



# **CARMEL AREA WASTEWATER DISTRICT**

## **Regular Board Meeting**

Thursday, June 25, 2026

9:00 a.m.

3945 Rio Road

Carmel, California 93923

*This document is formatted for accessibility and readability in compliance with ADA standards.*

# *Public Comment*

## *Agenda Changes*

# *Closed Sessions*

*Public Hearing #1  
Assembly Bill 2561*

*Local Public Employees:  
Vacant Positions*

# Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: June 25, 2026

SUBJECT: Assembly Bill (AB) 2561 – **Local public employees: vacant positions**  
Recruitment Report

## RECOMMENDATION

The Board, as per AB 2561, requests the District hold a Public Hearing on the status of vacancies, recruitment, and retention efforts, and identify any necessary changes to policies, procedures, and recruitment activities. Upon completion of the presentation staff recommends the Board make a motion to accept the report.

## DISCUSSION

AB 2561 imposes the obligation on public agencies to track and present information on job vacancies. This law took effect on January 1, 2025 and states that job vacancies in local government are widespread and are a significant problem for the public sector. When positions remain unfilled, current employees must take on additional workloads, often resulting in burnout, lower morales, and potentially diminished service quality. The law now requires that on an annual basis public agencies assess and address vacancy rates to help avoid the negative effects of understaffing on the delivery of public services.

Public agencies are now required to do the following:

- Track job vacancies at the District.
- Present information on the status of the vacancies. This information must be

presented at a public hearing before the agency's governing body at least once per fiscal year. If an agency adopts an annual or multiyear budget in a given year, the public hearing must occur prior to the governing body adopting the agency's budget.

- Identify during the public hearing any policies, procedures, and recruitment activities that may present obstacles in the hiring process and potential changes that may alleviate such obstacles.

The obligations apply to all public agencies subject to the Meyers-Milias-Brown Act even if the agency does not have any represented employees. If the agency has a represented workforce, AB 2561 entitles recognized employee organizations to make a presentation at the public hearing when the agency makes its presentation. In accordance with AB 2561, any recognized employee organization (Ryan Heron, LiUna #792) has been notified of this public hearing and provided the opportunity to make a presentation regarding vacancies, recruitment, and retention efforts.

The law does not regulate the presentation that the employee organization is entitled to make.

If the vacancy rate in a bargaining unit is at least 20% of the total number of authorized full-time positions, the employee organization may request that the agency present additional information at the hearing to include:

- Total number of job vacancies within the bargaining unit.
- Total number of applicants for vacant positions within the bargaining unit.
- Average number of days to complete the hiring process from when a position is first posted; and
- Opportunities to improve compensation and other working conditions.

In terms of meet-and-confer obligations, AB 2561 does not change the obligations to which public agencies are subject. Agencies retain their management right to determine the extent of services.

Note that District has supplied data for 5 years to give a historical perspective in addition to the current year.

For the represented positions of Lab Analyst and Maintenance Mechanic, the District had a very robust response to the recruitment efforts with 102 and 78 applications received respectively.

The applications reflected a range of experience from no experience in wastewater to a considerable amount that warranted hiring requirement at Grade II. While the District prefers experienced candidates it does indicate that if we are willing to train from the ground up the applicants are available.

For the non-represented or managerial position, the District added to staffing with the Associate Engineer. The length of time (8 months) it took to recruit for this position reflects the marketplace – supply and demand for registered Professional Engineers (PE's) is out of balance. Anecdotal reports from other agencies support this statement as multiple agencies are experiencing difficulty recruiting engineers.

Staff has reviewed vacancy rates within each bargaining unit and has determined that no bargaining unit currently meets or exceeds the 20 percent vacancy threshold established under AB 2561. Accordingly, the additional reporting requirements related to applicant totals, time-to-hire, and compensation analysis beyond what has been provided are not applicable at this time. CAWD's combined (represented and non-represented) vacancy rate is 10.34%.

The District's current reporting satisfies the requirements of AB 2561 by providing data on vacancies, recruitment activity, retention trends, and identifying potential improvements to support effective staffing and continued service delivery. Staff has identified the following potential obstacles to recruitment and retention:

- Competitive labor market constraints (e.g., licensed engineers)
- Time required to complete recruitment processes – 8 months for a PE. Generally speaking the District is able to complete a recruitment within 8 weeks. We feel this is a reasonable time frame.
- Compensation competitiveness – we will be better able to address this after Compensation Study is completed.
- Expanding outreach and advertising – it is an ongoing process to look at methods of outreach commonly used in public sector recruiting and to update and automate the process on our website.

Staff is not recommending any changes to our recruiting process at this time.

## **FINANCIAL**

None at this time.

Recruitment for non-managerial positions currently is \$5,000 per recruitment. Posting in various industry sites is additional.

Recruiting for managerial positions currently runs \$20,000 - \$30,000 per recruitment. – this is for a nationwide effort and may include focused mailings.

## AB 2561 Vacancies, Recruitment and Retention

### Summary

|                                   | Fiscal Year |          |          |          |          | # Authorized Employees | 20%<br>2025-2026 | Vacancy Rate | Avg Time to Hire Days | Retention Rate | Average Turnover |
|-----------------------------------|-------------|----------|----------|----------|----------|------------------------|------------------|--------------|-----------------------|----------------|------------------|
|                                   | 20-21       | 21-22    | 22-23    | 23-24    | 24-25    |                        |                  |              |                       |                |                  |
| <b>Represented Group</b>          |             |          |          |          |          |                        |                  |              |                       |                |                  |
| Collections & Maintenance Wkr I   | ✓           |          |          |          |          |                        |                  |              |                       |                |                  |
| Purchaser Plant Asset Coordinator |             | ✓        |          |          |          |                        |                  |              |                       |                |                  |
| Collections Maint Utility Wkr I   |             | ✓        |          |          |          |                        |                  |              |                       |                |                  |
| Operator I-II                     |             | ✓        |          |          |          |                        |                  |              |                       |                |                  |
| Lab Analyst I-II                  |             |          | ✓        |          | ✓        |                        |                  |              | 64                    |                |                  |
| Lab Analyst I-II                  |             |          |          | ✓        |          |                        |                  |              |                       |                |                  |
| Collections Maint Wkr I-II        |             |          |          | ✓        |          |                        |                  |              |                       |                |                  |
| Maint Mechanic I-II               |             |          |          |          |          |                        |                  |              |                       | 84             |                  |
| <i># of positions</i>             | 1           | 3        | 1        | 2        | 1        | 2                      | 18               | 3.6          | 11.11%                | 74             | 105.88%          |
| <b>Management Group</b>           |             |          |          |          |          |                        |                  |              |                       |                |                  |
| Principal Engineer                |             |          |          | ✓        |          |                        |                  |              |                       |                |                  |
| Chief Plant Operator              |             |          |          |          | ✓        |                        |                  |              |                       |                |                  |
| Associate Engineer                |             |          |          |          |          |                        |                  |              |                       | 263            |                  |
| Laboratory Manager                |             |          |          |          | ✓        |                        |                  |              |                       |                |                  |
| <i># of positions</i>             | 0           | 0        | 0        | 1        | 2        | 1                      | 11               | 2.2          | 9.09%                 | 263            | 110.00%          |
| <b>Total</b>                      | <b>1</b>    | <b>3</b> | <b>1</b> | <b>3</b> | <b>3</b> | <b>3</b>               | <b>29</b>        | <b>5.8</b>   | <b>10.34%</b>         | <b>137.00</b>  | <b>107.41%</b>   |

### Recruiting Data by Position

Position: Lab Analyst I-II/Environmental Compliance Inspector  
 Date: Oct-25  
 Total # Applicants: 102  
 # Qualified Applicants: 6  
 # Applicants Interviewed: 6  
 # Offers Refused: 1      Separation from service

Position: Maintenance Mechanic I-II  
 Date: Oct-25  
 Total # Applicants: 78  
 # Qualified Applicants: 3  
 # Applicants Interviewed: 3  
 # Offers Refused: 0      new position

Position: Associate Engineer  
 Date: Jun-25  
 Total # Applicants: 11  
 # Qualified Applicants: 2  
 # Applicants Interviewed: 2  
 # Offers Refused: 0      new position

Vacancy Rate = (Number of vacant positions/total budgeted positions) x 100

Average Time to Hire = Average time per position/total # of positions filled

Retention Rate = EE at end of year/EE at start of year. In excess of 100% because CAWD added positions.

Average Turnover Rate = Total separations/Avg # EE.

## Assembly Bill No. 2561

### CHAPTER 409

An act to add Section 3502.3 to the Government Code, relating to public employment.

[Approved by Governor September 22, 2024. Filed with  
Secretary of State September 22, 2024.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Miliias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares as follows:

(a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.

(b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.

(c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

SEC. 2. Section 3502.3 is added to the Government Code, to read:

3502.3. (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

(1) The total number of job vacancies within the bargaining unit.

(2) The total number of applicants for vacant positions within the bargaining unit.

(3) The average number of days to complete the hiring process from when a position is posted.

(4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, "recognized employee organization" has the same meaning as defined in subdivision (a) of Section 3501.

SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the

meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

SEC. 4. No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.


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Confirmation of Second Pine Cone Publication – AB 2561 Local Public Employees Vacant Positions:

<https://carmelpinecone.com/260612PC.pdf>

CNS-4044259# 200A, Carmel, CA 93923.



Notice is hereby given that the Board of Directors of the Carmel Area Wastewater District will hold a public hearing to discuss and adopt the **Assembly Bill recruitment – Local Public Employees Vacant Positions report at its next Regular Board meeting:**

**Date: Thursday, June 25, 2026**  
**Time: 9:00 a.m.**

Location:  
Carmel Area Wastewater District Office  
3945 Rio Road  
Carmel, CA 93922

<https://www.cawd.org/2026-06-25-board-of-directors-meeting>  
Webinar ID: 851 2385 9028  
Passcode: 989291  
Dial-in: (669) 900-9128

At this meeting, the Board will publicly discuss and consider approval of the Local Public Employees Vacant Positions Recruitment report

Members of the public may participate virtually and be heard regarding this report.

All questions—whether written or oral—must be submitted to the District Board Clerk prior to the close of the public hearing.

Published June 5th & 12, 2026 Publication dates: June 5 & 12, 2026 (PC616)

*Public Hearing #2  
Establishing Sewer Service Fees  
For Fiscal Year 2026-27*

# Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager  
Patrick Treanor, District Engineer

DATE: June 25, 2026

SUBJECT: 2026-27 User Rate Model for Sewer Service Charges

## RECOMMENDATION

It is recommended that the Board of Directors adopt an ordinance authorizing the adoption of the Carmel Area Wastewater District (CAWD/District) Schedule of Sewer User Fees for fiscal year 2026-27, effective July 1, 2026. Note there is no increase in rates, therefore a Prop 218 Notice was not issued.

## DISCUSSION

Attached is the User Rate Model for fiscal year 2026-27. As in the past, we continue to utilize the rate model guidelines provided by the State Water Resources Control Board (SWRCB).

After multiple meetings with the Budget Committee, it is recommended that CAWD keep rates unchanged moving into fiscal year 2026-27. At the Preliminary Budget meeting in March 2026 the full Board agreed to maintain rates at their current level.

The primary reason the Budget Committee declined to recommend a rate increase is that the CAWD fund at the County is currently \$58,281,665 (effective May 2026). After accounting for projected Operations & Maintenance (O&M) expenditures of \$13,262,962 for the upcoming fiscal year, an estimated balance of \$45,018,703 remains available for capital projects. The District Engineer has indicated that approximately \$8.7M in capital expenditures for pipeline projects and other smaller projects is anticipated within the next

budget year.

Over the next 15 years, the capital budget includes \$65M for Collections and \$14M for the Treatment Plant, totaling \$79M in planned projects over that time horizon. At the end of this 15 year period the District will likely need to evaluate long-term infrastructure decision, sea level rise, and the future of the treatment works at its present location.

The 2026-27 Rate Model includes updated flow estimates for all user categories based on the recorded flows into the treatment plant over the past two years, as well as improved data on residential water use obtained from Monterey Peninsula Water Management District.

We do not have current survey information on user fees. The State Water Resources Control Board sent out a survey this year and we will return with the results to the Board as soon as it is available.

## **FINANCIAL**

The proposed rate model would provide \$10,109,361 in user fee revenue from CAWD ratepayers and an additional estimated \$2,100,000 from Pebble Beach Community Special District (PBCSD) in reimbursement for O&M costs. Estimated draw down on reserves for 2026-27 is \$3,750,424 (before depreciation).

Attachment: Fiscal Year 2026-27 Budget Summary and Rate Model

# User Fee Rate Model



Preliminary Board Meeting: 03-26-26

Final Board Meeting: 06-25-26



Summary Rate Model History 2026-27

6/25/26

| User Group           | Count    | Units            | Actual 2019-20 | Actual 2020-21 | Actual 2021-22 | Actual 2022-23 | Actual 2023-24 | Actual 2024-25 | Actual 2025-26 | % Change | Model 26-27 |                 |                     | Proposed Rates 26-27 |                 |                  |                     |  |
|----------------------|----------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|-------------|-----------------|---------------------|----------------------|-----------------|------------------|---------------------|--|
|                      |          |                  |                |                |                |                |                |                |                |          | Rates       | % Change        | Annual Est. Revenue | Annual Rates         | Monthly Rate    | % Change 2025-26 | Annual Est. Revenue |  |
| Veterinary Offices   | 2.0      | each             | 1,892.64       | 1,938.78       | 2,043.50       | 2,288.83       | 2,207.88       | 2,207.88       | 2,207.88       | 0.00%    | 2,276.00    | 3.09%           | 4,552.00            | 2,207.88             | 183.99          | 0.00%            | 4,415.76            |  |
| Animal Hosp & Board  | 2.0      | each             | 5,411.36       | 5,543.28       | 5,608.98       | 6,511.87       | 6,251.90       | 6,251.90       | 6,251.90       | 0.00%    | 19,118.42   | 205.80%         | 38,236.84           | 6,251.90             | 520.99          | 0.00%            | 12,503.80           |  |
| Bakery               | 5.0      | each             | 3,163.94       | 3,339.10       | 3,351.22       | 3,743.88       | 3,395.32       | 3,395.32       | 3,395.32       | 0.00%    | 4,323.44    | 27.34%          | 21,617.20           | 3,395.32             | 282.94          | 0.00%            | 16,976.60           |  |
| Bar                  | 22.0     | each             | 1,327.44       | 1,358.00       | 1,374.58       | 1,579.63       | 1,527.14       | 1,527.14       | 1,527.14       | 0.00%    | 2,368.22    | 55.08%          | 52,100.73           | 1,527.14             | 127.26          | 0.00%            | 33,597.08           |  |
| Beauty Salon         | 40.0     | each             | 1,100.86       | 1,121.26       | 1,136.28       | 1,331.31       | 1,290.38       | 1,290.80       | 1,290.80       | 0.00%    | 2,472.21    | 91.53%          | 98,888.42           | 1,290.80             | 107.57          | 0.00%            | 51,632.00           |  |
| Business/Govt/Retail | 1,003.8  | per 10 employees | 495.42         | 505.36         | 511.94         | 612.48         | 594.20         | 594.20         | 594.20         | 0.00%    | 923.08      | 55.35%          | 926,592.18          | 594.20               | 49.52           | 0.00%            | 596,457.96          |  |
| Camera/Photo         | 0.0      | each             | 684.52         | 702.20         | 710.04         | 799.14         | 768.28         | 768.28         | 768.28         | 0.00%    | 0.00        | -100.00%        | 0.00                | 768.28               | 64.02           | 0.00%            | 0.00                |  |
| Church/Synagogue/Mi  | 11.8     | ERU = 150        | 736.58         | 750.24         | 760.26         | 887.94         | 864.84         | 864.84         | 864.84         | 0.00%    | 1,381.51    | 59.74%          | 16,301.83           | 864.84               | 72.07           | 0.00%            | 10,205.11           |  |
| Conv. Hospital       | 126.0    | beds             | 391.50         | 400.58         | 405.48         | 472.38         | 456.84         | 456.84         | 456.84         | 0.00%    | 676.60      | 48.11%          | 85,252.08           | 456.84               | 38.07           | 0.00%            | 57,561.84           |  |
| Dental Office        | 11.7     | each Dentist     | 742.66         | 751.60         | 763.14         | 914.52         | 901.16         | 1,000.64       | 901.16         | -9.94%   | 1,598.55    | 77.39%          | 18,703.02           | 901.16               | 75.10           | 0.00%            | 10,543.57           |  |
| Gym/Health Spa       | 12.5     | each             | 951.58         | 969.84         | 982.70         | 1,161.50       | 1,130.44       | 1,130.44       | 1,130.44       | 0.00%    | 1,823.50    | 61.31%          | 22,793.75           | 1,130.44             | 94.20           | 0.00%            | 14,130.50           |  |
| Hotel/Motel          | 1,436.0  | room             | 413.22         | 422.82         | 428.08         | 477.64         | 461.36         | 461.36         | 461.36         | 0.00%    | 690.19      | 49.60%          | 991,105.98          | 461.36               | 38.45           | 0.00%            | 662,512.96          |  |
| Laundromats          | 35.0     | per machine      | 918.06         | 930.62         | 944.46         | 1,143.94       | 1,118.72       | 1,118.72       | 1,118.72       | 0.00%    | 1,693.25    | 51.36%          | 59,263.76           | 1,118.72             | 93.23           | 0.00%            | 39,155.20           |  |
| Laundry              | 3.0      | each             | 3,411.96       | 3,533.92       | 3,564.90       | 3,968.94       | 3,750.68       | 3,750.68       | 3,750.68       | 0.00%    | 5,449.41    | 45.29%          | 16,348.23           | 3,750.68             | 312.56          | 0.00%            | 11,252.04           |  |
| Market               | 4.0      | each             | 1,525.26       | 1,603.04       | 1,610.36       | 1,840.42       | 1,677.24       | 1,677.24       | 1,677.24       | 0.00%    | 1,983.68    | 18.27%          | 7,934.70            | 1,677.24             | 139.77          | 0.00%            | 6,708.96            |  |
| Medical Office       | 18.0     | each Physician   | 364.94         | 364.94         | 359.92         | 440.49         | 440.50         | 440.50         | 440.50         | 0.00%    | 440.49      | 0.00%           | 7,928.82            | 440.50               | 36.71           | 0.00%            | 7,929.00            |  |
| Residential          | 7,650.2  | each             | 825.78         | 851.84         | 877.58         | 1,005.94       | 952.82         | 952.82         | 952.82         | 0.00%    | 1,403.26    | 47.27%          | 10,735,257.83       | 952.82               | 79.40           | 0.00%            | 7,289,263.56        |  |
| Restaurants          | 14,431.7 | Seat/Meal        | 62.74          | 65.98          | 66.32          | 74.40          | 68.04          | 68.04          | 68.04          | 0.00%    | 86.08       | 26.52%          | 1,242,314.86        | 68.04                | 5.67            | 0.00%            | 981,932.87          |  |
| Schools              | 2,667.3  | Population       | 33.90          | 34.36          | 34.88          | 42.23          | 41.38          | 41.38          | 41.38          | 0.00%    | 65.93       | 59.34%          | 175,867.37          | 41.38                | 3.45            | 0.00%            | 110,372.87          |  |
| Service Stations     | 16.0     | per pump         | 2,455.60       | 2,517.14       | 2,546.00       | 2,947.48       | 2,838.54       | 2,838.54       | 2,838.54       | 0.00%    | 4,425.86    | 55.92%          | 70,813.78           | 2,838.54             | 236.55          | 0.00%            | 45,416.64           |  |
| Supermarkets         | 2.0      | each             | 21,500.58      | 21,601.64      | 22,703.94      | 25,502.45      | 23,282.90      | 23,282.90      | 23,282.90      | 0.00%    | 27,722.71   | 19.07%          | 55,445.41           | 23,282.90            | 1940.24         | 0.00%            | 46,565.80           |  |
| SPECIAL              | 112.3    | ERU=150          | 751.26         | 765.36         | 775.56         | 916.18         | 892.50         | 892.50         | 892.50         | 0.00%    | 1,456.95    | 63.24%          | 163,615.20          | 892.50               | 74.38           | 0.00%            | 100,227.75          |  |
| <b>TOTALS</b>        |          |                  |                |                |                |                |                |                |                |          |             | \$14,810,934.00 |                     |                      | \$10,109,361.88 |                  |                     |  |

Proposed vs. Model (4,701,572.12)

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM  
FORM 1 - SUMMARY OF USERS AND WASTEWATER CHARACTERISTICS**

6/25/26

| USER GROUP               | COUNT    | UNITS            | FLOW<br>(gpd/unit) | ADWF<br>(MGD) | BOD<br>(mg/l) | SS<br>(mg/l) | DESIGN FLOW<br>(MGD) | BOD<br>(lbs/day) | SS<br>(lbs/day) | VOLUME<br>(MG) | BOD<br>(lbs)     | SS<br>(lbs)      |
|--------------------------|----------|------------------|--------------------|---------------|---------------|--------------|----------------------|------------------|-----------------|----------------|------------------|------------------|
| Veterinary Offices       | 2.0      | each             | 250                | 0.0005        | 245           | 430          | 0.0005               | 1.022            | 1.793           | 0.183          | 373              | 654              |
| Animal Hosp & Boarding   | 2.0      | each             | 700                | 0.0014        | 245           | 430          | 0.0014               | 2.861            | 5.021           | 0.511          | 1,044            | 1,832            |
| Bakery                   | 5.0      | each             | 240                | 0.0012        | 800           | 1,400        | 0.0012               | 8.006            | 14.011          | 0.438          | 2,922            | 5,114            |
| Bar                      | 22.0     | each             | 175                | 0.0039        | 225           | 410          | 0.0039               | 7.225            | 13.165          | 1.405          | 2,637            | 4,805            |
| Beauty Salon             | 40.0     | each             | 150                | 0.0060        | 165           | 360          | 0.0060               | 8.257            | 18.014          | 2.190          | 3,014            | 6,575            |
| Business/Govt/Retail     | 1,003.8  | per 10 employees | 70                 | 0.0703        | 200           | 300          | 0.0703               | 117.204          | 175.806         | 25.647         | 42,778           | 64,167           |
| Camera/Photo             | 0.0      | each             | 88                 | 0.0000        | 175           | 605          | 0.0000               | 0.000            | 0.000           | 0.000          | 0                | 0                |
| Church/Synagogue/Mission | 11.8     | ERU = 150        | 105                | 0.0012        | 155           | 365          | 0.0012               | 1.602            | 3.772           | 0.452          | 585              | 1,377            |
| Conv. Hospital           | 126.0    | beds             | 50                 | 0.0063        | 245           | 375          | 0.0063               | 12.873           | 19.703          | 2.300          | 4,698            | 7,191            |
| Dental Office            | 11.7     | each Dentist     | 125                | 0.0015        | 150           | 210          | 0.0015               | 1.830            | 2.561           | 0.534          | 668              | 935              |
| Gym/Health Spa           | 12.5     | each             | 140                | 0.0018        | 150           | 315          | 0.0018               | 2.189            | 4.597           | 0.639          | 799              | 1,678            |
| Hotel/Motel              | 1,436.0  | room             | 50                 | 0.0718        | 300           | 400          | 0.0718               | 179.644          | 239.525         | 26.207         | 65,568           | 87,424           |
| Laundromats              | 35.0     | per machine      | 130                | 0.0046        | 150           | 315          | 0.0046               | 5.692            | 11.953          | 1.661          | 2,078            | 4,363            |
| Laundry                  | 3.0      | each             | 365                | 0.0011        | 415           | 700          | 0.0011               | 3.790            | 6.393           | 0.400          | 1,383            | 2,333            |
| Market                   | 4.0      | each             | 102                | 0.0004        | 1,100         | 1,515        | 0.0004               | 3.743            | 5.155           | 0.149          | 1,366            | 1,882            |
| Medical Office           | 18.0     | each Physician   | 55                 | 0.0010        | 150           | 190          | 0.0010               | 1.238            | 1.569           | 0.361          | 452              | 573              |
| Minimum/Vacant/Storage   | 0.0      | each             | 0                  | 0.0000        | 0             | 0            | 0.0000               | 0.000            | 0.000           | 0.000          | 0                | 0                |
| Public                   | 0.0      | ERU=175          | 0                  | 0.0000        | 0             | 0            | 0.0000               | 0.000            | 0.000           | 0.000          | 0                | 0                |
| Residential              | 7,650.2  | each             | 98                 | 0.7497        | 305           | 620          | 0.7497               | 1,907.062        | 3,876.650       | 273.648        | 696,055          | 1,414,931        |
| Restaurants              | 14,431.7 | Seat/Meal        | 4.5                | 0.0649        | 1,200         | 1,200        | 0.0649               | 649.946          | 649.946         | 23.704         | 237,223          | 237,223          |
| Schools                  | 2,667.3  | Population       | 5                  | 0.0133        | 200           | 300          | 0.0133               | 22.245           | 33.368          | 4.868          | 8,119            | 12,179           |
| Service Stations         | 16.0     | per pump         | 325                | 0.0052        | 195           | 500          | 0.0052               | 8.457            | 21.684          | 1.898          | 3,087            | 7,914            |
| Supermarkets             | 2.0      | each             | 1,458              | 0.0029        | 900           | 1,670        | 0.0029               | 21.887           | 40.613          | 1.064          | 7,989            | 14,823           |
| Theaters                 | 0.0      | Seats            | 0                  | 0.0000        | 0             | 0            | 0.0000               | 0.000            | 0.000           | 0.000          | 0                | 0                |
| SPECIAL                  | 112.3    | ERU~150          | 113                | 0.0127        | 125           | 300          | 0.0127               | 13.229           | 31.750          | 4.632          | 4,829            | 11,588           |
| <b>TOTALS</b>            |          |                  | <b>4,799</b>       | <b>1.0216</b> | <b>350</b>    | <b>608</b>   | <b>1.0216</b>        | <b>2,980.00</b>  | <b>5,177.05</b> | <b>372.890</b> | <b>1,087,664</b> | <b>1,889,561</b> |

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM  
FORM 2 - OPERATION AND MAINTENANCE COSTS AND DEBT SERVICE**

6/25/26

| <b>COST CATEGORY</b>           | <b>Budget YEAR 25-26</b> | <b>ESTIMATED COST 26-27</b> |
|--------------------------------|--------------------------|-----------------------------|
| <b>TREATMENT FACILITIES</b>    |                          |                             |
| Fixed costs                    | 4,111,586.00             | 7,332,980.00                |
| Replacement costs              | 1,064,750.00             | <b>2,322,700.00</b>         |
| Total fixed costs              | 4,111,586.00             | 7,332,980.00                |
| Replacement costs              | 1,064,750.00             | 2,322,700.00                |
| <b>SUB-TOTAL</b>               | <b>5,176,336.00</b>      | <b>9,655,680.00</b>         |
| <b>COLLECTION SYSTEM</b>       |                          |                             |
| Fixed costs                    | 3,135,780.00             | 3,172,758.00                |
| Replacement costs              | 10,196,619.00            | <b>6,374,000.00</b>         |
| Total fixed costs              | 3,135,780.00             | 3,172,758.00                |
| Replacement costs              | 10,196,619.00            | 6,374,000.00                |
| <b>SUB-TOTAL</b>               | <b>13,332,399.00</b>     | <b>9,546,758.00</b>         |
| <b>ADMINISTRATION</b>          |                          |                             |
| Fixed Costs                    | 1,328,286.00             | 2,073,422.00                |
| Replacement Costs              | 7,000.00                 | <b>10,281.00</b>            |
| Variable costs                 | 0.00                     | 0.00                        |
| <b>SUB-TOTAL</b>               | <b>1,335,286.00</b>      | <b>2,083,703.00</b>         |
| <b>OPERATING RESERVES -</b>    | <b>0.00</b>              | <b>0.00</b>                 |
| <b>OTHER</b>                   |                          |                             |
| TOTAL FIXED COSTS              | 19,844,021.00            | 12,589,441.00               |
| Total Replacement Costs        | 11,268,369.00            | 8,696,700.00                |
| Less PBCSD                     | 2,096,000.00             | 2,100,000.00                |
| Less Reclamation Reimbursement | 0.00                     | 56,000.00                   |
| Less Property Tax & Int Inc    | 5,117,335.00             | 4,351,000.00                |
| <b>LESS TOTAL</b>              | <b>7,213,335.00</b>      | <b>6,507,000.00</b>         |
| <b>TOTAL CAWD COSTS</b>        | <b>23,899,055.00</b>     | <b>14,779,141.00</b>        |
| <b>DEBT SERVICE</b>            | <b>0.00</b>              | <b>0.00</b>                 |



**CARMEL AREA WASTEWATER DISTRICT - 2026-27REVENUE PROGRAM  
FORM 3 - CAPITAL COST ALLOCATION**

6/25/26

| COSTS                                  | TOTAL COST | FLOW   |    | BOD   |    | SS    |    |
|--|------------|--------|----|-------|----|-------|----|
|  |            | %      | \$ | %     | \$ | %     | \$ |
| Collection System                      | 0          | 100.00 | 0  | 0.00  | 0  | 0.00  | 0  |
| Treatment Plant                        | 0          | 34.00  | 0  | 33.00 | 0  | 33.00 | 0  |
| Outfall/Intercept.                     | 0          | 100.00 | 0  | 0.00  | 0  | 0.00  | 0  |
|  |            |        |    |       |    |       |    |
| Step 1 & 2                             |            |        |    |       |    |       |    |
| <b>SUBTOTAL - ALL COSTS</b>            |            |        |    |       |    |       |    |
| Less Exclusions                        |            |        |    |       |    |       |    |
| Total G.F. Costs                       |            |        |    |       |    |       |    |
| Total N.G.F. Costs                     |            |        |    |       |    |       |    |
| Federal Grant<br>at 75% of 9           |            |        |    |       |    |       |    |
| Annual ICR                             |            |        |    |       |    |       |    |
|  |            |        |    |       |    |       |    |
| <b>LOCAL SHARE</b><br>(8+12-1/2% of 9) |            |        |    |       |    |       |    |

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM  
FORM 4 - UNIT COST DETERMINATION**

6/25/26

| <b>COST CATEGORY</b>                             | <b>PARAMETER ALLOCATION PERCENTAGE</b> | <b>ANNUAL COST TO EACH PARAMETER</b> | <b>TOTAL QUANTITIES</b> | <b>UNIT COST FOR EACH PARAMETER</b> |
|--|--|--------------------------------------|-------------------------|-------------------------------------|
| <b>1. COLLECTION SYSTEM O&amp;M</b>              |  |                                      |                         |                                     |
| I/I (MG)   | 0.000                                  | \$0                                  | 0.00                    |                                     |
| Flow (MG)  | 100.000                                | \$10,582,700                         | 372.89                  | \$28,380.25464                      |
| BOD (lbs)  | 0.000                                  | \$0                                  | 1,087,664.40            | \$0.00000                           |
|  |  |                                      |                         |                                     |
| <b>2. DEBT SERVICE</b>                           |  |                                      |                         |                                     |
| I/I (MG)   |  |                                      | 0.00                    |                                     |
| Flow (MG)  |  |                                      | 372.89                  | \$0.00000                           |
| BOD (lbs)  |  |                                      | 1,087,664.40            | \$0.00000                           |
| SS (lbs)   |  |                                      | 1,889,561.03            | \$0.00000                           |
|  |  |                                      |                         |                                     |
| <b>3. CAPITAL OUTLAY</b>                         |  |                                      |                         |                                     |
| I/I (MG)   | 0.000                                  | \$0                                  | 0.00                    |                                     |
| Flow (MG)  | 0.000                                  | \$0                                  | 372.89                  | \$0.00000                           |
| BOD (lbs)  | 0.000                                  | \$0                                  | 1,087,664.40            | \$0.00000                           |
| SS (lbs)   | 0.000                                  | \$0                                  | 1,889,561.03            | \$0.00000                           |
|  |  |                                      | 9.50                    |                                     |
| <b>4. TREATMENT &amp; DISPOSAL O&amp;M</b>       |  |                                      |                         |                                     |
| I/I (MG)   | 0.00                                   | \$0                                  | 0.00                    |                                     |
| Flow (MG)  | 33.33                                  | \$1,398,814                          | 372.89                  | \$3,751.28183                       |
| BOD (lbs)  | 33.33                                  | \$1,398,674                          | 1,087,664.40            | \$1.28594                           |
| SS (lbs)   | 33.33                                  | \$1,398,814                          | 1,889,561.03            | \$0.74028                           |
|  |  |                                      |                         |                                     |
| <b>5. ADMINISTRATIVE COSTS (Allocated above)</b> |  |                                      |                         |                                     |
| TO T&D   | 50.28                                  | \$1,047,761                          |                         |                                     |
| TO COLLECTION                                    | 49.72                                  | \$1,035,942                          |                         |                                     |
| <b>TOTAL O&amp;M COST</b>                        |  | <b>\$14,779,001</b>                  |                         |                                     |

**CARMEL AREA WASTEWATER DISTRICT - REVENUE PROGRAM  
FORM 5 - SUMMARY OF FUND COSTS - O & M**

6/25/26

| USER GROUPS                | COUNT  | FLOW                 |            | BOD                   |           | SS                     |           | TOTAL ANNUAL REVENUE | AVERAGE ANNUAL REVENUE | AVERAGE MONTHLY REVENUE |
|----------------------------|--------|----------------------|------------|-----------------------|-----------|------------------------|-----------|----------------------|------------------------|-------------------------|
|                            |        | UNIT COST= 32,131.54 |            | UNIT COST= 1.28594248 |           | UNIT COST= 0.740284951 |           |                      |                        |                         |
|                            |        | FLOW - MG            | DOLLARS    | BOD - lbs.            | DOLLARS   | SS-lbs.                | DOLLARS   |                      |                        |                         |
| Veterinary Offices         | 3      | 0.183                | 5,864      | 373                   | 480       | 654                    | 484       | 6,828                | 2,276.00               | 189.67                  |
| Animal Hospital & Boarding | 1      | 0.511                | 16,419     | 1,044                 | 1,343     | 1,832                  | 1,357     | 19,118               | 19,118.42              | 1,593.20                |
| Bakery                     | 5      | 0.438                | 14,074     | 2,922                 | 3,758     | 5,114                  | 3,786     | 21,617               | 4,323.44               | 360.29                  |
| Bar                        | 22     | 1.405                | 45,153     | 2,637                 | 3,391     | 4,805                  | 3,557     | 52,101               | 2,368.22               | 197.35                  |
| Beauty Salon               | 32     | 2.190                | 70,368     | 3,014                 | 3,875     | 6,575                  | 4,867     | 79,111               | 2,472.21               | 206.02                  |
| Business/Govt/Retail       | 1,004  | 25.647               | 824,080    | 42,778                | 55,010    | 64,167                 | 47,502    | 926,592              | 923.08                 | 76.92                   |
| Camera/Photo               | 0      | 0.000                | 0          | 0                     | 0         | 0                      | 0         | 0                    | 0.00                   | 0.00                    |
| Church/Synagogue/Mission   | 12     | 0.452                | 14,531     | 585                   | 752       | 1,377                  | 1,019     | 16,302               | 1,381.51               | 115.13                  |
| Conv. Hospital             | 126    | 2.300                | 73,886     | 4,698                 | 6,042     | 7,191                  | 5,324     | 85,252               | 676.60                 | 56.38                   |
| Dental Office              | 12     | 0.534                | 17,152     | 668                   | 859       | 935                    | 692       | 18,703               | 1,598.55               | 133.21                  |
| Gym/Health Spa             | 13     | 0.639                | 20,524     | 799                   | 1,028     | 1,678                  | 1,242     | 22,794               | 1,823.50               | 151.96                  |
| Hotel/Motel                | 1,436  | 26.207               | 842,071    | 65,568                | 84,316    | 87,424                 | 64,718    | 991,106              | 690.19                 | 57.52                   |
| Laundromats                | 35     | 1.661                | 53,362     | 2,078                 | 2,672     | 4,363                  | 3,230     | 59,264               | 1,693.25               | 141.10                  |
| Laundry                    | 3      | 0.400                | 12,842     | 1,383                 | 1,779     | 2,333                  | 1,727     | 16,348               | 5,449.41               | 454.12                  |
| Market                     | 4      | 0.149                | 4,785      | 1,366                 | 1,757     | 1,882                  | 1,393     | 7,935                | 1,983.68               | 165.31                  |
| Medical Office             | 18     | 0.361                | 11,611     | 452                   | 581       | 573                    | 424       | 12,616               | 700.88                 | 58.41                   |
| Minimum/Vacant/Storage     | 0      | 0.000                | 0          | 0                     | 0         | 0                      | 0         | 0                    | 0.00                   | 0.00                    |
| Public                     | 0      | 0.000                | 0          | 0                     | 0         | 0                      | 0         | 0                    | 0.00                   | 0.00                    |
| Residential                | 7,650  | 273.648              | 8,792,720  | 696,055               | 895,086   | 1,414,931              | 1,047,452 | 10,735,258           | 1,403.26               | 116.94                  |
| Restaurants                | 14,432 | 23.704               | 761,648    | 237,223               | 305,055   | 237,223                | 175,612   | 1,242,315            | 86.08                  | 7.17                    |
| Schools                    | 2,667  | 4.868                | 156,411    | 8,119                 | 10,441    | 12,179                 | 9,016     | 175,867              | 65.93                  | 5.49                    |
| Service Stations           | 16     | 1.898                | 60,986     | 3,087                 | 3,969     | 7,914                  | 5,859     | 70,814               | 4,425.86               | 368.82                  |
| Supermarkets               | 2      | 1.064                | 34,199     | 7,989                 | 10,273    | 14,823                 | 10,974    | 55,445               | 27,722.71              | 2,310.23                |
| Theaters                   | 0      | 0.000                | 0          | 0                     | 0         | 0                      | 0         | 0                    | 0.00                   | 0.00                    |
| Special                    | 112    | 4.632                | 148,827    | 4,829                 | 6,209     | 11,588                 | 8,579     | 163,615              | 1,456.95               | 121.41                  |
| TOTALS                     |        | 372.890              | 11,981,514 | 1,087,664             | 1,398,674 | 1,889,561              | 1,398,814 | 14,779,001           | 82,640                 | 6,887                   |



ORDINANCE NO. 2026-02

AN ORDINANCE ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEAR 2026-2027 AND THEREAFTER, PROVIDING FOR THE COLLECTION OF SUCH CHARGES ON THE TAX ROLL, AND PROVIDING FURTHER THAT THIS ORDINANCE AND THE CHARGES ESTABLISHED HEREBY AND THE TAX COLLECTION PROCEDURE SELECTED HEREIN SHALL REMAIN IN EFFECT UNTIL EITHER THE SAID CHARGES ARE REVISED OR THIS ORDINANCE IS OTHERWISE AMENDED OR REPEALED

-oOo-

THE BOARD OF DIRECTORS OF THE CARMEL AREA WASTEWATER DISTRICT (DISTRICT) DOES ORDAIN AS FOLLOWS:

1. Sewer Service Charges. Sewer service charges for services rendered are hereby adopted and levied upon all fiscal years hereafter until the charges established herein are modified or this ordinance is repealed, at the same rates set forth on Exhibit "A" which is attached hereto and incorporated herein by this reference thereto.
2. Collection on Tax Roll. Pursuant to California Health and Safety Code §5473, the District hereby elects to have the aforesaid sewer service charges for services rendered by the District collected on the tax roll in the same general manner, by the same persons and at the same time as the collection of general property taxes by the County of Monterey.
3. Duration. This ordinance, the service charges established hereby and the collection procedure elected herein shall continue in full force and effect until either: a) the said sewer service charges are revised, or b) this ordinance is otherwise specifically amended or repealed.

4. Publication. Following adoption, this ordinance shall be published once in a newspaper published in the District.
5. Effective Date. This ordinance shall take effect and be in force one (1) week after the date it is published in the newspaper, or July 1, 2026, whichever is later.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Robert Siegfried, President of the Board

ATTEST:

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Domine Barringer, Board Clerk

## Exhibit "A"

### Sewer User Fees Effective July 1, 2026

| <u>User Category</u>       | <u>Units</u>                | <u>Annual Rate</u> |
|----------------------------|-----------------------------|--------------------|
| Bakery                     | Location                    | \$3,395.32         |
| Bar                        | Location                    | \$1,527.14         |
| Beauty Salon               | Location                    | \$1,290.80         |
| Business/Govt./Retail      | Per 10 Employees*           | \$594.20           |
| Camera/Photo               | Location                    | \$768.28           |
| Church/Synagogue/Mission   | Location                    | \$864.84           |
| Conv. Hospital             | Per Bed                     | \$456.84           |
| Dental Office              | Per Dentist                 | \$901.16           |
| Gym/Health Spa             | Location                    | \$1,130.44         |
| Hotel/Motel                | Per Room                    | \$461.36           |
| Laundromats                | Per Machine                 | \$1,118.72         |
| Laundry                    | Location                    | \$3,750.68         |
| Market                     | Location                    | \$1,677.24         |
| Medical Office             | Per Physician               | \$440.50           |
| Residential                | Dwelling Unit               | \$952.82           |
| Restaurants                | Seat/Meal**                 | \$68.04            |
| Schools                    | Population                  | \$41.38            |
| Service Stations           | Per Pump                    | \$2,838.54         |
| Supermarkets               | Location                    | \$23,282.90        |
| Veterinary Offices         | Location                    | \$2,207.88         |
| Animal Hospital & Boarding | Location                    | \$6,251.90         |
| Special/Unlisted Users     | \$/Flow Characteristics *** | \$892.50           |

\* Each business is counted separately. For 1-10 employee it is counted as 1 unit. For 11-20 it is counted as two units. And so on. For the purposes of this model part-time employees are counted as 4:1

\*\* Customer seats are multiplied by the number of meal periods (breakfast, lunch, dinner) serviced times two. The rate model assumes a seat will turn over twice during any meal period.

\*\*\*Special/Unlisted users are assessed rates based on their loadings for Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Flow (millions of gallons) multiplied by the following unit rates: \$1.729770691/lb of BOD; \$0.98753117/lb of SS; \$12,953.98/MG of flow

The Carmel Area Wastewater District collects, treats and disposes of wastewater from more than 6,500 residential and commercial connections in Carmel and surrounding areas and portions of lower Carmel Valley.

The fixed rate user fees include funds required for current operation and maintenance costs.



# CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES

Thursday, 9:00 a.m., May 28, 2026

3945 Rio Road

Carmel, California 93923

Via Teleconference Webinar & In Person

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## CALL TO ORDER – ROLL CALL AT 9:00 a.m.

*\* Signifies virtual attendance*

**Present:** President Siegfried; President Pro Tem Urquhart (arrived 9:14 a.m.); Directors Cole, Weiland, and White (left at 10:00 a.m.)

### A quorum was present

**Absent:** At roll call Director Urquhart was absent and joined the meeting at 9:14 a.m. Director White left the meeting at 10:00 a.m.

**Others:** Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD or District)

Domine Barringer, Board Clerk, CAWD

Patrick Treanor, District Engineer

Jeff Bandy, Ph.D., Principal Engineer, CAWD

Alex Henson, Associate Engineer, CAWD

Mohammed Serageldin, Ph.D., Laboratory Manager, CAWD

Chris Foley, Facilities Manager

Matt Green, Chief Plant Operator

Michael Skinkle, Maintenance Supervisor

Emiliano Ramirez Martinez, IT Intern

Daryl Lauer, Collections Superintendent, CAWD

\*Kevin Young, Wastewater System Analyst, CAWD

\*Director Verbanec, Pebble Beach Community District (PBCSD)

Nick Becker, General Manager, PBCSD

Alex J. Lorca-Fenton & Keller, Attorneys at Law, CAWD Legal Counsel

**In-Person Public Attendees:** None

### Virtual Public Attendees:

Joberto Lee, Enterprise Automation Marketing & Innovation Manager

Allison Ngo (Guest)

Michael Miller (Guest)

Cody Phillips (Guest)

Steve Thomas, TBC Communications

1. **Appearances/Public Comments:** Anyone wishing to address the Board on a matter not appearing on the agenda may do so now appearing on the agenda may do so now. Public comment shall be limited to 3 minutes per person. No action shall be taken on any item not appearing on the agenda. During consideration of any agenda item, public comment shall be limited to 3 minutes per person and will be allowed prior to Board action on the item under discussion.

*There were no public comments made.*

2. **Agenda Changes:** Any requests to move an item forward on the agenda will be considered at this time at this time.

*There were no agenda changes.*

3. Enterprise Automation PowerPoint Presentation-Machine Learning and Artificial Intelligence Positioning – *Report by Joberto Lee, Enterprise Automation Marketing & Innovation Manager*

*Mr. Lee delivered a PowerPoint presentation to the Board regarding the positioning of machine learning and artificial intelligence and responded to questions from the Board. The presentation was made available on the District’s website prior to the commencement of the meeting.*

### **CONSENT CALENDAR: APPROVAL OF MINUTES, FINANCIAL STATEMENTS, AND MONTHLY REPORTS – ALL REPORTS RELATE TO CURRENT YEAR**

*The Consent Agenda consists of routine items for which Board approval can be taken with a single motion and vote. A Board Member may request that any item be placed on the Regular Agenda for separate consideration.*

***Motion: Director White moved to approve the Consent Calendar. The motion was seconded by Director Cole.***

***Vote: President Siegfried called for the vote. The motion carried unanimously, with all Directors present and voting Aye.***

***Action: The board approved the Consent Calendar.***

4. April 30, 2026 Regular Board Minutes, May 13, 2026 Budget Committee Minutes
5. Receive and Accept Bank Statement Review by Clifton Larson Allen (CLA) March 2026 (included in the packet)-April 2026 (not available at time of Board meeting)
6. Receive and Accept Schedule of Cash Receipts & Disbursements-April 2026
7. Approve Register of Disbursements – Carmel Area Wastewater District-April 2026
8. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project-April 2026
9. Receive and Accept Financial Statements and Supplementary Schedules-April 2026
10. Receive and Accept Collection System Superintendent’s Report-For April & March, February 2026

11. Receive and Accept Safety and Regulatory Compliance Report-April 2026
12. Receive and Accept Treatment Facility Operations Report-For April & March, February 2026
13. Receive and Accept Laboratory/Environmental Compliance Report-April 2026
14. Receive and Accept Capital Projects Report/Implementation Plan
15. Receive and Accept Project Summaries – Capital & Non-Capital
16. Receive and Accept Facilities Managers Report – April 2026
17. Receive and Accept Source Control-Environmental Compliance Report- April 2026

## **ACTION ITEMS BEFORE THE BOARD**

*Action Items consist of business which requires a vote by the Board. These items are acted upon in the following sequence: (1) Staff Report (2) Board Questions to Staff (3) Public Comments, and (4) Board Discussion and Action.*

## **RESOLUTIONS**

18. **Resolution No. 2026-37: A Resolution Authorizing The General Manager To Purchase A New Closed-Circuit Television (CCTV) Inspection System & Van In Fiscal Year (Fy) 2026-2027 In An Amount Not To Exceed \$500,000 – Report by Daryl Lauer, Collection Superintendent**

***Motion: Director Urquhart moved to approve Resolution No. 2026-37. The motion was seconded by Director White.***

***Vote: The motion carried unanimously, with all Directors present and voting Aye.***

***Action: The Board authorized the General Manager to purchase a new closed-circuit television (CCTV) inspection system and van in Fiscal Year 2026–27 in an amount not to exceed \$500,000.***

19. **Resolution No. 2026-38: A Resolution Authorizing an Amended Contract with Southwest Valve for Distribution Box Weir Gates and Requesting a Motion Rescinding Resolution No. 2026-11 – Report by Chris Foley, Facilities Manager**

***Motion: Director Weiland moved to approve Resolution No. 2026-38. The motion was seconded by Director White.***

***Vote: The motion carried unanimously, with all Directors voting Aye.***

***Action: The Board authorized an amended contract with Southwest Valve for distribution box weir gates, including a requested correction to the arbitration clause, and approved rescinding Resolution No. 2026-11.***

- 20. Resolution No. 2026-39: A Resolution Authorizing a Notice of Intent to Adopt a Mitigated Negative Declaration for the Carmel Woods and Pescadero Road Sewer Rehabilitation Project (21-05) – Report by Jeff Bandy, Acting General Manager**

*Motion: Director Urquhart moved to approve Resolution No. 2026-39. The motion was seconded by Director Cole.*

*Vote: The motion carried unanimously, with all Directors voting Aye.*

*Action: The Board authorized a notice of intent to adopt a mitigated negative declaration for the Carmel Woods and Pescadero Road Sewer Rehabilitation Project (21-05).*

- 21. Resolution No. 2026-40: A Resolution Authorizing an Increase in Staffing Levels to Hire a New Collection System Maintenance Worker I/II– Report by Jeff Bandy, Acting General Manager**

*Motion: Director White moved to approve Resolution No. 2026-40. The motion was seconded by Director Urquhart.*

*Vote: The motion carried unanimously, with all Directors voting Aye.*

*Action: The Board authorized an increase in staffing levels to hire a new Collection System Maintenance Worker I/II.*

- 22. Resolution No. 2026-41: A Resolution Approving The Carmel Area Wastewater District (CAWD)/Pebble Beach Community Service District (PBCSD) Fiscal Year 2026 - Reclamation Project Budget – Report by Jeff Bandy, Acting General Manager**

*Motion: Director Urquhart moved to approve Resolution No. 2026-41. The motion was seconded by Director Weiland.*

*Vote: Following a roll call vote, the motion passed, with President Siegfried and Directors Cole, Urquhart, and Weiland voting Aye. Director White was absent, having left the meeting at 10:00 a.m. prior to the vote.*

*Action: The Board approved the Carmel Area Wastewater District/Pebble Beach Community Services District Fiscal Year 2026–27 Reclamation Project Budget.*

- 23. Resolution No. 2026-42: Resolution Ordering An Election, Requesting The County Elections Department To Conduct The Election, And Requesting Consolidation Of The Election**– *Report by Jeff Bandy, Acting General Manager*

*Motion: Director Urquhart moved to adopt Resolution No. 2026-42. The motion was seconded by President Siegfried.*

*Vote: Following a roll call vote, the motion passed unanimously, with all Directors present and voting Aye. Director White was absent.*

*Action: The Board adopted the resolution ordering an election, requesting the County Elections Department to conduct the election, and requesting consolidation of the election.*

- 24. Resolution No. 2026-43: A Resolution Authorizing Award Of Easement Maintenance Surveys And Program-Level California Environmental Quality Act (CEQA) Analysis To Rincon Consultants, Inc.-** *Report by Jeff Bandy, Acting General Manager*

*Motion: Director Weiland moved to approve Resolution No. 2026-43. The motion was seconded by Director Urquhart.*

*Vote: Following a roll call vote, the motion passed unanimously, with all Directors present and voting Aye. Director White was absent.*

*Action: The Board authorized the award of easement maintenance surveys and program-level California Environmental Quality Act (CEQA) analysis to Rincon Consultants, Inc.*

- 25. Resolution No. 2026-44: A Resolution Of The Carmel Area Wastewater District Authorizing Execution Of A Certificate Of Acceptance Of Easement For The Rancho Cañada Village Subdivision**– *Report by Patrick Treanor, District Engineer*

*Motion: Director Urquhart moved to approve Resolution No. 2026-44. The motion was seconded by Director Weiland.*

*Vote: Following a roll call vote, the motion passed unanimously, with all Directors present and voting Aye. Director White was absent.*

*Action: The Board authorized execution of a certificate of acceptance of easement for the Rancho Cañada Village Subdivision.*

## COMMUNICATIONS

### 26. General Manager Report – Report by Jeff Bandy, Acting General Manager

- *Recognition of Emiliano Ramirez Martinez, Information Technology (IT) Intern, for his exemplary service and dedicated contribution to the District during his tenure.*
- *Per Jeff Bandy, Principal Engineer (Acting General Manager), after speaking with the District insurance contacts Alliant is recommending Insurance coverages for general liability at \$2 million each.*

## OTHER ITEMS BEFORE THE BOARD

### 27. Monterey County Treasurer’s Report as of March 31, 2026 – Report by Jeff Bandy, Acting General Manager

***Motion: Director Urquhart moved to accept the report. The motion was seconded by Director Weiland.***

***Vote: The report was accepted by consensus of the Directors present. Director White was absent.***

***Action: The Board accepted the Monterey County Treasurer’s Report as of March 31, 2026.***

## INFORMATION/DISCUSSION ITEMS

### 28. Sewer Replacement Construction Update Regarding Scenic Road Sewer Replacement and Santa Rita and Guadalupe Sewer Replacement – Report by Patrick Treanor, District Engineer

*Mr. Treanor provided a construction update to the Board.*

***Motion: Director Urquhart moved to accept the report. The motion was seconded by Director Cole.***

***Vote: The report was accepted by consensus of the Directors present. Director White was absent.***

***Action: The Board accepted the report.***

- 29.** Discussion of Street Paving Considerations – *Report by Patrick Treanor, District Engineer*

***Motion: President Siegfried moved to accept the report. The motion was seconded by Director Urquhart.***

***Vote: The report was accepted by consensus of the Directors present. Director White was absent.***

***Action: The Board accepted the street paving report presented by Patrick Treanor, District Engineer.***

- 30.** Discussion of Fuel Preparedness Plan – *Report by Chris Foley, Facilities Manager*

***Motion: Director Urquhart moved to accept the report. The motion was seconded by Director Cole.***

***Vote: The report was accepted by consensus of the Directors present.***

- 31.** Reclamation Management Meeting, May 12, 2026 – *Report by Jeff Bandy, Acting General Manager*

***Informational only; no action was taken by the Board.***

- 32.** Discussion Regarding Procedures for Signing District Checks – *Report by Jeff Bandy, Acting General Manager*

**Requesting Board Input**

***Motion: President Siegfried moved that one of the two required signatures on all District checks be that of a Board member and the General Manager. The motion was seconded by Director Urquhart.***

***Vote: Following a roll call vote, the motion passed, with all Directors present and voting Aye. Director White was absent.***

***Action: The Board directed staff to require that all District checks include the signatures of one Director and the General Manager. The dollar amount limit will be brought back for future Board consideration.***

- 33.** Discussion Regarding Procedures for Informing the District Board of Directors of Contractual Reclamation Water Quality Obligations – *Report by Jeff Bandy, Acting General Manager*

***Motion: President Siegfried moved to direct staff to keep the Board informed about major changes that may affect the District’s contractual obligations, including matters involving the Technical Committee and PBCSD consent. The motion was seconded by Director Urquhart.***

***Vote: Following a roll call vote, the motion passed, with all Directors present and voting Aye. Director White was absent.***

***Action: The Board directed staff to keep the Board informed about major changes affecting the District’s contractual obligations.***

- 34.** Discussion Regarding the Formation of an Artificial Intelligence Subcommittee, *Report by Jeff Bandy, Acting General Manager*

***Motion: President Siegfried moved to form an Artificial Intelligence Ad Hoc Committee. The motion was seconded by Director Urquhart.***

***Vote: Following a roll call vote, the motion passed, with all Directors present and voting Aye. Director White was absent.***

***Action: The Board created an Artificial Intelligence Ad Hoc Committee and appointed President Siegfried and Director Weiland to serve on it.***

- 35.** Discussion of Senate Bill (SB) 827 Required Fiscal and Financial Training Requirements- *Report by Jeff Bandy, Acting General Manager*

***By consensus, the Board agreed to attend an interactive group webinar with the California Special Districts Association.***

- 36.** Discussion Regarding the Suggested Format for the Board’s Management Staff Listening Session - *Report by Jeff Bandy, Acting General Manager*

***Motion: Director Cole moved to approve the format of the listening session for non-represented staff, as presented. The motion was seconded by Director Weiland.***

***Vote: Following a roll call vote, Directors Cole, Weiland, and Urquhart voted Aye; President Siegfried voted No. Director White was absent.***

***Action: The Board approved the format of the listening session for non-represented staff and directed staff to proceed accordingly.***

- 37.** Reducing Sewer Spills in the Carmel Area Wastewater District Collection System-Report by Patrick Treanor, District Engineer

**Motion:** Director Cole moved to accept the report and direct staff to move forward with the recommendations in the report. The motion was seconded by President Siegfried.

