THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
July 21, 2026

President Ron Stefani called the meeting to order at 4:30 p.m.

ROLL CALL:
Directors Present: Vice President Greg MacMillan, Director James Cochran, Director Cosme Padilla, Director Glenn Oania, and President Ron Stefani
Absent:
General Manager: James Derbin
Secretary to the Board: Lidia Santos
Staff Present:
Guest: Josh Stratton, External Affairs and David Pezzini, Engineer both with California American Water. Via Zoom, Anthony Elowsky, Project Manager/analyst with RDN.

PLEDGE OF ALLEGIANCE

President Ron Stefani led the pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA

PUBLIC COMMENTS

1. None

CONSENT CALENDAR

1. Consider and approve the draft minutes of the Regular Board Meeting, June 16, 2026. A motion was made by Greg MacMillan and seconded by Glenn Oania to approve the draft minutes of the Regular Board Meeting, June 16, 2026. The motion carried by the following roll call votes:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Joint response sent to the Honorable Rafael Vazquez, Judge of the Superior Court regarding the 2025-2026 Monterey County Civil Grand Jury Report, "Seawater Intrusion- A Shared Problem in Monterey County" from the Monterey County Board of Supervisors and the Monterey County Water Resources Agency Board of Directors

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. Public Hearing to Consider Modification of California American Water Company Cease and Desist Order (State Water Board Orders WR 2016-0016 and WR 2009-0060)
2. Monterey County Elections: Official Candidate Filing Period Monday, July 13, 2026, until Friday, August 7, 2026

Informational items accepted as presented

PRESENTATIONS:

1. California American Water, Monterey Peninsula Water Supply Project update – Josh Stratton, External Affairs and David Pezzeni, Engineer both with California American Water informed the Board that the desal project is moving forward. They will be mobilizing this month and are starting the project by the end of the year and hope to have it complete in 2030. They are excited to be able to provide water to support a disadvantage community such as Castroville.

2. Water and Wastewater Rate Study Workshop by Robert D. Niehaus, Inc. (RDN) – Anthony Elowsky, Project Manager/Analyst with RND via Zoom presented a detailed analysis of the District's financial outlook and requested Board direction on which financial planning scenario should serve as the Cost of Service and rate Design analyses. Sewer Zone 1 (Castroville) and Sewer Zone 2 (Moro Cojo, Monte De Lago &NMCHS) will not require a rate increase at this time. Water (Castroville) and Sewer Zone 3 (Moss Landing) will need a rate increase. RDN presented various scenarios and recommended the District move forward with Scenario 4 for both Water and Sewer Zone 3 which has the least impact on customers while still accomplishing the District's goals. Currently, the Board is reviewing the Water and Wastewater Rate Study.

NEW BUSINESS:

1. Receive and provide feedback on Draft Water and Sewer Reserve Policy as recommended by the District's rate consultant Robert D. Niehaus, Inc. (RDN) – The Board reviewed the Water and Sewer Reserve Policy that was drafted by the District's rate consultant RDN. This policy is necessary to ensure the District has sufficient revenue/reserves to support the operations and maintenance of these systems as well as the near and long-term capital investment needs. The Board will approve the policy at the next regularly scheduled board meeting.

2. Consider and approve authorizing the General Manager to award a contract with J. Johnson & Company, Inc. to replace water services, not to exceed $59,875 – Staff is requesting authorization to award this work to the lowest bidder, J. Johnson & Company to complete replacement of high-priority water services in the township of Castroville. A motion is made by Greg MacMillan and seconded by Glenn Oania to award the contract to the lowest bidder, J. Johnson & Company, Inc. to replace water services, not to exceed $59,875. The motion carried by the following roll call votes:

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

3. Consider and approve authorizing the General Manager to execute a professional service agreement with Akel Engineering Group, Inc. for Hydraulic Model Phase II-Existing System Evaluation, not to exceed $43,060 – After some discussion, a motion is made by Cosme Padilla and seconded by James Cochran to approve and authorize the General Manager to execute a professional service agreement with Akel Engineering Group, Inc. for Hydraulic Model Phase II-Existing System Evaluation for water, not to exceed $43,060.

4. Consider and approve authorizing the General Manager to execute a professional service agreement with MNS Engineers, Inc. for the Cypress Alley Sewer Main Replacement Design, not to exceed $48,564 – After some discussion, a motion is made by Cosme Padilla and seconded by James Cochran to approve and authorize the General Manager to execute a professional service agreement with MNS Engineers, Inc. for the Cypress Alley Sewer Main Replacement 90% Design, not to exceed $48,564 located in the township of Castroville. The motion carried by the following roll call votes:

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

UNFINISHED BUSINESS:

1. Update on street lighting for Castroville Zone 1 and Moro Cojo Zone 2 – General Manager James Derbin informed the Board that there has not been much change from the information that was reported last month. He continues to have standing monthly meetings with Pacific Gas & Electric (PG&E) streetlight team. Staff is working with PG&E on creating a project to upgrade three remaining high pressure sodium vapor streetlights and the replacement of one additional light that is missing. It appears twenty-two of the Moro Cojo lights are still being billed to the County and PG&E is working with the County to resolve.

2. Update on Well #5 arsenic media change out –General Manager James Derbin informed the Board that the arsenic media change out at Well #5 has been completed. The amount quoted by the contractor Layne Christensen Company $195,565.93 was previously approved by the Board. An error was made by the contractor and sales tax of $12,052.19 was not included in their original proposal. The amount due, $12,052.19, is within the General Manager's authority to approve and pay. He wanted to inform the Board of this change.

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

CLOSED SESSION: At 6.28 p.m. the Board went into Closed Session.

ANNOUNCEMENT OF CLOSED SESSION ITEM: (if applicable):
The board will reconvene into an open session prior to adjournment and shall announce any action taken during the closed session. At 6:42 p.m. the Board returned to Open Session. Per Board President Ron Stefani, there was no reportable action taken on the item discussed. The Board Directed General Manager James Derbin to continue with negotiations.

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 meeting (M1W) – President Ron Stefani stated M1W has approved a 5-year rate increase for wastewater rates. Proposed rate increase of revenue adjustments would be starting July 1, 2026.

2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) meeting – President Ron Stefani announced SVBGSA will be having an important meeting in August. At this meeting they will be selecting a project.

3. Update on meetings or educational classes attended by the Directors – There were no meetings or educational classes attended by the Directors.

GENERAL OPERATIONS

1. General Manager's Report – Compliance update, current projects update, meetings/seminars update, staff update, suggestive projects discussions

2. Operations 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 2026. A motion was made by Glenn Oania and seconded by Greg MacMillan to pay all bills presented. The motion carried by the following roll call votes:

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

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

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

The meeting was adjourned at 6:56 p.m.

Respectfully submitted by,
L Santos
Lidia Santos
Secretary to the Board

Approved by,
Ron Stefani
Ron Stefani
President