Board reviewed and discussed the final budget presented for FY 2020/2021 for Water (Castroville Zone 1), Sewer and Governmental (Castroville Zone 1), Sewer and Governmental (Moro Cojo, NMCHS, Monte Del Lago Mobile Park Zone 2) and Sewer (Moss Landing Zone 3) and capital improvement projects for the fiscal year. Resolution No. 20-4, the District Budgets for FY 2020/2021 and supporting documentation can be viewed on pages 43-75 of the board packet. \$140,000 will be allocated for extended recreational services with 40,000 towards capital improvement projects for the recreation center (\$20,000 is being carried forward from fiscal year 2019/2020 due to the delay of projects caused by the Covid-19 pandemic), Zone 1-water rate increases per summary of Ordinance No. 66 (last year of increase), Zone 2-Sewer rate increase per summary of Ordinance No. 67 (last year of increase) and a 3% percent hourly/salary increases for all senior District staff and 3.45%

Operator II and 3.85% Operator 1 as per the approved Wage Step Program-Board Approved October 2018, effective July 2, 2020. North County Recreation & Park District Director Grant Leonard thanked the Board for being committed to extended recreational services and being a great partner. After further discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to approve Resolution No. 20-4 Adopting the District Budget for FY 2020/2021 for Water (Castroville Zone 1); Sewer and Governmental (Castroville Zone 1); Sewer and Governmental (Moro Cojo, NMCHS, Monte Del Lago Mobile Park Zone 2) and Sewer (Moss Landing Zone 3); and a 3% percent salary increase for all senior District staff, 3.45% Operator II and 3.85% Operator I. Salary increases effective July 2, 2020. The motion carried by the following roll call vote:

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

- Status of well levels – General Manager Eric Tynan reported to the Board that all the wells appear to be in good shape and is not sure if the saltwater that is bringing up the levels. However, Well #3 chloride levels are slightly continuing to climb but the chloride levels are still under 500 mgL. A graph of the well levels can be viewed on page 75 of this board packet.
- 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 reminded the Board the IRWMP grant for \$397,000 was awarded to Castroville CSD pending state approval and is still waiting to hear if the State has approved the grant. As mentioned at last month's board meeting, the District will need to make a decision soon on whether these funds should be used for a deep well or the desal pipeline. Current funding efforts: Moss Landing sewer system improvements, Castroville emergency well replacement, Castroville water supply improvements and Castroville wastewater improvements.
- Update on Cal Am's Monterey Peninsula Water Supply Project (MPWSP) – General Manager Eric Tynan reported to the Board that the MPWSP is conflicting with the Pure Water Monterey Expansion project. The Pure Water Monterey Expansion project does nothing for Castroville, whereas the MPWSP allows Castroville CSD to turn off its wells. The expansion actually takes Castroville water to help people in Carmel who are not attached to the sewer line. As mentioned at last month's board meeting, there are some agencies and groups that are trying to use the expansion as an alternate project to eliminate Cal Am's desal project. Both he and Director Ron Stefani continue to advocate for the best interest of Castroville, which is the Monterey Peninsula Water Supply project. The Coastal Commission should be making a decision on this matter this upcoming August.
- Progress Report on Design for Reservoir No. 4 Fill Modification Project – General Manager Eric Tynan let the Board know that he is still reviewing the engineers Design for Reservoir No. 4 Fill Modification Project and will get it back to the engineer with any comments by the end of the week.

**The Board skipped down to Board of Directors Communications and will return to Closed Session once it has gone through the rest of the agenda as this is a teleconference meeting.**

At 5:27 p.m. the Board went into Closed Session.

**CLOSED SESSION:**

- Pursuant to Government Code Section. 54957, Public Employee Performance Evaluation, Title: General Manager

**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. The Board returned from Closed Session at 5:32 p.m. The Board took no action in Closed Session. The Board requested at next month's board meeting to put on the July 21, 2020 agenda for the Board to consider taking action on a salary wage increase for Castroville CSD General Manager Eric Tynan.

**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 at the next Monterey One Water Board meeting they will be voting on Marina Coast Water District's request to increase its Monterey One Water (MIW) weighted votes from two to three votes in accordance with Section 3.04, Voting of the MIW Joint Exercise of Powers Agreement. It appears they have met all the criteria to obtain the third vote. As mentioned earlier by General Manager Eric Tynan, Castroville CSD is also trying to meet the criteria to obtain a second vote, which in turn would cancel out Marina Coast Water District's vote. Other news is that M1W will potentially approve at its next board meeting a \$2.50 sewer rate increase, per month for M1W for one year. They were looking at doing a 5 year sewer rate increase but because of Covid-19 pandemic they did not want to do it after all and he agrees. The \$2.50 per month sewer increase is quite low in comparison to what they really need. Pure Water Monterey has added a lot of extra cost. With this sewer rate increase, the budget will be tight but they will be able to keep all of the employees but will have to furlough about 10% of the time, some of the employees. Without the \$2.50 per month sewer rate increase, ten employees would be laid-off. Looking back, if M1W had to do it all over again, it should have remained in the sewer business and not gotten involved in the water business. MW1 needs \$7 to \$9 million to complete the project. M1W is not paying for it and is looking at Monterey Peninsula Water Management District to contribute and there has been potential threatened litigation from Monterey Peninsula Water Management District. M1W is not in a good position at this time.
2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) – Director Ron Stefani reported to the Board that the GSA is busy establishing all the first meetings for the sub basin committees. As mentioned at last month's board meeting, the basin groundwater sustainability plans are due to the state for all the other basins by January 2022. They are currently looking for members to get on to those planning committees pending GSA approval.
3. Update on meetings or educational classes attended by the Directors – None to report at this time.

**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 – May 2020.** A motion was made by Glenn Oania and seconded by James Cochran to pay all bills presented. The motion carried by the following roll call vote:

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


**The Board returned to the Closed Session Item on the agenda at 5:27 p.m.**

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

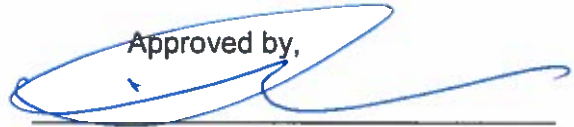
AYES:	4	Directors:	Stefani, Padilla, Oania and Cochran
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	1	Directors:	Melgoza

The meeting adjourned at 5:35 p.m. until the next scheduled meeting

Respectfully submitted by,

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

Approved by,

  
\_\_\_\_\_  
Adriana Melgoza  
President