

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
July 18, 2023

Vice-President Ron Stefani called the meeting to order at 4:45 p.m.

ROLL CALL:

Directors Present: Vice President Ron Stefani, Director James Cochran and Director Greg MacMillan

Absent: Director Glenn Oania and President Cosme Padilla

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Jenny Balmagia, Lower Salinas Valley SGMA Watershed Coordinator

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Vice-President Ron Stefani.

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. A motion was made by Greg MacMillan and seconded by James Cochran to approve the minutes of the June 20, 2023 Regularly Scheduled Board Meeting. The motion carried by the following roll call votes:

AYES: 3 Directors: MacMillan, Stefani, and Cochran

NOES: 0 Directors:

ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Memo from ACWA JPIA to All Property Program Members regarding 2023-24 Property Program 20% increase in the Property Program rates effective for policy year July 1, 2023 through June 30, 2024.

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. Salinas Valley Basin Groundwater Sustainability Agency Seawater Intrusion Model Update
2. Monterey Bay Water Works Association, Annual Vendor Show/BBQ, Thursday, September 21, 2023 at Castroville Community Center
3. Central Coast Wetlands Group 'Water 101' Workshop Series

Informational items accepted as presented

PRESENTATIONS:

1. Central Coast Wetland Group on the Salinas Valley Multi-benefit Land Repurposing Program – Jenny Balmagia, Lower Salinas Valley SGMA Watershed Coordinator – Ms. Balmagia introduced herself to the Board and stated she is with the Central Coast Wetlands Group. The Greater Monterey County Integrated Regional Water Management Group has been awarded a \$10 million grant by the California Department of Conservation for the Multi-benefit Land Repurposing Program to strategically and voluntarily acquire and repurpose the least viable, most flood-prone portions of irrigated agricultural

lands in the lower Salinas Valley. Ms. Balmagia provide a summary of the vision, benefits, where will projects be located, example Multi-benefit Projects and their partners, which can be viewed on pages 25 and 26 of this board packet. One of the objectives is to educate community members on local water issues, and management decisions, and how these impact their lives by informing community members on how they can learn more (offered to take them on a tour) and become more involved if they are interested in doing so. She responded to questions from the Board and was specifically here to lay the foundation for the Multi-benefit Land Repurposing Program. The Board thanked her for the presentation.

NEW BUSINESS:

1. Approve 3% salary increase for General Manager Eric Tynan, effective July 13, 2023 and set goals for the General Manager to accomplish for 2023/2024 – The current annual salary of the General Manager is \$171,227.78. After some discussion, the Board recommended General Manager Eric Tynan receive a 3% salary increase. The General Manager's contract and amendment to the contract can be viewed on pages 27-34 of this board packet. A motion is made by Greg MacMillan and seconded by James Cochran to approve a 3% salary increase for General Manager Eric Tynan, effective July 13, 2023 along with the set goals by the Board for the General Manager to accomplish for 2023/2024. The motion carried by the following roll call votes:

AYES: 3 Directors: MacMillan, Stefani, and Cochran
NOES: 0 Directors:
ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

2. Consider enrolling/investing with California Cooperative Liquid Assets Securities System (California CLASS) Prime Fund, a joint exercise of powers entity authorized under Section 6509.7, CA Gov. Code, pooled investment option that was created via joint exercise of powers agreement by and among California public agencies or transfer additional funds from LAIF to CAMP – The Board reviewed CLASS 5.25% and CAMP 5.29% current seven day yield as of July 13, 2023. General Manager Eric Tynan informed the Board that both CLASS and CAMP offer the same investment options. Information on both these entities can be viewed on pages 35-37(d) of this board packet. Furthermore, since the District is already established with CAMP and it also offers a slightly higher yield, he is recommending the Board transfer \$3 million to CAMP from LAIF. Vice President Ron Stefani stated Castroville CSD has an investment policy and needs to review it. Castroville CSD does have a portfolio of investments right now and needs to create a manual with all this information for the board to review on a regular basis. He would like to have a Budget & Personnel Committee meeting again to review and look at developing and putting all this information together so future Boards can look at the investment portfolio to monitor the rates. He also discussed the advantages of investing with CLASS and CalTRUST is that they are public funds investment programs, whereas CAMP and LAIF are money management markets, only earning interest. When interest rates were low, CalTRUST investment made the district money. Currently, the District is in a medium term investment with CalTRUST and should have switched already a long time ago, which can be discussed further. Per Vice President Ron Stefani the Board should transfer \$6 million instead of \$3 million to CAMP since there \$12 million currently invested with LAIF as both are liquid funds. He would like to see a Budget & Personnel meeting scheduled before the next board meeting to discuss investments before the August 15, 2023 board meeting. General Manager Eric Tynan asked if the Board would like to have CAMP and CLASS provide a presentation at the next meeting. Vice President Ron Stefani stated additional presentation were not necessary as an investment portfolio manual should suffice. A motion is made by Greg MacMillan and seconded by James Cochran to transfer as soon as possible \$6 million from LAIF funds to CAMP funds as the daily interest rate yield is higher. The motion carried by the following roll call votes:

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AYES: 3 Directors: MacMillan, Stefani, and Cochran
NOES: 0 Directors:
ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

3. California State Transportation Agency, Utility Policy Exception Request for this multi-objective Asset Management Project located in Monterey County on State Route (SR) 183 in the community of Castroville that seeks to address several transportation needs on SR 183 from just south of Del Monte Avenue to the SR 1/SR 183 junction – General Manager Eric Tynan reported to the Board as an information item (memorandum with attachments can be viewed on pages 38-49 of this board packet) that the project is requesting an exception to the following policy from the Project Development Procedures Manual, Chapter 17, Section 3, Article 2. The project would rehabilitate the pavement, address essential bridge maintenance needs, improve multimodal feature including transit stops, sidewalks, driveways and curb ramps; along with new Intelligent Transportation System features and improve aesthetics, bicycle network continuity, and pedestrian safety.

UNFINISHED BUSINESS:

1. Consider approving the Castroville CSD's Water Shortage Contingency Plan – This item was tabled from last month's board meeting as the Board would like to see Section 1.0 INTRODUCTION AND BACKGROUND reworded for further clarification and presented at this month's regularly scheduled board meeting. General Manager Eric Tynan changed the narrative to make it clearer. He informed the Board that in 2018 the State passed requirements that water systems must meet to deal with water shortage brought on by the extended drought. Memo and Water Contingency Plan mandated by SCWRCB addressed to the Board can be viewed on pages 50-65 of this board packet. After some discussion, Vice President Ron Stefani stated that the narrative in Section 1.0 INTRODUCTION AND BACKGROUND is clearer, however in this section General Manager Eric Tynan is talking about a regional water supply project; but there are actually two regional water supply projects. The Monterey Peninsula Regional Water Supply Project, which all Castroville CSD has to do is the return basin water and the Regional Water project that the GSA is talking about. The GSA project does not involve Cal Am at all and none of that water will go to the peninsula and that's what this sections states and he wants to go on record pointing this out, but will still approve the plan if this sections does not matter. Per General Manager Eric Tynan the language that matters in this plan, is 2.0 Stages of Action and thru 7.0 Revenue and Expenditure Impacts. A motion is made by Greg MacMillan and seconded by James Cochran to approve the Castroville CSD's Water Shortage Contingency Plan. The motion carried by the following roll call votes:

AYES: 3 Directors: MacMillan, Stefani, and Cochran
NOES: 0 Directors:
ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

2. Update on the California Special District Association (CSDA) General Manager Leadership Summit, June 25-27, 2023, Olympic Valley, CA attended by Castroville CSD General Manager – General Manager Eric Tynan reported to the Board that the General Manager Leadership Summit was a worthwhile event to attend. The summit was very informative and they had great speakers. He provided the Board with a verbal summary of the sessions he attended.

