

THE OFFICIAL MINUTES OF THE REGULAR BOARD MEETING OF
CASTROVILLE COMMUNITY SERVICES DISTRICT
July 16, 2024

President Cosme Padilla called the meeting to order at 4:31 p.m.

ROLL CALL:

Directors Present: President Cosme Padilla, Vice President Ron Stefani, Director James Cochran, Director Glenn Oania and Director Greg MacMillan

Absent:

General Manager: Eric Tynan

Secretary to the Board: Lidia Santos

Staff Present:

Guest: Mike McCullough, Director of External Affairs for Monterey One Water and Heidi Quinn, District Legal Counsel

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Director Greg MacMillan at the request of President Cosme Padilla.

ADDITIONS OR CORRECTIONS TO THE AGENDA

Vice President Ron Stefani requested to add to the agenda, under New Business, item 4 the proposal received late from Regional Government Services for the recruitment services of a General Manager for Castroville CSD. There was no deadline set for receiving these proposals.

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 18, 2024, Regularly Scheduled Board Meeting. The motion carried by the following roll call votes:

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

Consent Calendar accepted as presented

CORRESPONDENCE:

1. Notice to All Interested Parties from the California Coastal Commission regarding Proposed Amendment to Coastal Development Permit (CDP) 3-83-92, Applicant: Castroville Community Services District

Correspondence Calendar accepted as presented

INFORMATIONAL ITEMS:

1. *Monterey County Weekly* – Castroville
2. *Monterey County Now* – In a stunning vote, two cities nix Monterey One Water's billing process one week before it begins

Informational items accepted as presented

PRESENTATIONS:

1. Monterey One Water (M1W) update on not moving forward with its billing for wastewater service to the County of Monterey Property Tax Bill – Mike McCullough, Director of External Affairs let the Board know that at the Monterey One Water Board of Directors meeting that was held on Monday, June 24, 2024, to take action on a cost-saving plan to shift all of Monterey One Waters billing to collection through county property taxes did not achieve the required 2/3 votes from the board due to the opposition from just two of the board's 10 members in a weighted vote. MIW had invested in a lot of staff time and funding to get this process done and thought they were going to be moving forward with putting these fees on the tax roll for fiscal year 2024/25. Bi-monthly billing directly from M1W will resume automatically.

NEW BUSINESS:

1. Discussion to consider a moratorium on new sewer connections, pending the constructions of the Washington Sewer Bypass Project – General Manager Eric Tynan informed the Board that he was concerned with all the additional dwelling units and upcoming projects being added to Castroville and that the sewer system does not have enough sewer capacity as it stands. Furthermore, the District had been verbally assured by Department of Water Resources that the Castroville CSD would be receiving grant funding for this project. Unfortunately, he has just been notified that this project is no longer considered a priority and grant funding is unlikely. For this reason, in his opinion a moratorium on new sewer connections should be considered, pending the construction of the Washington Sewer Bypass Project. Vice President Ron Stefani felt the Board should have first discussed and acted on item 2 listed below; Castroville Community Services District System-Wide Fiscal Sustainability Plan (FSP) prepared by Akel Engineering Group, Inc. In his opinion, if some of these projects listed in this FSP (Projects P-02-P-03 and P-04, page 10 of listed report as an attachment to the board packet) are completed, there should be sufficient sewer capacity. Castroville CSD has minimal growth in dwelling units. The Board all agreed that a moratorium is a serious decision to make and would like General Manager Eric Tynan to work with District Legal Counsel Heidi Quinn to provide data to support and justify this decision.
2. Consider and approve Castroville Community Services District System-Wide Fiscal Sustainability Plan (FSP) prepared by Akel Engineering Group, Inc. – The Board reviewed the FSP and were concerned to read that there were many critical capital improvement recommendations made by Akel Engineering Group. They would like to see the projects listed on page 10 of this report, especially Projects P-02-P-03 and P-04 completed as soon as possible as the District has the funds for these capital improvements. If grant funding will not be available for some of these projects, then the District will need to move forward with loans. Director James Cochran stated that the priority project should be the pipeline under the bridge in Moss Landing, 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 a 4" pipeline, which is right over the Elkhorn Slough, Marine Sanctuary and Moss Landing Harbor. The Board concurred that General Manager Eric Tynan needs to move promptly on these projects. General Manager Eric Tynan commented that he is aware that most of these assets have exceeded their useful life and was counting on the grant for the Washington Bypass project and a grant for the Moss Landing Rehabilitation Project. The FSP was needed as part of the requirements to apply for grant funding. The Board all concurred that the FSP was well done. A motion is made by Ron Stefani and seconded by James Cochran to approve the Castroville Community Services District System-Wide Fiscal Sustainability Plan (FSP) prepared by Akel Engineering Group, Inc. The motion carried by the following roll call votes:

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

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3. Consider and approve estimated cost of emergency repairs of water main on the intersection of Merritt Street/Salinas Street, located in front of Burger King and additional Merritt Street emergency repairs that arose – General Manager Eric Tynan informed the board that estimated cost with J Johonson & Company are around \$110,899, which does not include the Caltrans sensors for the emergency repair and replacement of the main and valves in front of Burger King. As this was an emergency, there was no time to put this work out to bid. The memo to the Board from General Manger Eric Tynan can be viewed on page 24 of this board packet. District Legal Counsel Heidi Quinn recommended the board make a sole source justification for this contractor and bring it back to the Board for approval at the next board meeting. A motion is made by Ron Stefani and seconded by Greg MacMillan to approve the completion of repair and replacement of the main and valves in front of Burger King; the estimated cost is \$110,899. The motion carried by the following roll call votes:

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

4. Consider selecting an agency to assist the Castroville Community Services District with the recruitment of a new General Manager from the proposals submitted – General Manager Eric Tynan let the Board know that the District received three proposals from the following companies to assist with the recruitment of a new General Manager: TPO (fees \$20,300-\$24,150), CPS HR Consulting (fees \$27,000) and Regional Government Services (fees \$22,000). The proposal for the first two companies can be viewed on pages 25-45 of this board packet. The proposal for Regional Government Servies can be viewed as an attachment to this board packet. The Ad Hoc Committee will remain the same Stefani & Padilla for the recruitment of a new General Manager. A motion is made by Ron Stefani and seconded by Greg MacMillan to select Regional Government Services to assist with the recruitment of a new General Manager and select the Ad Hoc Committee of Stefani & Padilla for the recruitment of a new General Manager. The motion carried by the following roll call votes:

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

UNFINISHED BUSINESS:

1. Update on Water Line Replacement Project awarded to contractor Teichert Constructions – General Manager Eric Tynan reminded the Board that Teichert Construction has been performing the Roads and Bridges Work for the County, and as part of these improvements is uniquely positioned and qualified to perform the District’s Project concurrently with such work. Teichert Construction has started pot holing and has completed six of the water lines for the District. Work will be done from Wood Street through Main Street.
2. Update on Well levels – General Manager Eric Tynan reported to the Board that the well levels graph from January 2018 to present can be viewed on page 46 of the board packet. The wells are now starting to decline but are not declining as quickly as they have done in the past. The deep aquifer appears to be recharging and he has expressed this information to the Salinas Valley Basin Groundwater Sustainability Agency. The District continues to monitor the chloride levels of all the wells. Well #3 is not pumping and the motor is not hooked up. A desalter is being considered for Well #3.