**Vote:** Following a roll call vote, the motion passed, with all Directors present and voting Aye. Director White was absent.

**Action:** The Board accepted the report and directed staff to move forward with the recommendations to reduce sewer spills in the District.

- 38. Announcements on Subjects of Interest to the Board Made by Members of the Board or Staff**

- a. Oral reports or announcements from Board President, Directors or staff concerning their activities and/or meetings or conferences attended.

**PBCSD Board Public Meeting Notice & Agenda** – The next PBCSD meeting is scheduled for:  
Friday, May 29th, 2026, at 9:30 a.m. –Director Urquhart is scheduled to attend  
Friday, June 26th, 2026, at 9:30 a.m. –Director White is scheduled to attend

**Special Districts Association (SDA) of Monterey County** – The next SDA meeting is scheduled for:  
Tuesday, July 21, 2026, at 6:00 p.m. –Director Weiland scheduled to attend the meeting  
Tuesday, October 21, 2026, at 6:00 p.m. –President Siegfried scheduled to attend the meeting  
Tentative dates not confirmed

**Reclamation Management Committee (RMC) Meeting** – The next RMC meeting is scheduled for:  
Tuesday, June 9th, 2026, at 9:30 a.m. Director Cole and Director Weiland are scheduled to attend.

**Motion:** Director Cole requested that a current rate model discussion be agendized. The motion was seconded by Director Urquhart. The request was to have this agendized at the June meeting.

**Vote:** Following a roll call vote, the motion passed, with all Directors present and voting Aye. Director White was absent.

**Action:** The Board directed staff to agendize a discussion of the current rate model for the June meeting.

**Note:** The Rate Committee will meet in advance before bringing the new rate model to the board.  
**The Board took a ten minute break before convening into the closed session.**

**39. CLOSED SESSION:** *As permitted by Government Code Section 54956 et seq., the Board of Directors will adjourn to a Closed Session:*

**A. Conference with Legal Counsel – Existing Litigation**  
**Government Code section 54956.9(d)(1)**  
**Carmel Area Wastewater District vs. Pebble Beach Community Services District**  
**Monterey County Superior Court Case No. 26CV001951**

**B. CONFERENCE WITH LEGAL COUNSEL— EXISTING LITIGATION** **Government Code section 54956.9(d)(1) Name of case: (Hunter Leighton v. Carmel Area Wastewater District. Monterey County Superior Court case no. 26CV001187.)**

**40.** Requesting the Board of Directors Take an Updated Photograph for the District Website Landing Page - *Chris Foley, Facilities Manager*

*The Board did not address item #40 in the meeting.*

*The Board convened in closed session at 12:25 p.m. The Board adjourned closed session at 12:31 p.m. and reconvened in open session at 12:31 p.m. Legal Counsel reported that, with respect to both closed-session items, an update was provided to the Board and direction was given, but no reportable action was taken. The meeting was adjourned at 12:31 p.m.*

**41. ADJOURNMENT**

***The next regular Board meeting will be held at 9:00 a.m. on Thursday, June 25, 2026, or on an alternative acceptable date. The following regular Board meeting will be held at 9:00 a.m. on Thursday, July 30, 2026. NOTE: The meeting will have a teleconference option hosted through Zoom. You can access the Zoom link by visiting our website, [www.cawd.org](http://www.cawd.org). If you need assistance, please call the District office at 831-624-1248 or send an email to [downstream@cawd.org](mailto:downstream@cawd.org). After staff reports have been distributed, if additional documents are produced by the District and provided to the Board regarding any item on the agenda, they will be made available on the District website.***

***As Reported To:***

\_\_\_\_\_  
***Domine Barringer, Board Clerk***

**APPROVED:**

\_\_\_\_\_  
***Robert Siegfried, President of the Board***



# CARMEL AREA WASTEWATER DISTRICT SPECIAL MEETING OF THE BOARD OF DIRECTORS

## Listening Session Minutes

Monday, 9:00 a.m., June 1, 2026

### CALL TO ORDER – ROLL CALL AT 9:05 a.m.

**Present:** President Bob Siegfried; President Pro Tem Urquhart; Directors Cole, Weiland, and White  
**A quorum was present**

**Absent:** None

**Others Present:** Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD or District)  
Domine Barringer, Board Clerk, CAWD  
Patrick Treanor, District Engineer  
Jeff Bandy, Ph.D., Principal Engineer, CAWD  
Alex Henson, Associate Engineer, CAWD  
Mohammed Serageldin, Ph.D., Laboratory Manager, CAWD  
Chris Foley, Facilities Manager  
Mike Skinkle, Maintenance Supervisor  
Matt Green, Chief Plant Operator  
Daryl Lauer, Collections Superintendent, CAWD  
Kevin Young, Wastewater System Analyst, CAWD  
Alex J. Lorca-Fenton & Keller, Attorneys at Law, CAWD Legal Counsel

**In-Person Public Attendees:** None

### APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

1. **Appearances/Public Comments:** *No public appearances or comments.*
2. **Agenda Changes:** *No agenda changes requested.*
3. Listening Session With Non-Represented Staff  
*The Board listened to the non-represented staff during the meeting.  
The Board, by consensus, provided direction to refer the listening session discussion to the Salary and Benefits Committee.*

#### 4. ADJOURNMENT

*There being no further business to come before the Board, the meeting was adjourned at 12:15 p.m.*

**Next Regular Board Meetings:** *The next regular Board meeting will be held at 9:00 a.m., Thursday, June 25, 2026. The following regular Board meeting will be held at 9:00 a.m., Thursday, July 30, 2026. NOTE: The June and July meetings will have a teleconference (Zoom webinar) option. Once posted, you can access the Zoom link by visiting our website, [www.cawd.org](http://www.cawd.org). If you need assistance, please call the District office at (831) 624-1248 or send an email to [downstream@cawd.org](mailto:downstream@cawd.org). After staff reports have been distributed, if additional documents are produced by the District and provided to the Board regarding any item on the agenda, they will be made available on the District website.*

**As Reported To:**

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*Domine Barringer, Board Clerk*

**APPROVED:**

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*Robert Siegfried, President of the Board*



## CARMEL AREA WASTEWATER DISTRICT SPECIAL MEETING OF THE BOARD OF DIRECTORS

*Monday, 9:00 a.m., June 17, 2026*

### **CALL TO ORDER – ROLL CALL AT 1:00 p.m.**

**Present:** \*President Bob Siegfried; Pro Tem Urquhart; Directors: Cole, Weiland (arrived 1:11 p.m.), White

**A quorum was present**

### **APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS:**

**Absent:** None

**Others:** Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD or District)  
Domine Barringer, Board Clerk, CAWD  
James Grover, Accounting Manager, CAWD  
Patrick Treanor, District Engineer, CAWD  
Jeff Bandy, Ph.D. Principal Engineer, CAWD  
Alex Henson, Associate Engineer, CAWD

**In-Person Public Attendees:** None

### **Appearances, Orders of Business, and Announcements**

- 1. Appearances / Public Comments:** Anyone wishing to address the Board on a matter not appearing on the agenda may do so at this time. Public comment is limited to 3 minutes per person. No action shall be taken on any item not appearing on the agenda. During consideration of any agenda item, public comment will also be limited to 3 minutes per person and will be heard before Board action on the item under discussion.

2. **Agenda Changes:** Any request to move an item forward on the agenda will be considered at this time.

No agenda changes were made.

3. **Senate Bill 827 Fiscal and Financial Training — Presenter:** Josh Byerrum, Platinum Strategies, Inc., through the California Special Districts Association training platform.

- Mr. Byerrum presented a PowerPoint presentation regarding the State requirements regarding Assembly Bill 827 Fiscal and Financial Training.,

*There being no further business to come before the Board, the meeting was adjourned at 2:59 p.m.*

#### 4. **Adjournment**

The next regular Board meeting will be held at 9:00 a.m., Thursday, June 25, 2026, or on an alternate acceptable date. The following regular Board meeting will be held at 9:00 a.m., Thursday, July 30, 2026. Note: A teleconference (Zoom webinar) option may be offered for a future meeting. If so, access information will be posted on the District website, [www.cawd.org](http://www.cawd.org). If you need assistance, please call the District office at (831) 624-1248 or send an email to [downstream@cawd.org](mailto:downstream@cawd.org). After staff reports have been distributed, any additional documents produced by the District and provided to the Board regarding an agenda item will be made available on the District website.

*As Reported To:*

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*Domine Barringer, Board Clerk*

**APPROVED:**

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*Robert Siegfried, President of the Board*



## INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors  
Carmel Area Wastewater District  
Carmel, California

We have performed the procedures enumerated below on the bank records of Carmel Area Wastewater District (CAWD) for the month of April 2026. CAWD's management is responsible for the bank records of CAWD.

The Board of Directors of CAWD have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of applying agreed-upon procedures to your bank reconciliations, in order to provide users with factual findings about the bank records used by the entity. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings, are as follows:

- 1) For Cash account #3, we agreed the opening and ending balance on the reconciliation report to the County of Monterey Trial Balance Summary.
  - a) No exceptions were found as a result of this procedure.
- 2) For Cash account #6, operating, we agreed the opening and ending balance on the reconciliation report to the Chase Bank Statement.
  - a) No exceptions were found as a result of this procedure.
- 3) For Cash account #7, payroll, we agreed the opening and ending balance on the reconciliation report to the Chase Bank Statement.
  - a) No exceptions were found as a result of this procedure.
- 4) For Cash account #6, we compared the signatures on each check and compared them to a copy of the signature card on file with your bank to determine if the correct authorized people have signed the checks (we are not handwriting or forgery experts).
  - a) No exceptions were found as a result of this procedure.
- 5) For Cash account #6, we compared the payees, the amounts, and the check number on the checks and matched it to the payee names, amounts, and check numbers appearing in the cash disbursements journal.
  - a) No exceptions were found as a result of this procedure.
- 6) For the three cash accounts noted above, we matched interbank account transfers.
  - a) No exceptions were found as a result of this procedure.

We were engaged by the Board of Directors of CAWD to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the bank records of CAWD. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CAWD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors of CAWD and is not intended to be, and should not be, used by anyone other than this specified party.

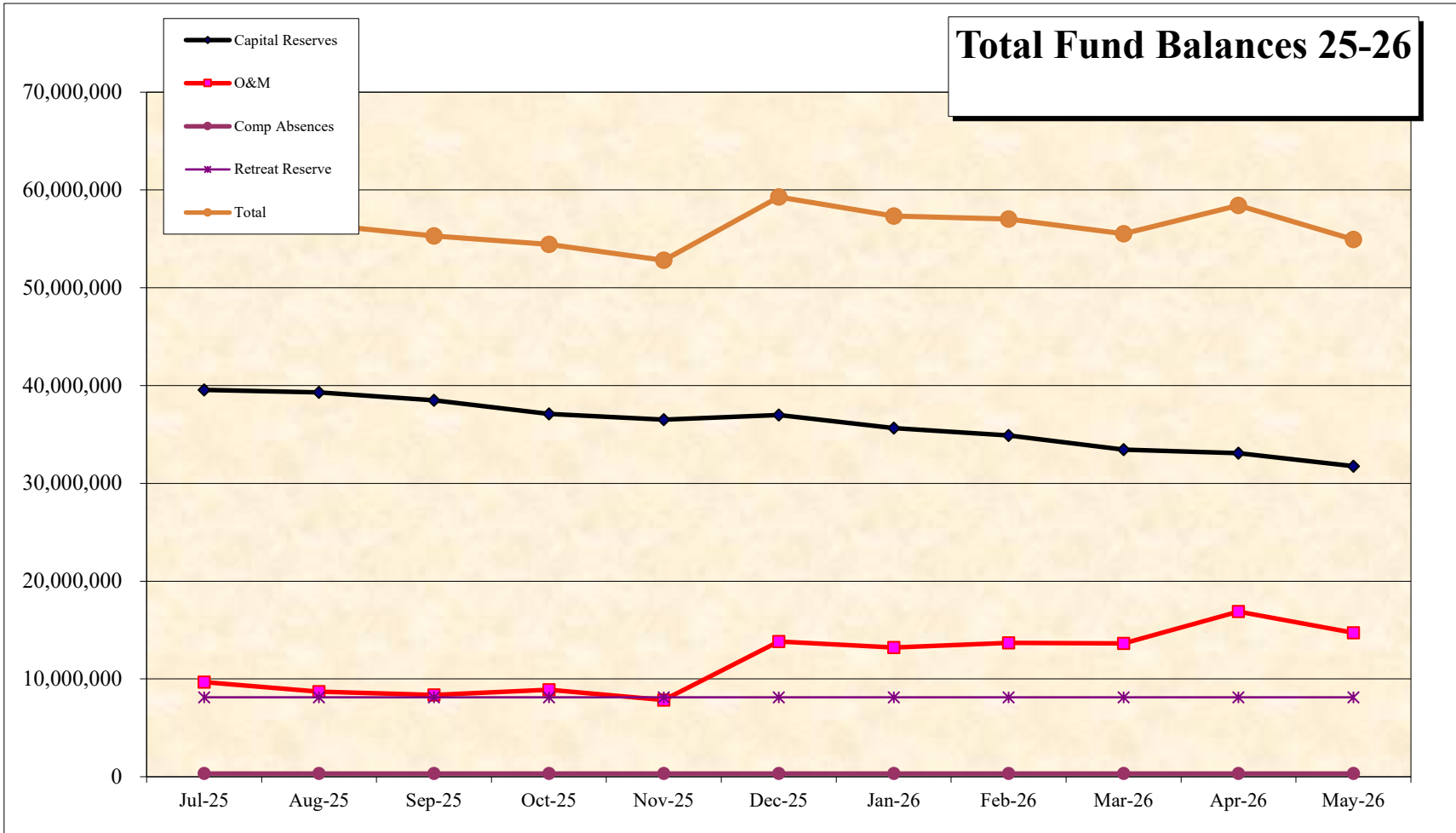
A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Salinas, California  
May 27, 2026

**Carmel Area Wastewater District**  
**Schedule of Cash Receipts and Disbursements - MAY 2026**

|   | Capital<br>Fund    | Capital<br>Improvement<br>Reserve | General O & M<br>Fund | Compensated<br>Accruals<br>Reserve | Defend or<br>Managed Retreat<br>Reserve | COUNTY<br>Total Fund<br>Balance | Chase<br>Bank O & M<br>Balance | Chase<br>Bank PR<br>Balance | L.A.I.F.<br>Balance |
|---|--------------------|-----------------------------------|-----------------------|------------------------------------|---|---------------------------------|--------------------------------|-----------------------------|---------------------|
| BALANCE BEGINNING OF MONTH                    | \$2,535,737        | \$30,542,655                      | \$16,886,317          | \$326,743                          | \$8,123,438                             | \$58,414,890                    | \$515,420                      | \$8,839                     | \$1,381,298         |
| <b>Receipts:</b>                              |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| User Fees                                     |                    |                                   | 9,259                 |                                    |   |                                 |                                |                             |                     |
| Property Taxes                                |                    | 9,896                             |                       |                                    |   |                                 |                                |                             |                     |
| PBCSD Treatment Fees                          |                    |                                   |                       |                                    |   |                                 | 115,000                        |                             |                     |
| Reclamation O & M reimbursement               |                    |                                   |                       |                                    |   |                                 | 73,176                         |                             |                     |
| Reclamation capital billing                   |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Permits                                       |                    |                                   |                       |                                    |   |                                 | 3,180                          |                             |                     |
| PBCSD capital billing                         |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Other misc. revenue                           |                    |                                   |                       |                                    |   |                                 | 982                            |                             |                     |
| Interest income                               |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| CCLEAN receipts                               |                    |                                   |                       |                                    |   |                                 | 101,475                        |                             |                     |
| Enersponse LLC-PG&E rebates                   |                    |                                   |                       |                                    |   |                                 | 308                            |                             |                     |
| GovDeals-sale of 2014 Ford F-550 truck        |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Carmel Reserve LLC (Sept. Ranch)              |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Brine disposal fees                           |                    |                                   |                       |                                    |   |                                 | 1,900                          |                             |                     |
| Chargepoint payments                          |                    |                                   |                       |                                    |   |                                 | 179                            |                             |                     |
| Connection fees                               |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Void checks                                   |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| <b>Total Receipts</b>                         | <b>0</b>           | <b>9,896</b>                      | <b>9,259</b>          | <b>0</b>                           | <b>0</b>                                | <b>19,155</b>                   | <b>296,200</b>                 | <b>0</b>                    | <b>0</b>            |
| <b>Fund Transfers:</b>                        |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Transfers to Chase Bank O&M                   | (1,329,909)        |                                   | (2,170,091)           |                                    |   |                                 | 3,500,000                      |                             |                     |
| Transfers to Chase Bank PR                    |                    |                                   |                       |                                    |   |                                 | (495,000)                      | 495,000                     |                     |
| Transfer to Defend or Managed Retreat Fund    |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Intra-fund transfers for capital expenditures |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Rebalance Capital and O&M Reserves            |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| <b>Total Transfers</b>                        | <b>(1,329,909)</b> | <b>0</b>                          | <b>(2,170,091)</b>    | <b>0</b>                           | <b>0</b>                                | <b>(3,500,000)</b>              | <b>3,005,000</b>               | <b>495,000</b>              | <b>0</b>            |
| <b>Disbursements:</b>                         |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Operations and capital                        |                    |                                   |                       |                                    |   |                                 | 1,717,350                      |                             |                     |
| Payroll & payroll taxes                       |                    |                                   |                       |                                    |   |                                 |                                | 499,648                     |                     |
| Employee Dental reimbursements                |                    |                                   |                       |                                    |   |                                 | 4,919                          |                             |                     |
| CALPERS EFT                                   |                    |                                   |                       |                                    |   |                                 | 81,736                         |                             |                     |
| CAWD SAM pension EFT                          |                    |                                   |                       |                                    |   |                                 | 0                              |                             |                     |
| Union dues EFT                                |                    |                                   |                       |                                    |   |                                 | 1,236                          |                             |                     |
| Home Depot EFT                                |                    |                                   |                       |                                    |   |                                 | 1,770                          |                             |                     |
| US Bank EFT                                   |                    |                                   |                       |                                    |   |                                 | 23,427                         |                             |                     |
| Deferred comp contributions EFT               |                    |                                   |                       |                                    |   |                                 | 18,040                         |                             |                     |
| PEHP contributions EFT                        |                    |                                   |                       |                                    |   |                                 | 4,522                          |                             |                     |
| Bank/ADP fees                                 |                    |                                   |                       |                                    |   |                                 | 5                              | 1,482                       |                     |
| Procurify Pro Users                           |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Annual County admin billing fee               |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| GASB 68 report fee                            |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| Unfunded CALPERS liabilities                  |                    |                                   |                       |                                    |   |                                 |                                |                             |                     |
| <b>Total Disbursements</b>                    | <b>0</b>           | <b>0</b>                          | <b>0</b>              | <b>0</b>                           | <b>0</b>                                | <b>0</b>                        | <b>1,853,007</b>               | <b>501,130</b>              | <b>0</b>            |
| BALANCE END OF MONTH                          | 1,205,828          | 30,552,551                        | 14,725,486            | 326,743                            | 8,123,438                               | 54,934,045                      | 1,963,613                      | 2,709                       | 1,381,298           |



*Capital Reserve + O&M + O&M Reserve + Compensated Absences Reserve = Total Fund held in County*



**Carmel Area Wastewater District**  
**Disbursements**  
**May-26**

| <b>Date</b> | <b>Check</b> | <b>Vendor</b>                             | <b>Description</b>  | <b>Amount</b> |
|-------------|--------------|---|---|---------------|
| 05/01/26    | 8809         | Alameda Electrical Distributors           | Electrical supplies   | 350.78        |
| 05/01/26    | 8810         | Amazon Capital Services                   | Operating and office supplies   | 411.88        |
| 05/01/26    | 8811         | ATTN Flex Account Administration          | Flex account payments   | 1,046.08      |
| 05/01/26    | 8812         | American Legal Publishing Corporation     | April edits   | 176.00        |
| 05/01/26    | 8813         | AT&T Mobility                             | SCADA text modem  | 70.97         |
| 05/01/26    | 8814         | AT&T CALNET 3                             | Admin alarm   | 40.78         |
| 05/01/26    | 8815         | AT&T                                      | Plant fiber router  | 755.98        |
| 05/01/26    | 8816         | Barbara Buikema                           | Special Districts Association dinner meeting  | 80.00         |
| 05/01/26    | 8817         | Carmel Print & Copy                       | Business envelopes  | 644.46        |
| 05/01/26    | 8818         | Cintas Corporation                        | Laundry service   | 1,234.07      |
| 05/01/26    | 8819         | CliftonLarsonAllen LLP                    | Bank reconciliation oversight   | 603.75        |
| 05/01/26    | 8820         | Comcast                                   | Admin internet  | 338.57        |
| 05/01/26    | 8821         | Culligan Water Conditioning               | C&I exchange service for the Plant  | 18.00         |
| 05/01/26    | 8822         | D&H Water Systems                         | Operating supplies  | 1,910.82      |
| 05/01/26    | 8823         | Daniel Deeth                              | Dental  | 276.00        |
| 05/01/26    | 8824         | Diane DeLucchi                            | User refund-commercial building   | 11,730.62     |
| 05/01/26    | 8825         | Domine Barringer                          | Board meeting food  | 11.48         |
| 05/01/26    | 8826         | Elizabeth Weiland                         | Dental  | 2,000.00      |
| 05/01/26    | 8827         | Enterprise Automation                     | Artificial Intelligence Pilot Project #24-03 <b>(CAPITAL)</b>   | 1,098.00      |
| 05/01/26    | 8828         | Equitable Financial Life Insurance        | Life insurance, long-term and short-term disability premiums  | 2,914.51      |
| 05/01/26    | 8829         | Exceedio/Xobee                            | Managed services and SCADA support  | 11,233.21     |
| 05/01/26    | 8830         | Fastenal Company                          | Operating supplies  | 1,450.98      |
| 05/01/26    | 8831         | FedEx                                     | Shipping costs for returned parts   | 79.72         |
| 05/01/26    | 8832         | Fenton & Keller                           | District legal services   | 16,637.50     |
| 05/01/26    | 8833         | First Alarm                               | Plant quarterly billing   | 462.00        |
| 05/01/26    | 8834         | Gen Digital Inc.                          | Norton LifeLock fees  | 259.56        |
| 05/01/26    | 8835         | General Logistics Systems US, Inc.        | Sample analysis   | 193.45        |
| 05/01/26    | 8836         | Grainger                                  | Operating supplies  | 925.90        |
| 05/01/26    | 8837         | Harris & Associates                       | Scenic Rd Pipe Bursting Project #20-08 and<br>Santa Rita & Guadalupe Pipeline Project #23-01 <b>(CAPITAL)</b> | 56,525.24     |
| 05/01/26    | 8838         | International Accreditation Service, Inc. | Assessment services for lab accreditation   | 2,370.98      |
| 05/01/26    | 8839         | JD's Underground                          | Canada Lane sewer repair and Canada Ct. & Canada Ln sewer repair <b>(CAPITAL)</b>                             | 28,174.36     |
| 05/01/26    | 8840         | Josh Downing                              | Prescription safety glasses   | 219.00        |
| 05/01/26    | 8841         | Kennedy/Jenks Consultants                 | Carmel Meadows Gravity Sewer Project #19-03 <b>(CAPITAL)</b>  | 1,690.00      |
| 05/01/26    | 8842         | Liebert Cassidy Whitmore                  | District legal services   | 142.50        |
| 05/01/26    | 8843         | Mark Dias                                 | Dental  | 263.00        |
| 05/01/26    | 8844         | McMaster-Carr                             | Operating supplies  | 55.63         |

**Carmel Area Wastewater District**  
**Disbursements**  
**May-26**

| <b>Date</b> | <b>Check</b> | <b>Vendor</b>                            | <b>Description</b>   | <b>Amount</b> |
|-------------|--------------|--|--|---------------|
| 05/01/26    | 8845         | Minuteman Press Monterey                 | Scenic Rd Pipe Bursting Project #20-08 door hangers ( <b>CAPITAL</b> )   | 314.44        |
| 05/01/26    | 8846         | Mission Communications, LLC              | Calle pump station monitoring  | 227.40        |
| 05/01/26    | 8847         | MNS Engineers, Inc.                      | Pescadero Creek Area Pipe Rehab Project #21-05,<br>Santa Rita & Guadalupe Pipeline Project #23-01 and<br>Scenic Rd Pipe Bursting Project #20-08 door hangers ( <b>CAPITAL</b> )        | 98,563.97     |
| 05/01/26    | 8848         | Monterey Bay Analytical Services         | Sample analysis  | 1,978.00      |
| 05/01/26    | 8849         | Motion Industries, Inc.                  | Operating supplies   | 258.89        |
| 05/01/26    | 8850         | Municipal Maintenance Equipment          | Pressure test kit  | 830.15        |
| 05/01/26    | 8851         | Patelco Credit Union                     | Health Savings Account contributions   | 4,937.75      |
| 05/01/26    | 8852         | Peninsula Welding & Medical Supply       | Non-liquid cylinders   | 38.70         |
| 05/01/26    | 8853         | Pacific Gas & Electric                   | Monthly service  | 6,336.68      |
| 05/01/26    | 8854         | Polydyne Inc.                            | Clarifloc WE-2702 polymer  | 16,770.31     |
| 05/01/26    | 8855         | Pure Water                               | Plant and admin service  | 154.00        |
| 05/01/26    | 8856         | Rooter King Monterey County Inc.         | Santa Rita & Guadalupe Pipeline Project #23-01, replace ductile pipe at the Plant,<br>Morse Dr. sewer repair and Vizcaino 3 NW of Flanders sewer repair ( <b>CAPITAL \$18,096.00</b> ) | 29,238.00     |
| 05/01/26    | 8857         | Scarborough Lumber & Building (ACE)      | Operating supplies   | 152.59        |
| 05/01/26    | 8858         | Teledyne Instruments                     | Lab and operating supplies   | 1,625.82      |
| 05/01/26    | 8859         | Toro Petroleum Corp.                     | Gasoline and diesel fuel   | 10,581.02     |
| 05/01/26    | 8860         | Univar Solutions USA                     | Sodium bisulfate and hypochlorite  | 23,788.58     |
| 05/01/26    | 8861         | Universal Staffing Inc.                  | Admin temp service   | 195.00        |
| 05/01/26    | 8862         | USA Blue Book                            | Operating supplies   | 57.76         |
| 05/01/26    | 8863         | Vision Service Plan                      | Vision insurance premium   | 732.55        |
| 05/01/26    | 8864         | Wildhorse Propane & Appliance            | Forklift propane bottles   | 161.82        |
| 05/04/26    | 8865         | The Ford Store Morgan Hill               | 2026 Ford F-150 ( <b>CAPITAL</b> )   | 54,194.80     |
| 05/14/26    | 8866         | AA Safe & Security Company               | Access controls and cameras at the lab and admin buildings ( <b>CAPITAL</b> )  | 21,998.16     |
| 05/14/26    | 8867         | ADP, Inc.                                | Workforce Now Essential Time and Attendance fee  | 110.40        |
| 05/14/26    | 8868         | Alameda Electrical Distributors          | Electrical supplies  | 2,025.75      |
| 05/14/26    | 8869         | All American Mailing, Inc.               | Spring/Summer newsletter   | 3,357.93      |
| 05/14/26    | 8870         | Amazon Capital Services                  | Operating and office supplies  | 907.47        |
| 05/14/26    | 8871         | ATTN Flex Account Administration         | Flex account payments  | 1,569.12      |
| 05/14/26    | 8872         | American Fidelity Assurance              | Employee insurance premiums  | 336.94        |
| 05/14/26    | 8873         | Applied Marine Sciences                  | CCLEAN ocean monitoring expenses   | 47,097.20     |
| 05/14/26    | 8874         | Aquatic Bioassay & Consulting Labs, Inc. | Chronic and Acute NPDES lab supplies   | 3,372.50      |
| 05/14/26    | 8875         | Bryan Mailey Electric, Inc.              | Plant and Collections electrical service   | 4,803.28      |
| 05/14/26    | 8876         | California American Water                | Monthly service  | 2,031.13      |
| 05/14/26    | 8877         | Carmel Pine Cone                         | Bid procedures legal notice  | 175.50        |
| 05/14/26    | 8878         | Christopher Foley                        | Dental   | 464.00        |

**Carmel Area Wastewater District**  
**Disbursements**  
**May-26**

| <b>Date</b> | <b>Check</b> | <b>Vendor</b>                           | <b>Description</b>   | <b>Amount</b> |
|-------------|--------------|---|--|---------------|
| 05/14/26    | 8879         | Cintas Corporation                      | Laundry service  | 1,249.84      |
| 05/14/26    | 8880         | Clark Pest Control                      | Plant service  | 324.00        |
| 05/14/26    | 8881         | Coastal Fabrication Company, Inc.       | Digester Mixing Pump Hoist ( <b>CAPITAL \$14,290.10</b> ) and intake piping  | 19,602.53     |
| 05/14/26    | 8882         | Community Printers, Inc.                | Spring/Summer newsletter   | 2,080.76      |
| 05/14/26    | 8883         | Controlling Ins. Cost in Calif. Schools | Employee assistance programs   | 54.54         |
| 05/14/26    | 8884         | Daryl Lauer                             | Dental   | 200.00        |
| 05/14/26    | 8885         | Datco Services Corporation              | Random employee drug test  | 20.00         |
| 05/14/26    | 8886         | DC Frost Associates                     | Operating supplies   | 4,917.25      |
| 05/14/26    | 8887         | DKF Solutions Group, LLC                | Excavation Competent Person training   | 5,720.00      |
| 05/14/26    | 8888         | Domine Barringer                        | Laserfiche conference expenses   | 419.78        |
| 05/14/26    | 8889         | Employment Development Department       | Employee unemployment payments   | 1,328.00      |
| 05/14/26    | 8890         | Enterprise Automation                   | PLC Cybersecurity Upgrade Project and<br>Artificial Intelligence Pilot Project #24-03 ( <b>CAPITAL \$13,009.25</b> )   | 14,856.75     |
| 05/14/26    | 8891         | Erik Van Duren                          | Dental   | 643.00        |
| 05/14/26    | 8892         | Firato Service Co.                      | Plant and admin janitorial service   | 1,796.00      |
| 05/14/26    | 8893         | Fisher Scientific                       | Lab supplies   | 2,051.62      |
| 05/14/26    | 8894         | Gierlich-Mitchell, Inc.                 | Six sewer overflow alarm floats  | 16,271.40     |
| 05/14/26    | 8895         | Grainger                                | Operating supplies   | 4,333.05      |
| 05/14/26    | 8896         | ICON Cloud Solutions, LLC               | Monthly telephone service  | 567.65        |
| 05/14/26    | 8897         | ICONIX Waterworks (US) Inc.             | 20 manhole frames and covers   | 11,723.42     |
| 05/14/26    | 8898         | JM Squared Associates, Inc.             | Fairbanks Morse Vertical Angleflow Non-Clog Pump ( <b>\$94,525.89</b> ), and repair kit  | 100,073.80    |
| 05/14/26    | 8899         | John Wootton Integration                | PLC/SCADA programming  | 260.00        |
| 05/14/26    | 8900         | Kennedy/Jenks Consultants               | Carmel Meadows Gravity Sewer Project #19-03 ( <b>CAPITAL</b> )   | 3,326.25      |
| 05/14/26    | 8901         | Kevin Young                             | Dental   | 339.30        |
| 05/14/26    | 8902         | McMaster-Carr                           | Operating supplies   | 136.10        |
| 05/14/26    | 8903         | Mesiti-Miller Engineering, Inc.         | Plant Bridge Retrofit Project #22-04 ( <b>CAPITAL</b> )  | 7,527.60      |
| 05/14/26    | 8904         | MNS Engineers, Inc.                     | Pescadero Creek Area Pipe Rehab Project #21-05,<br>Santa Rita & Guadalupe Pipeline Project #23-01,<br>Scenic Rd Pipe Bursting Project #20-08 door hangers and<br>future sewer project scoping engineering ( <b>CAPITAL \$78,046.85</b> ) | 86,271.85     |
| 05/14/26    | 8905         | <b>OVERFLOW STUB</b>                    |  | 0.00          |
| 05/14/26    | 8906         | Monterey Bay Analytical Services        | Sample analysis  | 4,314.00      |
| 05/14/26    | 8907         | Nguyen Security                         | Board meeting security service   | 302.50        |
| 05/14/26    | 8908         | OnPoint Generators, Inc.                | Deposit for the UL2200 Listed Rehlko model KG80 generator ( <b>CAPITAL</b> )   | 11,409.60     |
| 05/14/26    | 8909         | Oscar Galindo                           | Dental   | 734.00        |
| 05/14/26    | 8910         | Pacific Trenchless, Inc.                | Santa Rita & Guadalupe Pipeline Project #23-01 ( <b>CAPITAL</b> )  | 753,811.64    |
| 05/14/26    | 8911         | Peak Communications                     | Perimeter Fence Project 19-18 ( <b>CAPITAL</b> )   | 11,940.26     |

**Carmel Area Wastewater District**  
**Disbursements**  
**May-26**

| <b>Date</b> | <b>Check</b> | <b>Vendor</b>                        | <b>Description</b>   | <b>Amount</b>       |
|-------------|--------------|--------------------------------------|--|---------------------|
| 05/14/26    | 8912         | Pacific Gas & Electric               | Monthly service  | 35,041.83           |
| 05/14/26    | 8913         | Quinn Company                        | Generator repairs  | 2,082.29            |
| 05/14/26    | 8914         | Rooter King Monterey County Inc.     | Sewer line repair on San Luis Ave.   | 7,639.00            |
| 05/14/26    | 8915         | SSB Construction                     | Gas Conditioning Enclosure ( <b>CAPITAL</b> )  | 42,607.00           |
| 05/14/26    | 8916         | Star Sanitation LLC                  | Collections portable toilet  | 121.50              |
| 05/14/26    | 8917         | Synagro Technologies, Inc.           | Sludge hauling   | 17,529.18           |
| 05/14/26    | 8918         | TBC Communications & Media           | Pescadero Creek Area Pipe Rehab Project #21-05 ( <b>CAPITAL \$16,606.25</b> ) and<br>Crisis communications Plan community outreach | 22,606.25           |
| 05/14/26    | 8919         | United Rentals (North America), Inc. | Articulating boom lift rental  | 5,499.07            |
| 05/14/26    | 8920         | Universal Staffing, Inc.             | Admin temp service   | 477.75              |
| 05/14/26    | 8921         | Valentine Environmental Engineers    | Rancho Canada subdivision construction observation services  | 20,325.00           |
| 05/14/26    | 8922         | Visual Edge IT, Inc.                 | Plant copier billing   | 131.55              |
| 05/14/26    | 8923         | WM Corporate Services, Inc.          | Plant rolloffs, recycle and admin garbage  | 3,033.77            |
| 05/14/26    | 8924         | YSS Builders                         | Install cameras and paint light poles at admin   | 8,632.00            |
| 05/21/26    | 8925         | City of Carmel                       | Pescadero Creek Area Pipe Rehab Project #21-05 ( <b>CAPITAL</b> ) encroachment permit  | 2,153.50            |
|             |              |                                      |  | <b>1,722,269.57</b> |

**CAWD/PBCSD Reclamation Project**  
**Disbursements**  
**May-26**

| <b>Date</b> | <b>Check</b> | <b>Vendor</b>                             | <b>Description</b>   | <b>Amount</b>     |
|-------------|--------------|---|--|-------------------|
| 05/01/26    | 2063         | Alameda Electrical Distributors           | Pilot drill bits   | 31.30             |
| 05/01/26    | 2064         | Brenntag Pacific, Inc.                    | Ammonium hydroxide   | 6,674.16          |
| 05/01/26    | 2065         | D&H Water Systems                         | Pump parts-motors, probes, impeller, couplings, seals & bearings | 4,229.23          |
| 05/01/26    | 2066         | Exceedio/Xobee                            | Managed services for SCADA                                       | 758.09            |
| 05/01/26    | 2067         | Fastenal Company                          | Operating supplies   | 162.88            |
| 05/01/26    | 2068         | Frank A. Olsen Company                    | DeZurik adaption kits  | 1,751.00          |
| 05/01/26    | 2069         | G3 Engineering, Inc.                      | Liquid Ammonium Sulfate Conversion Project ( <b>CAPITAL</b> )    | 87,222.94         |
| 05/01/26    | 2070         | Gavilan/Salinas Crane & Rigging           | Hoist to lift pumps  | 1,675.00          |
| 05/01/26    | 2071         | International Accreditation Service, Inc. | Assessment services for lab accreditation                        | 2,370.97          |
| 05/01/26    | 2072         | <b>OVERFLOW STUB</b>                      |  | 0.00              |
| 05/01/26    | 2073         | Monterey Bay Analytical Services          | Sample analysis  | 2,912.00          |
| 05/01/26    | 2074         | Motion Industries, Inc.                   | Vertical Turbine rehab ( <b>CAPITAL</b> )                        | 21,131.37         |
| 05/01/26    | 2075         | Northstar Chemical                        | Sulfuric and citric acid   | 8,004.01          |
| 05/01/26    | 2076         | Pacific Gas & Electric                    | Tertiary and MF/RO billings                                      | 52,137.69         |
| 05/01/26    | 2077         | Polydyne Inc.                             | Clarifloc WE-2702 polymer  | 5,590.11          |
| 05/01/26    | 2078         | Wells Fargo Advisors                      | Transfer to capital reserves                                     | 21,850.00         |
| 05/14/26    | 2079         | Aquatic Bioassay & Consulting Labs, Inc.  | Chronic and Acute NPDES lab analysis                             | 3,372.50          |
| 05/14/26    | 2080         | Brenntag Pacific, Inc.                    | Brennfloc RE 5000  | 13,069.09         |
| 05/14/26    | 2081         | Bryan Mailey Electric, Inc.               | Pad VFD's electrical service                                     | 2,062.50          |
| 05/14/26    | 2082         | Carmel Area Wastewater District           | O&M reimbursement  | 73,175.68         |
| 05/14/26    | 2083         | Fisher Scientific                         | Lab supplies   | 1,344.70          |
| 05/14/26    | 2084         | G3 Engineering, Inc.                      | Cartridge Valve and Diaphragm maintenance kits                   | 2,556.66          |
| 05/14/26    | 2085         | Grainger                                  | Operating supplies   | 70.84             |
| 05/14/26    | 2086         | Monterey Bay Analytical Services          | Sample analysis  | 2,757.00          |
| 05/14/26    | 2087         | Pebble Beach Company                      | O&M reimbursement  | 5,074.44          |
| 05/14/26    | 2088         | Pebble Beach Community Services District  | Void and replace   | 0.00              |
| 05/14/26    | 2089         | R.F. MacDonald Co.                        | Goulds Horizontal End Suction ANSI Pump ( <b>CAPITAL</b> )       | 32,799.01         |
| 05/14/26    | 2090         | Trussell Technologies, Inc.               | MFRO Ops Support engineering                                     | 10,942.50         |
| 05/19/26    | 2091         | Brenntag Pacific, Inc.                    | Ammonium hydroxide   | 6,339.63          |
| 05/19/26    | 2092         | Pebble Beach Community Services District  | O&M reimbursement  | 81,229.22         |
| 05/19/26    | 2093         | Pacific Gas & Electric                    | MF/RO billing  | 22,928.13         |
|             |              |   |  | <b>474,222.65</b> |



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**Financial Statements  
and  
Supplementary Schedules**

**May 2026**

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June 25, 2026

# *Carmel Area Wastewater District*

## *Balance Sheet*

May 2026

| ASSETS                             |               |                 |                |
|------------------------------------|---------------|-----------------|----------------|
| Current Assets                     |               |                 |                |
| Cash                               |               |                 |                |
| Cash                               | 58,281,665.91 |                 |                |
| TOTAL Cash                         | 58,281,665.91 |                 | 58,281,665.91  |
| Other Current Assets               |               |                 |                |
| Other Current Assets               | 446,642.12    |                 |                |
| TOTAL Other Current Assets         | 446,642.12    |                 | 446,642.12     |
| TOTAL Current Assets               |               | 58,728,308.03   | 58,728,308.03  |
| Fixed Assets                       |               |                 |                |
| Land                               |               |                 |                |
| Land                               | 308,059.76    |                 |                |
| TOTAL Land                         | 308,059.76    |                 | 308,059.76     |
| Treatment Structures               |               |                 |                |
| Treatment Structures               | 80,614,260.51 |                 |                |
| TOTAL Treatment Structures         | 80,614,260.51 |                 | 80,614,260.51  |
| Treatment Equipment                |               |                 |                |
| Treatment Equipment                | 10,715,656.73 |                 |                |
| TOTAL Treatment Equipment          | 10,715,656.73 |                 | 10,715,656.73  |
| Collection Structures              |               |                 |                |
| Collection Structures              | 2,309,190.64  |                 |                |
| TOTAL Collection Structures        | 2,309,190.64  |                 | 2,309,190.64   |
| Collection Equipment               |               |                 |                |
| Collection Equipment               | 2,110,749.87  |                 |                |
| TOTAL Collection Equipment         | 2,110,749.87  |                 | 2,110,749.87   |
| Sewers                             |               |                 |                |
|                                    |               |                 | 24,889,504.03  |
| Disposal Facilities                |               |                 |                |
| Disposal Facilities                | 1,643,890.85  |                 |                |
| TOTAL Disposal Facilities          | 1,643,890.85  |                 | 1,643,890.85   |
| Other Fixed Assets                 |               |                 |                |
| Other Fixed Assets                 | 4,819,302.39  |                 |                |
| TOTAL Other Fixed Assets           | 4,819,302.39  |                 | 4,819,302.39   |
| Capital Improvement Projects       |               |                 |                |
| Capital Improvement Projects       | 14,513,648.23 |                 |                |
| TOTAL Capital Improvement Projects | 14,513,648.23 |                 | 14,513,648.23  |
| Accumulated depreciation           |               |                 |                |
|                                    |               | (65,451,090.02) |                |
| TOTAL Fixed Assets                 |               | 76,473,172.99   | 76,473,172.99  |
| Other Assets                       |               |                 |                |
| Other Assets                       |               | 5,406,818.64    |                |
| TOTAL Other Assets                 |               | 5,406,818.64    | 5,406,818.64   |
| TOTAL ASSETS                       |               |                 | 140,608,299.66 |

# *Carmel Area Wastewater District*

## *Balance Sheet*

May 2026

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### LIABILITIES

Current Liabilities

    Current Liabilities

1,810,149.29

TOTAL Current Liabilities

1,810,149.29

Long-Term Liabilities

    Long Term Liabilities

1,175,075.14

TOTAL Long-Term Liabilities

1,175,075.14

TOTAL LIABILITIES

2,985,224.43

### NET POSITION

Net Assets

120,476,644.71

Year-to-Date Earnings

17,146,430.52

TOTAL NET POSITION

137,623,075.23

TOTAL LIABILITIES & NET POSITION

140,608,299.66

***Carmel Area Wastewater District***  
***Income Statement-Actual to Budget***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account***

|                                  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i>      | <i>% Used</i> |
|----------------------------------|---|--------------------------|--------------------|---------------|
| Income                           |   |                          |                    |               |
| Revenue                          | 12,141,498.90                           | 12,968,600.00            | 827,101.10         | 93.6 %        |
| TOTAL Income                     | <u>12,141,498.90</u>                    | <u>12,968,600.00</u>     | <u>827,101.10</u>  | 93.6 %        |
| Adjustments                      |   |                          |                    |               |
| Discounts                        | 66.47                                   | 0.00                     | (66.47)            |               |
| TOTAL Adjustments                | <u>66.47</u>                            | <u>0.00</u>              | <u>(66.47)</u>     |               |
| *****                            | <u>12,141,565.37</u>                    | <u>12,968,600.00</u>     | <u>827,034.63</u>  | 93.6 %        |
| ***** OPERATING INCOME           | <u>12,141,565.37</u>                    | <u>12,968,600.00</u>     | <u>827,034.63</u>  | 93.6 %        |
| Operating Expenses               |   |                          |                    |               |
| Salaries and Payroll Taxes       |   |                          |                    |               |
| Salaries and Payroll Taxes       | 4,592,858.70                            | 5,037,900.00             | 445,041.30         | 91.2 %        |
| TOTAL Salaries and Payroll Taxes | <u>4,592,858.70</u>                     | <u>5,037,900.00</u>      | <u>445,041.30</u>  | 91.2 %        |
| Employee Benefits                |   |                          |                    |               |
| Employee Benefits                | 971,341.18                              | 1,017,800.00             | 46,458.82          | 95.4 %        |
| TOTAL Employee Benefits          | <u>971,341.18</u>                       | <u>1,017,800.00</u>      | <u>46,458.82</u>   | 95.4 %        |
| Director's Expenses              |   |                          |                    |               |
| Director's Expenses              | 36,727.55                               | 49,400.00                | 12,672.45          | 74.3 %        |
| TOTAL Director's Expenses        | <u>36,727.55</u>                        | <u>49,400.00</u>         | <u>12,672.45</u>   | 74.3 %        |
| Truck and Auto Expenses          |   |                          |                    |               |
| Truck and Auto Expenses          | 89,169.42                               | 77,750.00                | (11,419.42)        | 114.7 %       |
| TOTAL Truck and Auto Expenses    | <u>89,169.42</u>                        | <u>77,750.00</u>         | <u>(11,419.42)</u> | 114.7 %       |
| General and Administrative       |   |                          |                    |               |
| General and Administrative       | 585,429.24                              | 996,500.00               | 411,070.76         | 58.7 %        |
| TOTAL General and Administrative | <u>585,429.24</u>                       | <u>996,500.00</u>        | <u>411,070.76</u>  | 58.7 %        |
| Office Expense                   |   |                          |                    |               |
| Office Expense                   | 89,553.36                               | 119,010.00               | 29,456.64          | 75.2 %        |
| TOTAL Office Expense             | <u>89,553.36</u>                        | <u>119,010.00</u>        | <u>29,456.64</u>   | 75.2 %        |
| Operating Supplies               |   |                          |                    |               |
| Operating Supplies               | 573,519.09                              | 628,550.00               | 55,030.91          | 91.2 %        |
| TOTAL Operating Supplies         | <u>573,519.09</u>                       | <u>628,550.00</u>        | <u>55,030.91</u>   | 91.2 %        |
| Contract Services                |   |                          |                    |               |
| Contract Services                | 1,176,136.10                            | 1,216,200.00             | 40,063.90          | 96.7 %        |
| TOTAL Contract Services          | <u>1,176,136.10</u>                     | <u>1,216,200.00</u>      | <u>40,063.90</u>   | 96.7 %        |

***Carmel Area Wastewater District***  
***Income Statement-Actual to Budget***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account***

|  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i>   | <i>% Used</i> |
|--|---|--------------------------|-----------------|---------------|
| Repairs and Maintenance                    |   |                          |                 |               |
| Repairs and Maintenance                    | 735,308.40                              | 647,600.00               | (87,708.40)     | 113.5 %       |
| TOTAL Repairs and Maintenance              | 735,308.40                              | 647,600.00               | (87,708.40)     | 113.5 %       |
| Utilities                                  |   |                          |                 |               |
| Utilities                                  | 416,755.02                              | 514,000.00               | 97,244.98       | 81.1 %        |
| TOTAL Utilities                            | 416,755.02                              | 514,000.00               | 97,244.98       | 81.1 %        |
| Travel and Meetings                        |   |                          |                 |               |
| Travel and Meetings                        | 63,228.62                               | 79,000.00                | 15,771.38       | 80.0 %        |
| TOTAL Travel and Meetings                  | 63,228.62                               | 79,000.00                | 15,771.38       | 80.0 %        |
| Permits and Fees                           |   |                          |                 |               |
| Permits and Fees                           | 83,703.04                               | 71,400.00                | (12,303.04)     | 117.2 %       |
| TOTAL Permits and Fees                     | 83,703.04                               | 71,400.00                | (12,303.04)     | 117.2 %       |
| Memberships and Subscriptions              |   |                          |                 |               |
| Memberships and Subscriptions              | 68,332.56                               | 47,600.00                | (20,732.56)     | 143.6 %       |
| TOTAL Memberships and Subscriptions        | 68,332.56                               | 47,600.00                | (20,732.56)     | 143.6 %       |
| Safety                                     |   |                          |                 |               |
| Safety                                     | 80,841.60                               | 70,400.00                | (10,441.60)     | 114.8 %       |
| TOTAL Safety                               | 80,841.60                               | 70,400.00                | (10,441.60)     | 114.8 %       |
| Other Expenses                             |   |                          |                 |               |
| Other Expense                              | 56,725.15                               | 183,700.00               | 126,974.85      | 30.9 %        |
| TOTAL Other Expenses                       | 56,725.15                               | 183,700.00               | 126,974.85      | 30.9 %        |
| Depreciation and Amortization              |   |                          |                 |               |
| Depreciation and Amortization              | 0.00                                    | 2,969,700.00             | 2,969,700.00    |               |
| TOTAL Depreciation and Amortization        | 0.00                                    | 2,969,700.00             | 2,969,700.00    |               |
| TOTAL Operating Expenses                   | 9,619,629.03                            | 13,726,510.00            | 4,106,880.97    | 70.1 %        |
| ***** OPERATING INCOME (LOSS)              | 2,521,936.34                            | (757,910.00)             | (3,279,846.34)  | -332.7 %      |
| Non-op Income, Expense, Gain or Loss       |   |                          |                 |               |
| Other Income or Gain                       |   |                          |                 |               |
| Other Income, Gain, Expense and Loss       | 14,624,494.18                           | 4,170,600.00             | (10,453,894.18) | 350.7 %       |
| TOTAL Other Income or Gain                 | 14,624,494.18                           | 4,170,600.00             | (10,453,894.18) | 350.7 %       |
| TOTAL Non-op Income, Expense, Gain or Loss | 14,624,494.18                           | 4,170,600.00             | (10,453,894.18) | 350.7 %       |
| ***** NET INCOME (LOSS)                    | 17,146,430.52                           | 3,412,690.00             | (13,733,740.52) | 502.4 %       |