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3. Update on Well levels – General Manager Eric Tynan reported to the Board that the well levels report can be viewed on page 66 of this board packet. Well levels are dropping as you can see from the graph, which is not good. Vice President Ron Stefani asked for a better well level graph as it is hard to tell from this graph what are the well levels for each month and well levels should also be doing better this year. Per General Manager Eric Tynan, he went over the well level graph with the Board. He also let them know that tomorrow Maggiora Brothers Drilling Inc. will be videoing Well #3 to see if the well is viable and worth rehabilitating. As mentioned prior, even though we have had all this rain and the well levels have gone up during winter time, they are nowhere near where they were a few years ago. He will continue working on considering alternate well sites, the desalter and the pipeline. The District continues to monitor the chloride levels of all the wells. Well #3 is not pumping and the motor is not hooked up. The static level is dropping for Well #3. A desalter is being considered for Well #3.
4. Update on Asset Management and Maintenance Projects (Castroville Water Valves Replacement Project - General Manager Eric Tynan informed the Board that the project has not been completed yet as they are still waiting on some parts. They have finished the valves on Poole Street and Rico Street. He just spoke to the MPE project manager and they plan to finalize the project by next week. As mentioned at last month's board meeting Monterey Peninsula Engineering (MPE) has put in two valves. However, Site #4 will be a little tricky because there are two wells at Site #2 and 1 well at Site #4. Two valves need to be replaced there and it would have been done sooner preferably in the winter when there is the lowest water demand but MPE was busy working in Pajaro due to the massive flooding that occurred in this community. As a reminder, Monterey Peninsula Engineering (MPE) was awarded the project, not to exceed \$121,000 for the Castroville Water Valves Replacement Project.
5. Update on the State of California Department of Transportation (Caltrans) projects: (1) Caltrans Merritt Street Beautification Project, (2) Pedestrian Bridge Enhancement/Improvement Project, (3) Castroville Boulevard Roundabout Project– General Manager Eric Tynan reported to the Board on the following projects:
 - (1) **Caltrans Merritt Street Beautification Project** - This is the project that was being discussed earlier regarding the State Transportation Agency, Utility Policy Exception Request for this multi-objective Asset Management Project located in Monterey County on State Route (SR) 183 in the community of Castroville that seeks to address several transportation needs on SR 183 from just south of Del Monte Avenue to the SR 1/SR 183 junction. He will have a map of this project at the next board meeting. As mentioned before Castroville CSD will only provide maintenance of lighting and graffiti abatement for this project. At a previous board meeting, a Cooperative Agreement was signed and Caltrans will raise the valves and manholes at their cost. Caltrans will also be upgrading the lighting to a historical look. There might also be some hydrants moved at their cost, which is great for the District. Caltrans should complete this project in 2024.
 - (2) **Pedestrian Bridge Enhancement/Improvement Project** - The Board approved the Pedestrian Overpass Maintenance "Landscape" Agreement for this project at last month's board meeting. CSD will take care of the solar lighting on the pedestrian bridge, mural maintenance and graffiti abatement. For this project, Caltrans is planning to put a little parklet on either side of the pedestrian overpass. NCRPD will be taking the responsibility for the landscaping and the parklet, which is the agreement they will sign with Caltrans.
 - (3) **Castroville Boulevard Roundabout Project** – The deadline for this project has been extended for one year. Caltrans needs to work with PG&E to move this project forward. Caltrans will cover the work for the Castroville Boulevard Roundabout Project 100% and CCSD 0% because of California S & HC 703. This project will start in 2028.

6. 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 on the following projects:

Moss Landing Wastewater System Rehabilitation Project (Update can be viewed on page 67 of this board packet) – The coast development permitting is ongoing. The coastal permit is anticipated to be obtained within 3-4 months. As mentioned prior, in order to finalize the purchase of the land, to relocate the lift station, it is advised to go through LAFCO for approval of an out-of-agency service extension and minor sphere of influence amendment. A map will now be required showing the annexation and once this is submitted the District can move forward with purchasing this property. Originally, LAFCO was only asking for a letter from the Health Department stating why it was a health safety but per LAFCO the letter was not justified. Ortega (FINEPRO, LLC (seller) 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 pending LAFCO approval, which is required before acquiring the property. Also discussed prior, General Manager Eric Tynan reported to the Board that the pipeline under the bridge is still under the mitigated negative declaration and without the bike bridge being built by the County, Castroville CSD will have to do it on their own and build under the existing structure, which is right over the Elkhorn Slough, Marine Sanctuary and Harbor. For this project, MNS is to prepare a construction application following the 60% completion. In addition, the Coastal Commission is requiring an arborist to analyze the trees. The Board had approved a proposal with MNS Engineers to provide professional engineering services for the Moss Landing Wastewater System Rehabilitation Project \$462,722 in 2021. General Manager Eric Tynan had previously approved Amendment No.1 for this project for an additional \$14,520 for the arborist and at the July 18, 2023 board meeting the Board approved Amendment No. 2 for \$59,104 as costs have increased due to plans specifications changing due to the County not building the bridge noted above.