3. Update on the status of the **Moss Landing Wastewater System Rehabilitation Project** – General Manager Eric Tynan informed the Board that he had received an email with bad news from Matt Chamber with the State Water Resources Control Board stating that due to limited funding, only priority projects were included on the fundable list for grant funding. Priority projects include consolidation, regionalization, septic-to -sewer and projects that address violations of a system's WDR and/or NPDES permit. Additional projects will be added to the fundable list throughout the 2024-2025 fiscal year, however, it's unlikely that non-priority projects will be placed on the fundable list/funded 2024-2025. This means that the two Castroville projects (Moss Landing Wastewater System Rehabilitation Project & Washington Sewer Trunk Line Bypass Project) are unlikely to receive grant funding in 2024/2025. DFA does have low interest loans available for funding. Email from Mr. Chambers can be viewed on page 47 of this board packet. As mentioned prior, reimbursement from the Clean Water Small Communities Planning Grant in the amount of \$118,456 has been requested and approved for reimbursement to CCSD and payment received. Also, discussed prior the current project status is 60% Design is complete. The State Water Resource Control Board CWSRF is the construction funding source for this project. LAFCO approved the annexation of Finepro, LLC Property APN: 413-012-014 to the Castroville Community Services with Resolution No. 23-10. This land acquisition is for Lift Station 1. Ortega (FINEPRO, LLC (seller) approved the sale for the easement for \$10,000 in Moss Landing, which was completed February 2024. Upon completion of the land acquisition, the coastal development permit application will be submitted for approval. Construction Grant Application for CWSRF is part of the grant. Grant application in process and MNS to research if current costs over the planning grant amount can be reimbursed by the CWSRF grant. Furthermore, California Coastal Commission is requiring a jurisdictional delineation and Lake and Streambed Alteration Agreement (LSAA) notification for work on the Elkhorn Slough Bridge, which MNS/Rincon are preparing an amendment to add this work to the Project Scope. 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 a 4" pipeline, 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. 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 December 19, 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.

4. Update on status of the **Castroville-Sewer Zone 1 (Washington Sewer Trunk Line Bypass Project)** – General Manager Eric Tynan informed the Board that he had received an email with bad news from Matt Chamber with the State Water Resources Control Board stating that due to limited funding, only priority projects were included on the fundable list for grant funding. Priority projects include consolidation, regionalization, septic-to -sewer and projects that address violations of a system's WDR and/or NPDES permit. Additional projects will be added to the fundable list throughout the 2024-2025 fiscal year, however, it's unlikely that non-priority projects will be placed on the fundable list/funded 2024-2025. This means that the two Castroville projects (Moss Landing Wastewater System Rehabilitation Project & Washington Sewer Trunk Line Bypass Project) are unlikely to receive grant funding in 2024/2025. DFA does have low interest loans available for funding. Email from Mr. Chambers can be viewed on page 47 of this board packet. As stated, prior by General Manager Eric Tynan, this project continues to be work in progress. MNS received authorization for preparation of the Caltrans Stormwater Plan from the District and are pushing it forward. Update from MNS can be viewed on page 48 of this board packet. This should be everything needed to complete the Caltrans Encroachment Permit. The SWPP is the last required element of the Caltrans encroachment permit process. MNS/Rincon are working on submittal of jurisdictional permits for the agricultural ditch crossing. Submittal of Coastal Development Permit is pending easement acquisition. The District is working to negotiate easement purchase. One property owner is requesting the limits of the easement be staked. MNS Engineers needs budget authorization from the District to stake easement. Construction grant award is pending coastal development permit completion. 60% of the design is completed, the CDP permit is pending Caltrans