**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Collections**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 5*

|                                  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|----------------------------------|---|--------------------------|---------------|---------------|
| *****                            | 0.00                                    | 0.00                     | 0.00          |               |
| ***** OPERATING INCOME           | 0.00                                    | 0.00                     | 0.00          |               |
| <b>Operating Expenses</b>        |   |                          |               |               |
| Salaries and Payroll Taxes       |   |                          |               |               |
| Salaries and Payroll Taxes       | 1,157,143.66                            | 1,173,400.00             | 16,256.34     | 98.6 %        |
| TOTAL Salaries and Payroll Taxes | 1,157,143.66                            | 1,173,400.00             | 16,256.34     | 98.6 %        |
| Employee Benefits                |   |                          |               |               |
| Employee Benefits                | 261,240.15                              | 295,600.00               | 34,359.85     | 88.4 %        |
| TOTAL Employee Benefits          | 261,240.15                              | 295,600.00               | 34,359.85     | 88.4 %        |
| Truck and Auto Expenses          |   |                          |               |               |
| Truck and Auto Expenses          | 76,550.23                               | 72,000.00                | (4,550.23)    | 106.3 %       |
| TOTAL Truck and Auto Expenses    | 76,550.23                               | 72,000.00                | (4,550.23)    | 106.3 %       |
| General and Administrative       |   |                          |               |               |
| General and Administrative       | 84,951.96                               | 202,800.00               | 117,848.04    | 41.9 %        |
| TOTAL General and Administrative | 84,951.96                               | 202,800.00               | 117,848.04    | 41.9 %        |
| Office Expense                   |   |                          |               |               |
| Office Expense                   | 10,089.36                               | 16,400.00                | 6,310.64      | 61.5 %        |
| TOTAL Office Expense             | 10,089.36                               | 16,400.00                | 6,310.64      | 61.5 %        |
| Operating Supplies               |   |                          |               |               |
| Operating Supplies               | 62,476.57                               | 72,700.00                | 10,223.43     | 85.9 %        |
| TOTAL Operating Supplies         | 62,476.57                               | 72,700.00                | 10,223.43     | 85.9 %        |
| Contract Services                |   |                          |               |               |
| Contract Services                | 290,868.17                              | 307,300.00               | 16,431.83     | 94.7 %        |
| TOTAL Contract Services          | 290,868.17                              | 307,300.00               | 16,431.83     | 94.7 %        |
| Repairs and Maintenance          |   |                          |               |               |
| Repairs and Maintenance          | 328,091.85                              | 237,100.00               | (90,991.85)   | 138.4 %       |
| TOTAL Repairs and Maintenance    | 328,091.85                              | 237,100.00               | (90,991.85)   | 138.4 %       |
| Utilities                        |   |                          |               |               |
| Utilities                        | 70,209.14                               | 60,200.00                | (10,009.14)   | 116.6 %       |
| TOTAL Utilities                  | 70,209.14                               | 60,200.00                | (10,009.14)   | 116.6 %       |
| Travel and Meetings              |   |                          |               |               |
| Travel and Meetings              | 24,017.35                               | 26,600.00                | 2,582.65      | 90.3 %        |

***Carmel Area Wastewater District***  
***Op. Exp-Budget to Actual-Collections***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account, Department 5***

|                                     | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|-------------------------------------|---|--------------------------|---------------|---------------|
| TOTAL Travel and Meetings           | 24,017.35                               | 26,600.00                | 2,582.65      | 90.3 %        |
| Permits and Fees                    |   |                          |               |               |
| Permits and Fees                    | 13,519.61                               | 11,500.00                | (2,019.61)    | 117.6 %       |
| TOTAL Permits and Fees              | 13,519.61                               | 11,500.00                | (2,019.61)    | 117.6 %       |
| Memberships and Subscriptions       |   |                          |               |               |
| Memberships and Subscriptions       | 6,060.36                                | 5,500.00                 | (560.36)      | 110.2 %       |
| TOTAL Memberships and Subscriptions | 6,060.36                                | 5,500.00                 | (560.36)      | 110.2 %       |
| Safety                              |   |                          |               |               |
| Safety                              | 28,483.99                               | 29,400.00                | 916.01        | 96.9 %        |
| TOTAL Safety                        | 28,483.99                               | 29,400.00                | 916.01        | 96.9 %        |
| Other Expenses                      |   |                          |               |               |
| Other Expense                       | 9,648.13                                | 500.00                   | (9,148.13)    | 1929.6 %      |
| TOTAL Other Expenses                | 9,648.13                                | 500.00                   | (9,148.13)    | 1929.6 %      |
| Depreciation and Amortization       |   |                          |               |               |
| Depreciation and Amortization       | 0.00                                    | 465,600.00               | 465,600.00    |               |
| TOTAL Depreciation and Amortization | 0.00                                    | 465,600.00               | 465,600.00    |               |
| TOTAL Operating Expenses            | 2,423,350.53                            | 2,976,600.00             | 553,249.47    | 81.4 %        |
| ***** OPERATING INCOME (LOSS)       | (2,423,350.53)                          | (2,976,600.00)           | (553,249.47)  | 81.4 %        |
|                                     |   |                          |               |               |
| ***** NET INCOME (LOSS)             | (2,423,350.53)                          | (2,976,600.00)           | (553,249.47)  | 81.4 %        |
|                                     |   |                          |               |               |
| ***** NET INCOME (LOSS)             | (2,423,350.53)                          | (2,976,600.00)           | (553,249.47)  | 81.4 %        |

**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Treatment**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 6*

|                                  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|----------------------------------|---|--------------------------|---------------|---------------|
| *****                            | 0.00                                    | 0.00                     | 0.00          |               |
| ***** OPERATING INCOME           | 0.00                                    | 0.00                     | 0.00          |               |
| Operating Expenses               |   |                          |               |               |
| Salaries and Payroll Taxes       |   |                          |               |               |
| Salaries and Payroll Taxes       | 1,754,589.74                            | 2,095,800.00             | 341,210.26    | 83.7 %        |
| TOTAL Salaries and Payroll Taxes | 1,754,589.74                            | 2,095,800.00             | 341,210.26    | 83.7 %        |
| Employee Benefits                |   |                          |               |               |
| Employee Benefits                | 481,064.54                              | 468,700.00               | (12,364.54)   | 102.6 %       |
| TOTAL Employee Benefits          | 481,064.54                              | 468,700.00               | (12,364.54)   | 102.6 %       |
| Truck and Auto Expenses          |   |                          |               |               |
| Truck and Auto Expenses          | 10,150.48                               | 3,800.00                 | (6,350.48)    | 267.1 %       |
| TOTAL Truck and Auto Expenses    | 10,150.48                               | 3,800.00                 | (6,350.48)    | 267.1 %       |
| General and Administrative       |   |                          |               |               |
| General and Administrative       | 248,462.83                              | 349,160.00               | 100,697.17    | 71.2 %        |
| TOTAL General and Administrative | 248,462.83                              | 349,160.00               | 100,697.17    | 71.2 %        |
| Office Expense                   |   |                          |               |               |
| Office Expense                   | 30,268.96                               | 27,600.00                | (2,668.96)    | 109.7 %       |
| TOTAL Office Expense             | 30,268.96                               | 27,600.00                | (2,668.96)    | 109.7 %       |
| Operating Supplies               |   |                          |               |               |
| Operating Supplies               | 450,382.69                              | 512,000.00               | 61,617.31     | 88.0 %        |
| TOTAL Operating Supplies         | 450,382.69                              | 512,000.00               | 61,617.31     | 88.0 %        |
| Contract Services                |   |                          |               |               |
| Contract Services                | 611,734.81                              | 562,400.00               | (49,334.81)   | 108.8 %       |
| TOTAL Contract Services          | 611,734.81                              | 562,400.00               | (49,334.81)   | 108.8 %       |
| Repairs and Maintenance          |   |                          |               |               |
| Repairs and Maintenance          | 325,642.42                              | 272,000.00               | (53,642.42)   | 119.7 %       |
| TOTAL Repairs and Maintenance    | 325,642.42                              | 272,000.00               | (53,642.42)   | 119.7 %       |
| Utilities                        |   |                          |               |               |
| Utilities                        | 319,300.02                              | 418,900.00               | 99,599.98     | 76.2 %        |
| TOTAL Utilities                  | 319,300.02                              | 418,900.00               | 99,599.98     | 76.2 %        |
| Travel and Meetings              |   |                          |               |               |
| Travel and Meetings              | 24,793.02                               | 33,700.00                | 8,906.98      | 73.6 %        |

***Carmel Area Wastewater District***  
***Op. Exp-Budget to Actual-Treatment***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account, Department 6***

|                                     | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i>  | <i>% Used</i> |
|-------------------------------------|---|--------------------------|----------------|---------------|
| TOTAL Travel and Meetings           | 24,793.02                               | 33,700.00                | 8,906.98       | 73.6 %        |
| Permits and Fees                    |   |                          |                |               |
| Permits and Fees                    | 63,185.50                               | 33,700.00                | (29,485.50)    | 187.5 %       |
| TOTAL Permits and Fees              | 63,185.50                               | 33,700.00                | (29,485.50)    | 187.5 %       |
| Memberships and Subscriptions       |   |                          |                |               |
| Memberships and Subscriptions       | 8,114.73                                | 12,000.00                | 3,885.27       | 67.6 %        |
| TOTAL Memberships and Subscriptions | 8,114.73                                | 12,000.00                | 3,885.27       | 67.6 %        |
| Safety                              |   |                          |                |               |
| Safety                              | 38,520.03                               | 36,600.00                | (1,920.03)     | 105.2 %       |
| TOTAL Safety                        | 38,520.03                               | 36,600.00                | (1,920.03)     | 105.2 %       |
| Other Expenses                      |   |                          |                |               |
| Other Expense                       | 15,431.53                               | 80,000.00                | 64,568.47      | 19.3 %        |
| TOTAL Other Expenses                | 15,431.53                               | 80,000.00                | 64,568.47      | 19.3 %        |
| Depreciation and Amortization       |   |                          |                |               |
| Depreciation and Amortization       | 0.00                                    | 1,970,100.00             | 1,970,100.00   |               |
| TOTAL Depreciation and Amortization | 0.00                                    | 1,970,100.00             | 1,970,100.00   |               |
| TOTAL Operating Expenses            | 4,381,641.30                            | 6,876,460.00             | 2,494,818.70   | 63.7 %        |
| ***** OPERATING INCOME (LOSS)       | (4,381,641.30)                          | (6,876,460.00)           | (2,494,818.70) | 63.7 %        |
| ***** NET INCOME (LOSS)             | (4,381,641.30)                          | (6,876,460.00)           | (2,494,818.70) | 63.7 %        |
| ***** NET INCOME (LOSS)             | (4,381,641.30)                          | (6,876,460.00)           | (2,494,818.70) | 63.7 %        |

**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Administration**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 7*

|                                  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|----------------------------------|---|--------------------------|---------------|---------------|
| *****                            | 0.00                                    | 0.00                     | 0.00          |               |
| ***** OPERATING INCOME           | 0.00                                    | 0.00                     | 0.00          |               |
| Operating Expenses               |   |                          |               |               |
| Salaries and Payroll Taxes       |   |                          |               |               |
| Salaries and Payroll Taxes       | 597,911.07                              | 563,500.00               | (34,411.07)   | 106.1 %       |
| TOTAL Salaries and Payroll Taxes | 597,911.07                              | 563,500.00               | (34,411.07)   | 106.1 %       |
| Employee Benefits                |   |                          |               |               |
| Employee Benefits                | 96,914.88                               | 99,100.00                | 2,185.12      | 97.8 %        |
| TOTAL Employee Benefits          | 96,914.88                               | 99,100.00                | 2,185.12      | 97.8 %        |
| Director's Expenses              |   |                          |               |               |
| Director's Expenses              | 35,527.55                               | 48,000.00                | 12,472.45     | 74.0 %        |
| TOTAL Director's Expenses        | 35,527.55                               | 48,000.00                | 12,472.45     | 74.0 %        |
| Truck and Auto Expenses          |   |                          |               |               |
| Truck and Auto Expenses          | 2,468.71                                | 1,700.00                 | (768.71)      | 145.2 %       |
| TOTAL Truck and Auto Expenses    | 2,468.71                                | 1,700.00                 | (768.71)      | 145.2 %       |
| General and Administrative       |   |                          |               |               |
| General and Administrative       | 224,805.95                              | 442,940.00               | 218,134.05    | 50.8 %        |
| TOTAL General and Administrative | 224,805.95                              | 442,940.00               | 218,134.05    | 50.8 %        |
| Office Expense                   |   |                          |               |               |
| Office Expense                   | 45,892.96                               | 72,760.00                | 26,867.04     | 63.1 %        |
| TOTAL Office Expense             | 45,892.96                               | 72,760.00                | 26,867.04     | 63.1 %        |
| Operating Supplies               |   |                          |               |               |
| Operating Supplies               | 432.54                                  | 2,500.00                 | 2,067.46      | 17.3 %        |
| TOTAL Operating Supplies         | 432.54                                  | 2,500.00                 | 2,067.46      | 17.3 %        |
| Contract Services                |   |                          |               |               |
| Contract Services                | 130,185.75                              | 204,300.00               | 74,114.25     | 63.7 %        |
| TOTAL Contract Services          | 130,185.75                              | 204,300.00               | 74,114.25     | 63.7 %        |
| Repairs and Maintenance          |   |                          |               |               |
| Repairs and Maintenance          | 46,852.10                               | 70,000.00                | 23,147.90     | 66.9 %        |
| TOTAL Repairs and Maintenance    | 46,852.10                               | 70,000.00                | 23,147.90     | 66.9 %        |
| Utilities                        |   |                          |               |               |
| Utilities                        | 26,073.98                               | 27,900.00                | 1,826.02      | 93.5 %        |

***Carmel Area Wastewater District***  
***Op. Exp-Budget to Actual-Administration***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account, Department 7***

|                                     | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|-------------------------------------|---|--------------------------|---------------|---------------|
| TOTAL Utilities                     | 26,073.98                               | 27,900.00                | 1,826.02      | 93.5 %        |
| Travel and Meetings                 |   |                          |               |               |
| Travel and Meetings                 | 8,475.84                                | 10,400.00                | 1,924.16      | 81.5 %        |
| TOTAL Travel and Meetings           | 8,475.84                                | 10,400.00                | 1,924.16      | 81.5 %        |
| Permits and Fees                    |   |                          |               |               |
| Permits and Fees                    | 0.00                                    | 26,200.00                | 26,200.00     |               |
| TOTAL Permits and Fees              | 0.00                                    | 26,200.00                | 26,200.00     |               |
| Memberships and Subscriptions       |   |                          |               |               |
| Memberships and Subscriptions       | 49,571.34                               | 27,700.00                | (21,871.34)   | 179.0 %       |
| TOTAL Memberships and Subscriptions | 49,571.34                               | 27,700.00                | (21,871.34)   | 179.0 %       |
| Safety                              |   |                          |               |               |
| Safety                              | 10,108.32                               | 1,400.00                 | (8,708.32)    | 722.0 %       |
| TOTAL Safety                        | 10,108.32                               | 1,400.00                 | (8,708.32)    | 722.0 %       |
| Other Expenses                      |   |                          |               |               |
| Other Expense                       | 25,551.83                               | 100,700.00               | 75,148.17     | 25.4 %        |
| TOTAL Other Expenses                | 25,551.83                               | 100,700.00               | 75,148.17     | 25.4 %        |
| Depreciation and Amortization       |   |                          |               |               |
| Depreciation and Amortization       | 0.00                                    | 34,000.00                | 34,000.00     |               |
| TOTAL Depreciation and Amortization | 0.00                                    | 34,000.00                | 34,000.00     |               |
| TOTAL Operating Expenses            | 1,300,772.82                            | 1,733,100.00             | 432,327.18    | 75.1 %        |
| ***** OPERATING INCOME (LOSS)       | (1,300,772.82)                          | (1,733,100.00)           | (432,327.18)  | 75.1 %        |
|                                     |   |                          |               |               |
| ***** NET INCOME (LOSS)             | (1,300,772.82)                          | (1,733,100.00)           | (432,327.18)  | 75.1 %        |
|                                     |   |                          |               |               |
| ***** NET INCOME (LOSS)             | (1,300,772.82)                          | (1,733,100.00)           | (432,327.18)  | 75.1 %        |

**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Reclamation**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 8*

|                                     | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|-------------------------------------|---|--------------------------|---------------|---------------|
| *****                               | 0.00                                    | 0.00                     | 0.00          |               |
| ***** OPERATING INCOME              | 0.00                                    | 0.00                     | 0.00          |               |
| Operating Expenses                  |   |                          |               |               |
| Salaries and Payroll Taxes          |   |                          |               |               |
| Salaries and Payroll Taxes          | 623,545.84                              | 647,100.00               | 23,554.16     | 96.4 %        |
| TOTAL Salaries and Payroll Taxes    | 623,545.84                              | 647,100.00               | 23,554.16     | 96.4 %        |
| Director's Expenses                 |   |                          |               |               |
| Director's Expenses                 | 1,200.00                                | 1,400.00                 | 200.00        | 85.7 %        |
| TOTAL Director's Expenses           | 1,200.00                                | 1,400.00                 | 200.00        | 85.7 %        |
| Operating Supplies                  |   |                          |               |               |
| Operating Supplies                  | 9,497.44                                | 1,200.00                 | (8,297.44)    | 791.5 %       |
| TOTAL Operating Supplies            | 9,497.44                                | 1,200.00                 | (8,297.44)    | 791.5 %       |
| Contract Services                   |   |                          |               |               |
| Contract Services                   | 1,494.97                                | 1,200.00                 | (294.97)      | 124.6 %       |
| TOTAL Contract Services             | 1,494.97                                | 1,200.00                 | (294.97)      | 124.6 %       |
| Repairs and Maintenance             |   |                          |               |               |
| Repairs and Maintenance             | 1,771.79                                | 5,000.00                 | 3,228.21      | 35.4 %        |
| TOTAL Repairs and Maintenance       | 1,771.79                                | 5,000.00                 | 3,228.21      | 35.4 %        |
| Memberships and Subscriptions       |   |                          |               |               |
| Memberships and Subscriptions       | 1,500.00                                | 0.00                     | (1,500.00)    |               |
| TOTAL Memberships and Subscriptions | 1,500.00                                | 0.00                     | (1,500.00)    |               |
| Safety                              |   |                          |               |               |
| Safety                              | 204.57                                  | 500.00                   | 295.43        | 40.9 %        |
| TOTAL Safety                        | 204.57                                  | 500.00                   | 295.43        | 40.9 %        |
| TOTAL Operating Expenses            | 639,214.61                              | 656,400.00               | 17,185.39     | 97.4 %        |
| ***** OPERATING INCOME (LOSS)       | (639,214.61)                            | (656,400.00)             | (17,185.39)   | 97.4 %        |
| ***** NET INCOME (LOSS)             | (639,214.61)                            | (656,400.00)             | (17,185.39)   | 97.4 %        |

**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Laboratory**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 11*

|                                   | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|-----------------------------------|---|--------------------------|---------------|---------------|
| *****                             | 0.00                                    | 0.00                     | 0.00          |               |
| ***** OPERATING INCOME            | 0.00                                    | 0.00                     | 0.00          |               |
| Operating Expenses                |   |                          |               |               |
| Salaries and Payroll Taxes        |   |                          |               |               |
| <i>Salaries and Payroll Taxes</i> | 459,668.39                              | 557,600.00               | 97,931.61     | 82.4 %        |
| TOTAL Salaries and Payroll Taxes  | 459,668.39                              | 557,600.00               | 97,931.61     | 82.4 %        |
| Employee Benefits                 |   |                          |               |               |
| <i>Employee Benefits</i>          | 132,121.61                              | 154,400.00               | 22,278.39     | 85.6 %        |
| TOTAL Employee Benefits           | 132,121.61                              | 154,400.00               | 22,278.39     | 85.6 %        |
| Truck and Auto Expenses           |   |                          |               |               |
| <i>Truck and Auto Expenses</i>    | 0.00                                    | 250.00                   | 250.00        |               |
| TOTAL Truck and Auto Expenses     | 0.00                                    | 250.00                   | 250.00        |               |
| General and Administrative        |   |                          |               |               |
| <i>General and Administrative</i> | 27,208.50                               | 1,600.00                 | (25,608.50)   | 1700.5 %      |
| TOTAL General and Administrative  | 27,208.50                               | 1,600.00                 | (25,608.50)   | 1700.5 %      |
| Office Expense                    |   |                          |               |               |
| <i>Office Expense</i>             | 3,302.08                                | 2,250.00                 | (1,052.08)    | 146.8 %       |
| TOTAL Office Expense              | 3,302.08                                | 2,250.00                 | (1,052.08)    | 146.8 %       |
| Operating Supplies                |   |                          |               |               |
| <i>Operating Supplies</i>         | 50,729.85                               | 40,000.00                | (10,729.85)   | 126.8 %       |
| TOTAL Operating Supplies          | 50,729.85                               | 40,000.00                | (10,729.85)   | 126.8 %       |
| Contract Services                 |   |                          |               |               |
| <i>Contract Services</i>          | 141,852.40                              | 141,000.00               | (852.40)      | 100.6 %       |
| TOTAL Contract Services           | 141,852.40                              | 141,000.00               | (852.40)      | 100.6 %       |
| Repairs and Maintenance           |   |                          |               |               |
| <i>Repairs and Maintenance</i>    | 32,950.24                               | 60,000.00                | 27,049.76     | 54.9 %        |
| TOTAL Repairs and Maintenance     | 32,950.24                               | 60,000.00                | 27,049.76     | 54.9 %        |
| Utilities                         |   |                          |               |               |
| <i>Utilities</i>                  | 1,171.88                                | 7,000.00                 | 5,828.12      | 16.7 %        |
| TOTAL Utilities                   | 1,171.88                                | 7,000.00                 | 5,828.12      | 16.7 %        |
| Travel and Meetings               |   |                          |               |               |
| <i>Travel and Meetings</i>        | 5,942.41                                | 8,300.00                 | 2,357.59      | 71.6 %        |

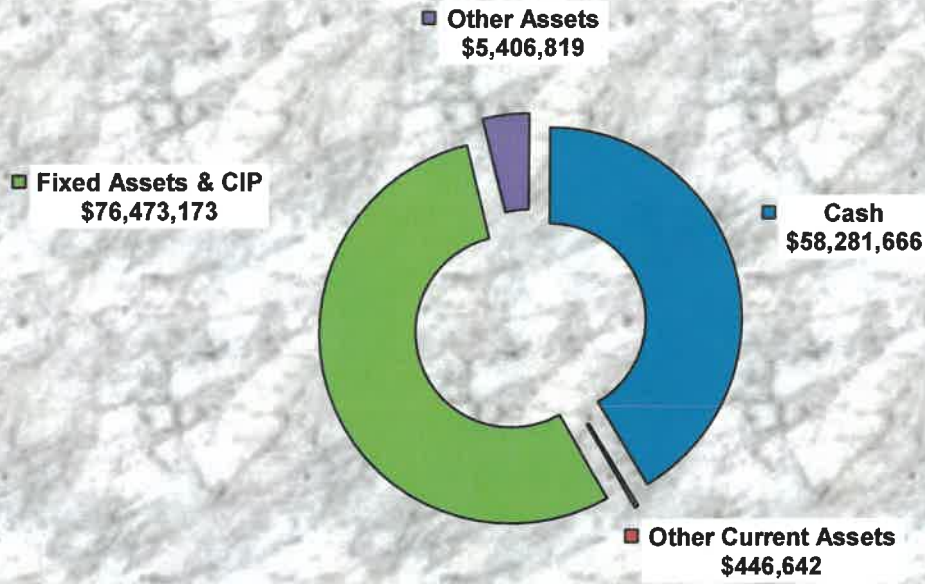
**Carmel Area Wastewater District**  
**Op. Exp-Budget to Actual-Laboratory**  
*Year-to-Date Performance, May 2026 - current month, Consolidated by  
account, Department 11*

|                                     | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i> | <i>% Used</i> |
|-------------------------------------|---|--------------------------|---------------|---------------|
| TOTAL Travel and Meetings           | 5,942.41                                | 8,300.00                 | 2,357.59      | 71.6 %        |
| Permits and Fees                    |   |                          |               |               |
| Permits and Fees                    | 6,997.93                                | 0.00                     | (6,997.93)    |               |
| TOTAL Permits and Fees              | 6,997.93                                | 0.00                     | (6,997.93)    |               |
| Memberships and Subscriptions       |   |                          |               |               |
| Memberships and Subscriptions       | 3,086.13                                | 2,400.00                 | (686.13)      | 128.6 %       |
| TOTAL Memberships and Subscriptions | 3,086.13                                | 2,400.00                 | (686.13)      | 128.6 %       |
| Safety                              |   |                          |               |               |
| Safety                              | 3,524.69                                | 2,500.00                 | (1,024.69)    | 141.0 %       |
| TOTAL Safety                        | 3,524.69                                | 2,500.00                 | (1,024.69)    | 141.0 %       |
| Other Expenses                      |   |                          |               |               |
| Other Expense                       | 6,093.66                                | 2,500.00                 | (3,593.66)    | 243.7 %       |
| TOTAL Other Expenses                | 6,093.66                                | 2,500.00                 | (3,593.66)    | 243.7 %       |
| Depreciation and Amortization       |   |                          |               |               |
| Depreciation and Amortization       | 0.00                                    | 500,000.00               | 500,000.00    |               |
| TOTAL Depreciation and Amortization | 0.00                                    | 500,000.00               | 500,000.00    |               |
| TOTAL Operating Expenses            | 874,649.77                              | 1,479,800.00             | 605,150.23    | 59.1 %        |
| ***** OPERATING INCOME (LOSS)       | (874,649.77)                            | (1,479,800.00)           | (605,150.23)  | 59.1 %        |
| ***** NET INCOME (LOSS)             | (874,649.77)                            | (1,479,800.00)           | (605,150.23)  | 59.1 %        |
| ***** NET INCOME (LOSS)             | (874,649.77)                            | (1,479,800.00)           | (605,150.23)  | 59.1 %        |

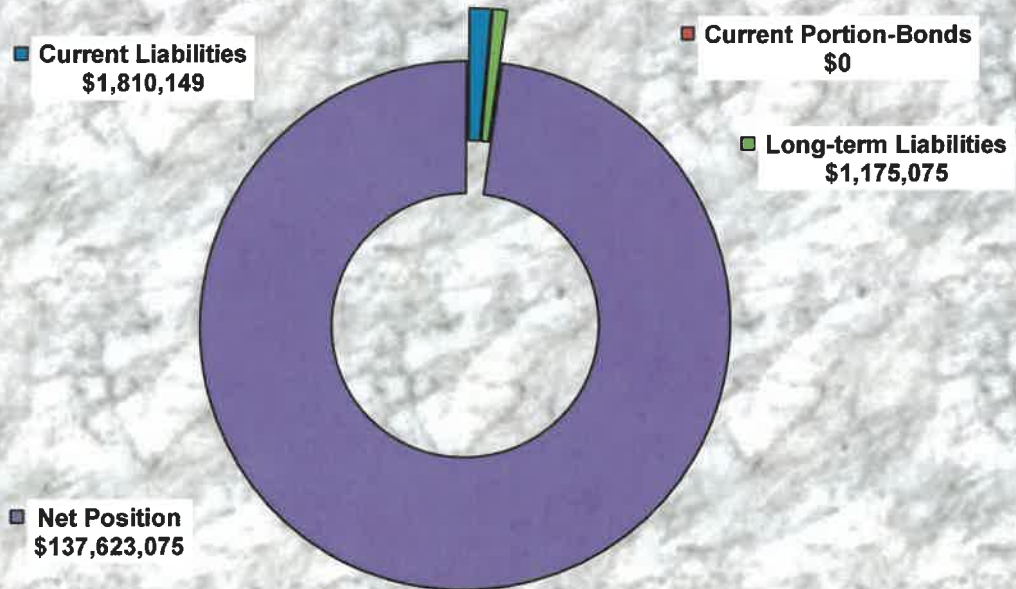
***Carmel Area Wastewater District***  
***I/S Actual to Budget-Brine Disposal***  
***Year-to-Date Performance, May 2026 - current month, Consolidated by***  
***account, Department 10***

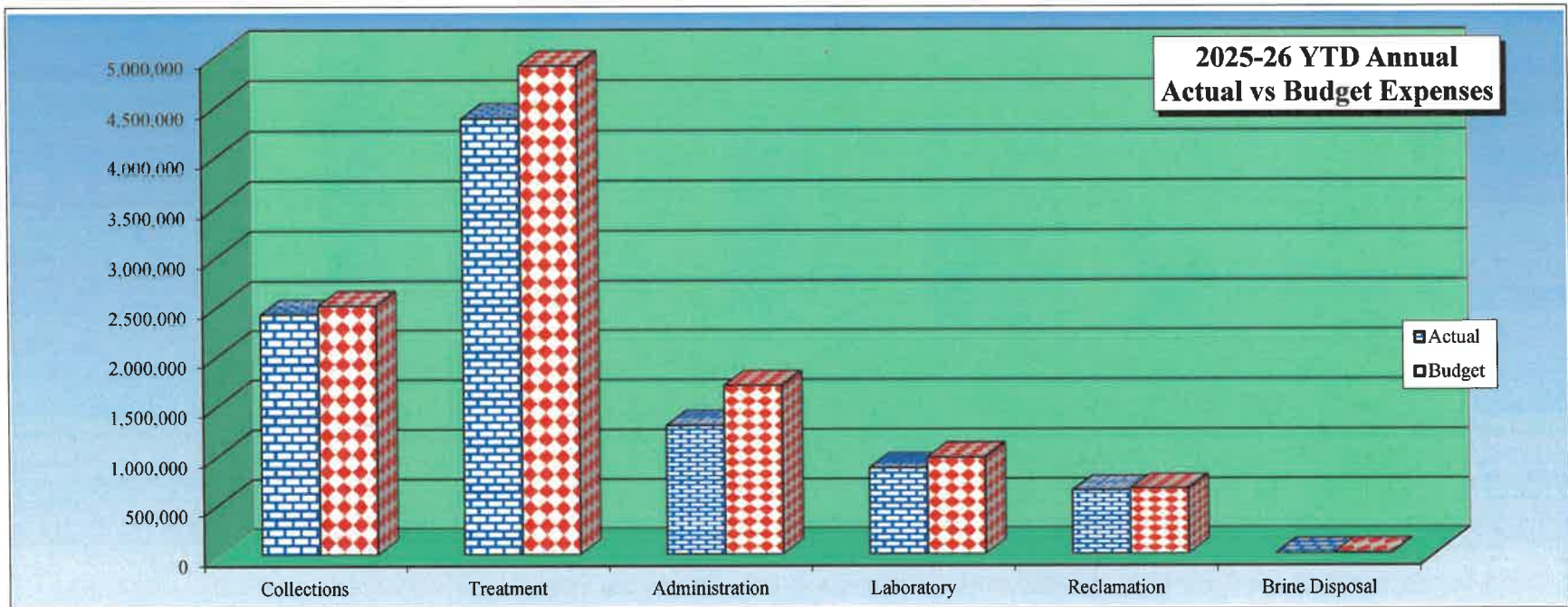
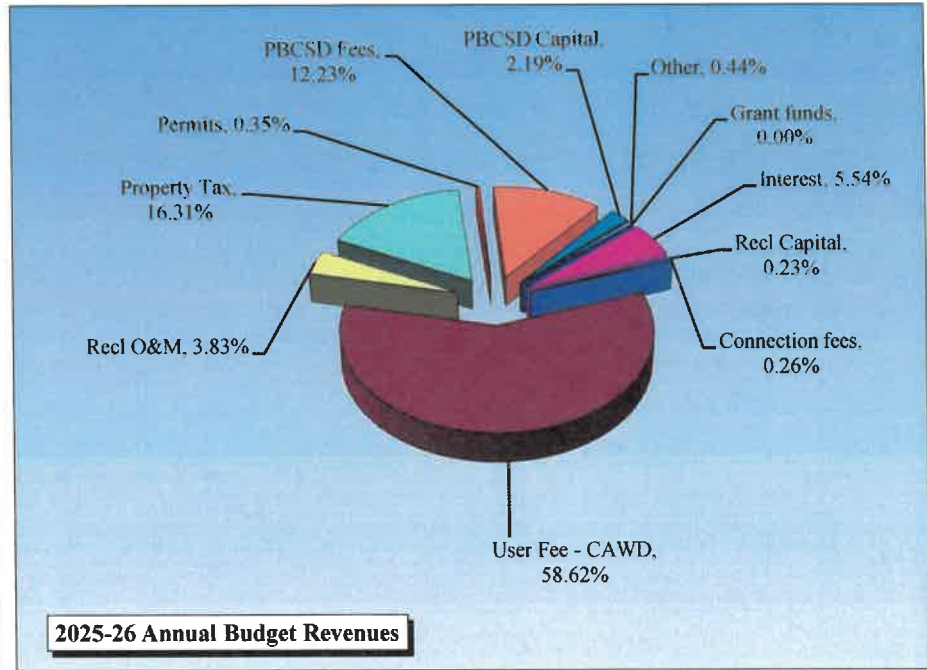
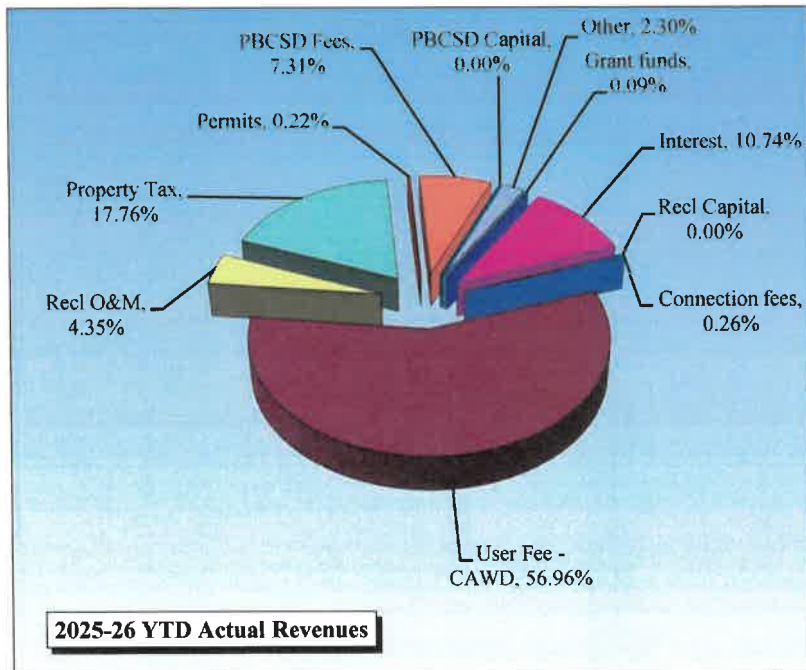
|                                  | <i>11 Months Ended<br/>May 31, 2026</i> | <i>Annual<br/>Budget</i> | <i>Unused</i>       | <i>% Used</i> |
|----------------------------------|---|--------------------------|---------------------|---------------|
| Income                           |   |                          |                     |               |
| Revenue                          | 182,787.15                              | 65,000.00                | (117,787.15)        | 281.2 %       |
| TOTAL Income                     | <u>182,787.15</u>                       | <u>65,000.00</u>         | <u>(117,787.15)</u> | 281.2 %       |
| *****                            | <u>182,787.15</u>                       | <u>65,000.00</u>         | <u>(117,787.15)</u> | 281.2 %       |
| ***** OPERATING INCOME           | <u>182,787.15</u>                       | <u>65,000.00</u>         | <u>(117,787.15)</u> | 281.2 %       |
| Operating Expenses               |   |                          |                     |               |
| Salaries and Payroll Taxes       |   |                          |                     |               |
| Salaries and Payroll Taxes       | 0.00                                    | 500.00                   | 500.00              |               |
| TOTAL Salaries and Payroll Taxes | <u>0.00</u>                             | <u>500.00</u>            | <u>500.00</u>       |               |
| Operating Supplies               |   |                          |                     |               |
| Operating Supplies               | 0.00                                    | 150.00                   | 150.00              |               |
| TOTAL Operating Supplies         | <u>0.00</u>                             | <u>150.00</u>            | <u>150.00</u>       |               |
| Repairs and Maintenance          |   |                          |                     |               |
| Repairs and Maintenance          | 0.00                                    | 3,500.00                 | 3,500.00            |               |
| TOTAL Repairs and Maintenance    | <u>0.00</u>                             | <u>3,500.00</u>          | <u>3,500.00</u>     |               |
| TOTAL Operating Expenses         | <u>0.00</u>                             | <u>4,150.00</u>          | <u>4,150.00</u>     |               |
| ***** OPERATING INCOME (LOSS)    | <u>182,787.15</u>                       | <u>60,850.00</u>         | <u>(121,937.15)</u> | 300.4 %       |
| ***** NET INCOME (LOSS)          | <u>182,787.15</u>                       | <u>60,850.00</u>         | <u>(121,937.15)</u> | 300.4 %       |
| ***** NET INCOME (LOSS)          | <u>182,787.15</u>                       | <u>60,850.00</u>         | <u>(121,937.15)</u> | 300.4 %       |

**Assets - May 31, 2026**

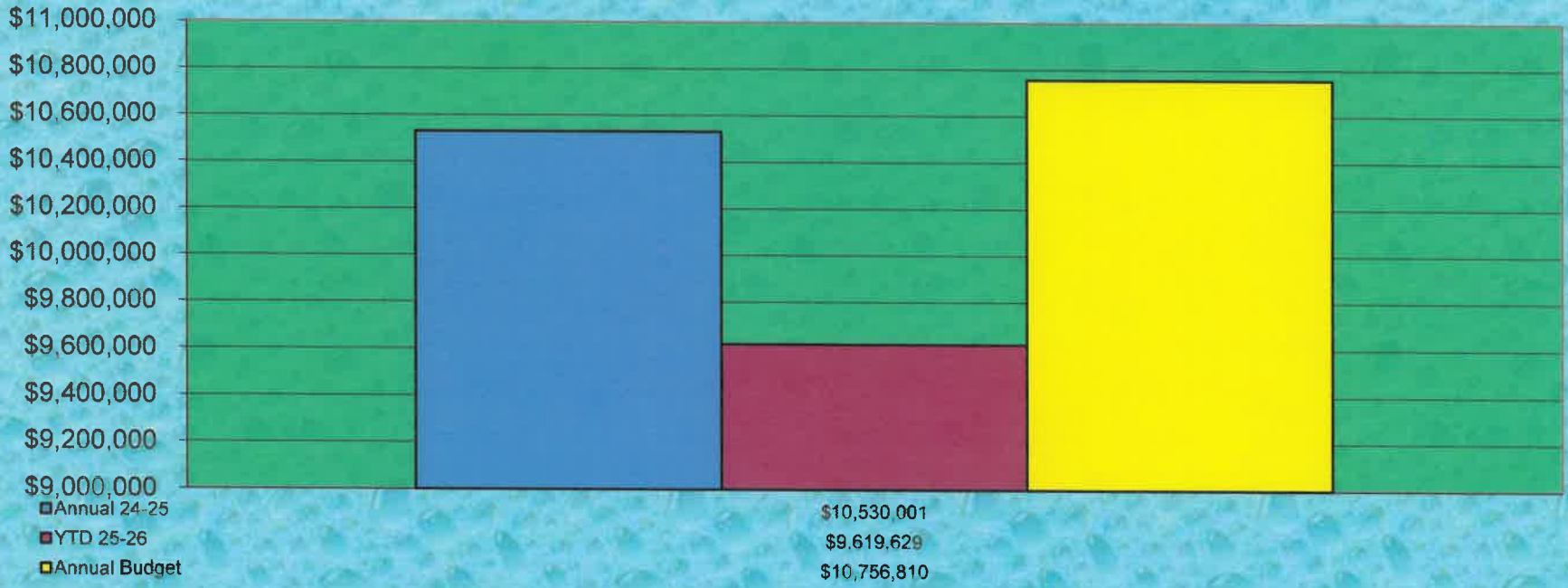


**Liabilities - May 31, 2026**





### Annual Operating Expenses



**Carmel Area Wastewater District**  
**Capital Expenditures**  
**2025-26**

|  | BEG BAL | MAY    | CURRENT YTD | CUMULATIVE TOTAL | ANNUAL BUDGET | BUDGET SPENT |
|--|---------|--------|-------------|------------------|---------------|--------------|
| <b><u>CAPITAL PURCHASES</u></b>                      |         |        |             |                  |               |              |
| <b><u>Admin</u></b>                                  |         |        |             |                  |               |              |
| Electric Doors and Cameras-admin building-unbudgeted |         | 10,999 | 10,999      | 10,999           | 0             | NA           |
|  |         | 0      | 0           | 0                | 0             | NA           |
| <b><u>Collections</u></b>                            |         |        |             |                  |               |              |
| Valley Greens Pump Station-contributed capital-CVM   |         | 0      | 1,000,000   | 1,000,000        | 0             | NA           |
| Sewer Line Locater-unbudgeted                        |         | 0      | 10,924      | 10,924           | 0             | NA           |
| Carmel Valley Manor Sewer Lines-contributed capital  |         | 0      | 8,504,779   | 8,504,779        | 0             | NA           |
| 30% PowerEdge R750 Server-unbudgeted                 |         | 0      | 4,782       | 4,782            | 0             | NA           |
| Sewer Line - Acacia Way                              |         | 0      | 14,853      | 14,853           | 200,000       | 7.43%        |
| Pipehunter Skit with 220 Gallon High Density Tank    |         | 0      | 45,144      | 45,144           | 120,000       | 37.62%       |
| Portable Trailer Mount Chopper Pump                  |         | 0      | 90,757      | 90,757           | 110,000       | 82.51%       |
| Bid Notice-Highlands Force Main Flushing-unbudgeted  |         | 0      | 6,568       | 6,568            | 0             | NA           |
| Portable Diesel Generator                            |         | 0      | 70,475      | 70,475           | 98,000        | 71.91%       |
| Sewer Line - Carmel & 10th                           |         | 0      | 14,627      | 14,627           | 200,000       | 7.31%        |
| Sewer Line - Forced Main emergency repair            |         | 0      | 10,647      | 10,647           | 200,000       | 5.32%        |
| Sewer Line - Vizcaino & Flanders                     |         | 0      | 14,852      | 14,852           | 200,000       | 7.43%        |
| Sewer Line - Highlands Forced Main                   |         | 0      | 34,855      | 34,855           | 200,000       | 17.43%       |
| Sewer Line - Canada Ct. and Canada Ln                |         | 0      | 13,859      | 13,859           | 200,000       | 6.93%        |
| Sewer Line - Canada Ct. and Canada Ln                |         | 0      | 14,315      | 14,315           | 200,000       | 7.16%        |
| Sewer Line - Morse Drive                             |         | 0      | 11,439      | 11,439           | 200,000       | 5.72%        |
| Generator deposit-Scenic Way-unbudgeted              |         | 11,410 | 11,410      | 11,410           | 0             | NA           |
| <b><u>Treatment</u></b>                              |         |        |             |                  |               |              |
| Fairbanks Morse Vertical Angleflow Non-Clog Pump     |         | 0      | 86,994      | 86,994           | 95,000        | 91.57%       |
| Headworks Sludge Line-unbudgeted                     |         | 0      | 17,841      | 17,841           | 0             | NA           |
| Gas Conditioning Compressor                          |         | 0      | 44,160      | 44,160           | 40,000        | 110.40%      |
| Isotemp 400 Refrigerated Incubator-unbudgeted        |         | 0      | 10,401      | 10,401           | 0             | NA           |
| 70% PowerEdge R750 Server-unbudgeted                 |         | 0      | 11,159      | 11,159           | 0             | NA           |
| Pipe Rehab-Digester/Boiler Building-unbudgeted       |         | 0      | 15,583      | 15,583           | 0             | NA           |
| Influent building gravel roof                        |         | 0      | 27,217      | 27,217           | 30,000        | 90.72%       |
| Lab building gravel roof                             |         | 0      | 30,076      | 30,076           | 30,000        | 100.25%      |
| Bareshaft Pump-unbudgeted                            |         | 0      | 71,210      | 71,210           | 0             | NA           |
| Storage Building Design-unbudgeted                   |         | 0      | 4,000       | 4,000            | 0             | NA           |
| Lab HVAC System                                      |         | 0      | 414         | 414              | 50,000        | 0.83%        |
| Gas Conditioner Enclosure-unbudgeted                 |         | 42,607 | 72,974      | 72,974           | 0             | NA           |
| Turblex Blower Rehab-unbudgeted                      |         | 0      | 29,872      | 29,872           | 0             | NA           |

**Carmel Area Wastewater District  
Capital Expenditures  
2025-26**

|   | BEG BAL | MAY            | CURRENT YTD       | CUMULATIVE TOTAL  | ANNUAL BUDGET    | BUDGET SPENT |
|---|---------|----------------|-------------------|-------------------|------------------|--------------|
| Polymer Enclosure-unbudgeted                                |         | 0              | 18,744            | 18,744            | 0                | NA           |
| Cushman Lithium Cart-unbudgeted                             |         | 0              | 14,134            | 14,134            | 0                | NA           |
| Dewatering Fiber Cable Installation-unbudgeted              |         | 0              | 11,977            | 11,977            | 0                | NA           |
| Digester Mixing Pump Hoist-unbudgeted                       |         | 0              | 14,290            | 14,290            | 0                | NA           |
| Fairbanks Morse Vertical Angleflow Non-Clog Pump-unbudgeted |         | 0              | 94,526            | 94,526            | 0                | NA           |
| Electric Doors and Cameras-lab-unbudgeted                   |         | 10,999         | 10,999            | 10,999            | 0                | NA           |
| Impeller Pump-Flow EQ Basins-unbudgeted                     |         | 20,253         | 20,253            | 20,253            | 0                | NA           |
| 2026 Ford F-150-unbudgeted                                  |         | 54,195         | 54,195            | 54,195            | 0                | NA           |
| RECL share  | 0       | 0              | 0                 | 0                 | 0                | NA           |
| PBCSD share (1/3 of cost)                                   | 0       | (42,684)       | (220,340)         | (220,340)         | (81,667)         | 269.80%      |
| <b>Total Capital Purchases 25-26</b>                        |         | <b>107,777</b> | <b>10,325,965</b> | <b>10,325,965</b> | <b>2,091,333</b> | <b>NA</b>    |

**CIP PROJECTS**

**Administration**

**Collections**

|   |         |         |           |           |           |         |
|---|---------|---------|-----------|-----------|-----------|---------|
| Construction of new Gravity Sewer Line-Carmel Meadows | 982,100 | 7,858   | 240,552   | 1,222,652 | 300,000   | 80.18%  |
| Scenic Rd Pipe Burst-Ocn/Bay                          | 758,397 | 998,191 | 5,322,589 | 6,080,986 | 4,575,000 | 116.34% |
| Bay/Scenic Pump Station Rehab                         | 164,065 | 0       | 31,957    | 196,021   | 150,000   | 21.30%  |
| Pescadero Creek Area Pipe Rehab                       | 422,779 | 10,079  | 300,510   | 723,289   | 200,000   | 150.26% |
| Vactor Receiving Station                              | 340,356 | 0       | 0         | 340,356   | 0         | NA      |
| Santa Rita & Guadalupe Pipeline                       | 301,669 | 39,036  | 4,240,301 | 4,541,970 | 4,550,000 | 93.19%  |

**Treatment**

|  |                  |                  |                   |                   |                  |                |
|--|------------------|------------------|-------------------|-------------------|------------------|----------------|
| PLC Investigation-Cybersecurity Upgrades | 0                | 25,838           | 173,019           | 173,019           | 250,000          | 69.21%         |
| RECL share                               | 0                | 0                | 0                 | 0                 | 0                | NA             |
| PBCSD share (1/3 of cost)                | 0                | (8,613)          | (57,673)          | (57,673)          | (83,333)         | 69.21%         |
| <b>Total CIP Projects 25-26</b>          | <b>2,969,365</b> | <b>1,072,388</b> | <b>10,251,255</b> | <b>13,220,620</b> | <b>9,941,667</b> | <b>103.11%</b> |

**Carmel Area Wastewater District  
Capital Expenditures  
2025-26**

|  | BEG BAL          | MAY              | CURRENT YTD       | CUMULATIVE TOTAL  | ANNUAL BUDGET     | BUDGET SPENT   |
|--|------------------|------------------|-------------------|-------------------|-------------------|----------------|
| <b><u>LONG TERM CIP PROJECTS</u></b>             |                  |                  |                   |                   |                   |                |
| <b><u>Treatment</u></b>                          |                  |                  |                   |                   |                   |                |
| Perimeter Fence                                  | 171,550          | 25,403           | 407,444           | 578,994           | 810,000           | 50.30%         |
| Potable Water & Gas Main Replacement (COLL 5.5%) | 181,533          | 0                | 95,320            | 276,852           | 110,000           | 86.65%         |
| Plant Bridge Retrofit Project- unbudgeted        | 14,935           | 33,477           | 56,667            | 71,602            | 0                 | NA             |
| Artificial Intelligence Pilot Project            | 188,051          | 0                | 70,748            | 258,799           | 0                 | NA             |
| WWTP Site Improvements                           | 0                | 13,953           | 49,108            | 49,108            | 58,264            | 84.28%         |
| RECL share                                       | 0                | 0                | 0                 | 0                 | 0                 | 0              |
| PBCSD share (1/3 of cost)                        | (185,356)        | (24,278)         | (221,186)         | (406,542)         | (326,088)         | 67.83%         |
| <b><i>Total Long Term CIP Projects 25-26</i></b> | <b>370,712</b>   | <b>48,555</b>    | <b>458,100</b>    | <b>828,813</b>    | <b>652,176</b>    | <b>70.24%</b>  |
| <b>Total Capital (net of RECL and PBCSD)</b>     | <b>3,340,077</b> | <b>1,228,721</b> | <b>21,035,320</b> | <b>24,375,398</b> | <b>12,685,176</b> | <b>165.83%</b> |

**Carmel Area Wastewater District**  
**Variance Analysis**  
**2025-26**

|                               | YTD<br>\$ Variance | YTD<br>Budget % Used |  |
|-------------------------------|--------------------|----------------------|--|
| <b><u>Collections</u></b>     |                    |                      |  |
| Truck and Auto Expenses       | (\$4,550)          | 106.30%              | Diesel underbudgeted.  |
| Repairs and Maintenance       | (\$90,992)         | 138.40%              | Sewer line repairs budgeted in capital. Easements underbudgeted.               |
| Utilities                     | (\$10,009)         | 116.60%              | 20 yard rolloff garbage bin unbudgeted.  |
| Permits and Fees              | (\$2,020)          | 117.60%              | County Road Encroachment Permit unbudgeted.                                    |
| Memberships and Subscriptions | (\$560)            | 110.20%              | Employee certifications and memberships underbudgeted.                         |
| Other Expense                 | (\$9,148)          | 1929.60%             | Recruiting unbudgeted.   |
| <b><u>Treatment</u></b>       |                    |                      |  |
| Employee Benefits             | (\$12,365)         | 102.60%              | HSA contributions underbudgeted.   |
| Truck and Auto Expenses       | (\$6,350)          | 267.10%              | Outside repair service and repair parts slightly underbudgeted.                |
| Office Expense                | (\$2,669)          | 109.70%              | Furnishings and fixtures and office supplies slightly underbudgeted.           |
| Contract Services             | (\$49,335)         | 108.80%              | Sludge hauling underbudgeted. Leadership coaching unbudgeted.                  |
| Repairs and Maintenance       | (\$53,642)         | 119.70%              | Microturbines underbudgeted.   |
| Permits and Fees              | (\$29,486)         | 187.50%              | SWRCB discharge penalties unbudgeted.  |
| Safety                        | (\$1,920)          | 105.20%              | PPE, safety supplies and training underbudgeted.                               |
| <b><u>Administration</u></b>  |                    |                      |  |
| Salaries and Payroll Taxes    | (\$34,411)         | 106.10%              | Salaries underbudgeted.  |
| Truck and Auto Expenses       | (\$769)            | 145.20%              | Vehicle service unbudgeted.  |
| Memberships and Subscriptions | (\$21,871)         | 179.00%              | Laserfiche Cloud subscription budgeted in capital.                             |
| Safety                        | (\$8,708)          | 722.00%              | Security training unbudgeted.  |
| <b><u>Laboratory</u></b>      |                    |                      |  |
| General and Administrative    | (\$25,609)         | 1700.50%             | Insurance underbudgeted.   |
| Office Expense                | (\$1,052)          | 146.80%              | Office supplies slightly underbudgeted.  |
| Operating Supplies            | (\$10,730)         | 126.80%              | Lab supplies underbudgeted.  |
| Contract Services             | (\$852)            | 100.60%              | Total slightly underbudgeted.  |
| Permits and Fees              | (\$6,998)          | Infinity             | Lab accreditation fees unbudgeted.   |
| Memberships and Subscriptions | (\$686)            | 128.60%              | Employee certificates, memberships and reference works slightly underbudgeted. |
| Safety                        | (\$1,025)          | 141.00%              | PPE & safety supplies underbudgeted.   |
| Other Expense                 | (\$3,594)          | 243.70%              | Recruiting underbudgeted.  |

**Carmel Area Wastewater District  
2025-26 Resolutions Amending the Budget**

| Resolution #<br>Date | Description  | Original<br>Budget  | Amendment           | Spent<br>To Date    |
|----------------------|--|---------------------|---------------------|---------------------|
| 2025-37<br>07/31/25  | A Resolution accepting the lowest responsible and responsive bid for the "Scenic Rd. Sewer Main Rehabilitation Project" (Project #20-08), awarding construction contract \$7,438,000, and authorizing a change order allowance of \$400,000 for a total amount not to exceed \$7,838,000. (K.J. Woods Construction)  | \$ 4,575,000        | \$ 3,263,000        | \$ 4,609,797        |
| 2025-41<br>07/31/25  | A Resolution authorizing the General Manager to purchase a gas compressor in fiscal year 2025-26 in an amount not to exceed \$44,816.  | \$ 40,000           | \$ 4,816            | \$ 44,160           |
| 2025-47<br>08/31/25  | A Resolution authorizing the General Manager to execute a professional services agreement with Kennedy Jenks Consultants in an amount not to exceed \$393,186 for Wastewater Treatment Plant (WWTP) Utility Mains Relocation Project (Project #22-03)  | \$ 110,000          | \$ 283,186          | \$ 98,128           |
| 2025-66<br>10/30/25  | A Resolution approving the purchase of the software package from Waterworth-continuous Utility Rate Management for a period of three years in an amount of \$29,700.   | \$ -                | \$ 29,700           | \$ 29,700           |
| 2025-74<br>12/18/25  | A Resolution Authorizing the General Manager to execute a professional services agreement with MME Civil + Structural Engineering in an amount not to exceed \$127,600 for engineering services for a conceptual bridge design alternatives report (Project #22-04)  | \$ -                | \$ 127,600          | \$ -                |
| 2026-14<br>01/29/26  | A Resolution Authorizing the General Manager to purchase a Treatment Plant truck in fiscal year 2025-26 in an amount not to exceed \$71,304.03.  | \$ -                | \$ 71,304           | \$ -                |
| 2026-23<br>02/26/26  | A Resolution as amended approving the General Manager to solicit a request for proposals for a staff compensation study with estimated cost not to exceed \$50,000.  | \$ 35,000           | \$ 15,000           | \$ -                |
| 2026-26<br>03/26/26  | A Resolution Authorizing the General Manager to execute a professional services agreement with Kennedy/Jenks Consulting, Inc. in an amount not to exceed \$569,845 for Wastewater Treatment Plant (WWTP) Site Improvements (Project #25-02)  | \$ -                | \$ 569,845          | \$ 13,953           |
| 2026-29<br>03/26/26  | A Resolution accepting the lowest responsible and responsive bid for the Carmel Meadows Easement Sewer Repairs Project of \$262,225, awarding the construction contract, and approving a change order allowance of \$50,000 (Project #25-01)   | \$ -                | \$ 262,225          | \$ -                |
| 2026-30<br>03/26/26  | A Resolution Authorizing the General Manager to execute an amendment No. 2 to the professional services agreement with Kennedy/Jenks Consulting, Inc. for the Carmel Meadows Easement Sewer Repairs Project for engineering services during construction and inspection services in an amount not to exceed \$106,633 bringing the total contract amount to \$293,083 (Project #25-01) | \$ 186,450          | \$ 106,633          | \$ -                |
| 2026-36<br>04/30/26  | A Resolution Authorizing the General Manager to purchase a Treatment Plant truck in fiscal year 2025-26 in an amount not to exceed \$55,900.00.  | \$ -                | \$ 55,900           | \$ 54,195           |
| Total To Date        |  | <u>\$ 4,946,450</u> | <u>\$ 4,789,209</u> | <u>\$ 4,849,932</u> |

**STAFF REPORT**

TO: Board of Directors  
FROM: Daryl Lauer, Collection Superintendent  
DATE: June 25th, 2026  
SUBJECT: Monthly Report – May 2026



**RECOMMENDATION**

Receive Report- Informational only; no action required.

