

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
November 17, 2020

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

ROLL CALL:

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

Absent:

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: District Legal Counsel Christine Kemp, Cheryl Lasiewicz, CPA, Gary Porter, CPA, Grant Leonard, Howard Franklin and Stephen Snodgrass

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Cosme Padilla at the request of President Adriana Melgoza.

PUBLIC COMMENTS

1. North County Park and Recreation District President (NCRPD) Grant Leonard informed the Board on current programs the NCRPD is offering such as the senior food service program and daycare for children for parents that are considered essential workers.

CONSENT CALENDAR

1. A motion was made by Cosme Padilla and seconded by Glenn Oania to approve the minutes of the October 20, 2020 Regularly Scheduled Board Meeting. The motion carried by the following roll call votes:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. None

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey County Weekly* – Request for Statement of Qualifications-Engineering Consulting Services for Castroville Community Services District
2. *Monterey Herald* – Mitigating Factor: New salamander law means Castroville/Highway 156 interchange can now move forward
3. Fleet Program Vehicle Inspection and Maintenance for Large Vehicle Drivers Certificate of Completion by Lead Operator II Roberto Galvez
4. Water Industry Disaster Preparedness and Coronavirus 101-What You Need to Know Certificate of Completion by General Manager Eric Tynan

Informational items accepted as presented

PRESENTATIONS:

1. Porter & Lasiewicz, Certified Public Accountants to present audit report for fiscal year ended June 30, 2020 – Castroville CSD’s annual financial audit for fiscal year ended June 30, 2020 was recently completed and presented to the Board of Directors by Certified Public Accountant Cheryl Lasiewicz with Porter & Lasiewicz. Due to Covid-19 the auditors were not able to physically come to the District office. However, all information needed was obtained and uploaded to the Share-file. 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 Office Manager Lidia Santos and the staff are 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, 2020. 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. Also discussed was new GASB rulings (lease of assets will require to record as an asset on balance sheet and off set it to the liability account for the same amount that will net to zero) that may affect the District for fiscal year 2020-2021. 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 conduct the annual audit. In addition, they had informed the Board that they must decline from completing the District’s audit for fiscal year end June 2021 due to new rules that require an auditing firm to have a number of special district clients in order to meet peer review. The Board and staff were disappointed that they will not be able to retain their services. A new auditing firm will need to be selected by the Board.

NEW BUSINESS:

1. Resolution No. 20-07, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2020, as Prepared by Porter & Lasiewicz, Certified Public Accountants – A motion is made by Cosme Padilla and seconded by Ron Stefani to approve Resolution No. 20-07, A Resolution of the Board of Directors of the Castroville CSD to Accept Audit Report for Fiscal Year Ended June 30, 2020, as Prepared by Porter & Lasiewicz. The motion carried by the following roll call votes:

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

2. Resolution No. 20-08, A Resolution of the Board of Directors of Castroville CSD Adoption of Procurement Policy – After some discussion, a motion is made by Glenn Oania and seconded by Ron Stefani to approve Resolution No. 20-08, A Resolution of the Board of Directors of Castroville CSD Adoption of Procurement Policy. The motion carried by the following roll call votes:

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

3. Request from Monterey County Water Resources Agency for Castroville CSD to donate \$83,000 for the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley* project (Project), pending District Legal Counsel Christine Kemp's legal opinion). The Project consists of destruction of approximately one hundred (100) inactive and abandoned wells in the coastal Salinas Valley to prevent the migrations of nitrate-and seawater-contaminated groundwater into aquifers that are a source of drinking water, including wells that supply water for the Castroville Community – General Manager Eric Tynan informed the Board that Monterey County Water Resources Agency (MCWRA) submitted a letter (on page 20 of this board packet) requesting Castroville CSD donate \$83,000 to support this Project, which is integral to the MCWRA's efforts to combat the vertical migration of impaired groundwater and protect these drinking water supplies! He introduced Senior Hydrologist Howard Franklin with MCWRA who was present at this virtual meeting. Mr. Franklin stated that MCRWA has received a grant from the State Water Resources Control Board to help fund the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley* project. The grant is providing \$4,927,729 which represents fifty-four percent (54%) of the money needed for the Project. MCWRA is committed to providing matching funds for the remaining \$4,197,79 of the Project, through a combination of in-kind services and \$2,663,300 in other funding match. He is asking if Castroville CSD will donate \$83,000. Letters requesting a donation were also sent out to other water purveyors who will benefit from the Project. Director Cosme Padilla wants District Legal Counsel's approval on this request before the Board makes any decisions. District Legal Counsel Christine Kemp asked Mr. Howard for information on how would this Project directly benefit Castroville CSD and a guarantee that the work would be done and funds contributed would be used as stated. All these valid questions will need to be answered before a decision can be made. Also, a safeguard would need to be put in place such as a cooperative agreement. Per Mr. Franklin, MCWRA already accepted the grant and the project will start this fiscal year and continue for 3 more years, therefore there is still time. He is willing to work with General Manager Eric Tynan and District Legal Counsel to answer any technical questions and concerns they may have. General Manager Eric Tynan stated that MCWRA has been a great partner, especially with the Castroville Seawater Intrusion Project. Stephen Snodgrass mentioned another option would be to see what would it cost the District to destroy the well as it may cost less that doating these funds. District Legal Counsel recommended to table this item and respectfully requested to leave the meeting at 5:09 p.m. A motion is made by Cosme Padilla and seconded by Glenn Oania to table this item for the next regularly scheduled board meeting, The motion carried by the following roll call votes:

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

UNFINISHED BUSINESS:

1. Selection Committee (2 Directors & General Manager) recommendations on Statement of Qualifications for Engineering Consulting Services – General Manager Eric Tynan informed the Board that the Selection Committee had only one Statement of qualifications to review since MNS Engineers, Inc. was the only firm to respond. The Selection Committee met on the 12th of November to interview and verified references for MNS Engineers, Inc before the Selection Committee meeting. MNS has done a great job for the District since 2013 and the Selection Committee recommended approving MSN Engineers, Inc. for providing the District's engineering service's needs. Memo on the recommendations can be viewed on page 21 of this board packet. A motion is made by Ron Stefani and seconded by Cosme Padilla to approve MNS Engineers, Inc. for providing the District's engineering service's needs. The motion carried by the following roll call vote:

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

Minutes of the Castroville Community Services District
November 17, 2020 Regular Board Meeting
Page 4

- Appointment of Open District Seat, Castroville Community Services District (1) seat, Board of Director-4 year term per Monterey County Elections Department. Seat effective December 4, 2020, noon per Election Code. One application submitted by incumbent James Cochran – General Manager Eric Tynan reported to the Board that incumbent James Cochran was the only candidate to submit an application for the seat. Public notices of the open seat were posted at three locations: District office, Post Office and Fire Department. It was also posted on the District website. Director James Cochran had intended to register with the Election Department but missed the deadline. Since this is an appointment by the Board, the seat will only be filled for 2 years, until the next election in 2022. A motion is made by Cosme Padilla and seconded by Glenn Oania to appoint James Cochran to the open District Seat not filled during the 2020 election. It will be for a 2 year term. The motion carried by the following roll call votes:

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

- 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 reported to the Board as mentioned at last month’s board meeting, mostly likely it will be March of 2021 when grants funds will be available. Furthermore, Ms. Nilsen has been a great resource to the District and very helpful. On page 24 of this board packet a list of current CSD project can be viewed. 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 (desal project) – General Manager Eric Tynan notified the Board that the Cal Am refiled its application for the Monterey Peninsula Water Supply Project, to obtain a Coastal Development Permit for a desalination facility, with the California Coastal Commission and urged the commission to schedule a new hearing date as soon as possible per their press release on pages 25-27 of this board packet. Per General Manager Eric Tynan it will probably be a couple of months before a hearing date is scheduled.
- Update on new and proposed constructions projects – General Manger Eric Tynan reported to the Board that the Thistle Manor project is almost completed. As for the other potential construction projects, for example the Driscoll farmer housing, there has been no further development that he has been made aware of.
- Update on Cal Trans Merritt/SR 183 Castroville Multimodal Community Enhancement Project – General Manager Eric Tynan reported to the Board that he had attended a virtual townhall meeting with Cal Trans to discuss this project. Since they asked for his input, he will be providing them with a list of problem areas that he feels require additional attention. For those interested, he also has a copy of the project plans available at the District office.

BOARD OF DIRECTORS COMMUNICATION: When needed, this time is reserved for the Board of Directors to communicate activity, educational classes, and/or Committee reports.

- Update on Monterey One Water board meeting – Director Ron Stefani reported to the Board that the biggest news for Monterey One Water (M1W) is that they will be putting two injection wells in for the Pure One Water Monterey Project. They are looking forward to getting this project fully operational. In other news, M1W has had three cases of Covid-19 reported and to balance the budget, employees have been furloughed and have declined their annual raises. The sewer rate increase has been implemented as well.

2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) – Director Ron Stefani reminded the Board that the GSA is growing into multiple sub basins and he is part of the Monterey sub basin committee. Currently, they are developing a disadvantaged outreach community plan. Furthermore, all the committees are up and running and developing plans that are due by January 2022 to the State.
3. Update on meetings or educational classes attended by the Directors – There is no update at this time on meeting attended by the Directors. However, Director Cosme Padilla wanted to mention that Diana Jimenez was organizing a food box distribution on the 25th of November for Thanksgiving to be held at the North Country Recreation and Park District. He wanted to make sure the public is aware of this event.

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 – October 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:	5	Directors:	Melgoza, Cochran, Stefani, Padilla and Oania
NOES:	0	Directors:	
ABSENT/NOT PARTICIPATING:	0	Directors:	

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

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

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

Respectfully submitted by,

Approved by,

Lidia Santos
Secretary to the Board

Adriana Melgoza
President