encroachment, County concurrence, and Easement Acquisition. The jurisdiction permitting is in progress. The State Water Resource Control Board CWSRF is the construction funding source for this project. The funding is obtained but the final information submittal is required to secure the construction funding. Although there is no written agreement yet, the State has assured him that Castroville CSD will receive the \$3.5 million grant once the environmental review is completed. MNS Engineers is managing the environmental review and permitting for this project. Once environmental and land acquisition is completed, MNS Engineers will complete the application for the next phase and will also update the engineering report submitted with the grant application. CEQA compliance is complete. Permits are required due to jurisdictional wetlands in agricultural ditches. Two permits are required from Federal Agencies. MNS is coordinating with Rincon to obtain these permits. MNS Engineers sent a letter along with the encroachment permit application to Caltrans regarding notification to perform construction for a new 24" sewer bypass in the community of Castroville in unincorporated Monterey County, California—Washington Sewer Trunk Line Bypass Project. Castroville CSD will construct approximately 1,350 linear feet of 24" trunk sewer bypass from the intersection of Washington St. and Merritt St., then across the undeveloped areas and beneath Route 1 to the Monterey One Water station pump located at the south end of Watsonville Road. Approximately 450 feet of the proposed sewer line will be in the Caltrans right-of-way. 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. State Water Resources Control Board, CWSRF set aside for small, disadvantaged communities, "The Small Community Clean Water Wastewater 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 December 19, 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.

5. Update on the status of competitive bid process and grant/projects for Castroville-Water Zone 1 **Emergency Deep Aquifer Supply and Storage Tank Project** for system upgrades and improvements – General Manager Eric Tynan stated that the bid documents have just been completed. District Legal Counsel Heidi Quinn stated that she has not seen the final documents. She also stated that the template is very comprehensive. General Manager Eric Tynan has set up a meeting to clarify the template. MNS is awaiting confirmation from the District on the use of the EJCDC contract documents sent for the drilling of a new well. See page 48 for MNS update in this board packet. Prior, MNS Engineers and Pueblo collaborated to develop final bid documents for Well No. 6 and have provided template from end documents, published by EJCDC for District legal review. MNS Engineers recommended these documents be used rather than the District's template as it is current with respect to public contract code and is more comprehensive. The application for construction to the Bureau of Reclamation WaterSMART Drought Resiliency Projects Grant Program was submitted fall 2023. The project scope of the Emergency Deep Aquifer Deep Well No. 6 was too large for the grant to fund. The project scope needs to be narrowed to correspond to a project cost less than \$10 million to compete for the grant. The project scope can be narrowed by the District proceeding with drilling of the well and leaving the remaining scope to be funded by the grant. The grant application can be resubmitted in Fall 2024 to the Bureau of Reclamation at no additional cost to the District; anticipated grant request amount to be approximately \$9.6 million. If a construction contract is awarded, it will be funded using reserves and construction funds from the current grant and the grant application will be resubmitted. He is also considering working with the grant writer used by Monterey One Water to assist with this grant. Discussed prior, MNS is not doing the design of Well #6, Pueblo is doing the design. The Board approved grant writing services, fee proposal from MNS Engineers for Bureau of Reclamation WaterSMART: Drought Resiliency Projects, not to exceed \$29,415. Construction funding is pending to move the project forward. 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. In addition, MNS has substantial funds remaining in the budget (\$60k), which MNS will review if these remaining funds can be used for applying for construction

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funding for the project. 30% of the design has been completed as of May 2022. 60% of the 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.

6. Update on the status of grant/projects for **Castroville Landmark Sign at Highway 183 Project**: Per General Manager Eric Tynan Signs By Van has hired Jay Johnson who is currently working for Santa Clara as a public works inspector. Mr. Johnson understands Caltrans' regulations. He is moving forward with getting the permits for this project. Construction funding source for this project is Caltrans which was originally for \$442,019 and has been amended to \$471,519. Table of Budget and Invoices (Standing Item) can be viewed on page 49 of this board packet. Discussed previously: the concrete/foundation testing to confirm structural design has been completed by the Penhall Company, a nationwide leader in concrete solutions and the engineers have signed off on it. At the January 16, 2024, board meeting, the Castroville CSD Board of Directors reviewed and submitted the signed Amended Cooperative Agreement to Caltrans. The delay for this project again has been the foundation. This project was started in 2019, and it was to be completed by July 2023. 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 managing 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 the Project Management Professional (PMP), contract, encroachment permit. Castroville CSD received a check from Caltrans in the amount of \$127,955.28 February 2, 2023, a check for \$17,580 May 24, 2023, a check for \$9,461.25 September 12, 2023, and a check for \$6,442.00 May 8, 2024.