**Permits Issued**

|   |            |
|---|------------|
| Sewer Lateral Permits issued in May ..... | 19         |
| Total Fees .....                          | \$3,550.00 |

**Maintenance**

Attached is a map identifying the areas cleaned over the past three months. During May, a total of 31,369 feet of sewer lines cleaned, and 3,223 feet were inspected using Closed-Circuit Television (CCTV). A summary of collections system maintenance activities for the month of May is provided below.

**Carmel By the Sea Storm Drain Cleaning**

- Staff cleaned the city 4 main storm drain interceptors and the catch ponds along Fourth Ave the week of May 11<sup>th</sup> to the 15<sup>th</sup>.

**Sanitary Sewer Spills**

- No sanitary sewer spills were reported during the reporting period.

| <b>Maintenance Activity</b>                               | <b>May 2026</b> | <b>Calendar Year to Date</b> | <b>5-year Annual Average</b> |
|---|-----------------|------------------------------|------------------------------|
| <b>Cleaning/Jetting (Linear Feet)</b>                     | 31,369          | 245,720                      | 549,332                      |
| <b>CCTV Inspections (Linear Feet)</b>                     | 3,223           | 28,696                       | 47,937                       |
| <b>Lateral Inspections (# Completed)</b>                  | 15              | 66                           | 228                          |
| <b>Private Sewer Lateral Certifications (# Completed)</b> | 16              | 65                           | 209                          |
| <b>Service Calls (#Completed)</b>                         | 2               | 16                           | 52                           |
| <b>Spot Repairs (# Completed)</b>                         | 5               | 12                           | 6                            |
| <b>Underground Service Alerts (# Completed)</b>           | 176             | 994                          | 2,019                        |
| <b>Asphalt Patch Verification (# Completed)</b>           | 5               | 20                           | N/A                          |
| <b>Easement Maintenance (Miles)</b>                       | 1.4             | 4.2                          | 4                            |
| <b>Root Foaming (Linear Feet)</b>                         | 0               | 0                            | 34,000                       |

### **Construction and Repairs**

- Contractors performed five spot repairs during the month of May. The damaged pipe segments were located on San Luis, Ribera Road and within an easement located at the rear of properties in four different locations.

### **Staff Development**

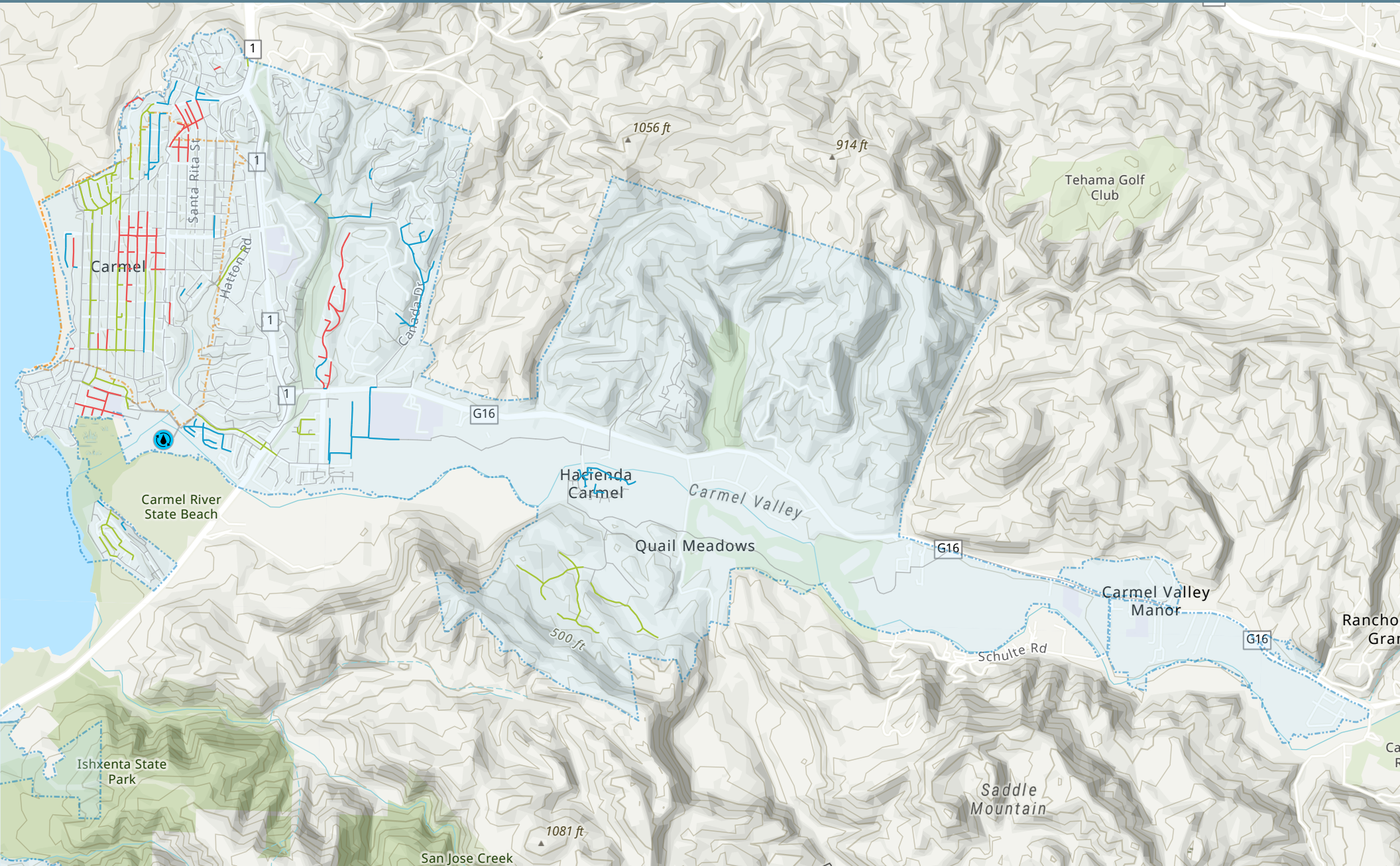
- Staff attended weekly tailgate safety tailgate training sessions.
- Staff attended the full day training on trench safety / competent person in May. This training was on-site and went over the different types of ground soils, shoring and requirements for safe excavation.

**Service calls responded to by crew**

| <b>Date</b> | <b>Time</b> | <b>Callout</b>             | <b>Resolution</b>  |
|-------------|-------------|----------------------------|--|
| 5/11/2026   | 10:45 AM    | Private Lateral Spill      | Called by homeowner for a report of an overflowing lateral. Staff arrived on scene to find a blocked and overflowing lateral. Staff ran the District main line and found no problems. The property owner was advised to call their plumber of choice.<br>Refer to service call map.  |
| 5/14/2026   | 9:00 AM     | Asphalt patch verification | Staff conducted a one-year verification inspection of the asphalt patch associated with a private lateral repair within the street. No deficiencies were observed.<br>Location: 36°33'40" N, 121°55'15" W<br>Refer to service call map.  |
| 5/16/2026   | 11:00 AM    | Asphalt patch verification | Staff conducted a one-year verification inspection of the asphalt patch associated with a private lateral repair within the street. No deficiencies were observed.<br>Location: 36°33'29" N, 121°54'51" W<br>Refer to service call map.  |
| 5/18/2026   | 3:15 PM     | Force Main Leak            | Called by State Parks staff for sewage leaking from a vault in front of the entrance to Point Lobos State Park. Upon arrival, staff determined the vault is owned by State Parks and was actively leaking. District staff assisted Parks personnel by vacuuming out the vault to investigate the source of the leak. The failure was traced to a previously repaired part from a serval years prior.<br>Refer to service call map. |

| <b>Date</b> | <b>Time</b> | <b>Callout</b>             | <b>Resolution</b>  |
|-------------|-------------|----------------------------|--|
| 5/21/2026   | 9:00 AM     | Asphalt patch verification | <p>Staff conducted a one-year verification inspection of the asphalt patch associated with a private lateral repair within the street. No deficiencies were observed.</p> <p>Location: 36°32'53" N, 121°54'39" W</p> <p>Refer to service call map.</p> |
| 5/22/2026   | 10:00 AM    | Asphalt patch verification | <p>Staff conducted a one-year verification inspection of the asphalt patch associated with a private lateral repair within the street. No deficiencies were observed.</p> <p>Location: 36°33'10" N, 121°55'24" W</p> <p>Refer to service call map.</p> |
| 5/30/2026   | 10:00 AM    | Asphalt patch verification | <p>Staff conducted a one-year verification inspection of the asphalt patch associated with a private lateral repair within the street. No deficiencies were observed.</p> <p>Location: 36°34'9" N, 121°54'50" W</p> <p>Refer to service call map.</p>  |

# Carmel Area Wastewater District - Line Cleaning - May 2026




**CARMEL AREA WASTEWATER DISTRICT**  
 3945 RIO RD, CARMEL CA 93922  
 TELEPHONE (831) 624-1248  
 Info@CAWD.org

**LEGEND**

-  Treatment Plant
-  Service Area
-  Carmel by the Sea

**Sewer Gravity Mains - Line Cleaning**

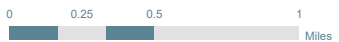

-  May 2026 - 31,369 FT
-  April 2026 - 52,234 FT
-  March 2026 - 32,455 FT

**82**

Map Disclaimer: CAWD 2026 © All rights reserved.

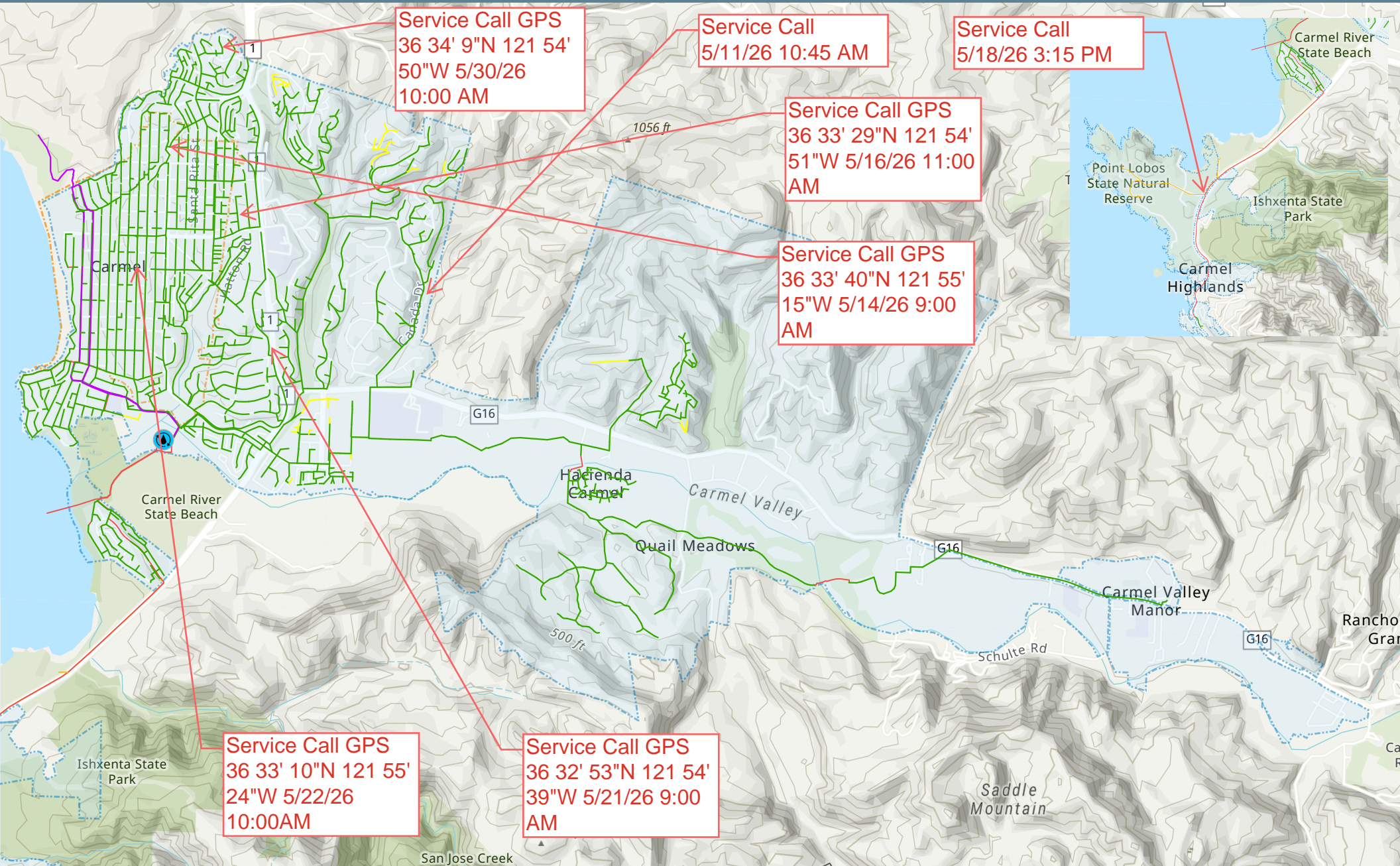
This map is distributed "AS - IS" without any warranties of any kind. This map is intended as a graphical representation of field conditions; the actual location of features in the field may differ from the depiction on the map.

NAD83 State Plane CA Zone 4 US Feet | 1:42,000

# Carmel Area Wastewater District - Service Calls Map

South Region Inset



**Service Call GPS**  
 36 34' 9"N 121 54'  
 50"W 5/30/26  
 10:00 AM

**Service Call**  
 5/11/26 10:45 AM

**Service Call**  
 5/18/26 3:15 PM

**Service Call GPS**  
 36 33' 29"N 121 54'  
 51"W 5/16/26 11:00  
 AM

**Service Call GPS**  
 36 33' 40"N 121 55'  
 15"W 5/14/26 9:00  
 AM











**Service Call GPS**  
 36 33' 10"N 121 55'  
 24"W 5/22/26  
 10:00AM

**Service Call GPS**  
 36 32' 53"N 121 54'  
 39"W 5/21/26 9:00  
 AM



**CARMEL AREA WASTEWATER DISTRICT**  
 3945 RIO RD, CARMEL CA 93922  
 TELEPHONE (831) 624-1248  
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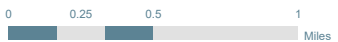

**LEGEND**

|   |                   |   |                            |   |                           |
|---|-------------------|---|----------------------------|---|---------------------------|
|  | Treatment Plant   |  | <b>Sewer Gravity Mains</b> |  | <b>Sewer Forced Mains</b> |
|  | Service Area      |  | CAWD                       |  | CAWD                      |
|  | Carmel by the Sea |  | Private                    |  | Private                   |
|   |                   |   |                            |  | State Parks               |

**83**

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NAD83 State Plane CA Zone 4 US Feet | 1:42,000

# STAFF REPORT

To: Board of Directors

From: Mark Dias, Safety and  
Regulatory Compliance Administrator  
(S/C Admin Dias)

Date: June 25, 2026

Subject: Monthly Safety Report (for May 2026)



## RECOMMENDATION

Receive Report- Informational only; no action required

## DISCUSSION

### Safety & Training

- **May 6: Tailgate Training- Mosquito-borne Illnesses.** Following a string of warm days and with the Carmel River no longer flowing, S/C Admin Dias gave a presentation on the life cycle and favorable breeding conditions of mosquitoes. West Nile Virus (WNV) is the most concerning of the diseases in the central coast area. Vaults, troughs and other locations where water collects should be pumped out where feasible. When standing water cannot be removed, the District keeps a supply of mosquito dunks and pellets on hand that prevents the mosquito larva from hatching. They contain a natural bacterium that is harmless to the environment, domestic animals and livestock. Also, if any dead birds are found that are in otherwise good condition, they will be reported to S/C Admin Dias and picked up by the local health department who will have them tested for WNV and other diseases. To provide further protection to the employees, a spray-on insect repellent is available and has been placed in multiple locations around the plant.
- **May 13: Tailgate Training- Trench Safety.** A training video was shown which reviewed trench safety. It was noted that in many ways trench safety should be approached with the same intensity as confined space entries. For example, all the potential hazards are identified upfront, there is ongoing safety monitoring by a Competent Person, and equipment and contingencies are in place in case of a problem.
- **May 20: Tailgate Training- Cart Safety.** For the last several years, cart safety has been a recurring training theme during tailgate meetings. S/C Admin Dias reiterated the high potential for incidents involving the seven carts used at the plant. Incidents could be two carts colliding, a pedestrian strike or hitting parked vehicles/equipment. The key human error factors are speeding in high-traffic areas and cutting around blind corners.

And while carts may seem relatively safe due to their lower speeds, most carts do not have seatbelts. Further, because carts are more nimble, drivers may be tempted to weave around pedestrians and other vehicles/equipment. However, pedestrians and vehicles have the right-of-way. Facilities Manager Foley emphasized that this has been an ongoing concern and that employees should understand that management considers this to be a serious issue. See Ongoing Safety Improvements section below for additional steps to improve cart safety.

- **May 27- Tailgate Training- Situational Awareness Around the Plant Site.** As a follow-up to the cart safety issues discussed the previous week, Superintendent Lauer presented on maintaining awareness when walking and driving around the plant. Accidents caused by distractions from modern electronics are a known and growing cause of injuries on public roads. However, this also applies to industry, especially in a dynamic setting like a wastewater treatment plant. There are also multiple large contractors active on the site. Employees need to be focused on their surroundings and not use their cells phones, earbuds and headphones while navigating the site.

**Ongoing Safety Improvements**

Facilities Manager Chris Foley and S/C Admin Dias continued to implement safety improvements and seek input from the operations crew and the Safety Committee. Activities in May included:

- **Cart safety improvement - planning for asphalt striping**

As described above, it has been noted that there is significant potential for incidents at blind corners; especially in high-traffic areas. A striping plan was developed, and a paving contractor was selected to stripe centerlines, a stop line and three “do not drive” areas. These are intended to address the most critical areas until permanent striping is completed as part of the Facilities Improvement Project.

**Tours and Outreach**

- **Tours:** No tours were requested in May.

**Injuries; First Aid Incidents; Workers Compensation Claims**

There were no Workers Comp claims or first aid injuries in May. The most recent matrix for the year is below.

|                       | <b>Work Related Injuries and Illnesses for 2026 Calendar Year</b> |                               |   |  |                                    |
|-----------------------|---|-------------------------------|---|--|------------------------------------|
| <b>TYPE</b>           | <b>New Incidents (Month)</b>                                      | <b>Total Incidents (Year)</b> | <b>Total Days Away from Work (Year)</b> | <b>Total Days of Job Restriction* (Year)</b> | <b>Cumulative days lost (Year)</b> |
| <b>OSHA Injuries</b>  | 0   | 0                             | 0                                       | 0  | 0                                  |
| <b>OSHA Illnesses</b> | 0   | 0                             | 0                                       | 0  | 0                                  |

|                                 |   |   |   |   |   |
|---------------------------------|---|---|---|---|---|
| <b>Other WC Claims</b>          | 0 | 0 | 0 | 0 | 0 |
| <b>First Aid<br/>(non-OSHA)</b> | 0 | 1 | 0 | 0 | 0 |

\*Excludes holidays, vacation days and sick days

**FUNDING-N/A-** Informational item only

# Wastewater Treatment Facility Operations Report

| Report for:<br>May 2026 | HYDRAULIC LOADINGS |                 |                |                |               | 2026 YEAR-TO-DATE |               |
|-------------------------|--------------------|-----------------|----------------|----------------|---------------|-------------------|---------------|
|                         | Total Monthly, MG  | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total    | MG                | acre-feet     |
| CAWD Flow               | 25.415             | 0.820           | 0.753          | 0.885          | 64.171        | 150.33            | 461.12        |
| PBCSD Flow              | 14.190             | 0.458           | 0.377          | 0.544          | 35.829        | 82.23             | 252.24        |
| <b>Total Plant Flow</b> | <b>39.605</b>      | <b>1.278</b>    | <b>1.130</b>   | <b>1.429</b>   | <b>100.00</b> | <b>232.56</b>     | <b>713.37</b> |
| Tertiary Flow           | 34.664             | 1.118           | 0.545          | 1.229          | 87.524        | 106.19            | 325.74        |
| Ocean Discharge         | 5.224              | 0.169           | 0.096          | 0.822          | 13.190        | 126.31            | 387.44        |
| Potable Water (2)       | 0.000              | 0.000           | 0.000          | 0.000          | 0.000         | 0.000             | 0.000         |

## TERTIARY PROCESS HISTORY

|   |                              |
|---|------------------------------|
| Total Annual Reclamation Production (2026)    | 106.19MG (325.74acre-ft.)    |
| Total Lifetime Reclamation Production (94-26) | 10.27 BG (31.50 K acre-ft.)  |
| 12 Month Rolling Total Reclamation Production | 336.14 MG (1031.63 acre-ft.) |

## ELECTRICAL COSTS

| Monthly Totals              | May'26 kWh        | Price per kWh | May'26              | Apr'26              | Mar'26              | Feb'26              |
|-----------------------------|-------------------|---------------|---------------------|---------------------|---------------------|---------------------|
| Secondary                   | 94,057.35         | \$ 0.250      | \$ 23,551.12        | \$ 22,181.44        | \$ 20,692.78        | \$ 29,293.97        |
| Blowers                     | 51,636.00         | \$ 0.240      | \$ 12,405.19        | \$ 10,428.58        | \$ 11,442.50        | \$ 12,234.55        |
| <b>CAWD Total</b>           | <b>145,693.35</b> |               | <b>\$ 35,956.31</b> | <b>\$ 32,610.02</b> | <b>\$ 32,135.28</b> | <b>\$ 41,528.52</b> |
| Tertiary                    | 80,433.56         | \$ 0.237      | \$ 19,058.34        | \$ 17,809.45        | \$ 15,875.51        | \$ 13,341.34        |
| MF/RO                       | 109,867.44        | \$ 0.299      | \$ 32,802.33        | \$ 22,928.13        | \$ 34,328.24        | \$ 13,813.78        |
| <b>Reclaim Total</b>        | <b>190,301.00</b> |               | <b>\$ 51,860.67</b> | <b>\$ 40,737.58</b> | <b>\$ 50,203.75</b> | <b>\$ 27,155.12</b> |
| Adjusted Monthly Totals (1) | CAWD Total        |               | \$ 20,629.11        | Reclamation Total   |                     | \$ 67,187.87        |

## kW-h Per Acre Foot

|             | 2025    |         |         |         | 2026    |       |       |       |
|-------------|---------|---------|---------|---------|---------|-------|-------|-------|
|             | 1 QTR   | 2 QTR   | 3 QTR   | 4 QTR   | 1 QTR   | 2 QTR | 3 QTR | 4 QTR |
| CAWD        | 1111.69 | 1149.23 | 1224.01 | 1229.19 | 937.31  | N/A   | N/A   | N/A   |
| Reclamation | 2820.11 | 1938.59 | 1810.47 | 2025.98 | 2289.36 | N/A   | N/A   | N/A   |

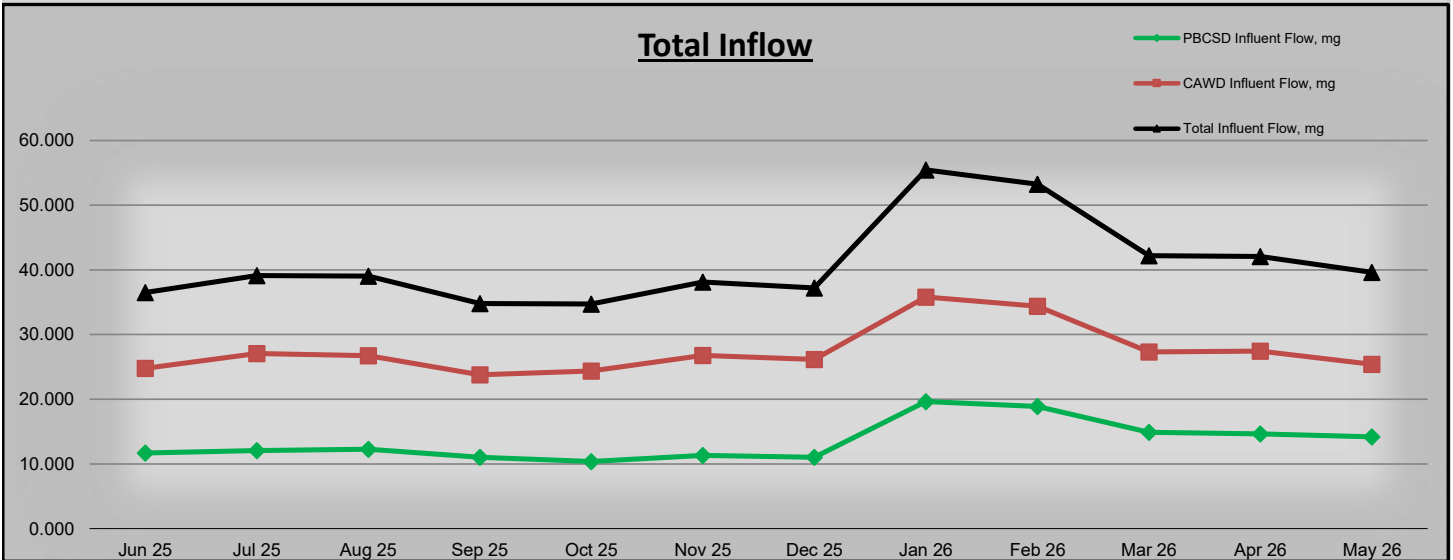
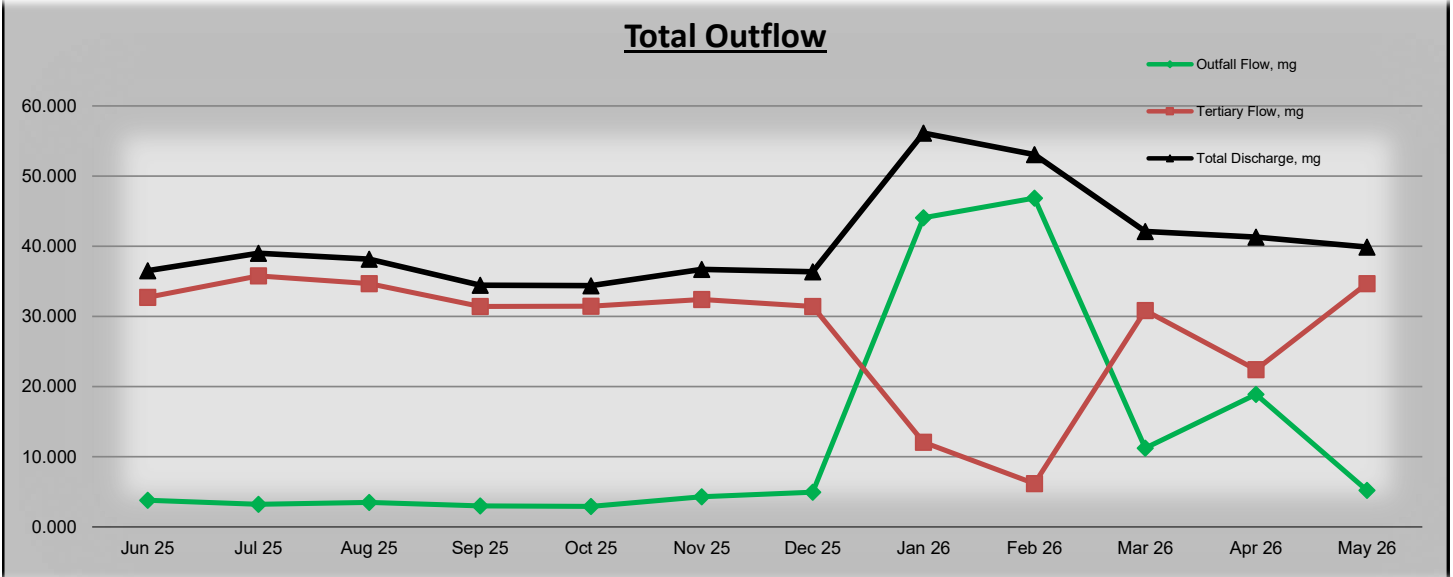
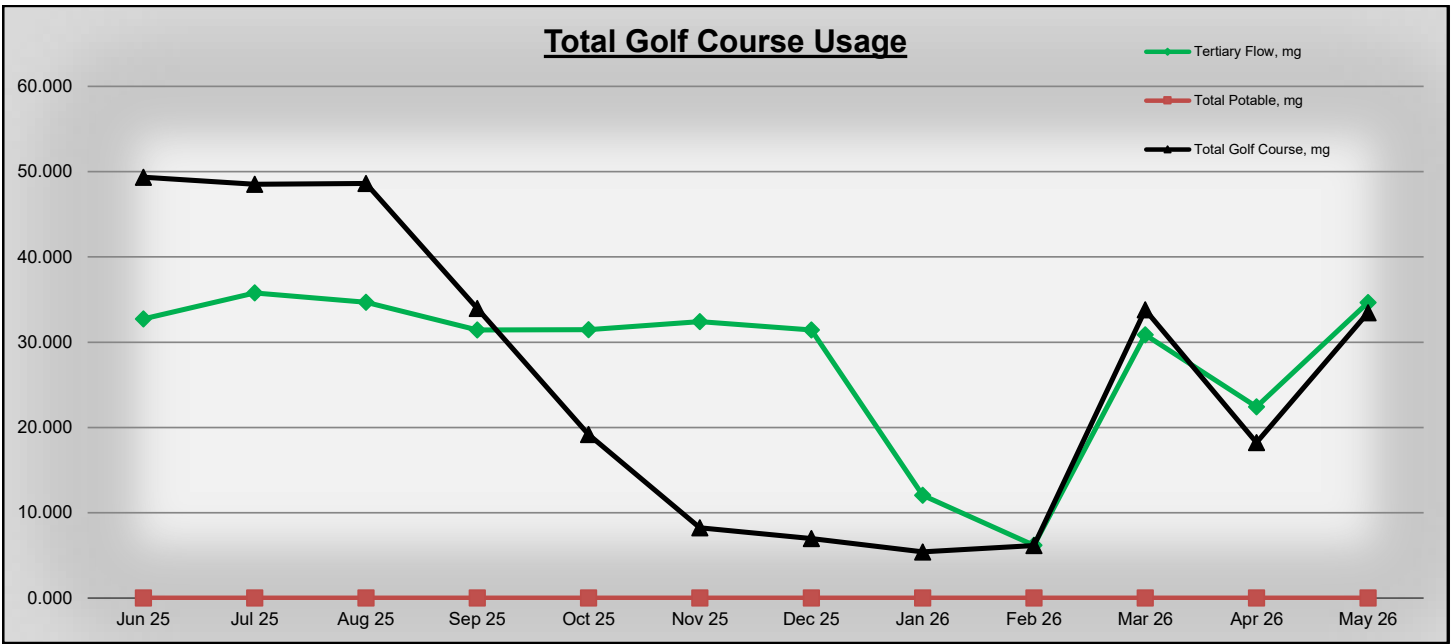
## MICROTURBINE SUMMARY

| Month                | May'26 kW-h | Apr'26 | Mar'27 | Feb'26 | Accumulated Totals |
|----------------------|-------------|--------|--------|--------|--------------------|
| Production, kW-h (3) | 8,353       | 8,671  | 10,876 | 14,314 | 1,744,492.00       |

(1) Cost adjustment for Reclamation percentage for Secondary power costs and Laboratory power usage.

(2) California American Water bills Reclamation a monthly surcharge for the emergency potable water pump station that feeds the Poppy Hills storage tank in the event that potable water is required.

(3) Micro Turbine system off-line on May 12th due to the failure of the turbines inner combustion chamber.



# Wastewater Treatment Facility Operations Report

| Report for:<br>April 2026 | HYDRAULIC LOADINGS |                 |                |                |               | 2026 YEAR-TO-DATE |               |
|---------------------------|--------------------|-----------------|----------------|----------------|---------------|-------------------|---------------|
|                           | Total Monthly, MG  | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total    | MG                | acre-feet     |
| CAWD Flow                 | 27.425             | 0.914           | 0.806          | 1.741          | 65.192        | 124.91            | 383.16        |
| PBCSD Flow                | 14.643             | 0.488           | 0.388          | 1.045          | 34.808        | 68.04             | 208.71        |
| <b>Total Plant Flow</b>   | <b>42.068</b>      | <b>1.402</b>    | <b>1.194</b>   | <b>2.786</b>   | <b>100.00</b> | <b>192.95</b>     | <b>591.88</b> |
| Tertiary Flow             | 22.420             | 0.934           | 0.195          | 1.224          | 53.295        | 71.53             | 219.41        |
| Ocean Discharge           | 18.900             | 0.630           | 0.096          | 2.367          | 44.927        | 121.08            | 371.41        |
| Potable Water (2)         | 0.000              | 0.000           | 0.000          | 0.000          | 0.000         | 0.000             | 0.000         |

## TERTIARY PROCESS HISTORY

|   |                              |
|---|------------------------------|
| Total Annual Reclamation Production (2026)    | 71.53MG (219.41acre-ft.)     |
| Total Lifetime Reclamation Production (94-26) | 10.23 BG (31.40 K acre-ft.)  |
| 12 Month Rolling Total Reclamation Production | 336.06 MG (1031.37 acre-ft.) |

## ELECTRICAL COSTS

| Monthly Totals              | Apr'26 kWh        | Price per kWh | Apr'26              | Mar'26              | Feb'26              | Jan'26              |
|-----------------------------|-------------------|---------------|---------------------|---------------------|---------------------|---------------------|
| Secondary                   | 88,038.00         | \$ 0.252      | \$ 22,181.44        | \$ 20,692.78        | \$ 29,293.97        | \$ 30,926.96        |
| Blowers                     | 45,570.96         | \$ 0.229      | \$ 10,428.58        | \$ 11,442.50        | \$ 12,234.55        | \$ 12,960.35        |
| <b>CAWD Total</b>           | <b>133,608.96</b> |               | <b>\$ 32,610.02</b> | <b>\$ 32,135.28</b> | <b>\$ 41,528.52</b> | <b>\$ 43,887.31</b> |
| Tertiary                    | 72,031.04         | \$ 0.247      | \$ 17,809.45        | \$ 15,875.51        | \$ 13,341.34        | \$ 15,884.73        |
| MF/RO                       | 70,368.48         | \$ 0.326      | \$ 22,928.13        | \$ 34,328.24        | \$ 13,813.78        | \$ 19,463.19        |
| <b>Reclaim Total</b>        | <b>142,399.52</b> |               | <b>\$ 40,737.58</b> | <b>\$ 50,203.75</b> | <b>\$ 27,155.12</b> | <b>\$ 35,347.92</b> |
| Adjusted Monthly Totals (1) | CAWD Total        | \$            | 18,748.60           | Reclamation Total   | \$                  | 54,599.00           |

## kW-h Per Acre Foot

|             | 2025    |         |         |         | 2026    |       |       |       |
|-------------|---------|---------|---------|---------|---------|-------|-------|-------|
|             | 1 QTR   | 2 QTR   | 3 QTR   | 4 QTR   | 1 QTR   | 2 QTR | 3 QTR | 4 QTR |
| CAWD        | 1111.69 | 1149.23 | 1224.01 | 1229.19 | 937.31  | N/A   | N/A   | N/A   |
| Reclamation | 2820.11 | 1938.59 | 1810.47 | 2025.98 | 2289.36 | N/A   | N/A   | N/A   |

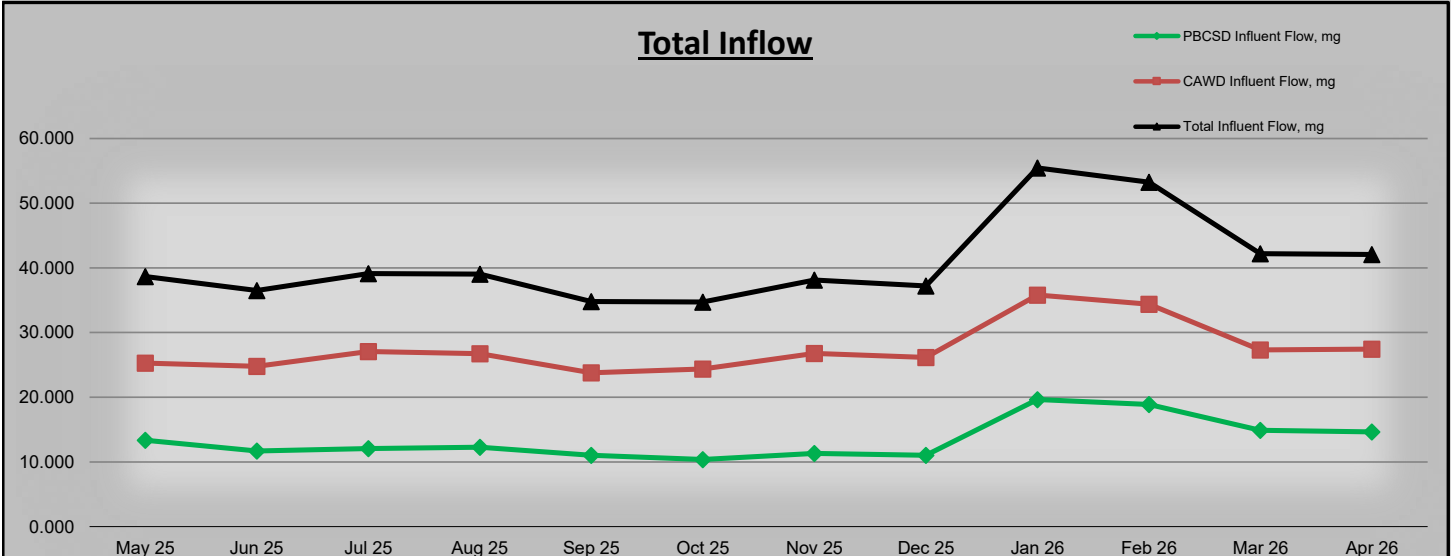
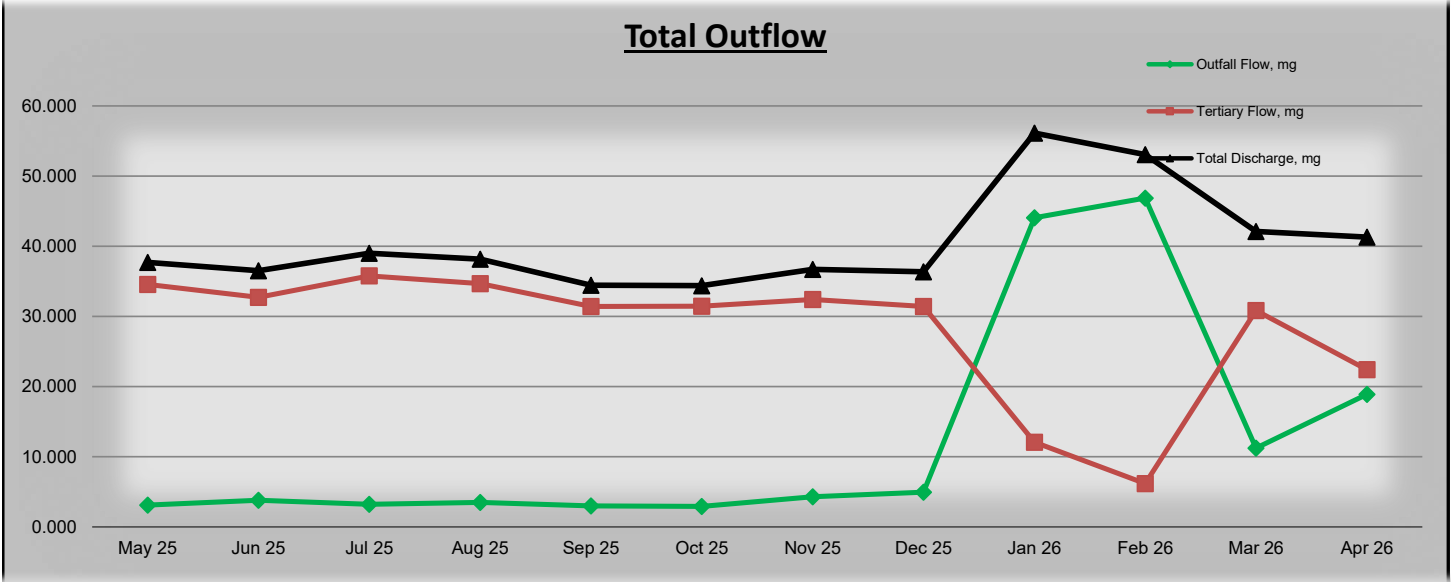
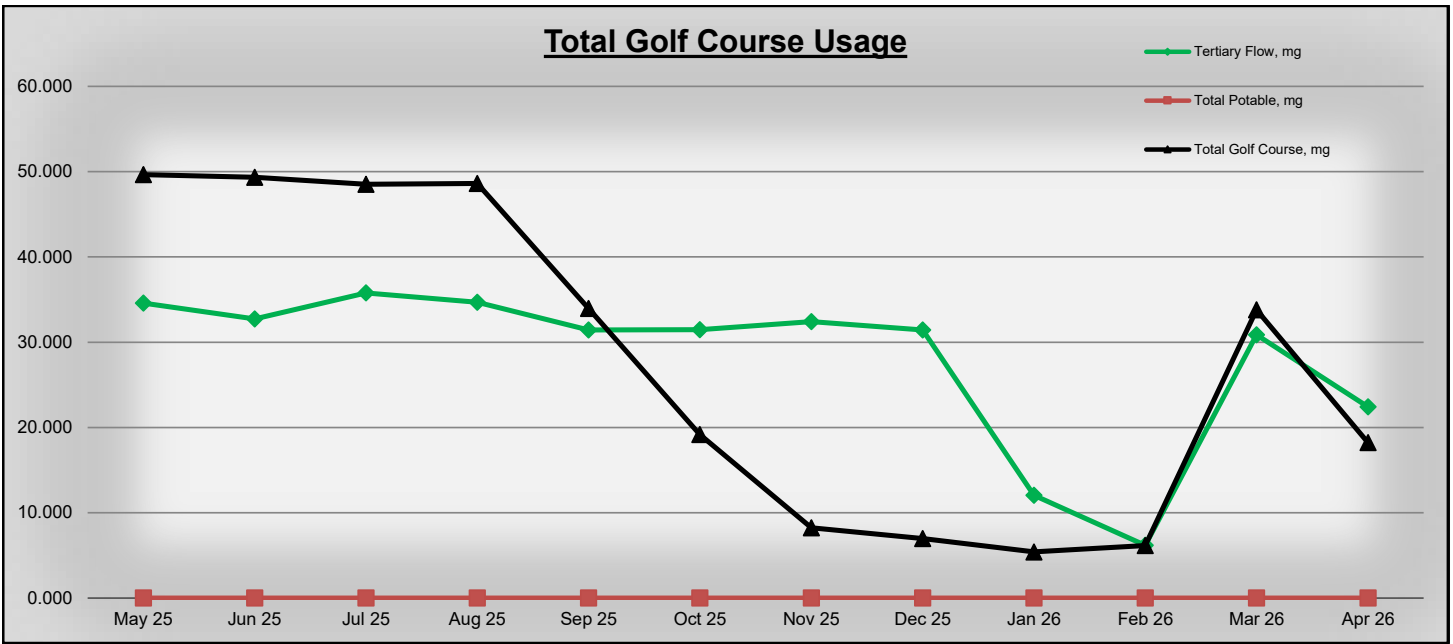
## MICROTURBINE SUMMARY

| Month                | Apr'26 kW-h | Mar'26 | Feb'26 | Jan'26 | Accumulated Totals |
|----------------------|-------------|--------|--------|--------|--------------------|
| Production, kW-h (3) | 8,671       | 10,875 | 14,313 | 14,182 | 1,736,139.00       |

(1) Cost adjustment for Reclamation percentage for Secondary power costs and Laboratory power usage.

(2) California American Water bills Reclamation a monthly surcharge for the emergency potable water pump station that feeds the Poppy Hills storage tank in the event that potable water is required.