The Washington Bypass Sewer Project (Update can be viewed on page 67 of this board packet) – The coastal development permitting is on hold pending land acquisition and Caltrans encroachment permitting. A draft application package has been submitted to MNS and the District for review. Right-of-way acquisition consultant has been contracted to initiate land acquisition for the agricultural field and trailer park. Caltrans encroachment permitting is being initiated. MNS is currently preparing legal descriptions and plat maps for temporary and permanent easements. Also, jurisdictional permitting associated with crossing the agricultural ditch is being initiated. As previously mentioned, Castroville CSD applied for the \$3.5 million grant for this project and the State is saying Castroville CSD is good to go for this grant once the environmental review is completed. Castroville CSD approved the environmental proposal from MNS Engineers for this project, which is complete. MNS to submit the funding application for the next phase, spring 2023. The District has applied for a grant for finishing the design and construction, California Housing Community Development, Infill Infrastructure Grant. In addition, State Water Resources Control Board, SRF set aside for small disadvantaged communities, “The Small Community Clean Water Waste Water Funding Program.” 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 Castroville CSD. The Board approved at the July 18, 2023 board meeting MNS Engineers proposals for Professional Engineering Services-Washington Sewer Trunk Line Bypass Regulatory Permitting Support (\$19,622) and Washington Sewer Trunk Line Bypass Right-of-Way Acquisition (\$81,610) total \$101,232.

Emergency Deep Aquifer Supply and Storage Tank (Update can be viewed on page 67 of this board packet) – MNS is finalizing the required grant monitoring plan within the next month. Construction funding is pending to move project forward. As mentioned prior, the hydrogeologic approach was discussed with Mike Burke the hydrologist with Pueblo who will advance the well contract documents to nearly bid ready, to be finalized and advertised upon securing project construction funding. In addition, MNS has substantial budget remaining in the budget (\$60k), which MNS will review if these remaining funds can be used for applying for construction funding for the project. The 30% design has been completed as of May 2022. The 60% design has been completed on the application for the construction.

The District is still working on getting grant funds for the construction of the deep well and CEQA is complete. MNS to prepare a Future Grant Application if SCDR is a "no go". MNS also submitted a grant application on behalf of Castroville CSD 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.

Desalter at Well Three (Update can be viewed on page 68 of this board packet) - Per General Manager Eric Tynan, he had met with the owner of MNS Engineers and MNS acknowledges the initial grant was not completed satisfactorily, and is in the process of preparing an additional grant application at no charge to the District.

As mentioned prior General Manager Eric Tynan is recommending to investigate the condition of well casing and perforations to evaluate use as brackish water supply for RO treatment and consider an appropriate response. There are alternatives to consider to mitigate the seawater intrusion of Well #3 by having the well investigated using a video.

The Overhead Sign at Highway 183 (Update on page be viewed on page 67 of this board packet):.

The traffic study and encroachment permit have been submitted to Monterey County Public Works. As mentioned prior, the project was supposed to be done by June 30, 2023 but Caltrans could not come to an agreement as to where the poles should be located but have finally come to a consensus. The funds have been sequestered for this project by Caltrans and reimbursement can still be expected. Jeremy with Signs by Van informed him it would also take about two months for the fabrication to get done. 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. MNS will be handling the administration for this project. 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 CSD received a check from Caltrans in the amount of \$127,955.28 February 2, 2023. The original placement of the post, will remain in the same spot as long as Castroville CSD Engineers say it is safe. Previously, Caltrans was telling Signs By Van where to put them and the locations that they want has a lot of underground utilities.

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/MCROWA 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 – Vice President Ron Stefani stated that billing is still the biggest issue with MIW. MIW is moving forward with the Expansion project and will be awarding a \$16-\$17 million contract award to the bid that is selected for this advance water purification treatment, additional facility to produce the 2,500 acre feet of expansion water for treatment. However, the Expansion project could get held up by PG&E. Monterey County Water Resources Agency (MCWRA) has hired a third party auditor who is currently auditing MIW systems to see if they are being charged properly. Hopefully, this will lead to both agencies building some trust and MCWRA stepping up to the plate as this is why we have Pure Water Monterey.

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2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) meeting –Vice President Ron Stefani stated that General Manager Eric Tynan already provided the SVBGSA Seawater Intrusion Model Update under informational items, which can be viewed on pages 17-22 of this board packet. Other models are also being developed.
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 – June 2023. A motion was made by James Cochran and seconded by Greg MacMillan to pay all bills presented. The motion carried by the following roll call votes:

AYES: 3 Directors: MacMillan, Stefani, and Cochran
NOES: 0 Directors:
ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

There being no further business, a motion was made by Greg MacMillan and seconded by James Cochran to adjourn to the next scheduled Board meeting; the motion carried by the following roll call votes:

AYES: 3 Directors: MacMillan, Stefani, and Cochran
NOES: 0 Directors:
ABSENT/NOT

PARTICIPATING: 2 Directors: Oania and Padilla

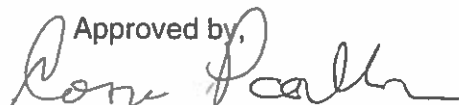
The meeting adjourned at 6:21 p.m. until the next scheduled meeting

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Cosme Padilla
President