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/MCRWA 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.

7. Update on the State of California Department of Transportation (Caltrans) project: Caltrans Merrit Street Beautification Project; Cooperative Agreement Amendment No. 01-Landmark Sign and Adjustment of Manhole and Valve Covers – Per General Manager Eric Tynan Caltrans will be redoing the sidewalks and raising the valve boxes at their cost for this project, which should start in mid-January of 2025. The Landmark Sign is also part of this project, which was just discussed.
8. Pedestrian Bridge Enhancement/Improvement Project; Pedestrian Overpass Maintenance (Landscape) Agreement –General Manager Eric Tynan spoke with Corby with Caltrans and let her know that Castroville CSD wants to be involved with the ribbon cutting ceremony for this project. North County Recreation and Park District should also be included for the ribbon cutting ceremony. The project should be completed in 2-4 weeks and Caltrans will be reaching out to the elected officials to attend as it is their project. President Cosme Padilla hopes Caltrans does contact Castroville CSD to attend. Most importantly, this project is beneficial to the community. The County is responsible for replacing the rails and the fencing on the pedestrian bridge and Castroville CSD is only responsible for the lighting on the bridge and minor cosmetic maintenance such as graffiti. NCRPD will maintain the landscaping.

CLOSED SESSION: At 6.03 p.m. the Board went into Closed Session.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8

Property Location: APN: 030-141-022-000 and 030-141-023-000, Southwest corner of Merritt Street and Washington Street, Castroville, CA

Negotiating Parties: Castroville CSD and Salvador Alvarez and Hermilinda Alvarez
Property Owner: Salvador Alvarez and Hermilinda Alvarez
Under Negotiation: Property Negotiations

Property Location: APN: 133-143-016-000, Highway 1 at Washington Road, Castroville, CA

Negotiating Parties: Castroville CSD and Vegetable Ranches, LLC
Property Owner: Vegetable Ranches, LLC
Under Negotiation: Property Negotiations

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. At 6:13 p.m. the Board returned to Open Session. Per District Legal Counsel Heidi Quinn, there was no reportable action taken on all three items discussed.

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 – Per Vice President Ron Stefani as stated last month, the main issue facing M1W is that the board is changing a lot. As mentioned already, two cities nix Monterey One Water's billing process one week before it begins. The M1W Board of Directors will no longer implement the planned change to move billing to the property tax roll. Bi-monthly billing directly from M1W will resume automatically.
2. Update on Salinas Valley Basin Groundwater Sustainability Agency (SVBGSA) meeting – Vice President Ron Stefani reported that the budget was approved. They are also moving forward with the Deep Aquifer Study, and it will be going before the Board of Supervisors at the September 10, 2024, meeting. The SVBGSA and Marina GSA have both been working together.
3. Update on meetings or educational classes attended by the Directors –Per President Cosme Padilla he had a meeting with community member Diana Jiminez who voiced her concerns about the lack of street lighting provided by the streetlights in the community of Castroville as they are not bright enough. He provided her with data on the streetlights and encouraged her to attend a board meeting.

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

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CHECK LIST – June 2024. A motion was made by Glenn Oania and seconded by James Cochran Stefani to pay all bills presented. The motion carried by the following roll call votes:

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

There being no further business, a motion was made by Glenn Oania 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:	Stefani, MacMillan, Cochran, Oania and Padilla
NOES:	0	Directors:	
ABSENT/NOT			
PARTICIPATING:	0	Directors:	

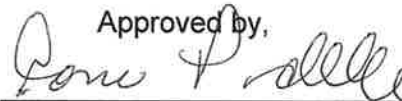
The meeting was adjourned at 6:37 p.m.

Respectfully submitted by,



Lidia Santos
Secretary to the Board

Approved by,



Cosme Padilla
President