(3) Micro Turbine system off-line for 19 days in April due to gas compressor being replaced. On-line on 4/20/2026



## Wastewater Treatment Facility Operations Report

| Report for:<br>March 2026 | HYDRAULIC LOADINGS |                 |                |                |               | 2026 YEAR-TO-DATE |               |
|---------------------------|--------------------|-----------------|----------------|----------------|---------------|-------------------|---------------|
|                           | Total Monthly, MG  | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total    | MG                | acre-feet     |
| CAWD Flow                 | 27.314             | 0.881           | 0.813          | 1.040          | 64.748        | 97.49             | 299.04        |
| PBCSD Flow                | 14.871             | 0.480           | 0.421          | 0.564          | 35.252        | 53.40             | 163.80        |
| <b>Total Plant Flow</b>   | <b>42.185</b>      | <b>1.361</b>    | <b>1.234</b>   | <b>1.604</b>   | <b>100.00</b> | <b>150.88</b>     | <b>462.83</b> |
| Tertiary Flow             | 30.860             | 1.102           | 0.228          | 1.212          | 73.154        | 49.11             | 150.63        |
| Ocean Discharge           | 11.243             | 0.363           | 0.107          | 1.818          | 26.652        | 102.18            | 313.44        |
| Potable Water (2)         | 0.000              | 0.000           | 0.000          | 0.000          | 0.000         | 0.000             | 0.000         |

### TERTIARY PROCESS HISTORY

|   |                              |
|---|------------------------------|
| Total Annual Reclamation Production (2026)    | 49.11MG (150.63acre-ft.)     |
| Total Lifetime Reclamation Production (94-26) | 10.21 BG (31.33 K acre-ft.)  |
| 12 Month Rolling Total Reclamation Production | 343.50 MG (1054.20 acre-ft.) |

### ELECTRICAL COSTS

| Monthly Totals              | Mar'26 kWh        | Price per kWh | Mar'26              | Feb'26              | Jan'26              | Dec'25              |
|-----------------------------|-------------------|---------------|---------------------|---------------------|---------------------|---------------------|
| Secondary                   | 83,014.50         | \$ 0.249      | \$ 20,692.78        | \$ 29,293.97        | \$ 30,926.96        | \$ 17,852.84        |
| Blowers                     | 50,712.64         | \$ 0.226      | \$ 11,442.50        | \$ 12,234.55        | \$ 12,960.35        | \$ 12,972.84        |
| <b>CAWD Total</b>           | <b>133,727.14</b> |               | <b>\$ 32,135.28</b> | <b>\$ 41,528.52</b> | <b>\$ 43,887.31</b> | <b>\$ 30,825.68</b> |
| Tertiary                    | 64,244.16         | \$ 0.247      | \$ 15,875.51        | \$ 13,341.34        | \$ 15,884.73        | \$ 19,889.44        |
| MF/RO                       | 117,423.28        | \$ 0.292      | \$ 34,328.24        | \$ 13,813.78        | \$ 19,463.19        | \$ 36,066.87        |
| <b>Reclaim Total</b>        | <b>181,667.44</b> |               | <b>\$ 50,203.75</b> | <b>\$ 27,155.12</b> | <b>\$ 35,347.92</b> | <b>\$ 55,956.31</b> |
| Adjusted Monthly Totals (1) | CAWD Total        | \$            | 18,402.57           | Reclamation Total   | \$                  | 63,936.46           |

### kW-h Per Acre Foot

|             | 2025    |         |         |         | 2026    |       |       |       |
|-------------|---------|---------|---------|---------|---------|-------|-------|-------|
|             | 1 QTR   | 2 QTR   | 3 QTR   | 4 QTR   | 1 QTR   | 2 QTR | 3 QTR | 4 QTR |
| CAWD        | 1111.69 | 1149.23 | 1224.01 | 1229.19 | 937.31  | N/A   | N/A   | N/A   |
| Reclamation | 2820.11 | 1938.59 | 1810.47 | 2025.98 | 2289.36 | N/A   | N/A   | N/A   |

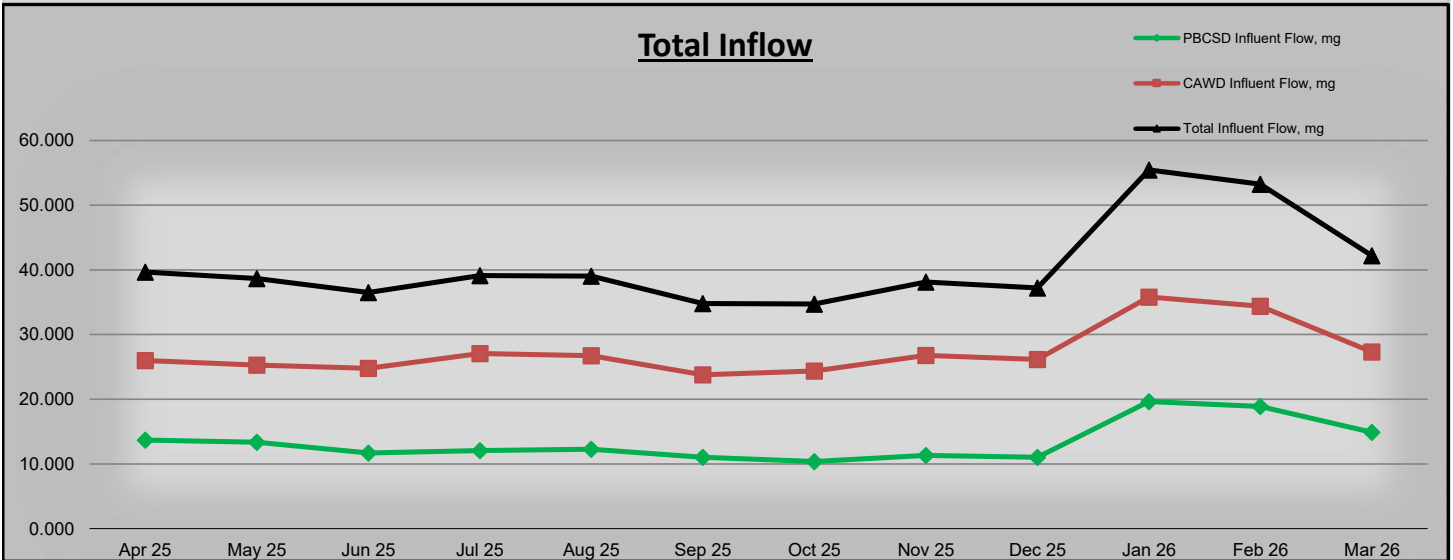
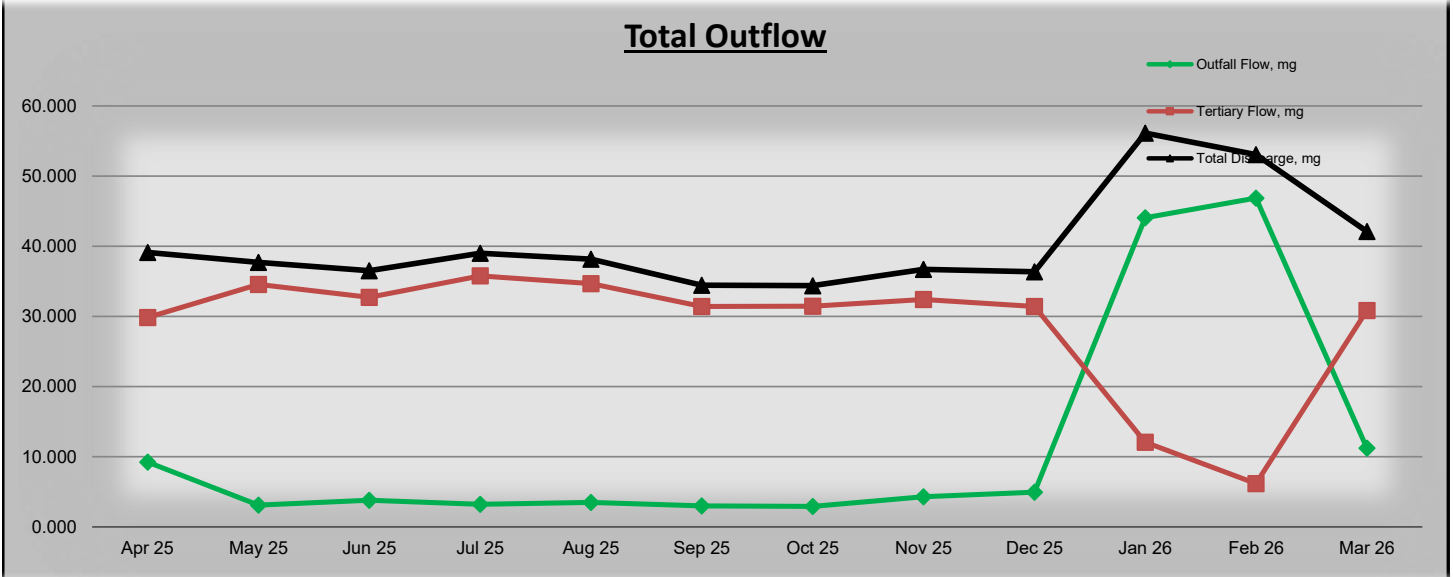
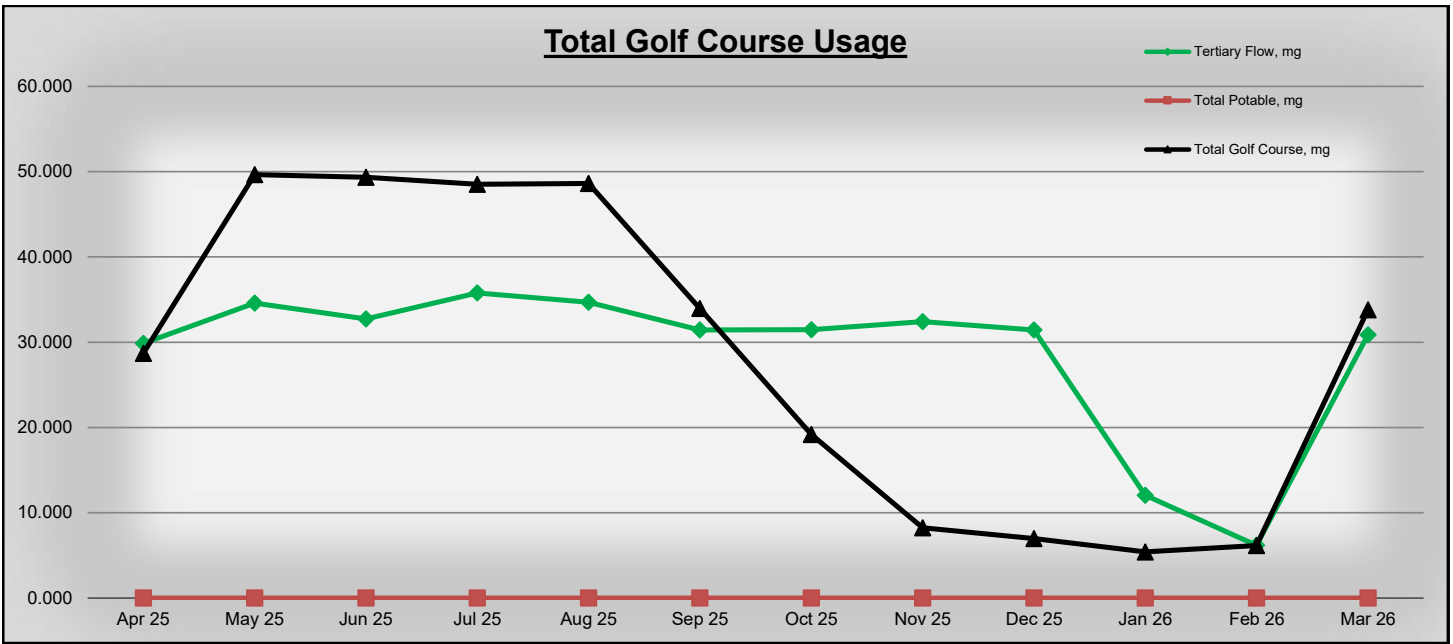
### MICROTURBINE SUMMARY

| Month                | Mar'26 kW-h | Feb'26 | Jan'26 | Dec'25 | Accumulated Totals |
|----------------------|-------------|--------|--------|--------|--------------------|
| Production, kW-h (3) | 10,875      | 14,313 | 14,182 | 14,338 | 1,727,468.00       |

(1) Cost adjustment for Reclamation percentage for Secondary power costs and Laboratory power usage.

(2) California American Water bills Reclamation a monthly surcharge for the emergency potable water pump station that feeds the Poppy Hills storage tank in the event that potable water is required.

(3) Micro Turbine system off-line the last 9 days of March due to the gas compressor being replaced.



# STAFF REPORT



To: Board of Directors  
From: Mohammed Serageldin, Lab Manager  
Date: June 25<sup>th</sup>, 2026  
Subject: Monthly Lab Report

## RECOMMENDATION

Receive Report - Informational only; no action required.

## DISCUSSION

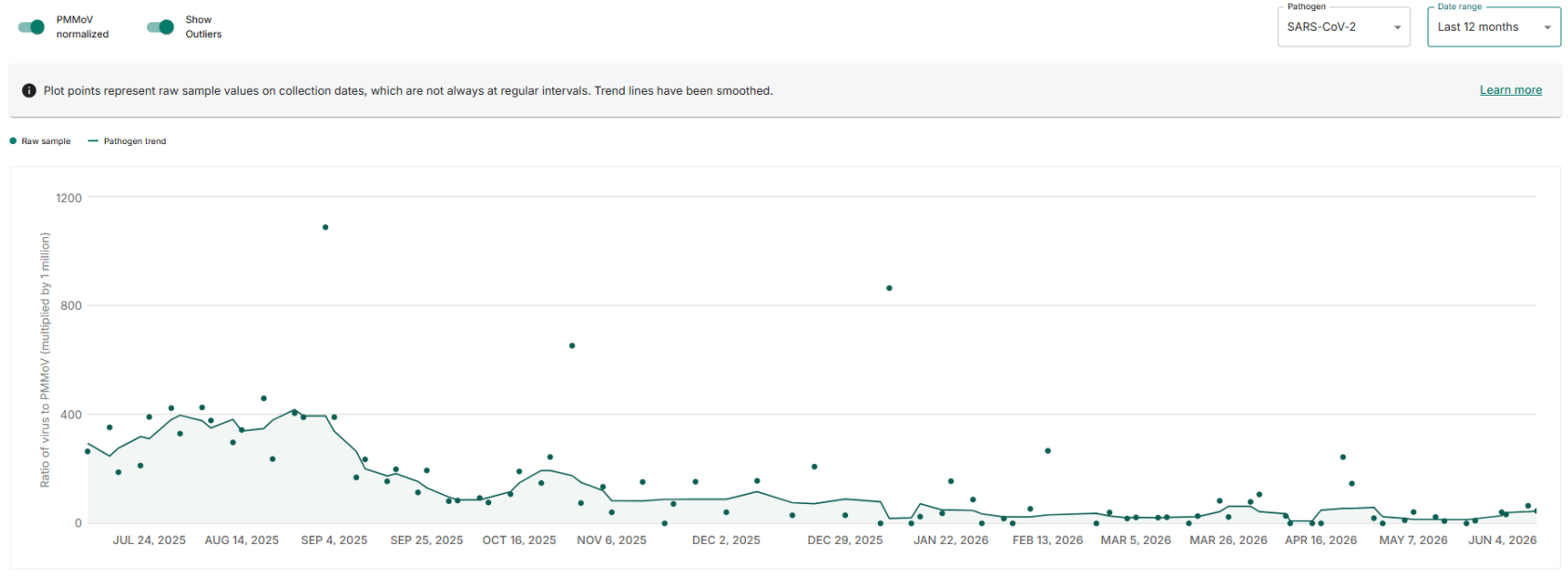
1. Staff completed sampling for the Monthly Pebble Beach Sodium Adsorption Ratio (SAR) and Total Nitrogen samples.
2. Staff completed sampling for the Monthly Central Coastal Long-Term Environmental Assessment Network (CCLEAN) Monitoring.
3. Staff completed sampling for the Monthly Reclaim Line Monitoring.
4. Staff completed sampling for the Monthly Carmel Area Wastewater District Monitoring.
5. Staff completed sampling for the National Pollutant Discharge Elimination System (NPDES) Discharge Monitoring (Oil and Grease).
6. The Laboratory and Operations staff selected Labworks Laboratory Information Management System (LIMS) to replace the Sample Masters LIMS.
7. The Lab manager passed California Water Environment Association (CWEA) Lab Analyst Grade 4 certification exam on 06/04/2026.
8. Wastewater Public Health Surveillance Update: The following graphs provide a summary of ongoing wastewater plant influent public health surveillance testing being funded by the Center for Disease Control National Wastewater Surveillance System program.

# VIRUSES

Note: Samples taken twice per week at CAWD Wastewater Treatment Plant. Tests completed by Verily Life Sciences LLC. Full graphs are available at [www.cawd.org/pathogen-concentration-levels](http://www.cawd.org/pathogen-concentration-levels)

## SARS-CoV-2 (COVID) – Past 12 Months:

### Pathogen levels for Carmel Area WD (CA) - Facility Influent



# Respiratory Syncytial Virus (RSV) – Past 12 Months:

## Pathogen levels for Carmel Area WD (CA) - Facility Influent

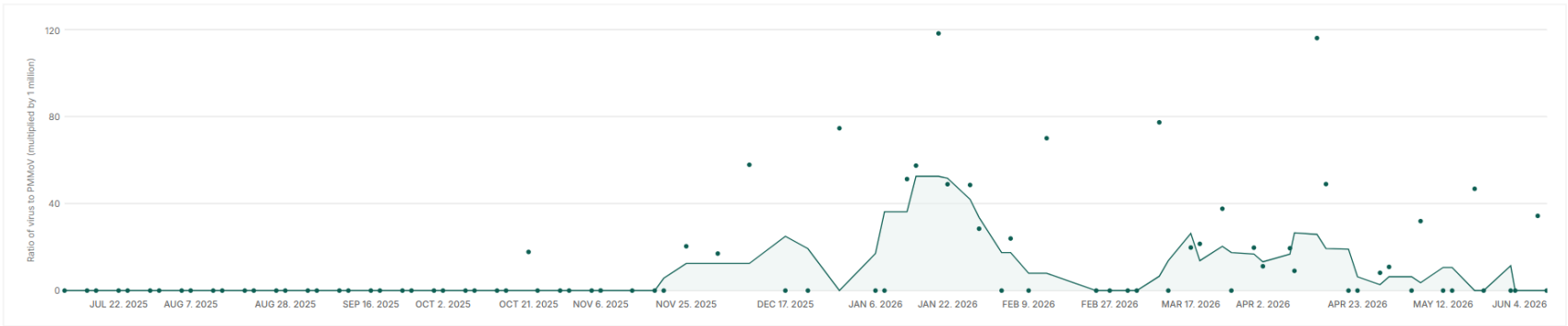
PMMoV normalized  Show Outliers

Pathogen: RSV Date range: Last 12 months

Plot points represent raw sample values on collection dates, which are not always at regular intervals. Trend lines have been smoothed.

[Learn more](#)

● Raw sample — Pathogen trend



# Influenza A- Past 12 Months:

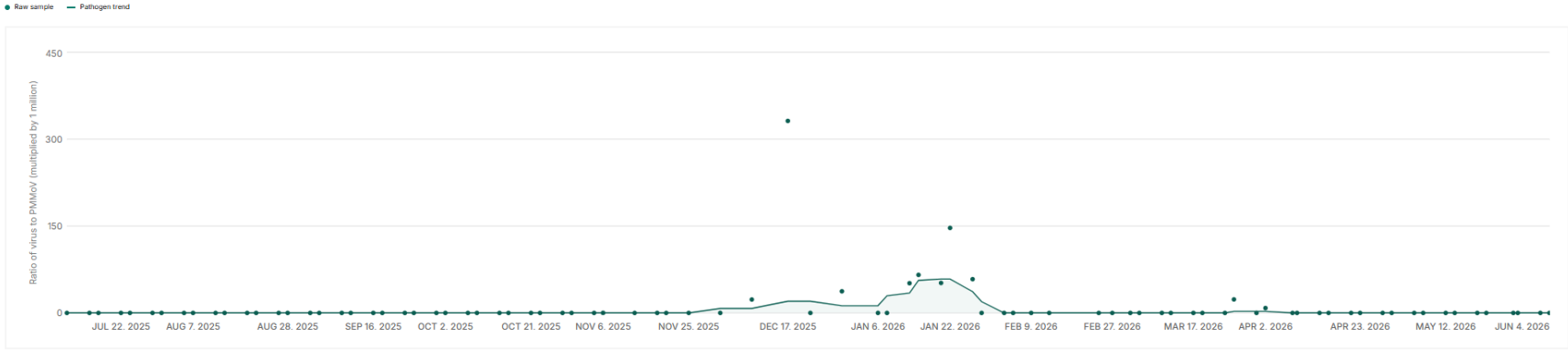
## Pathogen levels for Carmel Area WD (CA) - Facility Influent

PMMoV normalized  Show Outliers

Pathogen: Influenza A  
Date range: Last 12 months

Plot points represent raw sample values on collection dates, which are not always at regular intervals. Trend lines have been smoothed.

[Learn more](#)



# Influenza B- Past 12 Months:

## Pathogen levels for Carmel Area WD (CA) - Facility Influent

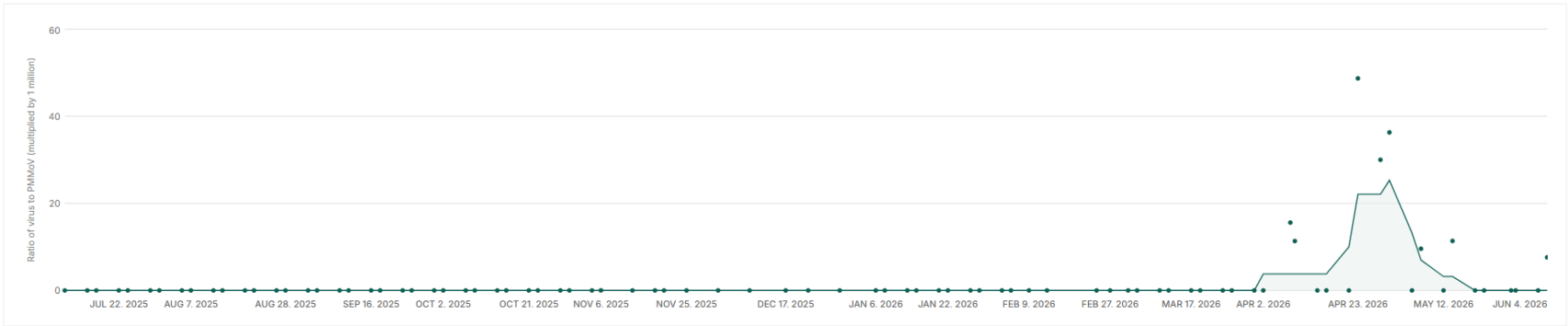
PMMoV normalized  Show Outliers

Pathogen: Influenza B Date range: Last 12 months

Plot points represent raw sample values on collection dates, which are not always at regular intervals. Trend lines have been smoothed.

[Learn more](#)

Raw sample Pathogen trend



## Heat map of pathogen levels for Carmel Area WD (CA) - Facility Influent

# Monkey Pox Virus (MPKV) – Past 12 Months:

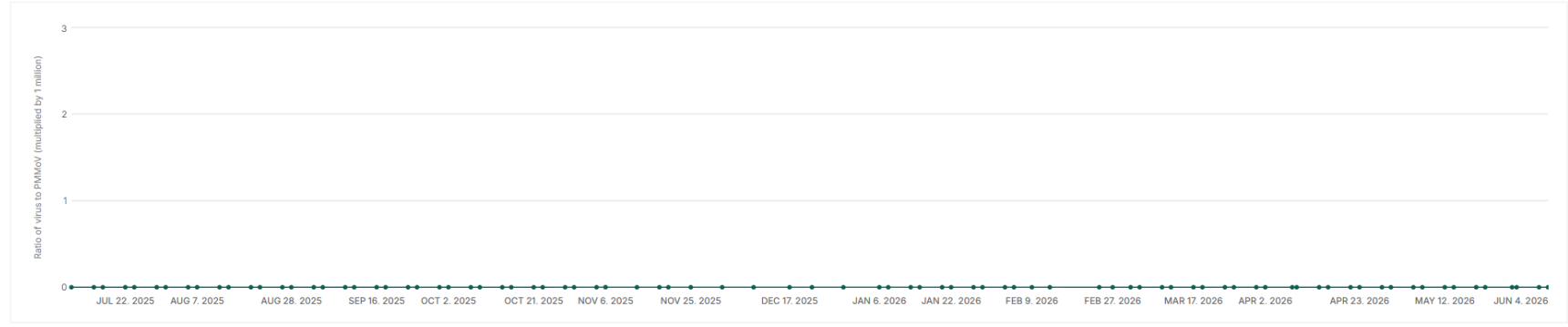
## Pathogen levels for Carmel Area WD (CA) - Facility Influent

P1MMoV normalized  Show Outliers

Pathogen:  Date range:

Plot points represent raw sample values on collection dates, which are not always at regular intervals. Trend lines have been smoothed. [Learn more](#)

Raw sample  Pathogen trend

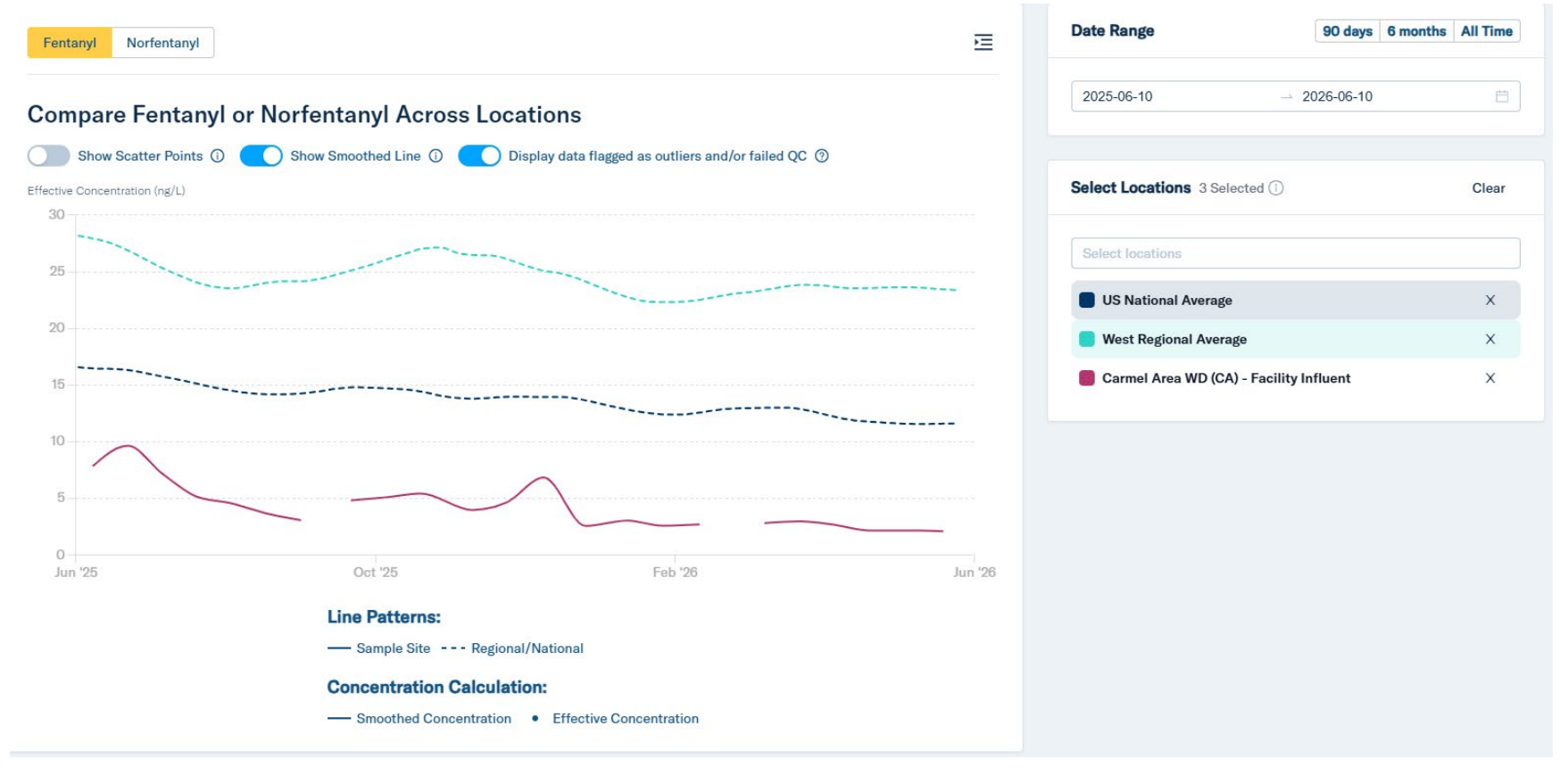


## Heat map of pathogen levels for Carmel Area WD (CA) - Facility Influent

# HIGH RISK SUBSTANCES

Note: Samples taken once per week at CAWD Wastewater Treatment Plant. Tests completed by Biobot Analytics.

## Fentanyl – Past 12 Months:



# Methamphetamine – Past 12 Months:

Methamphetamine Amphetamine

## Compare Methamphetamine or Amphetamine Across Locations

Show Scatter Points  Show Smoothed Line  Display data flagged as outliers and/or failed QC

Effective Concentration (ng/L)



### Line Patterns:

— Sample Site - - - Regional/National

### Concentration Calculation:

— Smoothed Concentration • Effective Concentration

Date Range

90 days 6 months All Time

2025-06-10 → 2026-06-10

Select Locations 3 Selected

Clear

Select locations

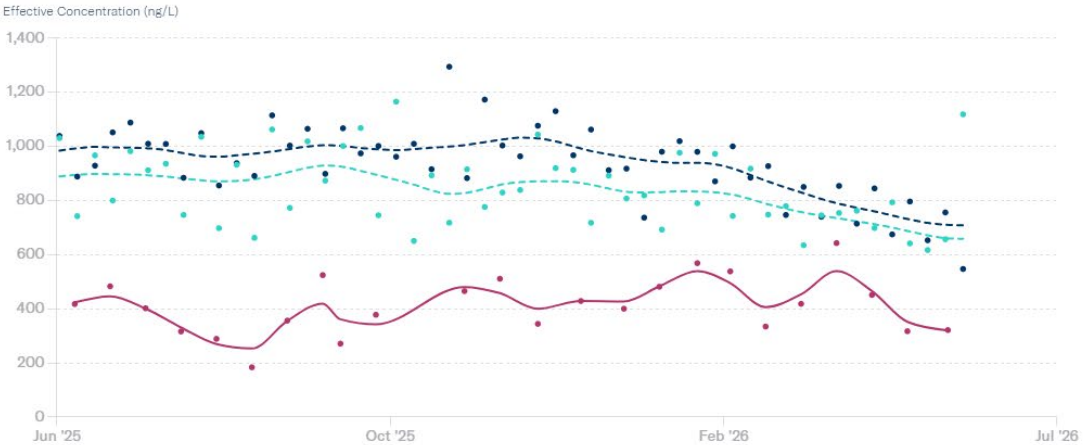
- US National Average X
- West Regional Average X
- Carmel Area WD (CA) - Facility Influent X

# Cocaine – Past 12 Months:

Cocaine Benzoylcegonine

## Compare Cocaine or Benzoylcegonine Across Locations

Show Scatter Points ⓘ 
  Show Smoothed Line ⓘ 
  Display data flagged as outliers and/or failed QC ⓘ



**Line Patterns:**  
 — Sample Site    - - - Regional/National

**Concentration Calculation:**  
 — Smoothed Concentration    • Effective Concentration

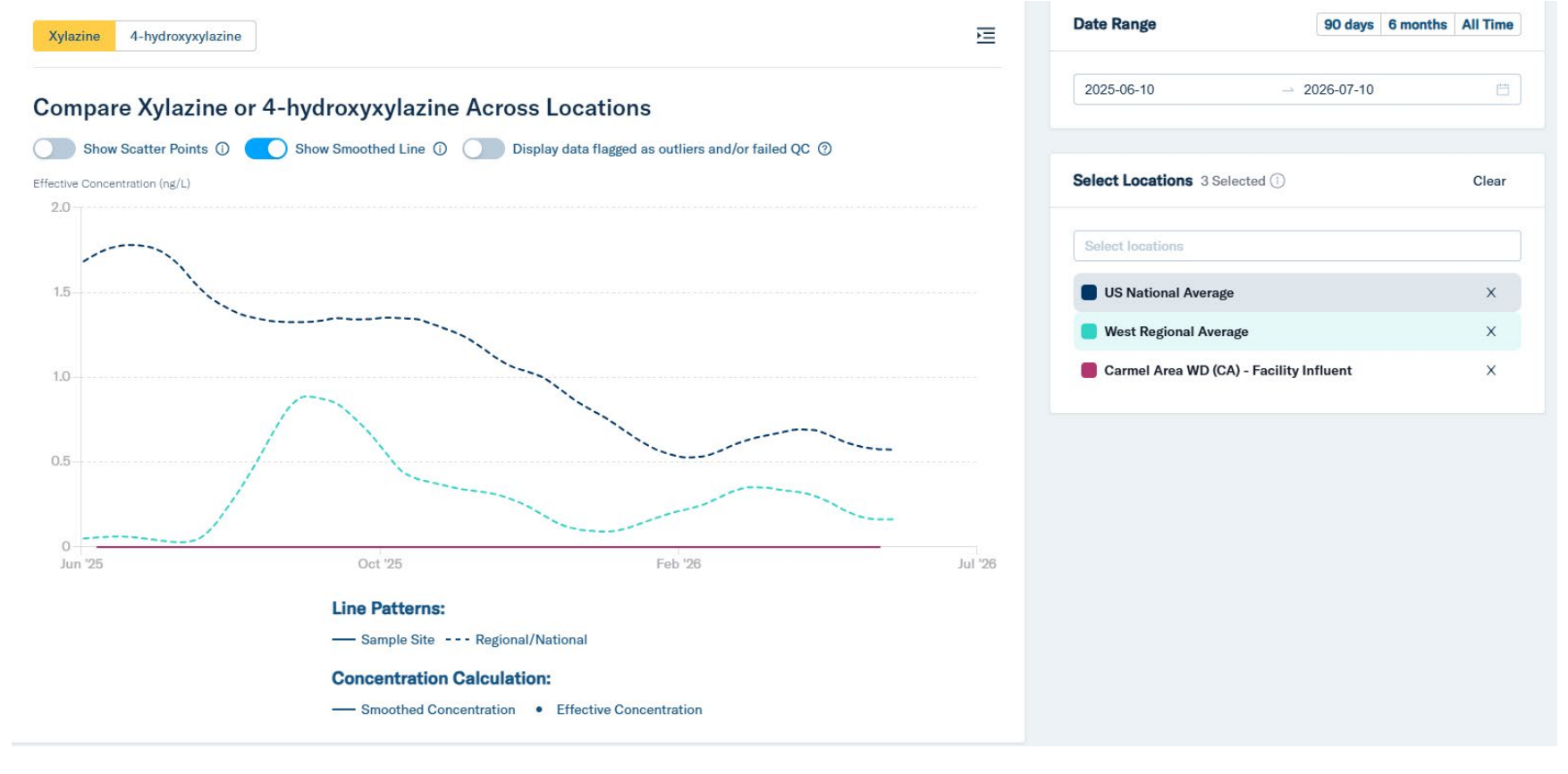
Date Range 90 days 6 months All Time

2025-06-10 → 2026-07-10

Select Locations 3 Selected ⓘ Clear

- Select locations
- US National Average X
- West Regional Average X
- Carmel Area WD (CA) - Facility Influent X

# Xylazine (Tranq) – Past 12 Months:



## FUNDING

N/A Information Only

| Project Number | GL       | Task Name                                     | Manager | Start    | Finish   | Current FY Budget | Cumulative Budget | Status                           | 2024   |      |      |      |      |  |
|----------------|----------|---|---------|----------|----------|-------------------|-------------------|----------------------------------|--|------|------|------|------|--|
|                |          |   |         |          |          |                   |                   |                                  | 2019   | 2024 | 2029 | 2034 | 2039 |  |
|                |          | <b>Projects Implementation Plan Schedule</b>  |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
|                |          | <u>Treatment Plant Capital Projects</u>       |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
| 19-18          | 1593.000 | WWTP Perimeter Improvements                   | Bandy   | 7/1/22   | 6/30/26  | \$810,000         | \$945,460         | Complete                         | <b>WWTP Perimeter Improvements</b>                   |      |      |      |      |  |
| 22-03          | 1639.000 | WWTP Utility Mains Relocation                 | Bandy   | 5/2/22   | 6/1/27   | \$110,000         | \$291,533         | CEQA and 100% Design             | <b>WWTP Utility Mains Relocation</b>                 |      |      |      |      |  |
| 25-02          | 1993.000 | WWTP Site Improvements                        | Bandy   | 6/1/25   | 6/1/27   | \$150,000         | \$1,880,000       | Design                           | <b>WWTP Site Improvements</b>                        |      |      |      |      |  |
| 19-21          | 1993.000 | Carmel River FREE Mitigation                  | Treanor | 6/1/20   | 12/28/29 | \$0               | \$0               | Pending County Funding Agreement | <b>Carmel River FREE Mitigation</b>                  |      |      |      |      |  |
| 22-04          | 1642.000 | CAWD Bridge Project                           | Treanor | 3/1/21   | 2/29/28  | \$0               | \$100,000         | Preliminary Design               | <b>CAWD Bridge Project</b>                           |      |      |      |      |  |
|                |          | <u>Reclamation Capital Projects</u>           |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
| 22-05          | 14794    | Membrane Bioreactor Preliminary Study         | Bandy   | 8/1/26   | 5/28/27  | \$0               | \$0               | RFP Prep                         | <b>Membrane Bioreactor Preliminary Study</b>         |      |      |      |      |  |
|                |          | <u>Collections Capital Projects</u>           |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
| 19-03          | 1586.000 | Carmel Meadows Sewer Replacement              | Treanor | 8/1/19   | 6/30/27  | \$300,000         | \$1,233,817       | Design Update In Progress        | <b>Carmel Meadows Sewer Replacement</b>              |      |      |      |      |  |
| 25-01          | 1586.000 | Carmel Meadows Sewer Interim Repairs          | Henson  | 4/1/25   | 7/31/26  | \$0               | \$0               | In Construction                  | <b>Carmel Meadows Sewer Interim Repairs</b>          |      |      |      |      |  |
| 20-08          | 1635.000 | Scenic Rd Pipe Bursting - Ocean to Bay        | Treanor | 2/5/21   | 8/28/26  | \$4,575,000       | \$5,328,047       | In Construction                  | <b>Scenic Rd Pipe Bursting - Ocean to Bay</b>        |      |      |      |      |  |
| 23-01          | 1643.000 | Santa Rita & Gualupe Pipeline Rehab           | Treanor | 1/1/23   | 1/19/26  | \$455,000         | \$4,832,641       | In Construction                  | <b>Santa Rita &amp; Gualupe Pipeline Rehab</b>       |      |      |      |      |  |
| 21-05          | 1637.000 | Carmel Woods and Pescadero Sewer Improvements | Bandy   | 7/1/21   | 12/31/27 | \$200,000         | \$612,508         | In Design / CEQA                 | <b>Carmel Woods and Pescadero Sewer Improvements</b> |      |      |      |      |  |
| 20-07          | 1636.000 | Bay/Scenic Pump Station Rehabilitation        | Henson  | 12/31/20 | 6/1/27   | \$150,000         | \$314,065         | On Hold                          | <b>Bay/Scenic Pump Station Rehabilitation</b>        |      |      |      |      |  |
|                |          | <u>Collections Non-Capital Projects</u>       |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
| 24-01          | 6130.005 | 2025 Sewer Pipe Repairs                       | Lauer   | 1/1/25   | 1/1/26   | \$200,000         | \$610,000         | In Progress                      | <b>2025 Sewer Pipe Repairs</b>                       |      |      |      |      |  |
| 24-02          | 6140.005 | 2025 Manhole Coating                          | Lauer   | 1/1/25   | 1/1/26   | \$200,000         | \$660,000         | On Hold                          | <b>2025 Manhole Coating</b>                          |      |      |      |      |  |
|                |          | <u>Assessment Districts/Annexations</u>       |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
| 18-29          | 2500.000 | September Ranch Subdivision                   | Treanor | 9/1/22   | 8/30/25  | \$0               | \$0               | In Construction                  | <b>September Ranch Subdivision</b>                   |      |      |      |      |  |
| 23-03          |          | Rancho Cañada Village Subdivision             | Treanor | 3/1/23   | 6/1/27   | \$0               | \$0               | In Construction                  | <b>Rancho Cañada Village Subdivision</b>             |      |      |      |      |  |
|                |          | <u>Other Non-Capital Projects</u>             |         |          |          |                   |                   |                                  |  |      |      |      |      |  |
|                |          | Source Control Six Sigma                      | Henson  | 3/1/18   | 3/1/18   | \$0               | \$0               | Compliance Phase                 |  |      |      |      |      |  |
| 22-01          | 5500.006 | Long Term SLR Planning                        | Henson  | 5/3/21   | 2/29/40  | \$0               | \$0               | 2025 Study Complete              | <b>Long Term SLR Planning</b>                        |      |      |      |      |  |
|                | 5500.005 | Easement Surveys and CEQA Analysis            | Bandy   | 6/1/26   | 6/1/27   | \$200,000         | \$200,000         | CEQA Underway                    |  |      |      |      |      |  |

Project: Projects Implementation Plan Date: 6/11/26 Task Summary Manual Summary Rollup Manual Summary % Complete



## **Treatment Plant Capital Project Summaries**



*Photo: Existing dilapidated fence*

|                             |   |                             |
|-----------------------------|---|-----------------------------|
|                             |   |                             |
| <b>Project Number:</b>      | <b>19-18</b>  |                             |
| <b>Project Name:</b>        | <b>WWTP Perimeter Improvements</b>  |                             |
| <b>Project Location:</b>    | Wastewater Treatment Plant  |                             |
| <b>Project Manager:</b>     | Bandy   |                             |
| <b>Status:</b>              | Complete  |                             |
| <b>Project Description:</b> | Replace existing perimeter security fence and gates, add new emergency vehicle gate, remove perimeter Eucalyptus trees.           |                             |
| <b>Department:</b>          | Treatment   |                             |
| <b>Financial:</b>           | Cumulative Budget: \$945,460  | Cumulative Spent: \$578,994 |
|                             | FY Budget: \$810,000  | FY Spent: \$407,444         |
| <b>Reclamation Share:</b>   | N/A   |                             |
| <b>Other Entities:</b>      | N/A   |                             |
| <b>Permits Required:</b>    | California Environmental Quality Act (CEQA) Mitigated Negative Declaration (MND), Coastal Developmental Permit (CDP) Notification |                             |
| <b>Challenges:</b>          | Environmental Mitigations   |                             |
| <b>Schedule:</b>            | Complete  |                             |
| <b>Consultants:</b>         | Kennedy Jenks, Denise Duffy & Associates, Terracon  |                             |
| <b>Contractor:</b>          | Brett George, JR Fencing, Skyview Tree Experts, Inc.  |                             |



*Photo: Gas Meter on North Side of River*

|                             |   |                             |
|-----------------------------|---|-----------------------------|
|                             |   |                             |
| <b>Project Number:</b>      | <b>22-03</b>  |                             |
| <b>Project Name:</b>        | <b>WWTP Utility Mains Relocation</b>  |                             |
| <b>Project Location:</b>    | Wastewater Treatment Plant  |                             |
| <b>Project Manager:</b>     | Bandy   |                             |
| <b>Status:</b>              | 90% Design, CEQA underway   |                             |
| <b>Project Description:</b> | The natural gas and water utility service lines cross the Carmel River to reach the WWTP. These PVC lines have a high risk of failure. The gas line is needed for plant operations to provide supplementary heating to the digesters for thermophilic digestion. 12 kV PG&E power will be undergrounded as part of the project. |                             |
| <b>Department:</b>          | Treatment   |                             |
| <b>Financial:</b>           | Cumulative Budget: \$291,533  | Cumulative Spent: \$276,852 |
|                             | FY Budget: \$110,000  | FY Spent: \$95,320          |
| <b>Reclamation Share:</b>   | N/A   |                             |
| <b>Other Entities:</b>      | Cost Share w/ Collections @ 5.5%  |                             |
| <b>Permits Required:</b>    | TBD   |                             |
| <b>Challenges:</b>          | Coordination with State Parks, PG&E and CalAM   |                             |
| <b>Schedule:</b>            | CEQA analysis underway. Construction est. fall 2026.  |                             |
| <b>Consultants:</b>         | Kennedy Jenks, Denise Duffy & Associates  |                             |
| <b>Contractor:</b>          | TBD   |                             |



Photo: Office trailers at WWTP

|                             |   |                   |
|-----------------------------|---|-------------------|
| <b>Project Number:</b>      | <b>25-02</b>  |                   |
| <b>Project Name:</b>        | <b>WWTP Site Improvements</b>   |                   |
| <b>Project Location:</b>    | Wastewater Treatment Plant  |                   |
| <b>Project Manager:</b>     | Bandy   |                   |
| <b>Status:</b>              | Preliminary Design  |                   |
| <b>Project Description:</b> | The office trailers at the WWTP do not have adequate space for current and future staff and have reached the end of their useful life. The pavement is in poor condition and several vaults and lids are failing. Project is inclusive of Equipment Enclosures, Plant Paving and Vault Lids, Plant Landscaping, and Office Trailer Replacements line items in the FY2025/26 LT Treatment CIP. |                   |
| <b>Department:</b>          | Treatment   |                   |
| <b>Financial:</b>           | Cumulative Budget:  | Cumulative Spent: |
|                             | \$1,880,000   | \$49,108          |
| <b>Financial:</b>           | FY Budget:  | FY Spent:         |
|                             | \$150,000   | \$49,108          |
| <b>Reclamation Share:</b>   | N/A   |                   |
| <b>Other Entities:</b>      | Cost Share w/ Collections @ 5.5%  |                   |
| <b>Permits Required:</b>    | TBD   |                   |
| <b>Challenges:</b>          | Seismic design requirements   |                   |
| <b>Schedule:</b>            | Design underway, construction planned in Q4 2026.   |                   |
| <b>Consultants:</b>         | Kennedy/Jenks   |                   |
| <b>Contractor:</b>          | TBD   |                   |

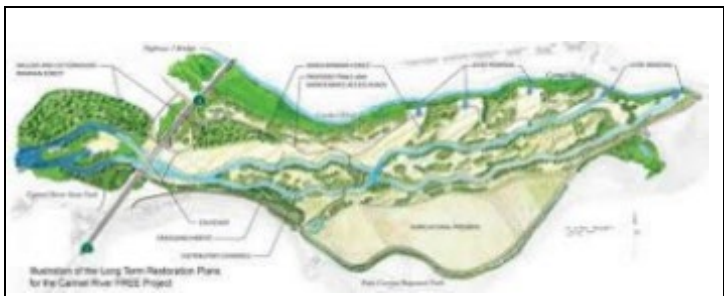


Photo: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE)

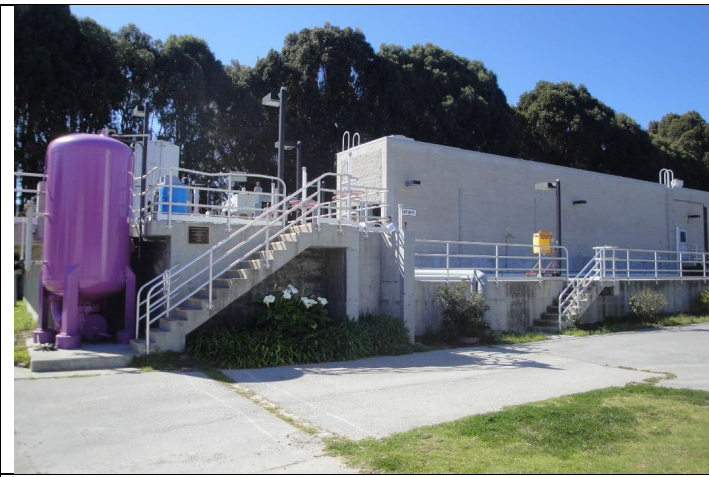
|   |   |                   |
|---|---|-------------------|
| <b>Project Number:</b>                                | <b>19-21</b>  |                   |
| <b>Project Name:</b>                                  | <b>Carmel River Floodplain Restoration &amp; Environmental Enhancement (CRFREE) Mitigation</b>  |                   |
| <b>Project Location:</b>                              | Carmel River Lagoon   |                   |
| <b>Project Manager:</b>                               | Treanor   |                   |
| <b>Status:</b>  | Pending County Funding Agreement  |                   |
| <b>Project Description:</b>                           | The CRFREE Project intends to create a new river channel in the Carmel River lagoon floodplain, which will significantly impact existing wastewater pipelines that cross the lagoon. To fully mitigate impacts from CRFREE the pipelines, which are currently crossing over a portion of the lagoon, are proposed to be installed underground using Horizontal Directional Drilling construction methods. |                   |
| <b>Department:</b>                                    | Engineering   |                   |
| <b>Financial:</b>                                     | Coastal Conservancy Grant Budget:   | Cumulative Spent: |
|   | \$750,000   | \$618,569         |
| <b>Financial:</b>                                     |   | FY Spent:         |
|   |   | \$0               |
| ** Project is being funded by CRFREE initiated grants |   |                   |
| <b>Reclamation Share:</b>                             | N/A   |                   |
| <b>Other Entities:</b>                                | Monterey County   |                   |
| <b>Permits Required:</b>                              | Coastal Commission, CA Fish and Wildlife, Army Corp of Engineers, Regional Water Quality Control Board (RWQCB)  |                   |
| <b>Challenges:</b>                                    | Construction near environmentally sensitive habitat and obtaining new easement from State Parks   |                   |
| <b>Schedule:</b>                                      | Pending funding agreement   |                   |
| <b>Consultants:</b>                                   | Design: Kennedy Jenks and Staheli Trenchless<br>CEQA: Johnson Marigot   |                   |
| <b>Contractor:</b>                                    | TBD   |                   |



*Photo: Conceptual Rendering of Public Use and Bridge*

|  |  |                   |
|--|--|-------------------|
| <b>Project Number:</b>   | <b>22-04</b>   |                   |
| <b>Project Name:</b>   | <b>CAWD Bridge and Trail Project</b>   |                   |
| <b>Project Location:</b>   | Wastewater Treatment Plant   |                   |
| <b>Project Manager:</b>  | Treanor  |                   |
| <b>Status:</b>   | Preliminary design   |                   |
| <b>Project Description:</b>  | Construct a new bridge at the location of the existing CAWD bridge over the Carmel River. The Bridge would be open for public use and would allow for new walking trails to connect the City of Carmel-by-the-Sea (Mission Trail) to the Regional Parks (Palo Corona). |                   |
| <b>Department:</b>   | Treatment  |                   |
| <b>Financial:</b>  | Cumulative Budget:   | Cumulative Spent: |
|  | FY Budget:   | FY Spent:         |
|  | \$144,845  | \$71,602          |
|  | \$127,600  | \$56,667          |
| **No budget. Funding potential via Carmel River settlement grants. |  |                   |
| <b>Reclamation Share:</b>  | N/A  |                   |
| <b>Other Entities:</b>   | State Parks, Diocese of Monterey, City of Carmel-by-the-Sea, Regional Parks District   |                   |
| <b>Permits Required:</b>   | TBD  |                   |
| <b>Challenges:</b>   | Obtaining funding and community support  |                   |
| <b>Schedule:</b>   | Preliminary design underway  |                   |
| <b>Consultants:</b>  | MME Civil + Structural   |                   |
| <b>Contractor:</b>   | TBD  |                   |

## **Reclamation Capital Project Summaries**



*Photo: Exterior of Tertiary Building*

|                             |  |                   |
|-----------------------------|--|-------------------|
| <b>Project Number:</b>      | <b>22-05</b>   |                   |
| <b>Project Name:</b>        | <b>Membrane Bioreactor Feasibility Study</b>   |                   |
| <b>Project Location:</b>    | Reclamation – Microfiltration (MF)/Reverse Osmosis (RO) and Tertiary Building                              |                   |
| <b>Project Manager:</b>     | Bandy  |                   |
| <b>Status:</b>              | RFP Prep   |                   |
| <b>Project Description:</b> | Feasibility/constructability analysis of MBR alternative identified in Phase II of 15-Year CIP Master Plan |                   |
| <b>Department:</b>          | Treatment  |                   |
| <b>Financial:</b>           | Cumulative Budget:   | Cumulative Spent: |
|                             | FY Budget:   | FY Spent:         |
|                             | \$0  | \$0               |
|                             | \$0  | \$0               |
| <b>Reclamation Share:</b>   | 100%   |                   |
| <b>Other Entities:</b>      | Reclamation Project  |                   |
| <b>Permits Required:</b>    | None   |                   |
| <b>Challenges:</b>          | Complexity   |                   |
| <b>Schedule:</b>            | RFP for MBR Feasibility Study planned for July/August 2026.  |                   |
| <b>Consultants:</b>         | TBD  |                   |
| <b>Contractor:</b>          | N/A  |                   |

## **Collections Capital Project Summaries**



*Photo: Aerial gravity pipe in easement*

|                             |  |                   |
|-----------------------------|--|-------------------|
| <b>Project Number:</b>      | <b>19-03</b>   |                   |
| <b>Project Name:</b>        | <b>Carmel Meadows Sewer Replacement</b>  |                   |
| <b>Project Location:</b>    | Collection System  |                   |
| <b>Project Manager:</b>     | Treanor  |                   |
| <b>Status:</b>              | Design Update in Progress  |                   |
| <b>Project Description:</b> | Replace 1,300 feet of Ductile Iron Pipe (DIP) on an aerial span and eight manholes by constructing a small pump station at the end of Mariposa Drive. Located on an easement parallel to Ribera Road. Line was originally installed in the early 1960's. |                   |
| <b>Department:</b>          | Collections  |                   |
| <b>Financial:</b>           | Cumulative Budget:   | Cumulative Spent: |
|                             | \$1,233,817  | \$1,222,652       |
|                             | FY Budget:   | FY Spent:         |
|                             | \$300,000  | \$240,552         |
| <b>Permits Required:</b>    | Local Coastal Development Permit   |                   |
| <b>Challenges:</b>          | Community Buy-In   |                   |
| <b>Schedule:</b>            | TBD  |                   |
| <b>Consultants:</b>         | Kennedy Jenks Consultants  |                   |
| <b>Contractor:</b>          | TBD  |                   |



*Photo: Sagged Pipeline*

|                             |  |                       |
|-----------------------------|--|-----------------------|
|                             |  |                       |
| <b>Project Number:</b>      | <b>25-01</b>   |                       |
| <b>Project Name:</b>        | <b>Carmel Meadows Sewer Interim Repairs</b>  |                       |
| <b>Project Location:</b>    | Collection System  |                       |
| <b>Project Manager:</b>     | Henson   |                       |
| <b>Status:</b>              | Bid Phase  |                       |
| <b>Project Description:</b> | Minor repairs to easement sewer line in response to Violation Letter from Regional Water Quality Control Board. Costs for interim repairs are being combined with Project 19-03. |                       |
| <b>Department:</b>          | Collections  |                       |
| <b>Financial:</b>           | Cumulative Budget: \$0   | Cumulative Spent: \$0 |
|                             | FY Budget: \$0   | FY Spent: \$0         |
| <b>Reclamation Share:</b>   | 0%   |                       |
| <b>Other Entities:</b>      | Regional Water Quality Control Board   |                       |
| <b>Permits Required:</b>    | Minor Repairs Exempt   |                       |
| <b>Challenges:</b>          | Construction on hillside   |                       |
| <b>Schedule:</b>            | Under construction   |                       |
| <b>Consultants:</b>         | Kennedy/Jenks  |                       |
| <b>Contractor:</b>          | Brett George   |                       |



Photo: Project Map

|                             |   |                   |
|-----------------------------|---|-------------------|
| <b>Project Number:</b>      | <b>20-08</b>  |                   |
| <b>Project Name:</b>        | <b>Scenic Rd Pipe Bursting - Ocean to Bay</b>   |                   |
| <b>Project Location:</b>    | Collection System   |                   |
| <b>Project Manager:</b>     | Treasor   |                   |
| <b>Status:</b>              | Construction Phase  |                   |
| <b>Project Description:</b> | Replace approx. 10,561 linear feet of existing 6-inch clay pipe with 8-inch High-Density Polyethylene (HDPE), manhole rehabilitation. |                   |
| <b>Department:</b>          | Collections   |                   |
| <b>Financial:</b>           | Cumulative Budget:  | Cumulative Spent: |
|                             | \$5,328,047   | \$6,080,986       |
|                             | FY Budget:  | FY Spent:         |
|                             | \$4,575,000   | \$5,322,589       |
| <b>Reclamation Share:</b>   | 0%  |                   |
| <b>Other Entities:</b>      | Carmel-by-the-Sea, Monterey Co, Coastal Commission  |                   |
| <b>Permits Required:</b>    | CEQA & Coastal Development permits from City and County   |                   |
| <b>Challenges:</b>          | Traffic control and schedule constraints. Cultural Resources at southern end of project.  |                   |
| <b>Schedule:</b>            | Construction underway.  |                   |
| <b>Consultants:</b>         | MNS, Harris & Assoc., TBC Communications  |                   |
| <b>Contractor:</b>          | KJ Woods  |                   |

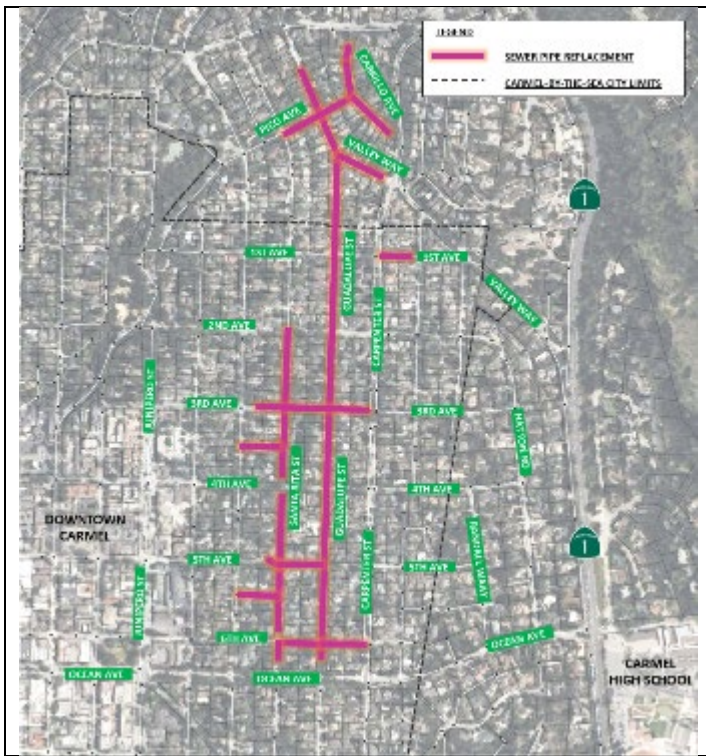


Photo: Project Map

|                             |   |                   |
|-----------------------------|---|-------------------|
| <b>Project Number:</b>      | <b>23-01</b>  |                   |
| <b>Project Name:</b>        | <b>Santa Rita &amp; Guadalupe</b>   |                   |
| <b>Project Location:</b>    | Collection System   |                   |
| <b>Project Manager:</b>     | Treanor   |                   |
| <b>Status:</b>              | Construction Phase  |                   |
| <b>Project Description:</b> | Approx. 5,800 ft of 6" vitrified clay pipe to be replaced with 8-inch High-Density Polyethylene (HDPE), manhole rehabilitation. |                   |
| <b>Department:</b>          | Collections   |                   |
| <b>Financial:</b>           | Cumulative Budget:  | Cumulative Spent: |
|                             | \$4,832,641   | \$4,541,970       |
| <b>Financial:</b>           | FY Budget:  | FY Spent:         |
|                             | \$455,000   | \$4,240,301       |
| <b>Reclamation Share:</b>   | 0%  |                   |
| <b>Other Entities:</b>      | Carmel-by-the-Sea, Monterey Co.   |                   |
| <b>Permits Required:</b>    | None  |                   |
| <b>Challenges:</b>          | Traffic Controls  |                   |
| <b>Schedule:</b>            | Microsurfacing underway   |                   |
| <b>Consultants:</b>         | MNS, Harris & Assoc., TBC Communications  |                   |
| <b>Contractor:</b>          | Pacific Trenchless  |                   |



*Photo: Carmel Woods and Pescadero Rd Map*

|                             |   |                   |
|-----------------------------|---|-------------------|
| <b>Project Number:</b>      | <b>21-05</b>  |                   |
| <b>Project Name:</b>        | <b>Carmel Woods and Pescadero Sewer Improvements</b>                                      |                   |
| <b>Project Location:</b>    | Collection System   |                   |
| <b>Project Manager:</b>     | Bandy   |                   |
| <b>Status:</b>              | In Design / CEQA  |                   |
| <b>Project Description:</b> | Install new pipe in road to divert majority of flow from pipe on slope.                   |                   |
| <b>Department:</b>          | Collections   |                   |
| <b>Financial:</b>           | Cumulative Budget:  | Cumulative Spent: |
|                             | \$612,508   | \$723,289         |
|                             | FY Budget:  | FY Spent:         |
|                             | \$200,000   | \$300,510         |
| <b>Reclamation Share:</b>   | 0%  |                   |
| <b>Other Entities:</b>      | N/A   |                   |
| <b>Permits Required:</b>    | Environmental Review  |                   |
| <b>Challenges:</b>          | Narrow road, depth of manholes, environmentally sensitive area                            |                   |
| <b>Schedule:</b>            | CEQA analysis underway, design completion est. Q3 2026, construction starts est. Q4 2026. |                   |
| <b>Consultants:</b>         | MNS, Denise Duffy, TBC Communications & Media   |                   |
| <b>Contractor:</b>          | TBD   |                   |



*Photo: Looking at Pump Station Exterior*

|                             |  |                   |
|-----------------------------|--|-------------------|
| <b>Project Number:</b>      | <b>20-07</b>   |                   |
| <b>Project Name:</b>        | <b>Bay/Scenic Pump Station Rehabilitation</b>                              |                   |
| <b>Project Location:</b>    | Collection System  |                   |
| <b>Project Manager:</b>     | Henson   |                   |
| <b>Status:</b>              | On Hold  |                   |
| <b>Project Description:</b> | Eliminate flooding risk by relocating electrical panels above grade.       |                   |
| <b>Department:</b>          | Collections  |                   |
| <b>Financial:</b>           | Cumulative Budget:   | Cumulative Spent: |
|                             | \$314,065  | \$196,021         |
|                             | FY Budget:   | FY Spent:         |
|                             | \$150,000  | \$31,957          |
| <b>Reclamation Share:</b>   | 0%   |                   |
| <b>Other Entities:</b>      | Carmel-by-the-Sea, Coastal Commission                                      |                   |
| <b>Permits Required:</b>    | Exemptions from CEQA and Coastal dependent on panel location requirements. |                   |
| <b>Challenges:</b>          | Traffic Control, Panel Location away from bluff                            |                   |
| <b>Schedule:</b>            | Design planned to restart Q3 2026, construction in 2027                    |                   |
| <b>Consultants:</b>         | TBD  |                   |
| <b>Contractor:</b>          | Pending  |                   |

## **Collections Non-Capital Project Summaries**



*Photo: Pipe Repairs*

|  |                    |                   |
|--|--------------------|-------------------|
| <b>Project Number:</b> 24-01   |                    |                   |
| <b>Project Name:</b> 2025 Sewer Pipe Repairs   |                    |                   |
| <b>Project Location:</b> Collection System   |                    |                   |
| <b>Project Manager:</b> Lauer  |                    |                   |
| <b>Status:</b> In Progress   |                    |                   |
| <b>Project Description:</b> Miscellaneous repairs of existing pipes in the collection system   |                    |                   |
| <b>Department:</b> Collections   |                    |                   |
| <b>Financial:</b>  | Cumulative Budget: | Cumulative Spent: |
|  | \$610,000          | N/A               |
| <b>Financial:</b>  | FY Budget:         | FY Spent:         |
|  | \$200,000          | \$0.00            |
| <b>Other Entities:</b> N/A   |                    |                   |
| <b>Permits Required:</b> City and County Encroachment Permits  |                    |                   |
| <b>Challenges:</b> Varied site conditions from location to location, as well as various types of deficiencies to repair throughout the collections system. |                    |                   |
| <b>Schedule:</b> Ongoing   |                    |                   |
| <b>Contractor:</b> TBD   |                    |                   |



*Photo: Inside of Sewer Manhole*

|  |                    |                   |
|--|--------------------|-------------------|
| <b>Project Number:</b> 24-02                                     |                    |                   |
| <b>Project Name:</b> 2025 Manhole Coating                        |                    |                   |
| <b>Project Location:</b> Collection System                       |                    |                   |
| <b>Project Manager:</b> Lauer                                    |                    |                   |
| <b>Status:</b> On Hold   |                    |                   |
| <b>Project Description:</b> Coating manholes to extend life span |                    |                   |
| <b>Department:</b> Collections                                   |                    |                   |
| <b>Financial:</b>  | Cumulative Budget: | Cumulative Spent: |
|  | \$660,000          | N/A               |
| <b>Financial:</b>  | FY Budget:         | FY Spent:         |
|  | \$200,000          | 0                 |
| <b>Other Entities:</b> N/A                                       |                    |                   |
| <b>Permits Required:</b>   |                    |                   |
| <b>Challenges:</b>   |                    |                   |
| <b>Schedule:</b>   |                    |                   |
| <b>Contractor:</b> TBD   |                    |                   |

## **Assessment Districts/Annexations**

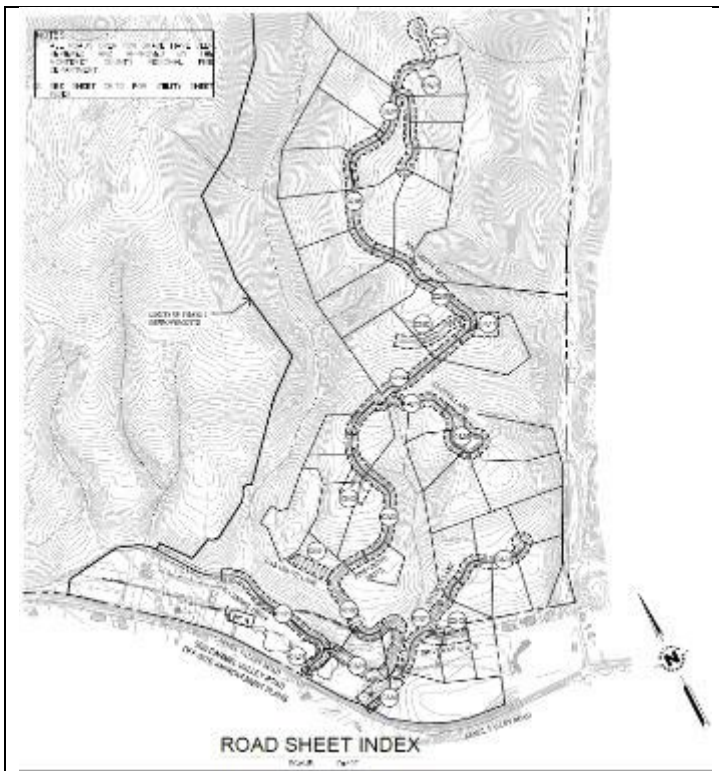


Photo: Map of September Ranch Subdivision

|  |   |                   |
|--|---|-------------------|
| <b>Project Number:</b>   | <b>18-29</b>  |                   |
| <b>Project Name:</b>   | <b>September Ranch Subdivision</b>  |                   |
| <b>Project Location:</b>   | Collection System   |                   |
| <b>Project Manager:</b>  | Trenor  |                   |
| <b>Status:</b>   | In Construction   |                   |
| <b>Project Description:</b>  | New housing subdivision is being built. Sewer infrastructure is being constructed by developer under jurisdiction of CAWD. Approximately 35 undeveloped lots. |                   |
| <b>Department:</b>   | Collections   |                   |
| <b>Financial: this is an unbudgeted item-under repayment agreement</b> | Cumulative Budget:  | Cumulative Spent: |
|  | \$0   | \$0               |
| <b>Other Entities:</b>   | FY Budget:  | FY Spent:         |
|  | \$0   | \$0               |
| <b>Permits Required:</b>   | N/A   |                   |
| <b>Challenges:</b>   | Developer Obtained Permits  |                   |
| <b>Schedule:</b>   | Construction by developer.  |                   |
| <b>Consultants:</b>  | Construction underway   |                   |
| <b>Contractor:</b>   | Unknown   |                   |
|  | MNS Engineers, Inc.   |                   |
|  | Don Chapin  |                   |

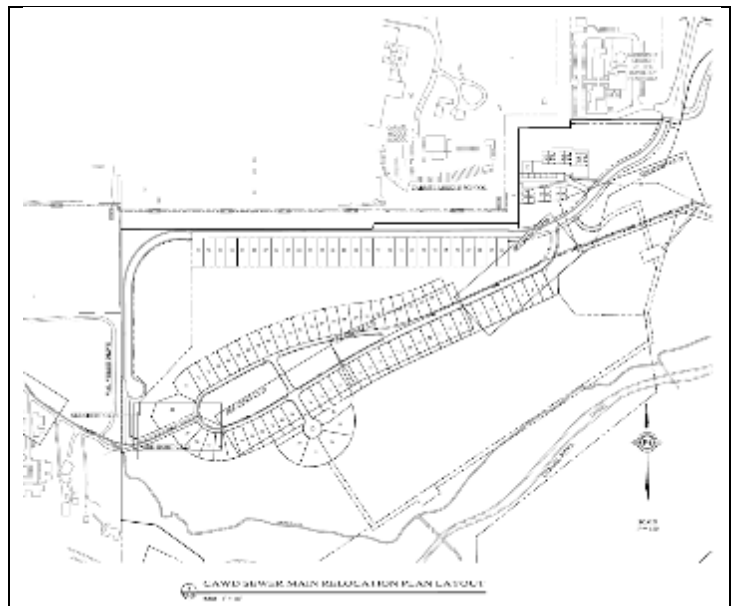


Photo: Location of Rancho Cañada Village Subdivision

|  |  |                   |
|--|--|-------------------|
| <b>Project Number:</b>   | <b>23-03</b>   |                   |
| <b>Project Name:</b>   | <b>Rancho Cañada Village Subdivision</b>   |                   |
| <b>Project Location:</b>   | Collection System  |                   |
| <b>Project Manager:</b>  | Trenor   |                   |
| <b>Status:</b>   | Sewer Agreement  |                   |
| <b>Project Description:</b>  | New housing subdivision is being built. Sewer infrastructure is being constructed by developer under jurisdiction of CAWD. |                   |
| <b>Department:</b>   | Collections  |                   |
| <b>Financial: this is an unbudgeted item-under repayment agreement</b> | Cumulative Budget:   | Cumulative Spent: |
|  | \$0  | \$0               |
| <b>Other Entities:</b>   | FY Budget:   | FY Spent:         |
|  | \$0  | \$0               |
| <b>Permits Required:</b>   | N/A  |                   |
| <b>Challenges:</b>   | Developer Obtained Permits.  |                   |
| <b>Schedule:</b>   | Construction by developer.   |                   |
| <b>Consultants:</b>  | Construction underway  |                   |
| <b>Contractor:</b>   | Unknown  |                   |
|  | Unknown  |                   |

## **Other Non-Capital Project Summaries**

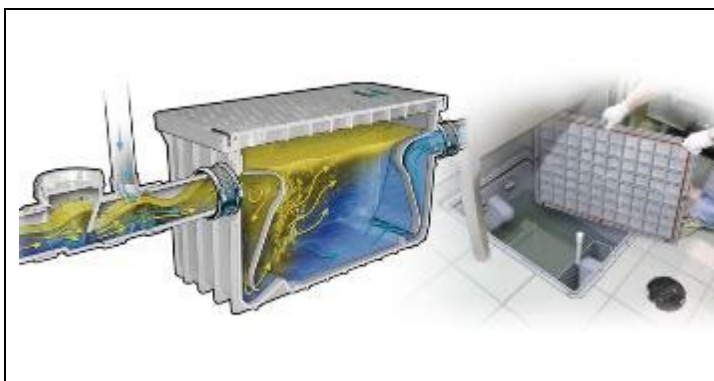


Photo: Grease Trap Graphic

|                             |  |                           |
|-----------------------------|--|---------------------------|
|                             |  |                           |
| <b>Project Number:</b>      | N/A  |                           |
| <b>Project Name:</b>        | Source Control -Environmental Compliance -Six Sigma  |                           |
| <b>Project Location:</b>    | Collection System  |                           |
| <b>Project Manager:</b>     | Henson   |                           |
| <b>Status:</b>              | Compliance Phas4e  |                           |
| <b>Project Description:</b> | A Six Sigma project to improve source control for grease laden wastewater being discharged from restaurants. Grease problems are ongoing and require more oversight of restaurants' grease control activities. |                           |
| <b>Department:</b>          | Engineering  |                           |
| <b>Financial:</b>           | Cumulative Budget: \$0   | Cumulative Spent: \$2,000 |
|                             | FY Budget: \$0   | FY Spent: \$0             |
| <b>Permits Required:</b>    | None   |                           |
| <b>Challenges:</b>          | Restaurant plumbing.   |                           |
| <b>Schedule:</b>            | Compliance letters being sent to restaurants   |                           |
| <b>Consultants:</b>         | n/a  |                           |



Photo: California coastline

|                             |  |                       |
|-----------------------------|--|-----------------------|
|                             |  |                       |
| <b>Project Number:</b>      | 22-01  |                       |
| <b>Project Name:</b>        | Long-Term Sea Level Rise Planning  |                       |
| <b>Project Location:</b>    | Treatment Plant  |                       |
| <b>Project Manager:</b>     | Henson   |                       |
| <b>Status:</b>              | 2025 Study Complete  |                       |
| <b>Project Description:</b> | As conditions of Coastal Permit #3-82-199-A8 - the District submitted its Five-Year Hazards and Local Projects Update on 5-1-25. |                       |
| <b>Department:</b>          | Administration   |                       |
| <b>Financial:</b>           | Cumulative Budget: \$0   | Cumulative Spent: \$0 |
|                             | FY Budget: \$0   | FY Spent: \$0         |
| <b>Permits Required:</b>    | In response to California Coastal Commission   |                       |
| <b>Challenges:</b>          | Establishing focus on long term objectives and committing to follow through items as outlined.                                   |                       |
| <b>Schedule:</b>            | Most recent five-year hazards & Local Projects Update study completed in May 2025.   |                       |
| <b>Consultants:</b>         | Greeley & Hansen   |                       |



*Photo: Easement with downed tree*

|                             |  |                       |
|-----------------------------|--|-----------------------|
| <b>Project Number:</b>      | N/A  |                       |
| <b>Project Name:</b>        | <b>Easement Surveys and CEQA Analysis</b>  |                       |
| <b>Project Location:</b>    | Easements and Rights-of-Way  |                       |
| <b>Project Manager:</b>     | Bandy  |                       |
| <b>Status:</b>              | CEQA study underway  |                       |
| <b>Project Description:</b> | Program-level CEQA analysis, easement and tree surveys for ongoing easement maintenance and tree removal |                       |
| <b>Department:</b>          | Collections  |                       |
| <b>Financial:</b>           | Cumulative Budget: \$200,000   | Cumulative Spent: \$0 |
|                             | FY Budget: \$0   | FY Spent: \$0         |
| <b>Permits Required:</b>    | As-needed for future tree removal  |                       |
| <b>Challenges:</b>          | Collections management of future easement maintenance and tree removal contractors                       |                       |
| <b>Schedule:</b>            | CEQA analysis and high-priority easement surveys est. complete Q1 2027                                   |                       |
| <b>Consultants:</b>         | Rincon   |                       |

# STAFF REPORT

To: Board of Directors

From: Chris Foley, Facilities Manager

Date: June 25th, 2026

Subject: Monthly Treatment Plant Report – May 2026



## RECOMMENDATION

Receive Report- Informational only; no action required.

## TREATMENT PLANT OVERVIEW

### Operations

- Staff worked with Enterprise Automation (EA) to update the plants Programmable Logic Controllers (PLC) with new communication configurations and verified their new paths. During EA’s review process they found some old messaging blocks that were no longer used and were deleted. These updates improve system performance and reliability and will assist the plant operate more efficiently. The District hosted a site visit with Watsonville Wastewater to strengthen interagency relationships and share best practices. The event was well received and resulted in an invitation for a reciprocal visit. Expanding similar exchanges to other departments is recommended to support collaboration and continuous improvement.
- As the region begins to enter the dry weather season and flows begin to subside, staff are draining the “old digester,” which is used to store stormwater during peak wet weather events. This is beneficial to the plant because it restores available storage capacity for the next wet weather season, ensures the system is operating under normal dry-weather conditions, and supports effective maintenance and inspection of the facility.

### Maintenance

- Diesel fuel tanks for stand-by generators are sampled routinely as part of preventative maintenance and emergency preparedness. Samples are taken from

bottom of tanks and currently show no signs of water or bacterial growth. Middle samples in the tanks have been sent off for laboratory analysis. This is done because diesel tanks can accumulate water through condensation or intrusion. If not identified it can cause engine damage, poor combustion, or generator failures during critical events.

The 1500-gallon diesel and gasoline tanks for vehicles and equipment show no signs of water contamination but do show mild debris at lower levels in tanks, which would indicate that routine tank cleaning and/or fuel polishing may be needed. The filters on the pumps for these tanks are and will continue to be replaced regularly and the staff budgeted to purchase diesel polishing equipment so the polishing can be completed by staff. The gasoline polishing will be completed with the assistance of a contractor due to the special equipment needed for gasoline tank polishing.

- The mechanical seal leakage problem in the Digester mixing pump has been solved. Seal flushing water has been added to the pump seal. This is an optional system that flushes the back side of the impeller, preventing debris from collecting and damaging the mechanical seal. This option was not recommended by the pump vendor at the time of installation, but during our investigation and monitoring the results after the flushing system was installed, it is necessary for our application.
- The new Chevrolet Silverado EV truck has arrived.
- Equalization pump #2 has been replaced. The old pump had a motor winding failure. After determining the cost of complete pump rebuild (including motor repair) and that the pump design curve differed from pump #1 (high head vs high flow, current pump #1 is high flow), it was decided to replace with new Flygt pump with same design curve as pump #1.
- Staff are in the process of correcting a slight misalignment for Effluent pump #1, which was installed about a year ago, and has been experiencing vibration issues. The pump has been removed, and new anchors are being installed, along with a high-performance grout base to improve stability and alignment. A drive line specialist conducted an on-site visit of the existing drive shafts and recommended upgrading to a larger diameter shaft with improved universal joints (u-joints). Based on this assessment, new drive shafts have been ordered.

As soon as pump #1 install is complete, we will begin replacing pump 2, which is in stock.

- On May 12, the 65-kW microturbine experienced an unexpected shutdown and was unable to restart. Staff conducted a comprehensive evaluation of the microturbine

system and found no apparent operational issues. A service technician from Capstone subsequently inspected the unit and determined that the internal combustion liner had failed. Staff are working with the vendor to identify the root cause of the failure by reviewing historical gas testing data. Preliminary conversations with Capstone staff have suggested that combination of hydrogen sulfide concentration and moisture content as possible factors. Additional testing, including condensation measurements, are being conducted to evaluate the relationship between these constituents and determine whether they contributed to the liner failure.

## Projects

- Fencing Project is near completion. All fencing has been installed, including a frog barrier, which was required due to the sensitive wildlife and required as part of the environmental regulations to protect native or special-status species, and privacy slats have been installed in key locations. The contractor is currently finishing up the gate installation.
- The new Ford F-150 was picked up and arrived at the plant on May 5<sup>th</sup>.
- Clipper Controls performed calibrations on the plant Influent flow meter and the Reclaim line flow meter , were completed which ensures all the data from these instruments are accurate for monitoring and billing purposes. Calibrations are performed semi-annually in conjunction with Pebble Beach Community Services District (PBCSD) flow meter to the treatment plant.
- Staff met with Sunbelt Rentals to provide estimates and technical guidance for upcoming bypass associated with the installation of the D-Box gates. The gates at the D-box are critical controlling and modulation flow to the secondary clarifiers. The old gates have deteriorated over time and are currently experiencing leakage.
- Gabriel Delgadillo of ERS Industrial Services, Inc. visited the facility to collect measurements and photographs for the preparation of a proposal to sandblast and recoat the skimmer arms at the Dissolved Air Flotation Thickener (DAFT). In addition, ERS will provide a proposal for grouting and sealing the new distribution box weir gates
- Michael Harlan of Bray Process Control conducted a site visit to review the performance and operation of the Bray valves installed within the Microfiltration (MF) system. Staff discussed current valve performance and any updated equipment that could improve the system's reliability.

- Staff met with Trussell for their regularly scheduled operations meetings for to review MF and RO performance. Staff provided an update on completed Clean-In-Place cleaning across all stages. Trussell informed staff that they are currently working on yearly report and will be presented at the July board meeting.

## RECLAMATION OVERVIEW

### Operations

- May 1<sup>st</sup> Forest Lake Reservoir level was at a volume of 114.6 MG. May 31<sup>st</sup> Forest Lake Reservoir was at a volume of 113.8 MG. Volume on the 31<sup>st</sup> was 15.1 MG greater than last year at this time.
- On May 5, staff attended the Reclamation Technical Advisory Committee (TAC) meeting. Staff provided an update on preventive maintenance activities, current recycled water production, and progress on the 15-Year Capital Improvement Master Plan. Staff also presented the proposed Fiscal Year (FY) 2026-27 CAWD/PBCSD project budget and responded to committee questions.
- On May 12, staff attended the Reclamation Management Committee (RMC) meeting. Staff presented updates on preventive maintenance activities, current recycled water production, and the status of the 15-Year Capital Improvement Master Plan. Staff also reviewed the proposed FY 2026-27 CAWD/PBCSD project budget and addressed questions from committee members.
- Staff has been working with Kenn Working from American Water Chemicals (AWC) on some alternative Reverse Osmosis (RO) chemicals to reduce chemical costs and improve the systems performance. AWC offers RO Clean-In-Place chemicals and various operational chemicals. Water quality data was sent to them for review and staff are waiting for any recommendations on products that could improve the RO's performance and reduce operating costs.

## PERMIT UPDATES

### WASTE DISCHARGE REQUIREMENTS (WDR) ORDER NO. R3-2014-0012 (OCEAN DISCHARGE)

- No Violations were reported
- The monthly National Pollutant Discharge Elimination System (NPDES) report was successfully submitted.
- Quarterly NPDES report was successfully submitted

**WASTE DISCHARGE REQUIREMENTS (WDR) ORDER NO. 93-72  
(RECLAMATION)**

- Quarterly Reclamation Reports have been updated and will be submitted for the 2<sup>nd</sup> quarter at the end of July. To date there have been no violations to report.

**FUNDING**

N/A – Informational item only no action required

# STAFF REPORT



To: Board of Directors  
From: Alex Henson, Associate Engineer  
Date: June 25, 2026  
Subject: Source Control Update

## RECOMMENDATION

Receive Report- Informational only; no action required.

## DISCUSSION

This report is an update on Source Control activities associated with Fats, Oils, and Grease (FOG) discharge control activities.

Staff continued coordinating with restaurants identified through the FOG compliance effort. Several establishments have retained plumbing contractors and are evaluating design options necessary to bring grease-control systems into compliance with CAWD requirements. While no construction activities or corrective installations occurred during this reporting period, communication with affected restaurants remains ongoing and staff continue to provide technical assistance as needed.

| Status                               | Number of Restaurants |
|--------------------------------------|-----------------------|
| In communication with CAWD           | 13                    |
| Coordinating with plumber/contractor | 8                     |
| Improvements underway                | 1                     |
| Completed compliance improvements    | 2                     |
| No response/contact established      | 0                     |

## FUNDING

N/A Information Only

# *Resolutions*

# Staff Report



To: Board of Directors

From: Barbara Buikema, General Manager

Date: June 25, 2026

Subject: 2026-27 Final Budget vs. Preliminary (Prelim)  
Budget Changes

## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the adoption of the Carmel Area Wastewater District's (District) Annual Budget for the fiscal year 2026-27.

## DISCUSSION

A Preliminary Budget was presented to the Board at its March 27, 2026, meeting. There is zero increase in rates projected making the Prop 218 Notice unnecessary.

There were significant changes to the Operating and Capital Budgets this year – reflective of the continued uncertainty in fuel costs, inflationary pressures, and overall general market conditions. In response, staff made every effort to adjust the budget to current information, incorporating vendor input, and observed pricing trends to produce the most realistic projections possible.

Due to further discussion and discovery there were multiple changes made between the Preliminary Budget and the Final Budget. These adjustments reflect updated information and refined assumptions incorporated during this reiterative process. The table below reflects only the summary lines that changed from the Preliminary version.

| <b>Operating Budget</b>       | Prelim 2026-27 | Final 2026-27 | Change(Increases) |
|-------------------------------|----------------|---------------|-------------------|
| Operating Revenue             | \$12,890,042   | \$12,890,042  | -0-               |
| <b>Operating Expenditures</b> |                |               |                   |
| Treatment                     | \$6,056,550    | \$6,178,130   | \$121,580         |
| Lab                           | \$1,042,310    | \$1,154,850   | \$112,540         |
| Administration                | \$2,038,510    | \$2,073,422   | \$34,912          |
| Collection                    | \$2,966,389    | \$3,172,758   | \$206,369         |
| Brine Disposal                | \$0            | \$0           | -0-               |
| Reclamation                   | \$683,802      | \$683,802     | -0-               |
| Total Operating Expenditures  | \$12,787,561   | \$13,262,962  | \$475,401         |
| <b>Non Operating Revenues</b> | \$4,808,843    | \$5,327,907   | \$519,064         |
| <b>Total Change</b>           |                |               | <b>\$994,465</b>  |




This year the Budget Committee worked with the General Manager, the District Engineer and Principal Engineer and Facilities Manager to arrive at the final budget. We wish to thank everyone who worked on the document and helped to bring it to its final form.

## **FUNDING**

There is sufficient funding available in District reserves to support the budgeted capital projects. The Operations & Maintenance budget are funded by the collection of user fees during the fiscal year.

Confirmation of Second Pine Cone Publication – Fiscal Year 2026-27 Budget

<https://carmelpinecone.com/260612PC.pdf>



Notice is hereby given that the Board of Directors of the Carmel Area Wastewater District will hold a public hearing to consider and adopt the **Fiscal Year 2026/27 Final Budget at its next Regular Board meeting:**

**Date: Thursday, June 25, 2026**  
**Time: 9:00 a.m.**

Location:  
Carmel Area Wastewater District Office  
3945 Rio Road  
Carmel, CA 93922

Virtual Participation (via Zoom):  
Visit: <https://www.cawd.org/2026-06-25-board-of-directors-meeting>  
Webinar ID: 851 2385 9028  
Passcode: 989291  
Dial-in: (669) 900-9128

At this meeting, the Board will publicly discuss and consider approval of the FY 2026/27 Final Budget.

The complete proposed budget documents will be available on or before June 15, 2026 at:  
<https://www.cawd.org/current-year-budget>

Members of the public may participate virtually and be heard regarding any item in the proposed budget or the inclusion of additional items.

All proposals for revisions—whether written or oral—must be submitted to the District Board Clerk prior to the close of the public hearing.

Published June 5th & 12, 2026 Publication dates: June 5 & 12, 2026 (PC.612)

Resolution No. 2026-45  
Adopting Budget for the Fiscal Year 2026-27

-oOo-

WHEREAS, the public necessity and convenience require that the Carmel Area Wastewater District shall have sufficient funds for its administration, operation, maintenance, replacement, and construction:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**1. That funds be raised to provide for the following estimated expenditures:**

|                                   |  |                  |                          |
|-----------------------------------|--|------------------|--------------------------|
| <b>Operating Expenditures</b>     |  |                  |                          |
|                                   | Salaries, Payroll Taxes & Employee Benefits            | 6,322,417        |                          |
|                                   | Other Operating & Maintenance Expense                  | <u>6,938,975</u> | 13,261,392               |
| <br>                              |  |                  |                          |
| <b>Capital Asset Expenditures</b> |  |                  |                          |
|                                   | Capital Improvement Projects for Treatment             | 1,600,000        |                          |
|                                   | Capital Improvement Projects for Collection            | 5,550,000        |                          |
|                                   | Capital Improvement Projects for Administration        | 0                |                          |
|                                   | Capital Improvement Projects for Reclamation           | 0                |                          |
|                                   | Capital Equipment Outlay                               | <u>1,556,981</u> | 8,706,981                |
| <br>                              |  |                  |                          |
| <b>Non-Operating Expenditures</b> |  |                  |                          |
|                                   | Highlands Project Debt Service                         | <u>0</u>         | 0                        |
| <br>                              |  |                  |                          |
| <b>Non-Cash Item</b>              |  |                  |                          |
|                                   | Reserve for Depreciation & Amortization                |                  | 2,969,700                |
|                                   | <b>Total Budgeted cash &amp; non-cash Expenditures</b> |                  | <u><u>24,938,073</u></u> |

**2. That the following are sources of revenue to fund the above expenditures:**

|                               |  |               |                          |
|-------------------------------|--|---------------|--------------------------|
| <b>Operating Revenues</b>     |  |               |                          |
|                               | User Fees  | 10,046,240    |                          |
|                               | PBCSD Treatment Fees   | 2,100,000     |                          |
|                               | Reclamation Project Share of O & M                           | 683,802       |                          |
|                               | Other Revenues   | <u>60,000</u> | 12,890,042               |
| <br>                          |  |               |                          |
| <b>Non-Operating Revenues</b> |  |               |                          |
|                               | Interest Earned  | 1,500,000     |                          |
|                               | Property Taxes   | 2,851,000     |                          |
|                               | Other Misc Income  | 135,000       |                          |
|                               | Highlands Inn Assessment Revenue                             | <u>0</u>      | 4,486,000                |
| <br>                          |  |               |                          |
| <b>Capital Revenues</b>       |  |               |                          |
|                               | Connection Fees & Permits                                    | 45,000        |                          |
|                               | PBCSD One Third Share CIP & Equipment                        | 740,907       |                          |
|                               | Reclamation Project reimbursement                            | <u>56,000</u> | 841,907                  |
|                               | <b>Total Revenue</b>   |               | <u><u>18,217,949</u></u> |
| <br>                          |  |               |                          |
|                               | Appropriation of Capital Replacement Funds to Balance Budget |               | 6,720,124                |
| <br>                          |  |               |                          |
|                               | Appropriation of Capital Replacement Funds to                |               |                          |
|                               | Balance Budget Before Depreciation                           | 3,750,424     |                          |
| <br>                          |  |               |                          |
|                               | Grant Funding  | 0             |                          |
|                               | <b>Total Budgeted Revenues and Appropriations</b>            |               | <u><u>24,938,073</u></u> |

**I HEREBY CERTIFY** that the foregoing is a full, true and correct copy of a Resolution duly adopted and passed by the Board of Directors of the Carmel Area Wastewater District, Monterey County, California at a Regular Meeting held on the 25th day of June, 2026, by the following vote:

AYES, MEMBERS: \_\_\_\_\_

NOES, MEMBERS: \_\_\_\_\_

ABSENT, MEMBERS: \_\_\_\_\_

ABSTAIN, MEMBERS: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Domine Barringer, Board Clerk  
Carmel Area Wastewater District

APPROVED:

\_\_\_\_\_  
Robert Siegfried, President of the Board

# STAFF REPORT

To: Board of Directors  
From: Barbara Buikema, General Manager  
Date: June 25, 2026  
Subject: Classification Titles and Monthly Salary  
Ranges for the **Represented** Employee Group



## RECOMMENDATION

It is recommended that the Board of Directors approve a resolution Designating Classification Titles and providing for the number of positions and monthly salary ranges for the **represented** employee group for the annual Cost of Living Adjustment increase of 3.0%.

## DISCUSSION

This increase was negotiated by LiUna, Local 792 for the contract period July 1, 2025 through June 30, 2028. Article 5.1 of the agreement as follows:

|                        |                            |
|------------------------|----------------------------|
| Effective July 1, 2025 | 2.4%                       |
| Effective July 1, 2026 | 3.0% (contract snip below) |
| Effective July 1, 2027 | 3.0%                       |

The MOU was signed by the Union November 7, 2025.

### ARTICLE 5 - COMPENSATION

#### 5.1 General Increases

Effective the first full pay period in July, 2025, all classifications in the bargaining unit will receive a base wage increase of two and four tenths of one percent (2.4%)


Effective July 1, 2026 all classifications in the bargaining unit will receive a base wage increase of three percent (3.0%)

## FINANCIAL

This amount is included in 2026-27 budget.

**12-Month Percent Change****Series Id:** CUURS49BSA0, CUUSS49BSA0

Not Seasonally Adjusted

**Series Title:** All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted**Area:** San Francisco-Oakland-Hayward, CA**Item:** All items**Base Period:** 1982-84=100**Download:**  [xlsx](#)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-------|-------|
| 2016 |     | 3.0 |     | 2.7 |     | 2.7 |     | 3.1 |     | 3.6 |     | 3.5 | 3.0    | 2.8   | 3.2   |
| 2017 |     | 3.4 |     | 3.8 |     | 3.5 |     | 3.0 |     | 2.7 |     | 2.9 | 3.2    | 3.6   | 2.9   |
| 2018 |     | 3.6 |     | 3.2 |     | 3.9 |     | 4.3 |     | 4.4 |     | 4.5 | 3.9    | 3.4   | 4.3   |
| 2019 |     | 3.5 |     | 4.0 |     | 3.2 |     | 2.7 |     | 3.0 |     | 2.5 | 3.3    | 3.7   | 2.9   |
| 2020 |     | 2.9 |     | 1.1 |     | 1.6 |     | 1.6 |     | 1.1 |     | 2.0 | 1.7    | 2.0   | 1.4   |
| 2021 |     | 1.6 |     | 3.8 |     | 3.2 |     | 3.7 |     | 3.8 |     | 4.2 | 3.2    | 2.5   | 3.9   |
| 2022 |     | 5.2 |     | 5.0 |     | 6.8 |     | 5.7 |     | 6.0 |     | 4.9 | 5.6    | 5.4   | 5.8   |
| 2023 |     | 5.3 |     | 4.2 |     | 2.9 |     | 3.4 |     | 2.8 |     | 2.6 | 3.7    | 4.4   | 2.9   |
| 2024 |     | 2.4 |     | 3.8 |     | 3.2 |     | 2.7 |     | 2.4 |     | 2.4 | 2.8    | 3.0   | 2.5   |
| 2025 |     | 2.7 |     | 1.3 |     | 1.5 |     | 2.5 |     | (X) |     | 3.0 | 2.2    | 1.9   | 2.5   |
| 2026 |     | 2.5 |     | 3.8 |     |     |     |     |     |     |     |     |        |       |       |

X : Data unavailable due to the 2025 lapse in appropriations

RESOLUTION NO. 2026-46  
DESIGNATING CLASSIFICATION TITLES IN THE  
CARMEL AREA WASTEWATER DISTRICT  
AND PROVIDING FOR THE NUMBER OF POSITIONS AND  
MONTHLY SALARY RANGES FOR **REPRESENTED** EMPLOYEES

BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District as follows:

Section 1. That the "Positions", "Classification Titles" and "Salary Ranges and Steps" enumerated below are hereby adopted for Represented positions of employment in the Carmel Area Wastewater District:

| Positions                     | Range | Classification Titles                         | SALARY STEPS |          |           |           |           |
|-------------------------------|-------|---|--------------|----------|-----------|-----------|-----------|
|                               |       |   | A            | B        | C         | D         | E         |
| <b>Represented Positions</b>  |       |   |              |          |           |           |           |
| <b>Treatment Maintenance</b>  |       |   |              |          |           |           |           |
| 3                             | 21    | Senior Operator                               | 9,145.55     | 9,602.82 | 10,082.96 | 10,587.11 | 11,116.47 |
| 2                             | 21    | Laboratory Analyst II/Environmental Inspector | 9,145.55     | 9,602.82 | 10,082.96 | 10,587.11 | 11,116.47 |
| 1                             | 21    | Safety/Regulatory Compliance Administrator I  | 9,145.55     | 9,602.82 | 10,082.96 | 10,587.11 | 11,116.47 |
| 1                             | 21    | Maintenance Mechanic III                      | 9,145.55     | 9,602.82 | 10,082.96 | 10,587.11 | 11,116.47 |
| 3                             | 17    | Plant Operator II                             | 8,285.41     | 8,699.68 | 9,134.67  | 9,591.40  | 10,070.97 |
| 1                             | 17    | Purchaser Plant Asset Coordinator             | 8,285.41     | 8,699.68 | 9,134.67  | 9,591.40  | 10,070.97 |
| 1                             | 16    | Laboratory Analyst I/Environmental Inspector  | 8,083.33     | 8,487.49 | 8,911.87  | 9,357.46  | 9,825.33  |
| 1                             | 16    | Maintenance Mechanic II                       | 8,083.33     | 8,487.49 | 8,911.87  | 9,357.46  | 9,825.33  |
| 0                             | 14    | Maintenance Worker II                         | 7,693.83     | 8,078.52 | 8,482.45  | 8,906.57  | 9,351.90  |
| 1                             | 12    | Plant Operator I                              | 7,323.09     | 7,689.25 | 8,073.71  | 8,477.40  | 8,901.27  |
| 0                             | 12    | Maintenance Mechanic I                        | 7,323.09     | 7,689.25 | 8,073.71  | 8,477.40  | 8,901.27  |
| 0                             | 9     | Maintenance Worker I                          | 6,800.22     | 7,140.24 | 7,497.25  | 7,872.11  | 8,265.72  |
| <b>Collection Maintenance</b> |       |   |              |          |           |           |           |
| 4                             | 19    | Collection/Maintenance Worker III             | 8,704.86     | 9,140.10 | 9,597.11  | 10,076.96 | 10,580.81 |
| 1                             | 12    | Collection/Maintenance Worker II              | 7,323.09     | 7,689.25 | 8,073.71  | 8,477.40  | 8,901.27  |
| 1                             | 6     | Collection/Maintenance Worker I               | 6,314.68     | 6,630.42 | 6,961.94  | 7,310.03  | 7,675.54  |
| 0                             | 6     | Collection/Maintenance Utility Worker I       | 6,314.68     | 6,630.42 | 6,961.94  | 7,310.03  | 7,675.54  |
| <b>20.0</b>                   |       | <b>Total Positions authorized</b>             |              |          |           |           |           |

Section 2. That salaries paid to occupants of said positions shall be administered in accordance with Ordinance No. 97-2 titled "Personnel Policies".

Section 3. The Provisions hereof shall be in force and effect as of July 1, 2026

Section 4. That this resolution supercedes 2025-52 in its entirety.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Wastewater District duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Robert Siegfried, President of the Board

ATTEST:

\_\_\_\_\_  
Domine Barringer, Board Clerk

# STAFF REPORT

To: Board of Directors

From: Barbara Buikema, General Manager

Date: June 25, 2026

Subject: Designation of Classification Titles and  
Providing for the Number of Positions and Salary Ranges – **Non-Represented Employees**



## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution designating the Classification Titles in the Carmel Area Wastewater District for **Non-Represented** Employees and providing for the number of positions and monthly salary ranges effective July 1, 2026

- a. Approve a 3.0% Cost Of Living Adjustment (COLA) for management staff
- b. **Approve a 3.0% adjustment for the General Manager**, consistent with Resolution No. 2026-19, to ensure the General Manager's salary remains at least 5% higher than direct reports, in compliance with the District's salary policy.

## DISCUSSION

### **Approve a 3.0% COLA for management (non-represented) staff**

Management staff agreed to the same COLA as negotiated by the Union when their contract was presented. Historically the District has given both groups the same COLA and it is recommended the District continue this practice.

### **Approve a 3.0% adjustment for General Manager as per Resolution # 2026-19**

Approval of a 3.0% COLA for the General Manager is consistent with Resolution No. 2026-19, which requires a minimum 5% salary differential between management positions and their direct reports. Applying the same adjustment ensures this separation is maintained and preserves compliance with District policy.

The attached resolution incorporates the 3.0% cost-of-living adjustment (COLA) within the salary step framework. The subsequent calculations then apply the required adjustments necessary to ensure compliance with Resolution No. 2026-19, which mandates that all management positions remain at least 5% higher than their direct reports.

## **FINANCIAL**


The 2026-27 Budget provides for a 3.0% COLA as negotiated by United Public Employees of California LiUna Local 792. The same COLA was applied to non-represented employees for budget purposes.

## **FINANCIAL**

- Resolution No. 2026-47 (current salary schedule for approval)
- Resolution No. 2026-19
- Resolution No. 2025-54 (prior approved salary schedule)

**12-Month Percent Change****Series Id:** CUURS49BSA0, CUUSS49BSA0

Not Seasonally Adjusted

**Series Title:** All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted**Area:** San Francisco-Oakland-Hayward, CA**Item:** All items**Base Period:** 1982-84=100**Download:**  [xlsx](#)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-------|-------|
| 2016 |     | 3.0 |     | 2.7 |     | 2.7 |     | 3.1 |     | 3.6 |     | 3.5 | 3.0    | 2.8   | 3.2   |
| 2017 |     | 3.4 |     | 3.8 |     | 3.5 |     | 3.0 |     | 2.7 |     | 2.9 | 3.2    | 3.6   | 2.9   |
| 2018 |     | 3.6 |     | 3.2 |     | 3.9 |     | 4.3 |     | 4.4 |     | 4.5 | 3.9    | 3.4   | 4.3   |
| 2019 |     | 3.5 |     | 4.0 |     | 3.2 |     | 2.7 |     | 3.0 |     | 2.5 | 3.3    | 3.7   | 2.9   |
| 2020 |     | 2.9 |     | 1.1 |     | 1.6 |     | 1.6 |     | 1.1 |     | 2.0 | 1.7    | 2.0   | 1.4   |
| 2021 |     | 1.6 |     | 3.8 |     | 3.2 |     | 3.7 |     | 3.8 |     | 4.2 | 3.2    | 2.5   | 3.9   |
| 2022 |     | 5.2 |     | 5.0 |     | 6.8 |     | 5.7 |     | 6.0 |     | 4.9 | 5.6    | 5.4   | 5.8   |
| 2023 |     | 5.3 |     | 4.2 |     | 2.9 |     | 3.4 |     | 2.8 |     | 2.6 | 3.7    | 4.4   | 2.9   |
| 2024 |     | 2.4 |     | 3.8 |     | 3.2 |     | 2.7 |     | 2.4 |     | 2.4 | 2.8    | 3.0   | 2.5   |
| 2025 |     | 2.7 |     | 1.3 |     | 1.5 |     | 2.5 |     | (X) |     | 3.0 | 2.2    | 1.9   | 2.5   |
| 2026 |     | 2.5 |     | 3.8 |     |     |     |     |     |     |     |     |        |       |       |

X : Data unavailable due to the 2025 lapse in appropriations

RESOLUTION NO. 2026-47  
DESIGNATING CLASSIFICATION TITLES IN THE  
CARMEL AREA WASTEWATER DISTRICT  
AND PROVIDING FOR THE NUMBER OF POSITIONS AND  
MONTHLY SALARY RANGES FOR **NON-REPRESENTED** EMPLOYEES

BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District as follows:

Section 1. That the "Positions", "Classification Titles" and "Salary Ranges and Steps" enumerated below are hereby adopted for Represented positions of employment in the Carmel Area Wastewater District:

| Positions                        | Range | Classification Titles                       | SALARY STEPS |           |           |           |   |           |
|----------------------------------|-------|---|--------------|-----------|-----------|-----------|---|-----------|
|                                  |       |   | A            | B         | C         | D         | E |           |
| <b>Non-Represented Positions</b> |       |   |              |           |           |           |   |           |
| 1                                | n/a   | General Manager                             |              |           |           |           |   | 22,736.22 |
| 1                                | 48    | District Engineer                           | 17,813.69    | 18,704.37 | 19,639.59 | 20,621.57 |   | 21,652.65 |
| 1                                | 40    | Principal Engineer                          | 14,986.04    | 15,735.34 | 16,522.11 | 17,348.21 |   | 18,215.62 |
| 1                                | 39    | Facilities Manager                          | 14,263.92    | 14,977.12 | 15,725.98 | 16,512.28 |   | 17,337.89 |
| 1                                | 34    | Chief Plant Operator                        | 12,607.23    | 13,237.59 | 13,899.47 | 14,594.45 |   | 15,324.17 |
| 1                                | 34    | Operations Superintendent                   | 12,607.23    | 13,237.59 | 13,899.47 | 14,594.45 |   | 15,324.17 |
| 1                                | 34    | Laboratory Manager                          | 12,607.23    | 13,237.59 | 13,899.47 | 14,594.45 |   | 15,324.17 |
| 1                                | 34    | Collection System Superintendent            | 12,607.23    | 13,237.59 | 13,899.47 | 14,594.45 |   | 15,324.17 |
| 1                                | 33    | Associate Engineer                          | 12,299.73    | 12,914.72 | 13,560.46 | 14,238.48 |   | 14,950.40 |
| 1                                | 29    | Principal Accountant                        | 11,142.95    | 11,700.10 | 12,285.10 | 12,899.36 |   | 13,544.33 |
| 1                                | 29    | Maintenance Supervisor                      | 11,142.95    | 11,700.10 | 12,285.10 | 12,899.36 |   | 13,544.33 |
| 1                                | 28    | Wastewater Systems Analyst                  | 11,142.95    | 11,700.10 | 12,285.10 | 12,899.36 |   | 13,544.33 |
| 1                                | 23    | Executive Administrative Assist/Board Clerk | 9,608.54     | 10,088.97 | 10,593.42 | 11,123.09 |   | 11,679.24 |
| <b>13.0</b>                      |       | <b>Total Positions authorized</b>           |              |           |           |           |   |           |

Section 2. That salaries paid to occupants of said positions shall be administered in accordance with Ordinance No. 97-2 titled "Personnel Policies".

Section 3. The Provisions hereof shall be in force and effect as of July 1, 2026

Section 4. That this resolution supercedes 2025-54 in its entirety.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Wastewater District duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Robert Siegfried, President Of the Board

ATTEST:

\_\_\_\_\_  
Domine Barringer, Board Clerk

RESOLUTION NO. 2025-54  
 DESIGNATING CLASSIFICATION TITLE IN THE  
 CARMEL AREA WASTEWATER DISTRICT  
 AND PROVIDING FOR THE NUMBER OF POSITIONS AND  
 MONTHLY SALARY RANGES FOR NON-REPRESENTED EMPLOYEES

BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District as follows:

Section 1. That the "Positions", "Classification Titles" and "Salary Ranges and Steps" enumerated below are hereby adopted for Non-Represented positions of employment in the Carmel Area Wastewater District:

| Positions                 | Classification Titles | SALARY STEPS                                    |           |           |           |           |           |
|---------------------------|-----------------------|---|-----------|-----------|-----------|-----------|-----------|
|                           |                       | A   | B         | C         | D         | E         |           |
| Non Represented Positions |                       |   |           |           |           |           |           |
| 1                         | 48                    | District Engineer                               | 17,294.84 | 18,159.58 | 19,067.56 | 20,020.94 | 21,021.99 |
| 1                         | n/a                   | General Manager                                 |           |           |           |           | 20,217.06 |
| 1                         | 41                    | Principal Engineer                              | 14,549.55 | 15,277.03 | 16,040.88 | 16,842.92 | 17,685.07 |
| 1                         | 39                    | Facilities Manager                              | 13,848.47 | 14,540.89 | 15,267.94 | 16,031.34 | 16,832.90 |
| 1                         | 34                    | Chief Plant Operator                            | 12,240.03 | 12,852.03 | 13,494.63 | 14,169.36 | 14,877.83 |
| 1                         | 34                    | Operations Superintendent                       | 12,240.03 | 12,852.03 | 13,494.63 | 14,169.36 | 14,877.83 |
| 1                         | 34                    | Laboratory Manager                              | 12,240.03 | 12,852.03 | 13,494.63 | 14,169.36 | 14,877.83 |
| 1                         | 34                    | Collection System Superintendent                | 12,240.03 | 12,852.03 | 13,494.63 | 14,169.36 | 14,877.83 |
| 1                         | 33                    | Associate Engineer                              | 11,941.49 | 12,538.56 | 13,165.49 | 13,823.77 | 14,514.96 |
| 1                         | 29                    | Principal Accountant                            | 10,818.40 | 11,359.32 | 11,927.29 | 12,523.65 | 13,149.83 |
| 1                         | 29                    | Wastewater System Analyst                       | 10,818.40 | 11,359.32 | 11,927.29 | 12,523.65 | 13,149.83 |
| 1                         | 23                    | Executive Administrative Assistant /Board Clerk | 9,328.68  | 9,795.11  | 10,284.87 | 10,799.11 | 11,339.07 |
| 12                        |                       | Total Positions authorized                      |           |           |           |           |           |

Section 2. That salaries paid to occupants of said positions shall be administered in accordance with Ordinance 97-2 titled "Personnel Policies".

Section 3. The Provisions hereof shall be in force and in effect as of July 1, 2025

Section 4. That this resolution supercedes 2025-23 in its entirety.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on August 28, 2025, by the following vote:

AYES: BOARD MEMBER

NOES: BOARD MEMBER

ABSENT: BOARD MEMBER

ABSTAIN: BOARD MEMBER

ATTEST: Domine Barringer  
 Domine Barringer, Board Clerk

  
 Ken White, President of the Board

RESOLUTION NO. 2026 – 19

A RESOLUTION AUTHORIZING AN AMENDMENT TO SALARY POLICY THAT  
STIPULATES ALL MANAGEMENT POSITIONS MUST BE, AT MINIMUM, 5%  
HIGHER THAN THEIR DIRECT REPORTS

-oOo-

WHEREAS, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District to amend the District salary policy to stipulate that all management positions must be, at minimum, 5% higher than their direct reports, and

WHEREAS, the Board acknowledges this policy amendment originated with the Salary/Benefits Committee at their December 23, 2025 meeting and was a result of an inequity that existed in the salary scales; and

WHEREAS meet policy amendment is designed to ensure that all managers with direct reports remain, at minimum, 5% higher than any employee that reports to them.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District, that it is convinced this policy amendment will ensure salaries maintain an equitable separation between manager and direct reporting staff.

The Board of Directors further finds that approval of this Salary Policy furthers the mission of the District to protect the staff, the public, and the environment; and

The Board of Directors authorizes the General Manager to implement this salary policy amendment;

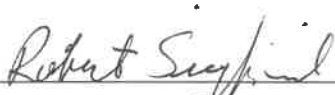
PASSED AND ADOPTED at a meeting of the Board of Directors of the Carmel Area Wastewater District duly held on January 29, 2026 by the following vote:

AYES:BOARD MEMBERS: DIRECTORS: COLE, URQUHART, WEILAND


NOES:BOARD MEMBERS: PRESIDENT SIEGFRIED & DIRECTOR WHITE

ABSENT:BOARD MEMBERS:

ABSTAIN:BOARD MEMBERS:

  
\_\_\_\_\_  
Robert Siegfried, President of the Board

ATTEST:

  
\_\_\_\_\_  
Domine Barringer, Board Clerk

# STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: June 25, 2026

Subject: Certification of Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments and Property Related Fees and Charges for FY 2026-27

## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property Related Fees and Charges.

## DISCUSSION

District user fees are collected using the Monterey County (County) tax rolls, and in order to ensure that the provisions of Proposition 218 are being addressed by the District, the Monterey County Auditor requires certification of compliance with the Proposition, including a hold harmless and indemnification provision for administrative expenses to the County associated with collection of user fees. This certification is required each year on or before August 1, before the processing of the secured tax roll bills for the coming fiscal year.

This will be the fourth year the District has held rates level – no increase.

## FINANCIAL

None

## Exhibit "A"

### Sewer User Fees Effective July 1, 2026

| <u>User Category</u>       | <u>Units</u>                | <u>Annual Rate</u> |
|----------------------------|-----------------------------|--------------------|
| Bakery                     | Location                    | \$3,395.32         |
| Bar                        | Location                    | \$1,527.14         |
| Beauty Salon               | Location                    | \$1,290.80         |
| Business/Govt./Retail      | Per 10 Employees*           | \$594.20           |
| Camera/Photo               | Location                    | \$768.28           |
| Church/Synagogue/Mission   | Location                    | \$864.84           |
| Conv. Hospital             | Per Bed                     | \$456.84           |
| Dental Office              | Per Dentist                 | \$901.16           |
| Gym/Health Spa             | Location                    | \$1,130.44         |
| Hotel/Motel                | Per Room                    | \$461.36           |
| Laundromats                | Per Machine                 | \$1,118.72         |
| Laundry                    | Location                    | \$3,750.68         |
| Market                     | Location                    | \$1,677.24         |
| Medical Office             | Per Physician               | \$440.50           |
| Residential                | Dwelling Unit               | \$952.82           |
| Restaurants                | Seat/Meal**                 | \$68.04            |
| Schools                    | Population                  | \$41.38            |
| Service Stations           | Per Pump                    | \$2,838.54         |
| Supermarkets               | Location                    | \$23,282.90        |
| Veterinary Offices         | Location                    | \$2,207.88         |
| Animal Hospital & Boarding | Location                    | \$6,251.90         |
| Special/Unlisted Users     | \$/Flow Characteristics *** | \$892.50           |

\* Each business is counted separately. For 1-10 employee it is counted as 1 unit. For 11-20 it is counted as two units. And so on. For the purposes of this model part-time employees are counted as 4:1

\*\* Customer seats are multiplied by the number of meal periods (breakfast, lunch, dinner) serviced times two. The rate model assumes a seat will turn over twice during any meal period.

\*\*\*Special/Unlisted users are assessed rates based on their loadings for Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Flow (millions of gallons) multiplied by the following unit rates: \$1.729770691/lb of BOD; \$0.98753117/lb of SS; \$12,953.98/MG of flow

The Carmel Area Wastewater District collects, treats and disposes of wastewater from more than 6,500 residential and commercial connections in Carmel and surrounding areas and portions of lower Carmel Valley.

The fixed rate user fees include funds required for current operation and maintenance costs.

RESOLUTION NO. 2026-48

A RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT  
TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS AND  
PROPERTY RELATED FEES AND CHARGES

-oOo-

WHEREAS, the Carmel Area Wastewater District (“Public Agency”) requests that the Monterey County Auditor-Controller enter those general or special taxes, assessments, or property related Fees or Charges identified in Exhibit “A” on the tax roll for collection and distribution by the Monterey County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2026-27.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Public Agency hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the general or special taxes, assessments, or property-related fees or charges identified in Exhibit “A,” regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.
2. The Public Agency further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees and agents, the Public Agency shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the County of Monterey, its officers, employees and agents for every claim,

demand or challenge to the levying or imposition of the general or special taxes, assessments, or property related fees or charges identified in Exhibit "A" and that it shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees and agents on every such action, suit or other proceeding, including all claims for refunds and interest thereon, legal fees and court costs and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED by the Board of Directors of the Carmel Area Wastewater District at a regular meeting duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Robert Siegfried, President of the Board

ATTEST:

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Domine Barringer, Board Clerk

EXHIBIT "A"  
TO  
RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT  
TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS, AND  
PROPERTY RELATED FEES AND CHARGES

FISCAL YEAR 2025-26

GENERAL TAXES: None

SPECIAL TAXES: None

ASSESSMENTS: None

FEES OR CHARGES:

1. Levied as an incident of property ownership: Sewer service user charges and sewer connection fees.
2. Other: None

# STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: June 25, 2026

Subject: Defend or Managed Retreat Reserve Account

## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving a contribution of \$1,000,000 to the Special Reserve Fund named “Defend or Managed Retreat Restricted Reserve” for fiscal year 2026-27.

## DISCUSSION

At the March 2017 regular Board meeting resolution 2017-09 was passed, which established a “Defend or Managed Retreat Restricted Reserve” to allow the Carmel Area Wastewater District (District) options in coming to terms with sea level rise. The current balance of the reserve fund is \$8,878,139. The initial funding goal was \$15,000,000 over 15 years.

The Budget Committee was given the task to annually review and make recommendations regarding future funding. During this year’s Budget Committee meetings, the Committee recommended a contribution for fiscal year 2026-27 of \$1,000,000. This marks the tenth year the Committee has recommended a contribution to fund the account, bringing the total principal balance to \$9M. With additional interest earnings of \$878,139, the total fund balance as of June 26, 2025, \$8,878, 139.80..

At the March 26, 2026 regular meeting, the Board reaffirmed its commitment sea level rise activities by continuing dedicated funding by a motion and directing that inflation adjustments be reviewed annually. The Board requested staff return with a recommendation regarding the appropriate inflation metric to be used. The recommendation is to utilize the San Francisco-Oakland Consumer Price Index (CPI) for All Urban Consumers, which is widely used for general inflation measures.

All Urban Consumers is selected because it measures the percentage change in prices faced by urban consumers, covering about 93% of the U.S. population vs. Urban Wage Earners and Clerical Workers, which reflects the expenditures of urban households that derive more than half their income from clerical and hourly wage jobs.

The accrued average annual interest on the reserve balance has been calculated based on the average difference between the Monterey County average annual interest rate and the annual San Francisco-Oakland CPI, the differential rate is -1.06%.

Note: the 2026 number has not yet been calculated because we do not have the final 06-30-26 interest rate from the County or the Bureau of Labor Statistics. It generally takes 30-60 days for that information.

This dedicated reserve fund, combined with our Sea Level Rise Study prepared by Environmental Science Associates (ESA), serves notice to the public and regulatory agencies that the District is intent upon addressing sea level rise.

## **FUNDING**

There are enough funds in General Reserves to move into the Defend or Managed Retreat Restricted Reserve.

This will bring the total principal to \$9M plus a total accrued interest of \$878,139 interest for fiscal year 2025-26.

Staff recommends that this contribution continue to be part of the annual budget process, first at the Budget Committee level and then followed with a presentation to the full Board.

# Managed Retreat Reserve

| Date    | Resolution | Amount      | SF-Oakland          |            |            | Interest     | Cummulative Total |
|---------|------------|-------------|---------------------|------------|------------|--------------|-------------------|
|         |            |             | County Avg Int Rate | Annual CPI | Difference |              |                   |
| 3/23/17 | 2017-09    | \$500,000   | 1.23%               | 3.20%      | -1.97%     | \$6,150.00   | \$506,150.00      |
| 6/28/18 | 2018-21    | \$500,000   | 1.74%               | 3.90%      | -2.16%     | \$17,507.01  | \$1,023,657.01    |
| 6/27/19 | 2019-26    | \$1,000,000 | 2.38%               | 3.30%      | -0.92%     | \$24,363.04  | \$2,048,020.05    |
| 6/25/20 | 2020-41    | \$1,000,000 | 1.74%               | 1.70%      | 0.04%      | \$35,635.55  | \$3,083,655.60    |
| 6/24/21 | 2021-31    | \$1,000,000 | 0.67%               | 3.20%      | -2.53%     | \$20,660.49  | \$4,104,316.09    |
| 6/30/22 | 2022-34    | \$1,000,000 | 0.99%               | 5.60%      | -4.61%     | \$40,632.73  | \$5,144,948.82    |
| 6/29/23 | 2023-39    | \$1,000,000 | 2.94%               | 3.70%      | -0.76%     | \$151,261.50 | \$6,296,210.32    |
| 6/27/24 | 2024-37    | \$1,000,000 | 4.13%               | 2.80%      | 1.33%      | \$260,033.49 | \$7,556,243.81    |
| 6/26/25 | 2025-31    | \$1,000,000 | 4.26%               | 2.20%      | 2.06%      | \$321,895.99 | \$8,878,139.80    |
| 6/25/26 | 2026-xx    | \$1,000,000 |                     |            |            |              | \$9,878,139.80    |
|         |            | Avg         | 2.23%               | 3.29%      | -1.06%     |              |                   |

**Consumer Price Index for All Urban Consumers (CPI-U)  
12-Month Percent Change**

**Series Id:** CUURS49BSA0

**Not Seasonally Adjusted**

**Series Title:** All items in San Francisco-

**Area:** San Francisco-Oakland-

**Item:** All items

**Base Period:** 1982-84=100

**Years:** 2016 to 2026

Data Not Available At The Timing Of This Report

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Annual | HALF1 | HALF2 |
|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------|-------|-------|
| 2016 |     | 3.0 |     | 2.7 |     | 2.7 |     | 3.1 |     | 3.6 |     | 3.5 | 3.0    | 2.8   | 3.2   |
| 2017 |     | 3.4 |     | 3.8 |     | 3.5 |     | 3.0 |     | 2.7 |     | 2.9 | 3.2    | 3.6   | 2.9   |
| 2018 |     | 3.6 |     | 3.2 |     | 3.9 |     | 4.3 |     | 4.4 |     | 4.5 | 3.9    | 3.4   | 4.3   |
| 2019 |     | 3.5 |     | 4.0 |     | 3.2 |     | 2.7 |     | 3.0 |     | 2.5 | 3.3    | 3.7   | 2.9   |
| 2020 |     | 2.9 |     | 1.1 |     | 1.6 |     | 1.6 |     | 1.1 |     | 2.0 | 1.7    | 2.0   | 1.4   |
| 2021 |     | 1.6 |     | 3.8 |     | 3.2 |     | 3.7 |     | 3.8 |     | 4.2 | 3.2    | 2.5   | 3.9   |
| 2022 |     | 5.2 |     | 5.0 |     | 6.8 |     | 5.7 |     | 6.0 |     | 4.9 | 5.6    | 5.4   | 5.8   |
| 2023 |     | 5.3 |     | 4.2 |     | 2.9 |     | 3.4 |     | 2.8 |     | 2.6 | 3.7    | 4.4   | 2.9   |
| 2024 |     | 2.4 |     | 3.8 |     | 3.2 |     | 2.7 |     | 2.4 |     | 2.4 | 2.8    | 3.0   | 2.5   |
| 2025 |     | 2.7 |     | 1.3 |     | 1.5 |     | 2.5 |     |     |     | 3.0 | 2.2    | 1.9   | 2.5   |
| 2026 |     | 2.5 |     | 3.8 |     |     |     |     |     |     |     |     |        |       |       |

Oct 25 data unavailable due to lapse in appropriations

RESOLUTION NO. 2026-49

A RESOLUTION APPROVING A CONTRIBUTION OF \$1,000,000 TO THE “DEFEND OR  
MANAGED RETREAT RESTRICTED RESERVE” AS PART OF THE  
BUDGET PROCESS FOR FISCAL YEAR 2026-27

-oOo-

WHEREAS, the Board of Directors authorized the creation of a “Defend or Managed Retreat Restricted Reserve” in 2017 with resolution 2017-09 to enable the Carmel Area Wastewater District (District) to address the potential impacts surrounding sea level rise throughout the District’s infrastructure; and.

WHEREAS, the Board of Directors agreed that any continued annual contributions be determined as part of the annual budget process with a recommendation by the Budget Committee; and

WHEREAS, the Budget Committee, as part of their process, determined that the fiscal year 2026-27 contribution should be \$1,000,000 and made this recommendation to the full board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby elect to contribute \$1,000,000 to the Defend or Managed Retreat Restricted Reserve as part of the Budget process for Fiscal Year 2026-27.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Robert Siegfried, President of the Board

ATTEST:

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Domine Barringer, Board Clerk

# Staff Report



To: Board of Directors

From: Barbara Buikema, General Manager

Subject: 2026-27 Property Tax Appropriations Limit

Date: June 25, 2026

## RECOMMENDATION

It is recommended that the Board adopt a resolution determining the fiscal year 2026-27 tax proceeds appropriation limit to be \$3,213,485 based on the California Per Capita Income factor and the County of Monterey Population factor.

## DISCUSSION

In November 1979, the voters of California followed up the limitations of Prop 13 with an amendment to the state Constitution to limit the growth of government spending, commonly known as the Gann Initiative. Article XIII B of the California Constitution specifies that appropriations made by State and local governments may increase annually by a factor composed of the change in population combined with either the change in California per capita personal income or the change in the local assessment roll due to local nonresidential construction. Proposition 111 now requires a recorded vote of the Board regarding which of the annual adjustment factors have been selected each year.

Pursuant to Government Code Section 37200, the Appropriations Limit and the total Appropriations Subject to Limitation must be published in the annual budget. The adoption must be done at a regular meeting or noticed special meeting. The documentation used to compute the Limit must be available to the public at least 15 days prior to the meeting. Once adopted, the public has 45 days to initiate judicial action regarding the Limit. An information form must be submitted to the State Controller's Office no later than 90 days after the start of each fiscal year.

Property taxes received may be reduced by qualified capital outlay with a useful life of 10 years and a value of at least \$100,000.

Data received from the State for purposes of computation follows:

|   |                |
|---|----------------|
| California per capita personal income change for 2026-27        | 4.95%          |
| Population change for Monterey County 1-1-25 to 1-1-26          |                |
| Carmel-by-the-Sea   | -0.42%         |
| Unincorporated  | -0.17%         |
| Change in local assessment role for nonresidential construction | Not available. |

## SUMMARY

The attached schedule shows that the District is in compliance with the appropriation limit for the 2026-27 fiscal year.

**CARMEL AREA WASTEWATER DISTRICT  
SCHEDULE OF NET PROCEEDS OF PROPERTY TAXES  
UNDER/(OVER) APPROPRIATIONS LIMIT**

|   | 2013-14          | 2014-15          | 2015-16            | 2016-17            | 2017-18          | 2018-19          | 2019-20          | 2020-21          | 2021-22            | 2022-23          | 2023-24          | 2024-25          | Estimated<br>2025-26 | Estimated<br>2026-27 |
|---|------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|----------------------|----------------------|
| PROPERTY TAXES RECEIVED   | 1,529,137        | 1,621,571        | 1,736,624          | 1,823,473          | 1,941,135        | 2,050,675        | 2,140,553        | 2,296,166        | 2,433,667          | 2,635,210        | 2,797,355        | 2,951,328        | 2,995,598            | 3,040,532            |
| LESS: EXPENDITURES NOT SUBJECT TO APPROPRIATIONS LIMIT:                                   |                  |                  |                    |                    |                  |                  |                  |                  |                    |                  |                  |                  |                      |                      |
| 1. QUALIFIED CAPITAL OUTLAY   | (714,013)        | (1,163,737)      | (5,104,508)        | (4,295,754)        | (2,903,748)      | (1,476,444)      | (2,547,543)      | (568,672)        | (4,236,061)        | (3,083,797)      | (2,085,895)      | (1,651,896)      | (1,133,240)          | (6,800,500)          |
| <b>(1) NET PROCEEDS SUBJECT TO LIMIT</b>  | <b>815,124</b>   | <b>457,834</b>   | <b>(3,367,884)</b> | <b>(2,472,281)</b> | <b>(962,613)</b> | <b>574,231</b>   | <b>(406,990)</b> | <b>1,727,494</b> | <b>(1,802,394)</b> | <b>(448,587)</b> | <b>711,460</b>   | <b>1,299,432</b> | <b>1,862,358</b>     | <b>(3,759,968)</b>   |
| LESS: OPERATING EXPENDITURES UNEXPENDED PROCEEDS OF TAXES BEFORE INTEREST ALLOCATION..... | (815,124)        | (457,834)        | 3,367,884          | 2,472,281          | 962,613          | (574,231)        | 406,990          | (1,727,494)      | 1,802,394          | 448,587          | 712,508          | (1,299,432)      | (1,862,358)          | 3,759,968            |
| INTEREST ALLOCATION (NOTE 2)  | -0-              | -0-              | -0-                | -0-                | -0-              | -0-              | -0-              | -0-              | -0-                | -0-              | -0-              | -0-              | -0-                  | -0-                  |
| <b>UNEXPENDED PROCEEDS OF TAXES..</b>   | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>         | <b>-0-</b>         | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>         | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>       | <b>-0-</b>           | <b>-0-</b>           |
| <b>(2) APPROPRIATIONS LIMIT (below)</b>   | <b>1,843,690</b> | <b>1,856,924</b> | <b>1,927,858</b>   | <b>2,036,260</b>   | <b>2,132,512</b> | <b>2,214,312</b> | <b>2,311,061</b> | <b>2,403,256</b> | <b>2,530,291</b>   | <b>2,673,977</b> | <b>2,779,017</b> | <b>2,895,456</b> | <b>3,074,834</b>     | <b>3,213,485</b>     |
| NET PROCEEDS OF TAXES UNDER (OVER) APPROPRIATIONS LIMIT                                   |                  |                  |                    |                    |                  |                  |                  |                  |                    |                  |                  |                  |                      |                      |
| <b>LINE (1) ABOVE MINUS LINE (2) ABOVE..</b>  | <b>1,028,565</b> | <b>1,399,089</b> | <b>5,295,742</b>   | <b>4,508,541</b>   | <b>3,095,125</b> | <b>1,640,081</b> | <b>2,718,051</b> | <b>675,762</b>   | <b>4,332,685</b>   | <b>3,122,564</b> | <b>2,067,557</b> | <b>1,596,024</b> | <b>1,212,477</b>     | <b>6,973,454</b>     |

A plus figure on the above line indicates that the District is in compliance.  
THE DISTRICT HAS FAILED TO COMPLY WITH THE APPROPRIATIONS LIMIT IN ONLY ONE YEAR - 1991/92. THE LAW STATES THAT ANY EXCESS OF TAXES RECEIVED DURING ONE YEAR MAY BE OFFSET BY THE OPPOSITE SITUATION THE FOLLOWING YEAR. DIEHL, EVANS & CO., CONSULTANTS VERIFIED ALL COMPLIANCE FIGURES FOR THE YEARS PRIOR TO 1991/92. THE SAME FORMULA USED BY DIEHL, EVANS IN THEIR COMPUTATIONS FOR YEARS PRIOR TO 1991/92 IS USED ABOVE. BASICALLY, PROPERTY TAXES NOT EXPENDED (REDUCED BY QUALIFIED CAPITAL OUTLAY AND OPERATING EXPENSES) IN EXCESS OF THE LIMIT MUST BE RETURNED TO THE STATE UNLESS OFFSET BY AN EQUAL AMOUNT IN THE FOLLOWING YEAR.

**NOTE 1: QUALIFIED CAPITAL OUTLAY:**

Beginning in fiscal year 1990-91, the District may offset proceeds of taxes by expenditures for "qualified capital outlay", which is defined as expenditure for assets with a useful life of 10 years or more and a value of \$100,000. The District's sewer replacement projects and Secondary Improvement projects are shown here.

**NOTE 2: INTEREST ALLOCATION:**

For purposes of this schedule, it has been assumed that the District expends proceeds of taxes upon receipt, for operating expenditures, before expending non-proceeds of taxes. Accordingly no interest income has been allocated to proceeds of taxes.

**CARMEL AREA WASTEWATER DISTRICT  
SCHEDULE OF NET PROCEEDS OF PROPERTY TAXES  
UNDER/(OVER) APPROPRIATIONS LIMIT**

Schedule A

**CARMEL AREA WASTEWATER DISTRICT  
APPROPRIATIONS LIMIT CALCULATIONS**

| Fiscal Year | Inflation Factor<br>U.S. CPI | California Per Capita Income | County of Monterey Population Factor | Combined Factor | Cumulative Factor | Approp. Limit |                               |
|-------------|------------------------------|------------------------------|--------------------------------------|-----------------|-------------------|---------------|-------------------------------|
| Base Yr.)   |                              |                              |                                      |                 |                   | \$255,766     |                               |
| 1979-80     | 1.1017                       | -                            | 1.0140                               | 1.1171          | 1.1171            | \$285,716     | Base year per Prop 4 (1979)   |
| 1980-81     | -                            | 1.1211                       | 1.0158                               | 1.1388          | 1.2722            | \$325,373     |                               |
| 1981-82     | -                            | 1.0912                       | 1.0169                               | 1.1096          | 1.4116            | \$361,033     |                               |
| 1982-83     | 1.0679                       | -                            | 1.0043                               | 1.0725          | 1.5139            | \$387,172     |                               |
| 1983-84     | -                            | 1.0235                       | 1.0195                               | 1.0434          | 1.5796            | \$404,029     |                               |
| 1984-85     | 1.0474                       | -                            | 1.0159                               | 1.0641          | 1.6808            | \$429,927     |                               |
| 1985-86     | 1.0374                       | -                            | 1.0230                               | 1.0613          | 1.7838            | \$456,282     |                               |
| 1986-87     | 1.0230                       | -                            | 1.0346                               | 1.0584          | 1.8879            | \$482,929     | Base year per Prop 111 (1989) |
| 1987-88     | 1.0304                       | -                            | 1.0151                               | 1.0460          | 1.9747            | \$505,144     |                               |
| 1988-89     | 1.0393                       | -                            | 1.0213                               | 1.0614          | 2.0960            | \$536,210     |                               |
| 1989-90     | 1.0498                       | -                            | 1.0088                               | 1.0590          | 2.2198            | \$567,846     |                               |
| 1990-91     | -                            | 1.0421                       | 1.0162                               | 1.0590          | 2.3507            | \$601,349     |                               |
| 1991-92     | -                            | 1.0414                       | 1.0265                               | 1.0690          | 2.5129            | \$642,842     |                               |
| 1992-93     | -                            | 0.9936                       | 1.0229                               | 1.0464          | 2.5541            | \$653,252     |                               |
| 1993-94     | -                            | 1.0272                       | 1.0253                               | 1.0532          | 2.6899            | \$687,997     |                               |
| 1994-95     | -                            | 1.0071                       | 1.0369                               | 1.0443          | 2.8091            | \$718,472     |                               |
| 1995-96     | -                            | 1.0472                       | 1.0197                               | 1.0678          | 2.9996            | \$767,206     |                               |
| 1996-97     | -                            | 1.0467                       | 1.0096                               | 1.0567          | 3.1699            | \$810,744     |                               |
| 1997-98     | -                            | 1.0467                       | 1.0174                               | 1.0649          | 3.3756            | \$863,371     |                               |
| 1998-99     | -                            | 1.0415                       | 1.0470                               | 1.0905          | 3.6810            | \$941,464     |                               |
| 1999-00     | -                            | 1.0453                       | 1.0293                               | 1.0759          | 3.9604            | \$1,012,946   |                               |
| 2000-01     | -                            | 1.0491                       | 1.0305                               | 1.0811          | 4.2816            | \$1,095,094   |                               |
| 2001-02     | -                            | 1.0782                       | 1.0173                               | 1.0969          | 4.6963            | \$1,201,157   |                               |
| 2002-03     | -                            | 0.9873                       | 1.0135                               | 1.0006          | 4.6993            | \$1,201,912   |                               |
| 2003-04     | -                            | 1.0231                       | 1.0111                               | 1.0345          | 4.8612            | \$1,243,325   |                               |
| 2004-05     | -                            | 1.0328                       | 1.0156                               | 1.0489          | 5.0990            | \$1,304,139   |                               |
| 2005-06     | -                            | 1.0526                       | 1.0013                               | 1.0540          | 5.3741            | \$1,374,521   |                               |
| 2006-07     | -                            | 1.0396                       | 1.0038                               | 1.0436          | 5.6083            | \$1,434,425   |                               |
| 2007-08     | -                            | 1.0442                       | 1.0067                               | 1.0512          | 5.8955            | \$1,507,862   |                               |
| 2008-09     | -                            | 1.0429                       | 1.0156                               | 1.0592          | 6.2443            | \$1,597,081   |                               |
| 2009-10     | -                            | 1.0062                       | 1.0145                               | 1.0208          | 6.3741            | \$1,630,284   |                               |
| 2010-11     | -                            | 0.9746                       | 1.0137                               | 0.9880          | 6.2973            | \$1,610,642   |                               |
| 2011-12     | -                            | 1.0251                       | 1.0063                               | 1.0316          | 6.4961            | \$1,661,471   |                               |
| 2012-13     | -                            | 1.0377                       | 1.0091                               | 1.0471          | 6.8023            | \$1,739,798   |                               |
| 2013-14     | -                            | 1.0512                       | 1.0081                               | 1.0597          | 7.2085            | \$1,843,690   |                               |
| 2014-15     | -                            | 0.9977                       | 1.0095                               | 1.0072          | 7.2602            | \$1,856,924   |                               |
| 2015-16     | -                            | 1.0382                       | 1.0000                               | 1.0382          | 7.5376            | \$1,927,858   |                               |
| 2016-17     | -                            | 1.0537                       | 1.0024                               | 1.0562          | 7.9614            | \$2,036,260   |                               |
| 2017-18     | -                            | 1.0369                       | 1.01                                 | 1.0473          | 8.3377            | \$2,132,512   |                               |
| 2018-19     | -                            | 1.0367                       | 1.0016                               | 1.0384          | 8.6576            | \$2,214,312   |                               |
| 2019-20     | -                            | 1.0385                       | 1.005                                | 1.0437          | 9.0358            | \$2,311,061   |                               |
| 2020-21     | -                            | 1.0373                       | 1.0025                               | 1.0399          | 9.3963            | \$2,403,256   |                               |
| 2021-22     | -                            | 1.0373                       | 0.9958                               | 1.0529          | 9.8930            | \$2,530,291   |                               |
| 2022-23     | -                            | 1.0755                       | 0.9826                               | 1.0568          | 10.4548           | \$2,673,977   |                               |
| 2023-24     | -                            | 1.0444                       | 0.9951                               | 1.0393          | 10.8655           | \$2,779,017   |                               |
| 2024-25     | -                            | 1.0362                       | 1.0055                               | 1.0419          | 11.3207           | \$2,895,456   |                               |
| 2025-26     | -                            | 1.0644                       | 0.9977                               | 1.0620          | 12.0221           | \$3,074,834   |                               |
| 2026-27     | -                            | 1.0495                       | 0.9958                               | 1.0451          | 12.5642           | \$3,213,485   |                               |

RESOLUTION NO. 2026-50

A RESOLUTION DETERMINING THE FISCAL YEAR 2026-27  
TAX PROCEEDS APPROPRIATION LIMITATION FOR THE  
CARMEL AREA WASTEWATER DISTRICT

-oOo-

WHEREAS, Article XIII-B of the California Constitution provides that there shall be specified appropriations limits for each entity of local government, with permitted annual adjustments of same; and

WHEREAS, such calculations incorporate the applicable inflation and population adjustment factors, including the County of Monterey population factor; and

WHEREAS, based on these calculations, the District has determined that the maximum appropriations limit applicable to the proceeds of taxes, other than for debt service, for fiscal year 2026-27 is \$3,213,485;

WHEREAS, pursuant to Government Code §37200 the appropriations limit and the total appropriations subject to limitation must be published in the annual budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District (District) that, on the basis of appropriation limit calculations, which are on file and available in the office of the Secretary of the District, and which include the selected annual adjustment factors of a) the state per capita personal income change and b) the Monterey County population change, the District hereby determines the maximum limit applicable to the appropriation of tax proceeds, other than for debt service, by the District for the fiscal year 2026-27, to be the sum of \$3,213,485.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on June 25, 2026, by the following vote:

AYES: BOARD MEMBERS:  
NOES: BOARD MEMBERS:  
ABSENT: BOARD MEMBERS:  
ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Robert Siegfried, President of the Board

ATTEST:

\_\_\_\_\_  
Domine Barringer, Board Clerk

# Staff Report



To: Board of Directors  
From: Barbara Buikema, General Manager  
Date: June 25, 2026  
Subject: Basic Residential Unit Sewer Connection Fees for FY 2026-27

## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving an increase in the basic residential unit connection fee to \$5,578.62 as detailed in the attached Schedule of Connection Fees effective July 1, 2026.

## DISCUSSION

Sewer connection fees are set by ordinance in accordance with the California Health and Safety Code Section 5474. Connection fees are charged to recover a portion of the capital costs for the treatment facility from future users. Per the State Water Resources Control Board (SWRCB) guide for grant funded facilities, connection fees may be used to recover debt service costs if the user had been connected when the treatment works began operation. Connection fees may not be used to recover excessive cost from future users in order to reduce charges to current users. Connection fees may not be used to fund replacement costs. Therefore, the District calculations are based on the acquisition cost of its plant assets.

The recommended connection fee has increased by 5.39%, from \$5,293.20 to \$5,578.62, based on updated fixed asset data. As the District is fully built out, the increase is not expected to materially impact annual revenues. CIP costs are incorporated into the calculation only after project completion and capitalization.

Detailed computation spreadsheets are available at the Board's request. Because CAWD is a built-out (fully developed) District it is estimated that the increase of \$285.31 per connection fee

will not result in any substantial revenue change for the year. Capital Improvement Projects (CIP) are not included in the computation until they are complete and moved into Fixed Assets.

The District's total assets are reflected on the books at a cost basis of \$120,395,719. This figure includes all Reclamation tertiary and Secondary facilities and the Collection system. It does not include the impact of reductions from receipt of grant funds and reimbursement from Pebble Beach Community Special District (PBCSD). It does not include any increased land appraisal value. It is generally acknowledged that the replacement cost for total Plant assets would be about \$125-150 million.

The purpose of the connection calculation is to determine what a new connector would be expected to pay for their fair share of treatment and disposal assets. The calculation is per equivalent residential unit based on original construction costs adjusted to present day value. It does not attempt to recover replacement costs because of State Resources Control Board (SWRCB) direction to charge for acquisition value only. A new connector becomes part owner of the District upon payment of the fees because they are paying a pro-rata share of the cost of assets used to treat the property owner's sewage.

Please note: for the purposes of this calculation, office equipment, vehicles and structures are not fully depreciated but are instead assigned a minimum salvage value of 10% for equipment and vehicles and 25% for structures. This assumption ensures that all assets will retain some value in the computation regardless of whether they are fully depreciated.

The formula for the connection fee, as suggested by Kennedy/Jenks/Chilton (engineering consultant), starts with assets of \$116,870,286 and excludes all Reclamation tertiary (Reclamation Secondary facilities are included) and Collection assets to arrive at applicable connection fee assets of \$48,685,235.

According to the formula, the applicable assets are then depreciated according to appropriate lives (down to a stated minimum), updated by the current Engineering News Record (ENR) Construction index and decreased by grant funds received and reimbursement from PBCSD. This mathematical process reduces the applicable assets from \$116,870,286 down to a local present value cost of \$48,685,235. To this is added the District's current assets of \$62,887,080, for a total value of applicable assets of \$111,572,315.

A connection fee per gallon per day is determined by dividing \$111,572,315 (total current value) by 2,000,000 gallons per day (gpd), which is CAWD's share of the permitted authorized flows. The 2 million gpd figure is CAWD's 2/3 share of permitted flows as opposed to actual flows or

designed flows.

The resulting figure is then multiplied by 100 gpd (the average daily flow per equivalent residential unit) to arrive at the actual connection fee per equivalent residential unit.

This calculation results in a connection fee per equivalent residential unit (ERU) of \$5,578.62. The reason for the increase includes a very minor decrease in the ENR index of 0.55% from 2026 and an increase in current assets value of 5.3 % over 2025. The current assets can vary greatly from year-to-year depending on cash on hand, accounts receivable, prepaid expenses, and other cash items.

### **COMPARISON CONNECTION FEES**

The SWRCB survey of Single-Family Dwelling (SFD) Connection Fee for the last year available FY 2016-17 average is \$4,297.26. Monterey County average connection fee for a Single-Family Dwelling is \$4,818.97 for the FY 2016-17 survey.

This data is ten years old and is the last available report from the State Water Resources Control Board. There was a survey sent out this past spring from the State Water Resources Control Board to update user fee and connection fee data. While we do not have the date when the update will be released, we will bring the information to the Board upon receipt.

#### **Attachments:**

1. 2026 Connection Fee Calculations-, June 2026
2. Connection Fee Summary 07-01-26

CARMEL AREA WASTEWATER DISTRICT - CONNECTION FEE CALCULATIONS  
6/14/2026 for records dated 6/30/25

| Reclamation |       |                                |         |         |          |                   |                       |                      |             |            |                      |            |                      |            |                      |  |
|-------------|-------|--------------------------------|---------|---------|----------|-------------------|-----------------------|----------------------|-------------|------------|----------------------|------------|----------------------|------------|----------------------|--|
| Collection  |       |                                |         |         |          |                   |                       |                      |             |            |                      |            |                      |            |                      |  |
| Asset No    | GL No | DESCRIPTION OF ASSET           | CUR YR. | PUR YR. | USE LIFE | % VALUE REMAINING | ORIGINAL COST         | DEPRECIATED VALUE    | CURRENT ENR | ORIGIN ENR | UPDATED VALUE        | LOCAL COST | LOCAL VALUE          | % CSD COST | CSD VALUE            |  |
| 7013        | 1553  | Clock - irrigation (office)    | 2024    | 1996    | 6        | 25.00             | 285.00                | 71.25                | 15282.03    | 6629.61    | 164.24               | 100.0      | 164.24               | 100.0      | 164.24               |  |
| 7014        | 1553  | Cobblestones @ Admin Bldg      | 2024    | 2000    | 12       | 25.00             | 1,450.00              | 362.50               | 15282.03    | 7447.99    | 743.79               | 100.0      | 743.79               | 100.0      | 743.79               |  |
| 578         | 1553  | Furnace replacement            | 2024    | 2009    | 15       | 10.00             | 2,950.00              | 295.00               | 15282.03    | 9755.17    | 462.13               | 100.0      | 462.13               | 100.0      | 462.13               |  |
|             | 1553  | Tile floors                    | 2024    | 2016    | 15       | 46.67             | 26,477.31             | 12,356.08            | 15282.03    | 11548.40   | 16,350.83            | 100.0      | 16,350.83            | 100.0      | 16,350.83            |  |
|             | 1553  | Fencing                        | 2024    | 2017    | 5        | 10.00             | 23,875.00             | 2,387.50             | 15282.03    | 12037.27   | 3,031.07             | 100.0      | 3,031.07             | 100.0      | 3,031.07             |  |
|             | 1553  | Admin Lobby COVID improvements | 2024    | 2021    | 25       | 88.00             | 62,824.42             | 55,285.49            | 15282.03    | 13459.10   | 62,773.48            | 100.0      | 62,773.48            | 100.0      | 62,773.48            |  |
|             | 1553  | Simples Station pump at Admin  | 2024    | 2023    | 10       | 90.00             | 9,923.78              | 8,931.40             | 15282.03    | 15367.26   | 8,881.87             | 100.0      | 8,881.87             | 100.0      | 8,881.87             |  |
|             | 1553  | Edges Electrical Group         | 2024    | 2023    | 5        | 80.00             | 100.04                | 80.03                | 15282.03    | 15367.26   | 79.59                | 100.0      | 79.59                | 100.0      | 79.59                |  |
|             | 1553  | Bryan Mailey Repairs           | 2024    | 2023    | 5        | 80.00             | 1,125.00              | 900.00               | 15282.03    | 15367.26   | 895.01               | 100.0      | 895.01               | 100.0      | 895.01               |  |
|             | 1553  | Spot Repairs Rooter King       | 2024    | 2023    | 10       | 90.00             | 6,939.00              | 6,245.10             | 15282.03    | 15367.26   | 6,210.46             | 100.0      | 6,210.46             | 100.0      | 6,210.46             |  |
|             |       | SubTotal:                      |         |         |          |                   | <b>849,342.24</b>     | <b>195,865.01</b>    |             |            | <b>374,530.53</b>    |            | <b>374,530.53</b>    |            | <b>374,530.53</b>    |  |
| 7015        | 1554  | Infiltration/Inflow Analysis   | 2024    | 2000    | 10       | 10.00             | 112,073.45            | 11,207.35            | 15282.03    | 7447.99    | 22,995.60            | 100.0      | 22,995.60            | 100.0      | 22,995.60            |  |
|             |       | SubTotal:                      |         |         |          |                   | <b>112,073.45</b>     | <b>11,207.35</b>     |             |            | <b>22,995.60</b>     |            | <b>22,995.60</b>     |            | <b>22,995.60</b>     |  |
|             |       | Grand Total:                   |         |         |          |                   | <b>116,870,286.23</b> | <b>51,665,256.62</b> | 15282.03    |            | <b>86,102,718.87</b> | 100.0      | <b>85,203,965.88</b> |            | <b>29,369,235.28</b> |  |

0.00

| EXCLUDED ASSETS:                  |              |  |                      |
|-----------------------------------|--------------|--|----------------------|
|                                   | GL Acct #    |  |                      |
| Reclamation - Tertiary Structures | 1426 to 1431 |  | 35,401,679.66        |
| Reclamation - O & M               | 1460         |  | 1,644,623.57         |
| Pump Station structures           | 1501 to 1506 |  | 1,185,250.67         |
| Pump Station Equipment            | 1521 to 1527 |  | 1,882,039.62         |
| Sewer Systems                     | 1530         |  | 16,248,709.66        |
| <b>Total</b>                      |              |  | <b>56,362,303.18</b> |

60,507,983.05  
ck

116,870,286.23  
ck

**6/30/2025 Check**

|             |                       |
|-------------|-----------------------|
| Land        | 308,059.76            |
| Assets      | <u>116,562,226.47</u> |
| CIP         | <u>3,525,433.48</u>   |
| deprec      | <u>120,395,719.71</u> |
| Total FA, n | <u>54,938,654.22</u>  |

|   |                       |
|---|-----------------------|
| TOTAL ASSETS PER AUDITED GENERAL LEDGER | <b>120,395,719.71</b> |
| CIP                                     | <b>(3,525,433.48)</b> |
|   | <b>116,870,286.23</b> |

oob 0.00

- a. Current CAWD share value from above. \$48,685,235.23
- b. Total current assets as of end of June 30, 2023. \$62,887,080.00
- c. Total current value of all District assets. (a+b) \$111,572,315.23
- d. Current Authorized Design Flow. (NPDES Permit) 3,000,000 gpd
- e. Average daily flow per capita. (Design criteria) 50 gpd
- f. Average number of people per residential unit.(County Planning) 2.00 persons.
- g. Average daily flow per residential unit. (e\*f) 100 gpd
- h. CAWD Share of authorized flows. (2/3 \* d) 2,000,000 gpd
- i. Connection fee per unit flow. (c/h) \$55.79 per gpd.
- j. Connection fee per E.R.U. (g\*i) \$5,578.62 per residential unit.

A = Input Item No. from auditor's depreciation schedule.  
B = Input current year.

CARMEL AREA WASTEWATER DISTRICT - CONNECTION FEE CALCULATIONS  
6/14/2026 for records dated 6/30/25

| Reclamation |       |                      |         |         |          |                   |               |                   |             |            |               |            |             |            |           |
|-------------|-------|----------------------|---------|---------|----------|-------------------|---------------|-------------------|-------------|------------|---------------|------------|-------------|------------|-----------|
| Collection  |       | A                    | B       | C       | D        | E                 | F             | G                 | H           | J          | K             | L          | M           | N          | O         |
| Asset No    | GL No | DESCRIPTION OF ASSET | CUR YR. | PUR YR. | USE LIFE | % VALUE REMAININC | ORIGINAL COST | DEPRECIATED VALUE | CURRENT ENR | ORIGIN ENR | UPDATED VALUE | LOCAL COST | LOCAL VALUE | % CSD COST | CSD VALUE |

- C = Input year of purchase.
- D = Input number of years for depreciation.
- E =  $(1 - ((B - C) / D)) * 100$  = % value remaining. All assets are depreciated down to a functional value of 25% of cost for structures & 10% of cost for equip
- F = Input original cost.
- G =  $(E * F) / 100$  = depreciated value.
- H = Input current year ENR. (San Francisco Construction) Use Sept/Oct ENR for previous fiscal year in column B.
- J = Input ENR for year of purchase. (San Francisco Construction) Use Sept/Oct ENR of current fiscal year of purchase. Therefore, Col H & J can never be the same.
- K =  $(G * J) / H$  = updated value.
- L = Input local cost % when considering grant funding received. Reverts to 100% when asset functional value floor reached
- M =  $(L * K) / 100$  = local cost.
- N = Input CSD share % when considering 1/3 paid by PBCSD.
- O =  $(M * N) / 100$  = CAWD cost.

Connection fees may not be used to fund replacement costs

**CARMEL AREA WASTEWATER DISTRICT  
CONNECTION FEE CALCULATIONS**

Based on audited figures for capital assets at June 30, 2025  
effective July 1, 2026

|  |               |                           |
|--|---------------|---------------------------|
| Balance of applicable assets - June 30, 2025   |               | 116,870,286.23            |
| Depreciated Value.....   | 51,665,256.62 |                           |
| ENR Updated Value.....   | 86,102,718.87 |                           |
| Local Value - Net after grant funds.....   | 85,203,965.88 |                           |
| <br>Excluded Assets  |               |                           |
| Reclamation – Tertiary Structures  | 35,401,679.66 |                           |
| Reclamation – O&M  | 1,644,623.57  |                           |
| Pump Station Structures  | 1,185,250.67  |                           |
| Pump Station Equipment   | 1,882,039.62  |                           |
| Sewer System   | 16,248,709.66 |                           |
| <br>   |               |                           |
| CAWD's share - Net of PBCSD reimbursement.....   |               | 48,685,235.23             |
| Add Current assets balances at June 30, 2024.....  |               | 62,887,080.00             |
|  |               | -----                     |
| (A) Total value of applicable assets.....  |               | 111,572,315.23            |
| <br>   |               |                           |
| (B) Average daily flow per equivalent residential unit<br>as prescribed by the County..... | 50 gpd        |                           |
| <br>   |               |                           |
| (C) CAWD's share of authorized flows:<br>2/3 x 3 mgd.....                                  | 2,000,000 gpd |                           |
| <br>   |               |                           |
| (D) Connection fee per gallon per day:<br>(A) divided by (C).....                          | \$55.79       |                           |
| <br>   |               |                           |
| Connection fee per Equivalent Residential Unit<br>(B) X (D).....                           |               | <u><u>\$ 5,578.62</u></u> |

Note: Applicable assets exclude Collection sewers, pipelines and pump stations, and the tertiary portion of the Reclamation Project.

Formula used was suggested by Kennedy/Jenks/Chilton and has been used since 1985.

RESOLUTION NO. 2026-51

A RESOLUTION SPECIFYING THE DISTRICT SEWER CONNECTION  
FEES, AS ADOPTED BY ORDINANCE NO.  
85-2, COMMENCING JULY 1, 2026

-oOo-

WHEREAS, Ordinance No. 85-2 establishes and adopts sewer connection and annexation fees for the Carmel Area Wastewater District, pursuant to a general formula for the determination of said fees as set forth in that ordinance, with said fees to be adjusted annually, or more frequently, based upon certain factors and determinations to be made by the District General Manager, including the current value of District assets; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that, based upon the revised information now presented to it, the District’s sewer connection fees, as adopted and established by Ordinance No. 85-2, are hereby specified to be \$5,578.62 per equivalent residential unit or per acre of vacant land, commencing July 1, 2026 and continuing until revised by further action of this Board.

PASSED AND ADOPTED by the Board of Directors of the Carmel Area Wastewater District at a regular meeting duly held on June 25, 2026, by the following vote:

- AYES: BOARD MEMBERS:
- NOES: BOARD MEMBERS:
- ABSENT: BOARD MEMBERS:
- ABSTAIN: BOARD MEMBERS:

\_\_\_\_\_  
Robert Siegfried, President of the Board

ATTEST:

\_\_\_\_\_  
Domine Barringer, Board Clerk

# STAFF REPORT



To: Board of Directors

From: Mohammed Serageldin

PhD Date: June 25, 2026

Subject: Purchase of a new Deionized (DI) Water System for the Lab

## RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the General Manager to purchase a new **Milli-Q - IQ7015/100L DI system** for the District laboratory in an amount not to exceed \$40,000 including tax and delivery fees.

## DISCUSSION

The Carmel Area Wastewater District laboratory relies on high-quality deionized water for analytical testing, quality control, reagent preparation, instrument support (Ion Chromatography), and other laboratory procedures. The existing Thermo Fisher DI system does not generate Type 1 ultrapure water. As laboratory testing requirements, quality expectations, and instrument sensitivity continue to increase, the inability to produce Type 1 water creates operational risk, quality-control limitations, and potential inefficiencies for laboratory staff.

The proposed Milli-Q IQ 7015 system would provide both Type 2 pure water and Type 1 ultrapure water from a potable tap water source. The proposed 100-liter tank configuration would also provide adequate storage capacity to support daily laboratory operations, reduce interruptions, and improve reliability. Replacing the existing system is a proactive investment in laboratory quality, operational continuity, and defensible analytical results.

## **Selection Process**

Staff recommend selecting the **Milli-Q - IQ7015/100L DI system** for the following key advantages:

1. Production of Type 1 ultrapure water for sensitive laboratory applications.
2. Production of Type 2 pure water for general laboratory needs.
3. 100-liter storage capacity to support routine laboratory demand.
4. Improved quality control through system monitoring and water quality display.
5. Better alignment with laboratory best practices and future testing needs.
6. Modern system design with serviceable consumables and vendor support.

## **FUNDING**

The Fiscal Year 2026-27 Lab O & M Budget includes \$40,000 for the purchase of a new DI water system.

### **Attachment:**

- Quote from Millipore Sigma (all prices are exclusive of all sales, use, and excise taxes, duties, customs, tariffs)



EMD Millipore Corporation  
400 Summit Drive  
Burlington, MA 01803

Phone: (800) 645-5476  
Fax: (800) 645-5439  
Email:  
CustomerCare@MilliporeSigma.com

Remit to:  
EMD Millipore Corporation  
25760 Network Place  
Chicago, IL 60673-1257

<https://www.sigmaaldrich.com>

**Our Ref R-12104708.1**  
February 18, 2026  
Expiration Date: April 4, 2026

Carmel Area Wastewater District  
Mr. Mohammad Serageldin  
3945 Rio Road  
Carmel, California 93921  
+14022157659

### Quotation

#### Milli-Q - IQ7015/100L tank - Hardware & Accessories

| Catalogue Number      | Description                                | Qty | Unit List Price (USD/\$) | Unit Net Price (USD/\$) | Total Net Price (USD/\$) |
|-----------------------|--|-----|--------------------------|-------------------------|--------------------------|
| 1. ZIQ7015T0C         | Milli-Q® IQ 7015 water purification system | 1   | 36,500.00                | 22,265.00               | 22,265.00                |
| 2. ZFCBIQXUS          | Country box IQ 70XX US                     | 1   | 132.00                   | 73.92                   | 73.92                    |
| 3. TANKA100           | Storage tank frame 100 L                   | 1   | 2,750.00                 | 1,540.00                | 1,540.00                 |
| 4. TANKT0PA1          | Storage tank top assembly                  | 2   | 1,560.00                 | 873.60                  | 1,747.20                 |
| 5. ZIQP0D000          | Q-POD® remote dispenser                    | 1   | 4,660.00                 | 3,075.60                | 3,075.60                 |
| 6. ZFC0NN2ST          | Connector 2m System-Tank                   | 1   | 188.00                   | 105.28                  | 105.28                   |
| 7. ZFC0NN2SQ          | Connector 2m System-POD                    | 1   | 170.00                   | 95.20                   | 95.20                    |
| 8. EXTSV00A1          | External solenoid valve                    | 1   | 504.00                   | 282.24                  | 282.24                   |
| 9. ZWATSENA1          | Water sensor                               | 1   | 280.00                   | 156.80                  | 156.80                   |
| 10. SYSTFIXA1         | Wall mounting bracket                      | 1   | 117.00                   | 65.52                   | 65.52                    |
| <b>Total (USD/\$)</b> |  |     |                          |                         | <b>29,406.76</b>         |

#### Milli-Q - IQ7015/100L tank- Consumables

| Catalogue Number      | Description  | Qty | Unit List Price (USD/\$) | Unit Net Price (USD/\$) | Total Net Price (USD/\$) |
|-----------------------|--|-----|--------------------------|-------------------------|--------------------------|
| 11. IQ70XXPKIT        | Milli-Q® IQ 7010/15 ultrapure water purification kit | 1   | 2,730.00                 | 573.30                  | 573.30                   |
| 12. MPGP002A1         | Millipak® 0.22µm filter                              | 2   | 328.00                   | 68.88                   | 137.76                   |
| 13. 5874316024        | EfferSan Effervescent Tablets Qty 24                 | 1   | 153.00                   | 0.00                    | 0.00                     |
| <b>Total (USD/\$)</b> |  |     |                          |                         | <b>711.06</b>            |

#### Milli-Q - IQ7015/100L tank - Installation, Travel & Training

| Catalogue Number | Description                           | Qty | Unit List Price (USD/\$) | Unit Net Price (USD/\$) | Total Net Price (USD/\$) |
|------------------|---------------------------------------|-----|--------------------------|-------------------------|--------------------------|
| 14. ZWMQXIQIN2   | Milli-Q IQ 70XX Installation          | 1   | 1,850.00                 | 1,406.00                | 1,406.00                 |
| 15. ZWMQC0NFEE   | ACTIVATION FEE MyMilli-Q™ REMOTE CARE | 1   | 894.00                   | 563.22                  | 563.22                   |
| 16. STARTPK01    | StartPAK installation pack            | 1   | 179.00                   | 0.00                    | 0.00                     |
| 17. ZWAAZONE1    | TRAVEL ZONE 1                         | 1   | 397.00                   | 397.00                  | 397.00                   |
|                  |                                       |     |                          | <b>Total (USD/\$)</b>   | <b>2,366.22</b>          |

### Milli-Q - IQ7015/100L tank - Dishwasher hook up

| Catalogue Number | Description                                    | Qty | Unit List Price (USD/\$) | Unit Net Price (USD/\$) | Total Net Price (USD/\$) |
|------------------|--|-----|--------------------------|-------------------------|--------------------------|
| 18. ZWDK6R1US    | Washer Distribution Kit Right US               | 1   | 1,990.00                 | 1,114.40                | 1,114.40                 |
| 19. ZWDKADPA1    | Washer Distribution kit Adaptor                | 1   | 236.00                   | 132.16                  | 132.16                   |
| 20. ZWACUSTAD    | INSTALLATION/TRAINING FOR CUSTOM SYSTEMS       | 1   | 415.00                   | 315.40                  | 315.40                   |
| 21. ZW0PIPING    | INT DISTRIBUTION PIPE - INSTALLATION MATERIALS | 1   | 1,020.00                 | -2,550.00               | -2,550.00                |
| 22. TANKVH1A1    | Vent filter HF                                 | 1   | 463.00                   | 97.23                   | 97.23                    |
|                  |  |     |                          | <b>Total (USD/\$)</b>   | <b>-890.81</b>           |
|                  |  |     |                          | <b>Total (USD/\$)</b>   | <b>34,143.23</b>         |

### OPTIONS

| Catalogue Number | Description             | Qty | Unit List Price (USD/\$) | Unit Net Price (USD/\$) | Total Net Price (USD/\$) |
|------------------|-------------------------|-----|--------------------------|-------------------------|--------------------------|
| 1. ZIQEP0D00     | E-POD® remote dispenser | 1   | 3,820.00                 | 2,521.20                | 2,521.20                 |
| 2. ZFC0NN2SQ     | Connector 2m System-POD | 1   | 170.00                   | 95.20                   | 95.20                    |
| 3. MPGP002A1     | Millipak® 0.22µm filter | 2   | 328.00                   | 68.88                   | 137.76                   |

A temporary tariff surcharge is being applied to product orders in certain countries; services are exempt.

Please ensure that you add our Quote Reference (R-12104708.1) to your official order to guarantee that your goods are shipped at the agreed price.

Chantal Gentile  
 Application Specialist  
 MilliporeSigma  
 (650) 666-7605  
 chantal.gentile@milliporesigma.com



## GENERAL TERMS AND CONDITIONS OF SALE

### 1. Applicability

1.1 These terms and conditions of sale (these "Terms"), any Sales Documents accompanying or referencing these Terms, and Supplemental Terms, if any, comprise the entire agreement (the "Agreement") between EMD Millipore Corporation or an affiliate thereof ("Seller") and the purchaser ("Purchaser") with respect to the purchase and sale of products ("Products") and services ("Services") indicated on Sales Documents. "Sales Documents" means any document, print or digital, provided by Seller in the purchase and sale process, including but not limited to quotations, invoices, documents confirming, acknowledging or accepting an order ("Order Confirmation") and Shipping documents. If the parties have signed a contract applicable to the sale of certain Products and/or Services, the terms of such contract shall prevail to the extent they are inconsistent with these Terms. 1.2 These Terms prevail over any Purchaser's terms regardless of when such terms are provided. Fulfillment of Purchaser's order does not constitute acceptance of any of Purchaser's terms and does not serve to modify or amend these Terms. 1.3 Certain Products and/or Services may be subject to additional terms ("Supplemental Terms") not contained herein, which, when applicable, may be referenced on or provided with Sales Documents or Seller's websites or provided by Seller upon request. 1.4 The Agreement between Seller and Purchaser is created when Seller confirms, acknowledges or begins to fulfill Purchaser's order. Purchaser may not modify or cancel the Agreement without Seller's express written consent. Modification or cancellation may require payment by Purchaser of certain costs incurred by Seller.

### 2. Delivery and Performance

2.1 Delivery dates provided by Seller are non-binding and time of delivery is not of the essence. Seller shall not be liable for any delays, loss or damage in transit. 2.2 Unless otherwise agreed in writing, Products are shipped using Seller's standard packaging and shipping methods, for which fees may apply. Unless otherwise agreed upon in writing by the parties or set forth on an Order Confirmation, (i) delivery of Products shall be made CPT Purchaser's Ship-To Address (INCOTERMS® 2020), (ii) freight costs shall be prepaid by Seller and added to its invoice to Purchaser, and (iii) title to Products (excluding any Software) shall pass to Purchaser upon their arrival at the destination. 2.3 Seller may, in its sole discretion, make partial shipments of Products and invoice immediately therefor. Purchaser shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Purchaser's order. 2.4 With respect to certain Products, Seller reserves the right to (a) require the purchase of entire lots; and (b) allocate supply, to the extent such allocation is deemed necessary by Seller, among any or all customers (including Seller's affiliates and distributors) at its sole discretion, without liability for any failure of performance which may result therefrom. 2.5 Seller shall determine the location of Services. If Services are provided at Seller's site or a third-party site authorized by Seller, Purchaser shall be responsible for any shipping and transportation costs, including any insurance costs, if applicable. If Services are provided at Purchaser's site or another site under Purchaser's control, Purchaser shall (a) cooperate with Seller in all matters relating to the provision of necessary access to premises and facilities as may reasonably be necessary or requested, including a safe work environment; and (b) promptly provide any requested materials, direction, information, approvals, authorizations, or decisions ("Information"); and (c) ensure that such Information is materially complete and accurate.

### 3. Use of Products

3.1 Purchaser shall (a) comply with all instructions, limitations, specifications, use statements or conditions of use made available by Seller, including but not limited to product data, production information, safety data sheets, limited use information and labeling ("Use Documents"), and (b) properly test, use, manufacture and market Products and/or materials produced with Products. 3.2 Purchaser acknowledges that Products are not tested for safety and efficacy in food, drug, medical device, cosmetic, commercial or any other use, unless otherwise explicitly stated in Use Documents. Purchaser is solely responsible for: (a) obtaining any necessary intellectual property permission related to the use of Products, (b) compliance with all applicable regulatory requirements and generally accepted industry standards, and (c) conducting all necessary testing and verification, including for fitness for the intended purpose. 3.3 If the applicable Use Documents, including but not limited to the limited use label license, indicate that the Products are offered and sold for research purposes only, Purchaser has no express or implied authorization from Seller to use such Products for any other purpose, including, without limitation, in vitro diagnostic purposes, in foods, drugs, medical devices or cosmetics for humans or animals or for commercial purposes. Purchaser shall not market, distribute, resell or export Products for any purpose, unless otherwise agreed by Seller in writing.

### 4. Inspection and Reporting of Nonconforming Products

4.1 Purchaser shall inspect Products no later than five (5) days after receipt ("Inspection Period"). Purchaser will be deemed to have accepted the received Products unless it notifies Seller in writing of any Nonconforming Products during the Inspection Period, furnishing evidence or other documentation if required. "Nonconforming Products" means only those delivered Products, or quantity thereof, which are not identified in the Order Confirmation. 4.2 If notified in accordance with Section 4.1, Seller shall, in its sole discretion, (a) replace such Nonconforming Products with conforming Products, or (b) credit the price for such Nonconforming Products or, in the event of partial delivery, adjust the invoice to reflect the actual quantity delivered. Seller reserves the right to inspect Products. Purchaser acknowledges and agrees that the remedies set forth herein are the exclusive remedies for delivery of Nonconforming Products. 4.3 Any returns, if authorized, shall be handled in accordance with Section 8 below.

### 5. Price and Payment

5.1 Purchaser shall purchase Products and Services from Seller at the prices offered by Seller, including but not limited to prices in a valid quotation or prices on a published price list valid as of date of the applicable Order Confirmation. If there is a price increase before Products are shipped, then the Agreement shall be construed as if the increased prices were originally inserted therein, and Purchaser shall be invoiced by Seller in accordance therewith. 5.2 All prices are exclusive of all sales, use, and excise taxes, duties, customs, tariffs, and any other similar taxes or charges of any kind imposed by any governmental authority or quasi-governmental authority on any amounts payable by Purchaser. Purchaser shall be responsible for all such taxes and charges; provided, however, that Purchaser shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personal or real property, or other assets. 5.3 Purchaser shall pay all invoiced amounts within thirty (30) days from date of invoice to the specified bank account or as otherwise instructed.

5.4 Purchaser shall pay interest on all late payments at the lesser of (a) the rate of eight percent (8%) per annum above the base interest rate of the European Central Bank or (b) the highest rate permissible under applicable law, calculated daily and compounded monthly. Purchaser shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms or at law, Seller may, without notice to Purchaser, delay or postpone delivery of Products and/or performance of Services and may, at its option, change the terms of payment with respect to any undelivered Products and/or unperformed Services. 5.5 Purchaser shall not withhold payment of any amounts due and payable hereunder by reason of any set-off of any claim or dispute with Seller.

### 6. Software and Use Documents License Terms

6.1 If any software or Use Documents are provided or licensed by Seller to Purchaser, including software provided together or in connection with any Products or Services ("Software"), the terms provided with such Software or Use Documents shall apply. If there are no terms provided therewith, these Terms, including this Section 6, shall apply. 6.2 Seller grants Purchaser the right and license to use the copy of the Software and the Use Documents as provided by Seller. The license rights granted herein may not be transferred to another party unless such party agrees in writing to comply with these Terms. In any case, Software provided together or in connection with any Products or Services shall not be transferred separately from such Products or Services. 6.3 The Software, Use Documents and related intellectual property rights including, without limitation, copyrights are owned by Seller, an affiliate and/or certain suppliers of Seller or its affiliates, and title to the Software, Use Documents or respective intellectual property rights shall not pass to Purchaser or any other third party. Purchaser understands that its use of any third-party software is subject to, and it will comply with, the terms of any applicable third-party license agreements or notices and to the rights of any other third-party owners or providers of software or firmware included in the Software. 6.4 Purchaser shall (a) only use the Software and Use Documents with Products or Services with or for which it is provided or for a purpose within the scope of the application for which it is provided, (b) not cause or permit any reverse engineering, disassembly, de-compilation, modification or adaptation of the Software or the combination of the Software with any other software, or (c) not move the Software to any country in violation of United States Foreign Asset Control Regulations or other applicable import or export control regulations. 6.5 Any replacements, fixes or upgrades of the Software shall be provided subject to the same restrictions and other provisions contained herein, unless such replacement, fix or upgrade is provided with a separate license agreement. Any such replacements, fixes or upgrades shall be provided at prices and payment terms as specified by Seller.

### 7. Limited Warranties

7.1 Seller warrants to Purchaser that Products will conform to Seller's published specifications for (a) one (1) year from the date of shipment of Products or (b) the remaining shelf life or the period prior to the expiration date of Product, whichever is shorter. 7.2 Seller warrants that Services shall be performed in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and Seller shall devote adequate resources to meet its obligations under the Agreement. Any claim that Seller has breached the obligation herein must be made within the ninety (90) day period after the performance of the applicable Services. 7.3 Seller warrants that the Software, including any upgrades thereto, will materially conform to published specifications for one (1) year from date of delivery. 7.4 Except for the warranties set forth above, Seller makes no warranty whatsoever with respect to Products (including any uses thereof), Services, the Software or any technical assistance or information that it provides, including (a) warranty of merchantability; (b) warranty of fitness for a particular purpose; or (c) warranty against infringement of intellectual property rights of a third party; whether express or implied by law, course of dealing, course of performance, usage of trade, or otherwise. Any suggestions by Seller regarding use, selection, application or suitability of Products shall not be construed as an express or implied warranty. 7.5 The limited warranties set forth above do not apply unless: (a) Purchaser gives written notice of the defect(s) to Seller immediately upon discovery; (b) if applicable, Seller is given reasonable opportunity to examine the relevant Products, Services or Software; and (c) the defect(s) are verified by Seller. 7.6 The limited warranty set forth in Section 7.1 does not apply if: (a) a defect arises as a result of a breach of the obligations in Section 3; (b) any unauthorized installation, repairs, modifications, upgrades, maintenance or other servicing of Products occurs; (c) a defect arises as a result of normal wear and tear or lack of proper maintenance; or (d) Products are used beyond the shelf life or expiration date as set forth in the applicable Use Documents. 7.7 The limited warranty set forth in Section 7.2 does not apply if an equipment failure or defect results directly or indirectly from the following: (a) non-compliance with Use Documents; (b) any misuse, theft, water flow-back, neglect or wrongful act by Purchaser, its contractors or agents; (c) accidents or shipping related damage; (d) electrical failure; (e) vandalism, explosion, flood or fire, weather or environmental conditions; or (f) any unauthorized installation, repairs, modifications, upgrades, maintenance or other servicing of the Software. Seller, at its sole discretion, elects to re-perform the applicable Services. Purchaser may be charged for fees and expenses, including but not limited to travel costs and any working time of Seller's employees, contractors or agents (at list rate).

7.8 The limited warranty set forth in Section 7.3 does not apply to any defects arising out of or relating to (a) Purchaser's breach of Section 6.4; (b) Purchaser's failure to promptly install required updates; or (c) the operation of Purchaser or a third-party system or network. 7.9 Subject to the conditions set forth above in this Section, including the time limitations set forth in Sections 7.1, 7.2 and 7.3, Seller shall, in its sole discretion (a) with respect to Products or Software, either repair or replace Products or Software (or the defective part thereof) and if Seller is unable to repair or replace, Seller shall credit the price of such Products, Software or the part thereof; or (b) with respect to Services, re-perform the applicable Services or credit the price of such Services at the pro rata contract rate. The remedies set forth herein shall be Purchaser's sole and exclusive remedy and Seller's entire liability for any breach of its warranty.

### 8. Returns

Purchaser shall not return Products without Seller's prior written consent. Seller reserves the right to inspect Products at Purchaser's site and/or require disposal instead of return. All returns must be in compliance with Seller's instructions and may be subject to a restocking charge. Certain Products (e.g. diagnostic reagents; refrigerated or frozen products; custom Products or special orders) may not be returned under any circumstances. Title to returned Products shall transfer to Seller upon acceptance at the facility designated by Seller. Any returned Products must be in their original packaging with the original label affixed, and unaltered in form and content.

### 9. Limitation of Liability and Indemnification

9.1 Purchaser assumes all risk and liability for loss, damage or injury to persons or to property of Purchaser or others arising out of (a) the transport, storage or use of Products or Software, including infringement of any third-party intellectual property rights resulting from Purchaser's specific use of Products or Software and (b) any provision or use of Services. If Seller's performance of its obligations is prevented or delayed by any act or omission of Purchaser, its agents or subcontractors, Seller shall not be deemed in breach of its obligations or otherwise liable for any costs, charges, or losses sustained or incurred by Purchaser or others, in each case, to the extent arising directly or indirectly from such prevention or delay. 9.2 Purchaser shall indemnify and hold Seller, its affiliates, and their respective agents, employees, and representatives, harmless from and against all claims, damages, losses, costs and expenses (including attorney's fees) (a) arising from or in connection with the transport, storage, sale or use of Products, (b) resulting from Purchaser's breach of the Agreement, and/or (c) arising from the negligence, recklessness or misconduct of Purchaser, its affiliates, or their respective agents, employees, partners or subcontractors.

9.3 Except as otherwise expressly provided herein, Seller shall not indemnify nor be liable to Purchaser or any person or entity for any claim, damage or loss arising out of the Products, including the sale, transport, storage, failure, use or distribution thereof, the provision of Services, or the license of Software regardless of the theory of liability, including but not limited to warranty, negligence or strict liability. In addition, Seller shall not be liable for incidental, consequential, indirect, exemplary or special damages of any kind, including, without limitation, liability for loss of use, loss of work in progress, loss of revenue or profits, cost of substitute equipment, facilities or services, downtime costs, or any liability of Purchaser to a third party. The total liability of Seller hereunder shall not exceed the purchase price of Products or Services, or the license fee of Software involved. Without limitation, Seller's limitation of warranty and limiting warranty claims hereunder, all claims must be brought within one (1) year of delivery of Products or Software or performance of Services, regardless of their nature.

### 10. Compliance with Laws

Purchaser shall comply with all applicable laws, regulations and ordinances, including but not limited to those pertaining to the following: export control, pharmaceutical, cosmetic and food preparations, electrical or electronic waste, introduction or production and use of chemical substances (e.g. Toxic Substances Control Act, REACH), and bribery and corruption (e.g. Foreign Corrupt Practices Act and UK Bribery Act). Purchaser shall maintain in effect all required licenses, permissions, authorizations, consents, and permits. Purchaser shall comply with all applicable export and import laws in its purchase of Products hereunder and assumes all responsibility for all shipments governed by such laws. Seller may terminate the Agreement or suspend delivery if any governmental authority imposes anti-dumping or countervailing duties or any other penalties on Products.

### 11. Termination

In addition to any other remedies provided hereunder, Seller may immediately terminate the Agreement upon written notice if Purchaser: (a) fails to pay any amount when due; (b) has not otherwise performed or complied herewith, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

### 12. Confidential Information

All non-public, confidential or proprietary information, including but not limited to, specifications, samples, patterns, designs, drawings, export control, pharmaceutical, cosmetic and food preparations, customer lists, pricing, discounts, or rebates, disclosed by Seller to Purchaser, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" is confidential and may not be disclosed or used by Purchaser for its own use, including but not limited to filing any patent applications disclosing or based on such confidential information, unless authorized in advance in writing by Seller. Upon request, Purchaser shall promptly return or destroy all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this section. This section does not apply to information that is: (a) in the public domain; (b) known to Purchaser at the time of disclosure; or (c) rightfully obtained by Purchaser on a non-confidential basis from a third party.

### 13. Force Majeure

Neither party will be in default of any obligation under this Agreement (other than obligations to pay money) to the extent performance is prevented or delayed by a Force Majeure Event. A "Force Majeure Event" shall include any occurrence beyond the reasonable control of a party, including without limitation: act of nature (e.g., flood, earthquake or storm); war or terrorism; civil commotion or riot; epidemic or pandemic (e.g., COVID-19); destruction of facilities or materials; fire or explosion; labor disturbance or strike; laws, regulations, directives or orders of any government, regulatory or judicial authority; embargo, shortage of raw materials or labor; equipment failure; or failure of public utilities or common carriers. The party declaring a Force Majeure Event will notify the other party in writing, explaining the nature thereof, and will also notify the other party of the cessation of any such event. A party declaring a Force Majeure Event will use commercially reasonable efforts to remedy, remove, or mitigate such event and the effects thereof. Upon cessation of the Force Majeure Event, performance of any suspended obligation of duty will promptly recommence.

### 14. Miscellaneous

14.1 No Waiver. No waiver by Seller of any provisions of the Agreement is effective unless explicitly set forth in writing. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from the Agreement operates, or may be construed, as a waiver thereof. 14.2 Assignment. Purchaser shall not assign any of its rights or delegate any of its obligations under the Agreement without Seller's prior written consent. Any purported assignment or delegation in violation hereof is null and void. No assignment or delegation releases Purchaser of any of its obligations hereunder.

14.3 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. 14.4 No Third-Party Beneficiaries. The Agreement is for the sole benefit of the parties and their respective successors and permitted assigns and nothing herein is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature.

14.5 Publicity and Use of Name. Purchaser shall not, without the prior written consent of Seller, (a) refer to Seller, its affiliates, Products or Services in any marketing, promotion or other publicity material, whether written or in electronic form, or (b) use proprietary brand names, trademarks, trade names, logos and other intellectual property owned by Seller or one of its affiliates.

14.6 Governing Law and Venue. All matters arising out of or relating to the Agreement are governed by and construed in accordance with the laws of Massachusetts without giving effect to any choice or conflict of law provision or rule. Any legal suit, action, or proceeding arising out of or relating to the Agreement shall be instituted in courts located in Boston, Massachusetts, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. 14.7 Notices. Except if otherwise agreed upon by the parties, any notices required hereunder shall be made in writing and sent by courier service with tracking or registered or certified mail to the other party at its registered office or principal place of business or such other address as indicated by the receiving party.

14.8 Severability. If any term or provision of the Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of the Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. 14.9 Survival. Provisions hereof which by their nature should apply beyond their terms will remain in force after any termination or expiration of the Agreement including, but not limited to, the following provisions: Sections 3, 6, 7, 9, 12, 14.6 and 14.9.

14.10 Amendment and Modification. Except as otherwise set forth herein, the Agreement may only be amended or modified in writing and signed by an authorized representative of each party.

14.11 Data Protection. Seller will request, process and use personal data (e.g. contact name and business addresses) from Purchaser to fulfill its obligations under the Agreement and for the continuing relationship management with Purchaser. Seller's processing activities shall be governed by its privacy policy posted at [www.sigmaldrich.com/privacy](http://www.sigmaldrich.com/privacy).

RESOLUTION NO. 2026-52

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO  
PURCHASE A NEW DEIONIZED (DI) SYSTEM FROM MILLIPORE  
SIGMA IN AN AMOUNT NOT TO EXCEED \$40,000

-oOo-

WHEREAS, the laboratory that requires reliable, high-quality purified water to support analytical testing, reagent preparation, quality control, instrument operation, and other laboratory functions; and

WHEREAS, the District's current deionized water system does not generate Type 1 ultrapure water; and

WHEREAS, the proposed Milli-Q IQ 7015 / 100-liter tank system will improve laboratory reliability, support current and future analytical needs, and strengthen the District's laboratory quality assurance practices

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The Board of Directors hereby authorizes the General Manager to purchase a new Milli-Q IQ 7015 water purification system with a 100-liter storage tank in an amount not to exceed \$40,000.
3. The General Manager, with the help of the Laboratory Manager, is authorized to negotiate, execute, and administer all agreements, purchase orders, support agreements, and related documents necessary to complete the purchase installation, subject to review and approval as to form by District legal counsel where required.
4. The Board of Directors finds, based on the staff report, that purchase of the Milli-Q - IQ7015/100L DI System is necessary to maintain the required level of service in the District laboratory, including ensuring the production of consistent Type 1 ultrapure water required for analytical testing, supporting regulatory compliance and reporting obligations, maintaining the accuracy and reliability of laboratory testing requirements, improving operational efficiency, and addressing the limitations of the District's existing deionized water system, which does not meet current or anticipated laboratory needs.

5. The Board of Directors authorizes the General Manager to purchase this system in fiscal year 2026-27 in an amount not to exceed \$40,000.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on June 25<sup>th</sup>, 2026 by the following vote:

AYES: BOARD MEMBERS:  
NOES: BOARD MEMBERS:  
ABSENT: BOARD MEMBERS:  
ABSTAIN: BOARD MEMBERS:

---

Robert Seigfried, President of the Board

ATTEST: \_\_\_\_\_  
Domine Barringer, Board Clerk

# STAFF REPORT



To: Board of Directors

From: Patrick Treanor, District Engineer

Date: June 25<sup>th</sup>, 2026

Subject: Central Coast Long-term Environmental Assessment Network (CCLEAN)  
Regional Monitoring Contract for Project Year 26/27 – Applied Marine  
Sciences (\$624,703)

## RECOMMENDATION

Serving as the Lead Agency of the Central Coast Long-term Environmental Assessment Network (CCLEAN), it is recommended that the CAWD Board of Directors adopt a resolution authorizing the General Manager to execute a professional services agreement with Applied Marine Sciences for regional water quality monitoring and program management services. The contract with Applied Marine Sciences would be for \$595,390 plus contingencies of \$29,313 (total of \$624,703).

## DISCUSSION

CCLEAN is a consortium of agencies with Monterey Bay ocean discharge permits including: City of Santa Cruz, City of Scotts Valley, City of Watsonville, Monterey One Water, Vistra Corp (Moss Landing Power Plant), and Carmel Area Wastewater District. The CCLEAN program is administered by a Steering Committee comprised of member agencies with CAWD serving as the Lead Agency for the program. Participation in the program is required by the Central Coast Regional Water Quality Control Board in the discharge permits for each member agency. The cost of the regional monitoring is allocated proportionally between the participating agencies based on prior year actual ocean discharge flows for each agency. As Lead Agency CAWD is responsible for managing administrative and financial aspects of the CCLEAN program including issuing contracts, bookkeeping, and facilitating monthly Steering Committee meetings.

Applied Marine Sciences has served as the Program Manager in charge of water quality monitoring and reporting since the inception of the program in 1999. The scope and fee for the next project year (26/27) included herein was approved by the CCLEAN Steering Committee at its May 2026 meeting. CAWD will execute the contract as Lead Agency on behalf of the member agencies. CAWD receives a fee annually for serving as Lead Agency. This fee will be \$41,038 for the upcoming program year. CAWD has been the Lead Agency since July 2018.

## **FUNDING**

No funding by CAWD is required as the fee collected for Lead Agency services covers the cost apportioned to CAWD, and covers an additional approximately \$13,000 for administrative staff time.

### **Attachment:**

1. Cost Proposal for CCLEAN Regional Monitoring Program 2026-2027 - Applied Marine Sciences

# Cost Proposal for CCLEAN Regional Monitoring Program **2026-2027**



*High Quality Program Management and Coordination*

May 1, 2026

APPLIED *marine* SCIENCES

**Table of Contents**

1. Introduction ..... 3

2. Team Organization ..... 4

    AMS Personnel Qualifications ..... 5

    Integral Personnel Qualifications ..... 6

3. Program Background ..... 6

4. Scope of Work ..... 8

    4.1 Task 1 Program Management ..... 8

    4.2 Task 2 Field Sampling and Laboratory Services ..... 8

        4.2.1 Task 2.1 Mussel Sampling ..... 9

        4.2.2 Task 2.2 Wastewater Effluent Sampling ..... 10

        4.2.3 Task 2.3 POP Sampling in Rivers ..... 10

        4.2.4 Task 2.4 Monterey Bay Ocean Sampling ..... 11

        4.2.5 Task 2.5 POTW Receiving Water Nutrient Sampling ..... 11

        4.2.6 Task 2.6 Watsonville Influent Sampling ..... 11

        4.2.7 Task 2.7 Nutrients and CEC Sampling in Rivers ..... 11

        4.2.8 Task 2.8 Sediment Sampling ..... 12

    4.3 Task 3 Data Assembly and Quality Assurance ..... 12

    4.4 Task 4 CCLEAN Annual Report ..... 12

    4.5 Task 5 CCLEAN Website and External Coordination ..... 13

5. Cost Proposal ..... 13

# Central Coast Long-term Environmental Assessment Network Cost Proposal for Program Management Applied Marine Sciences

## 1. Introduction

Applied Marine Sciences, Inc. (AMS) is pleased to offer our cost proposal for Program Year 2026-27 (PY26), the first of five years in Phase IV of the Central Coast Long-term Environmental Network (CCLEAN) monitoring program. CCLEAN is a long-term monitoring program for Monterey Bay committed to environmental stewardship that has been designed by subscribing agencies to fulfill several regulatory objectives, in collaboration with the Central Coast Regional Water Quality Control Board (Central Coast Water Board). CCLEAN is funded by the Carmel Area Wastewater District (CAWD), City of Santa Cruz, City of Scotts Valley, City of Watsonville, Monterey One Water (M1W), and Vistra Energy's Moss Landing Power Plant, collectively referred to as the "CCLEAN participants."

CCLEAN has played an important role in advancing water quality science in Monterey Bay, while also helping program participants to provide environmental stewardship. CCLEAN serves this role by delivering high-quality data on the sources, loads, and effects of contaminants entering Monterey Bay from the surrounding landscape. CCLEAN participants, acting through the Steering Committee, have crafted a program that provides information that is valuable to all water quality managers by determining the sources of contaminants that deliver the greatest loads to the Bay.

Phase IV represents an important evolution of the CCLEAN program. Building on the foundation established in prior phases, Phase IV will reinstate monitoring for annual loads of Persistent Organic Pollutants (POPs) from rivers, with expanded focus on nutrients and emerging contaminants present in receiving and ocean waters. This enhanced analytical framework will strengthen the program's ability to characterize contaminant pathways and support the regulatory needs of CCLEAN participants.

In PY26, AMS plans to continue working with the collaborators who have helped build the reputation of CCLEAN since its inception. Integral (formerly KEI), SGS AXYS, and Physis remain important contributors, continuing decades of working together. In addition, collaboration between analytical laboratories will be integrated for neonicotinoid samples to be run via Weck Laboratories by LC/MS/MS. This team has the local knowledge and experience to successfully perform the CCLEAN program requirements. The CCLEAN Program Manager, Aroon Melwani, supported by the CCLEAN Technical Advisor, Dane Hardin, have been delivering science in support of NPDES permittees in the Monterey Bay area for decades. Mr. Hardin also served as the Program Manager of CCLEAN from 2001–2023.

## 2. Team Organization

AMS will employ the same major team members that have served the program over the past 25 years:

- Integral
- SGS AXYS Analytical Services
- Physis Environmental Laboratories
- Moss Landing Marine Laboratories (MLML)
- Sonoma County Public Health Laboratory (SCPHL)

The organization chart for the proposed AMS team is shown in Figure 1. AMS will provide technical direction and program management for the program. Our role will also include management of all subcontractors, including contracting, invoicing and technical supervision. We will ensure all elements of the Scope of Work will be professionally and satisfactorily completed to meet the needs of program participants.

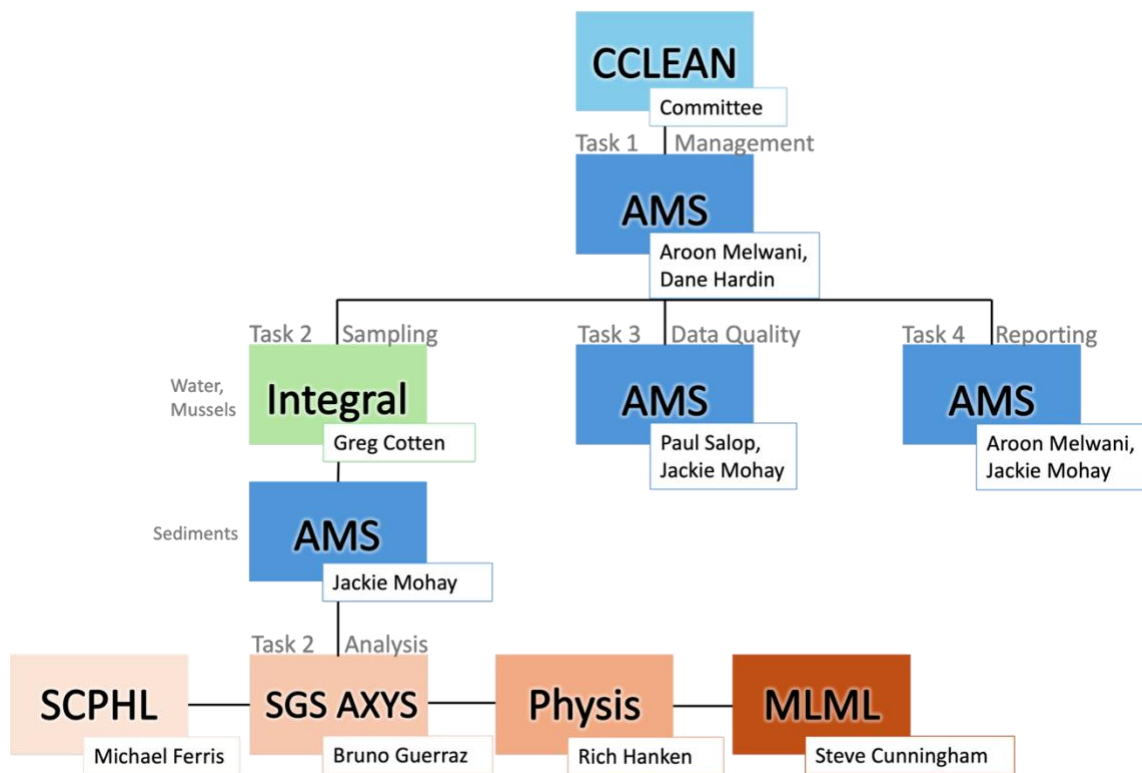


Figure 1. CCLEAN organizational chart

### AMS Personnel Qualifications

**Aroon Melwani** holds a Ph.D. in Biological Sciences from Macquarie University, an MS in Marine Science from California State University at Monterey Bay, and a BS in Oceanography and Marine Biology from the University of Southampton. He currently serves as the Program Director for the CCLEAN Program. Dr. Melwani has over 20 years of experience supporting local, regional, and state agencies on sediment and water quality, contaminant bioaccumulation, and biological assessments. Dr. Melwani has worked with scientists, policymakers, and environmental managers to design and optimize several major environmental programs, including the CCLEAN Program, the San Francisco Bay and Delta RMPs, and regional and state sediment quality studies. He has authored 15 peer-reviewed publications and numerous technical reports.

**Dane Hardin** holds a Ph.C. and a BA in Biology from the University of California, Santa Cruz, and has 40 years of experience studying and assessing marine and aquatic ecosystems. He has advised the California State Water Resources Control Board on designing monitoring programs for San Francisco and Monterey Bays. As the Program Manager for CCLEAN until 2023, he managed AMS' work on the Monterey Peninsula Water Supply Project's desalination EIR/EIS and conducted a literature review on chemical contaminants affecting sea otters for the Monterey Bay National Marine Sanctuary. He actively participates in the MBNMS Water Quality Protection Program Committee and has presented CCLEAN results to the Central Coast Water Board, the MBNMS Research Advisory Panel, and various stakeholder groups. Mr. Hardin has authored over 30 scientific publications.

**Paul Salop** holds an MS in Marine Resource Management from Oregon State University and a BS in Industrial Engineering from North Carolina State University. He has over 25 years of experience working for consulting firms and state and federal agencies. He currently serves as Project Manager for AMS, supporting the Alameda Countywide Clean Water Program's (ACCWP) stormwater monitoring efforts. In this role, he manages field collection efforts, ensures field quality control for the Regional Monitoring Program for Water Quality in the San Francisco Estuary, and provides on-call technical services to the US Environmental Protection Agency's Region 9 Core Water Division Programs.

**Jackie Mohay** is a Marine Scientist with over 14 years of experience in assessing freshwater and marine ecosystem function and data analysis. She holds a BS in Marine Science from Coastal Carolina University and an MS in Fisheries and Conservation Biology from CSU Monterey Bay. Ms. Mohay currently serves as the Data Manager for CCLEAN, where she ensures data quality and submission to the CEDEN database. She also helped to develop CCLEAN's new website and an interactive ESRI data dashboard of CCLEAN data. As a field scientist, she participates in sediment and benthic cruises, supports annual reports, and performs data analysis. Beyond CCLEAN, Jackie contributes to several AMS water quality projects, including monthly monitoring near a desalination outfall in Monterey Bay and stormwater sampling for compliance with discharge permits.

### Integral Personnel Qualifications

**Greg Cotten** will serve as the Field Sampling Project Manager for CCLEAN. In addition, he will also serve as the Task Leader for wastewater and Monterey Bay offshore sampling. Mr. Cotten is an equipment specialist and project manager at Integral and brings over 20 years of experience with developing, calibrating, and troubleshooting multi-component water quality monitoring systems. Mr. Cotten has been the primary equipment specialist for the Monterey Bay offshore moorings and has assisted in the development of the various CCLEAN program stations and sampling efforts since 2001. Mr. Cotten's ongoing upgrades on each of the wastewater stations, river and Monterey Bay offshore systems have provided significant improvements to data quality and precision. Mr. Cotten has an excellent working relationship with the various staff of the water treatment facilities and holds a current Scientific Collecting permit with the California Department of Fish and Wildlife.

## 3. Program Background

CCLEAN fulfills part of the receiving water compliance monitoring requirements of the CCLEAN participants' National Pollutant Discharge Elimination System (NPDES) permits. The goal of the CCLEAN program is to assist stakeholders in maintaining, restoring, and enhancing nearshore water and sediment quality and associated beneficial uses in the Central Coast Region. Nearshore waters are defined as those estuarine or marine waters that are close enough to shore to be potentially affected by human activities within the Region. This goal is achieved by collecting, assessing, and disseminating scientifically rigorous information to facilitate sound resource management decisions regarding land-use practices, permitting issues, and wastewater treatment methods. The specific objectives of the program are as follows:

1. Obtain high-quality data describing the status and long-term trends in the quality of nearshore waters, sediments, and associated beneficial uses.
2. Determine whether nearshore waters and sediments are in compliance with the Ocean Plan.
3. Determine sources of contaminants to nearshore waters.
4. Provide legally defensible data on the effects of wastewater discharges in nearshore waters.
5. Develop a long-term database on trends in the quality of nearshore waters, sediments and associated beneficial uses.
6. Ensure that the nearshore component database is compatible with other regional monitoring efforts and regulatory requirements.
7. Ensure that nearshore component data are presented in ways that are understandable and relevant to the needs of stakeholders.

**Table 1. Summary of sampling sites, frequency of sampling, applicable water-quality stressors, and relevant program objectives for CCLEAN in the current phase of the CCLEAN Program**

| Sampling Sites  | Frequency of Sampling                      | Applicable Water-quality Stressors   | Program Objectives |
|---|--|--|--------------------|
| <b>Water Sampling</b>   |  |  |                    |
| Five POTW sites (Santa Cruz, Scotts Valley, Watsonville, Monterey, Carmel) for final effluent sampling,<br><br>Three river sites (San Lorenzo, Pajaro, Salinas) near mouths of rivers | Twice per year (wet season and dry season) | Persistent Organic Pollutants<br>Contaminants of Emerging Concern<br>Nutrients<br>Suspended Sediments (Rivers only)<br>OP Pesticides (Santa Cruz and San Lorenzo River only)<br>PFAS (Rivers only) | 1, 3, 4            |
| One POTW site (Watsonville) for influent sampling   | One per year (dry season)                  | Persistent Organic Pollutants<br>Contaminants of Emerging Concern  | 1, 3, 4            |
| Five POTW sites (Santa Cruz, Scotts Valley, Watsonville, Monterey, Carmel) for final effluent sampling.   | Monthly                                    | Nutrients  | 3, 4               |
| Monterey Bay nearshore sites in vicinity of wastewater outfalls for each major discharger   | Monthly                                    | FIBs   | 1, 2, 3, 4         |
| Monterey Bay receiving water sites (M1W, Santa Cruz, Watsonville) in vicinity of wastewater outfalls  | Quarterly                                  | Nutrients<br>Suspended Sediments   | 1, 2, 3, 4         |
| Two offshore sites in Monterey Bay  | Twice per year (wet season and dry season) | Persistent Organic Pollutants<br>Nutrients<br>Contaminants of Emerging Concern<br>PFAS   | 1, 2               |
| <b>Sediment Sampling</b>  |  |  |                    |
| Three inner bay sites and three outer bay sites along 80-m contour<br><br>Two inner bay dredge disposal sites (when disposal occurs)  | Once per year (dry season)                 | Persistent Organic Pollutants<br>Contaminants of Emerging Concern<br>Grain size<br>Total Organic Carbon  | 1, 2               |
| <b>Mussel Sampling</b>  |  |  |                    |
| 5 rocky intertidal sites  | Once per year (wet season)                 | Persistent Organic Pollutants<br>FIBs<br>Contaminants of Emerging Concern  | 1, 2, 3            |
| <b>Benthic Sampling</b>   |  |  |                    |
| Three inner bay sites and three outer bay sites along 80-m contour  | Once every 3 years (dry season)            | Community Composition  | 1                  |

## 4. Scope of Work

### 4.1 Task 1 Program Management

The overarching goal of CCLEAN is to implement the program to best ensure that the management questions of the participants are addressed and the data meet all relevant permit requirements. To achieve this goal, AMS' approach to program management combines strong technical capabilities with administrative efficiencies in order to direct the program in a technically sound, cost-efficient, and responsive way. AMS' general approach to management is to support program participants by maintaining the integrity of the CCLEAN program, implement program changes based upon best available science and data-driven decision making, and to support communication between CCLEAN and its stakeholders.

### 4.2 Task 2 Field Sampling and Laboratory Services

Field sampling and sample analyses will be managed and implemented by the AMS team as described in the following sections and summarized in Table 2.

**Table 2. CCLEAN monitoring sites, sampling frequency, and measurements to be made.**

| Station Name                  | Latitude<br>N       | Longitude<br>W        | Frequency                       | Measurements <sup>1</sup> |
|-------------------------------|---------------------|-----------------------|---------------------------------|---------------------------|
| Mussel Tissue                 |                     |                       |                                 |                           |
| Scott Creek                   | 37.042              | -122.234              | wet season                      | CP, FI, L, LI, M, PC, PFN |
| Laguna Creek                  | 36.984              | -122.159              | wet season                      | CP, FI, L, LI, M, PC, PFN |
| The Hook                      | 36.959              | -121.965              | wet season                      | CP, FI, L, LI, M, PC, PFN |
| Fanshell Overlook             | 36.584              | -121.972              | wet season                      | CP, FI, L, LI, M, PC      |
| Carmel River Beach            | 36.539              | -121.932              | wet season                      | CP, FI, L, LI, M, PC      |
| MontCre (field duplicate)     |                     |                       | wet season                      | CP, FI, L, LI, M, PC, PFN |
| Ocean                         |                     |                       |                                 |                           |
| North Monterey Bay            | 36.890              | -121.924              | wet and dry season              | CP, PC, PA, PFN, N, PFAS  |
| South Monterey Bay            | 36.711              | -121.911              | wet and dry season              | CP, PC, PA, PFN, N, PFAS  |
| Receiving Water <sup>2</sup>  |                     |                       |                                 |                           |
| Santa Cruz (Near) – G         | 36.945              | -122.065              | wet and dry season<br>(2x each) | N, TSS                    |
| Santa Cruz (Far) – A          | 36.947              | -122.026              | wet and dry season<br>(2x each) | N, TSS                    |
| Watsonville (Near) – D        | 36.846              | -121.811              | wet and dry season<br>(2x each) | N, TSS                    |
| Watsonville (Far) – A         | 36.864              | -121.822              | wet and dry season<br>(2x each) | N, TSS                    |
| Monterey One Water (Near) – A | 36.736              | -121.810              | wet and dry season<br>(2x each) | N, TSS                    |
| Monterey One Water (Far) – B  | 36.728              | -121.810              | wet and dry season<br>(2x each) | N, TSS                    |
| Effluent                      |                     |                       |                                 |                           |
| Santa Cruz <sup>3</sup>       | 36.934 <sup>5</sup> | -122.073 <sup>5</sup> | wet and dry season              | CP, PC, PA, D, PFN, OP    |

| Station Name                    | Latitude N          | Longitude W           | Frequency          | Measurements <sup>1</sup>             |
|---------------------------------|---------------------|-----------------------|--------------------|---------------------------------------|
| Scotts Valley <sup>3</sup>      | 36.934 <sup>5</sup> | -122.073 <sup>5</sup> | wet and dry season | CP, PC, PA, D, PFN, OP                |
| Watsonville <sup>3</sup>        | 36.846 <sup>5</sup> | -121.833 <sup>5</sup> | wet and dry season | CP, PC, PA, D, PFN                    |
| Watsonville <sup>4</sup>        | NA                  | NA                    | dry season         | CP, PC, PA, D, PFN                    |
| Monterey One Water <sup>3</sup> | 36.728 <sup>5</sup> | -121.837 <sup>5</sup> | wet and dry season | CP, PC, PA, D, PFN                    |
| Carmel Area <sup>3</sup>        | 36.533 <sup>5</sup> | -121.929 <sup>5</sup> | wet and dry season | CP, PC, PA, D, PFN                    |
| <b>Rivers</b>                   |                     |                       |                    |                                       |
| San Lorenzo                     | 36.991              | -122.031              | wet and dry season | CP, PC, N, OP, PA, PFAS, PFN, TSS     |
| Pajaro                          | 36.886              | -122.7845             | wet and dry season | CP, PC, N, PA, PFAS, PFN, TSS         |
| Salinas                         | 36.678              | 121.750               | wet and dry season | CP, PC, N, PA, PFAS, PFN, TSS         |
| <b>Sediment</b>                 |                     |                       |                    |                                       |
| SedRef2                         | 36.944              | 122.210               | dry season         | CP, PC, M, G, T, PFN, BC <sup>6</sup> |
| SedRef3                         | 36.925              | 122.177               | dry season         | CP, PC, M, G, T, PFN, BC <sup>6</sup> |
| SedRef4                         | 36.912              | 122.156               | dry season         | CP, PC, M, G, T, PFN, BC <sup>6</sup> |
| SedDep1                         | 36.863              | 122.039               | dry season         | CP, PC, M, G, T, PFN, BC <sup>6</sup> |
| SedDep2                         | 36.837              | 121.932               | dry season         | CP, PC, M, G, T, BC <sup>6</sup>      |
| SedDep3                         | 36.761              | 121.871               | dry season         | CP, PC, M, G, T, BC <sup>6</sup>      |
| SF-12                           | 36.802              | 121.793               | dry season         | CP, PC, M, G, T                       |
| SF-14                           | 36.798              | 121.819               | dry season         | CP, PC, M, G, T                       |

<sup>1</sup> = CP – chlorinated pesticides, D – Dioxins/Furans, FI – FIBs, G – sediment grain size, L – length, LI – lipid content, M – moisture content, N – Nutrients (ammonia, nitrate, orthophosphate, urea, silicate), OP – organophosphorus pesticides, PA – polynuclear aromatic hydrocarbons, PC – PCBs, PFAS – perfluorinated compounds, PFN – pyrethroids, fipronils, neonicotinoids, T – sediment total organic carbon, TSS – total suspended solids.

<sup>2</sup> = Sampling conducted by POTW staff

<sup>3</sup> = Effluent

<sup>4</sup> = Influent

<sup>5</sup> = Latitudes and longitudes are for ocean discharges.

<sup>6</sup> = Benthic community analysis every three years.

#### 4.2.1 Task 2.1 Mussel Sampling

Mussel collection and processing will be consistent with CDFW's Standard Operating Procedures (SOPs). Mussels will be collected from the sites listed in Table 2 and maintained at 2-4°C for transfer to the laboratories. Forty to 50 mussels will be placed in two sets of double aluminum bags for further processing for POP and CEC analyses. A third set of 30 mussels will be measured in the field, placed in another double set of aluminum bags. This set of samples will be delivered under Chain-of-Custody to the Sonoma County Public Health Laboratory within 48 hours for the analysis of pathogen indicators. After homogenization, the remaining samples will be kept frozen at or below -20°C until ready for extraction for chemical analyses. Processed mussel samples will be transferred under Chain-of-Custody to the remaining analytical laboratories.

#### 4.2.2 Task 2.2 Wastewater Effluent Sampling

Sampling of final effluent from five wastewater effluent streams (City of Scotts Valley, City of Santa Cruz, City of Watsonville, Monterey One Water, and Carmel Area Wastewater District) will occur on the schedule found in Table 2. This work requires coordination with each treatment plant, as well as monitoring and predicting effluent flows to ensure the proper sampling rate.

Following automated sampling setup, each system will be checked weekly to ensure that the equipment is working properly. Once a sampler has pumped 250 liters of effluent through the glass fiber filter and XAD-2 column, and approximately 30 days of sampling have been completed, the ISCO sampler will be shut off and the filter and column will be removed. When the POP sampling is completed, each POTW will collect 48-hour composites of their effluent for fipronils, pyrethroids, and neonicotinoids. All samples will be placed in an ice chest with double-bagged blue ice packets and maintained at 2–4°C for transfer under Chain-of-Custody to analytical laboratories.

#### 4.2.3 Task 2.3 POP Sampling in Rivers

River samples will be collected from the San Lorenzo, Pajaro, and Salinas Rivers according to the schedule shown in Table 2. Sampling at the San Lorenzo River will utilize the existing site installation, while new automated sampling systems will be established at the Pajaro and Salinas Rivers prior to the start of the dry season sampling period.

At each new river site, an ISCO automatic sampler will be installed and programmed for time-based sampling. Once calibrated, the ISCO sampler will be programmed to pump one-liter aliquots through a glass fiber particle filter and XAD-2 resin bead column over approximately 30 days.

A YSI multi-parameter sonde will be co-deployed at each river site to provide concurrent measurement and logging of temperature, conductivity, pH, dissolved oxygen, and turbidity. All equipment will be secured against loss or damage from high winter river flows: the YSI sonde will be deployed in a protective case and secured with a stainless-steel cable, and the ISCO sampler will be enclosed in a locked steel box to prevent theft, vandalism, or displacement during high-flow events.

Each river site will be checked weekly to verify that equipment is functioning properly. Once approximately 250 liters have been pumped through the filter and column set and 30 days of sampling have been completed, the ISCO sampler will be shut off and the filter and column removed. The glass fiber filter will be double-wrapped in cleaned aluminum foil and double-bagged in Ziploc bags; the XAD-2 column and any associated glass fiber filters will be placed in a separate Ziploc bag. Samples will be placed in an ice chest with double-bagged blue ice and maintained at 2–4°C for transfer under Chain-of-Custody to analytical laboratories.

#### 4.2.4 Task 2.4 Monterey Bay Ocean Sampling

Moorings with specialized sampling equipment will be installed at two sites in Monterey Bay during the dry season and wet season (Table 2). Specialized samplers designed to collect 250 one-liter sample aliquots through a glass fiber particle filter and XAD-2 resin bead column over a period of approximately 30 days will be deployed at the two moorings. Deployments of these two moorings require a MBNMS Research Permit. Integral has the necessary permit to perform this task. Moorings are fitted with U.S. Coast Guard approved lighted buoys and have been permitted by the MBNMS. During both the deployment and retrieval of the moorings, duplicate samples for measurements of nutrients will be collected as grab samples at each site. Following retrieval, sampling media and chemistry samples will be placed in an ice chest with double-bagged blue ice packets and maintained at 2-4°C, while nutrient samples will be frozen at <6°C, for transfer under Chain-of-Custody to analytical laboratories within prescribed holding times.

#### 4.2.5 Task 2.5 POTW Receiving Water Nutrient Sampling

In Phase IV, three of the POTWs (City of Santa Cruz, City of Watsonville, and M1W) will collect grab samples for nutrients (ammonia, nitrate, orthophosphate, and silicate) and total suspended solids (TSS) at designated receiving water sites on a quarterly basis (four times per year). Addition of nutrient monitoring to shoreline-proximal receiving water sites is being utilized to capture the spatial gradients and potential river–effluent mixing zones most relevant to beneficial-use protection, particularly under wet season conditions when river plumes and effluent-derived loads could interact in the nearshore zone.

Receiving water sampling by each POTW will be conducted at two established receiving water monitoring sites already being sampled for other constituents per NPDES requirements (i.e., TSS and FIBs). CCLEAN grab samples will be collected by POTW staff on a quarterly schedule encompassing both dry and wet season periods. Samples will be collected in pre-cleaned bottles, following standard field collection protocols for nutrients. Upon collection, nutrient samples will be frozen at <6°C while TSS samples will be run following standard methods at each POTW. AMS field staff will coordinate pickup of the samples for nutrient analysis from each POTW and transport samples under Chain-of-Custody to the analytical laboratory within prescribed holding times.

#### 4.2.6 Task 2.6 Watsonville Influent Sampling

The approach to Watsonville influent sampling will be the same as effluent sampling described in Section 4.2.2 and will include the analyte groups listed in Table 2. The sampling frequency of this element is limited to dry season only.

#### 4.2.7 Task 2.7 Nutrients and CEC Sampling in Rivers

The pyrethroid, fipronil, neonicotinoid, and PFAS sampling in rivers will be similar to the approaches described for wastewater effluent. Each river will be sampled using automated sampling equipment to take flow-based samples based on the flow present at the time of setup. The flow sample pacing will be set up to collect a 500 mL sample approximately

every two hours over a 48-hour period to generate the composite sample. Samples will be stored on ice during collection. Upon completion of the sampling, separate samples will be collected for nutrient analyses as described above for ocean sampling. Field staff will take the completed CEC samples from each of the three river sites and place them in an ice chest maintained at 2-4°C for transfer under Chain-of-Custody to analytical laboratories within prescribed holding times.

#### 4.2.8 Task 2.8 Sediment Sampling

AMS will conduct annual sediment sampling for POP and current use pesticide analysis (Table 2). The collection of surficial sediments for chemistry will be conducted at the six “Sed” sites and from SF-12 and SF-14 if dredge disposal has occurred. Sediment samples will be collected using a modified Van Veen grab. Field staff will take the completed samples from each of the sediment sites and place them in an ice chest maintained at 2-4°C for transfer under Chain-of-Custody to analytical laboratories.

### 4.3 Task 3 Data Assembly and Quality Assurance

Gathering, reviewing, submitting and analyzing CCLEAN data is a complex undertaking that AMS divides into two main phases. The first phase includes QA/QC performed by AMS when data files are received from analytical laboratories. This phase involves comparisons between CCLEAN QAPP and the received data to ensure that all required laboratory QA/QC steps have been taken and that data not achieving MQOs are properly qualified. The second phase of CCLEAN data processing involves submittal of the data to the California Environmental Data Exchange Network (CEDEN). CEDEN aggregates a diverse range of water quality data from California providing it to environmental managers and the public.

### 4.4 Task 4 CCLEAN Annual Report

This task covers all activities necessary to produce the CCLEAN annual report. The objective of the Annual Report is presentation of program data to answer the following specific questions are addressed:

- What are the status and long-term trends in the quality of nearshore waters, sediments, and associated beneficial uses?
- What are the major sources of contaminants to nearshore waters?
- What are the effects of wastewater discharges on nearshore waters?

Over the past several years, AMS has adapted a strategy for facilitating data analysis for the Annual Report by utilizing the programming software R. R is a powerful tool for extracting data relevant for specific analysis, calculating parameters of interest, and generating professional graphics that effectively display the data. In addition to applying R for generating analysis for the Annual Report, AMS continues to automate the process of adding new data to existing CCLEAN R files. Automating this process reduces the amount of time required to format data for analysis and eliminate human errors.

Each year, AMS produces a draft Annual Report by March 31 for review and comment by Program participants. After a four-week comment period, the draft report will be revised to incorporate reviewer comments and finalized for submittal to the Central Coast Water Board by May 30.

#### 4.5 Task 5 CCLEAN Website and External Coordination

This task includes the activities required to manage the CCLEAN website, respond to external requests, and foster stakeholder coordination:

- Management of the CCLEAN website – This effort consists of security management of the CCLEAN website, posting reports and information, and the annual update of the data dashboard as new data become available.
- External coordination of the CCLEAN program – This effort consists of responding to data delivery requests from external stakeholders and participation in quarterly meetings of the Monterey Bay National Marine Sanctuary to share information, as necessary.

### 5. Cost Proposal

The enclosed budget has been developed for the 2026-27 Program Year (PY26) based on discussions held at the March and April 2026 Steering Committee meetings. PY26 costs are based on 2026 billing rates for AMS and its collaborators that take effect on July 1, 2026, which includes each of the tasks agreed upon with the CCLEAN Steering Committee at the meeting held on April 22nd.

A feature of the cost proposal is that AMS has assumed that Physis Laboratories will be successful in re-establishing its ELAP Accreditation prior to the onset of CCLEAN dry season sampling in PY26. If this status has not been re-established, consideration will be given to transition all water and sediment analysis for CECs (Pyrethroids, Fipronils, and Neonicotinoids) to Weck Laboratories. This will likely have minimal cost implications but potentially impacts trend integrity due to higher detection limits at Weck.

Table 3 presents a summary of AMS' projected costs associated with each major task and subtask in the CCLEAN scope over the next Program Year.

**Table 3. Applied Marine Sciences (AMS) budget by task**

| Task       | Description                              | PY 26               |                   |                  |
|------------|--|---------------------|-------------------|------------------|
|            |  | AMS Labor Cost (\$) | Direct Costs (\$) | Total Cost (\$)  |
| <b>1</b>   | Program Management                       | \$53,380            | \$0               | \$53,380         |
| <b>2</b>   | Field Sampling and Laboratory Analysis   | \$17,280            | \$404,230         | \$421,510        |
| <b>2.1</b> | Mussels Collections                      | \$0                 | \$29,727          | \$29,727         |
| <b>2.2</b> | POTW Outfall Sampling                    | \$0                 | \$137,129         | \$137,129        |
| <b>2.3</b> | River POP Sampling                       | \$0                 | \$85,865          | \$85,865         |
| <b>2.4</b> | Monterey Bay Ocean Sampling              | \$0                 | \$78,299          | \$78,299         |
| <b>2.5</b> | POTW Receiving Water Nutrient Sampling   | \$1,200             | \$756             | \$1,956          |
| <b>2.6</b> | Watsonville Influent Sampling            | \$0                 | \$9,136           | \$9,136          |
| <b>2.7</b> | Nutrients and CECs Sampling in Rivers    | \$0                 | \$23,741          | \$23,741         |
| <b>2.8</b> | Sediment Sampling                        | \$16,080            | \$39,577          | \$55,657         |
| <b>3</b>   | Data Assembly and Quality Assurance      | \$37,200            | \$4,200           | \$41,400         |
| <b>4</b>   | Annual Report                            | \$60,420            | \$0               | \$60,420         |
| <b>5</b>   | CCLEAN Website and External Coordination | \$18,400            | \$281             | \$18,681         |
|            |  |                     |                   |                  |
|            | <b>AMS Contract Total</b>                |                     |                   | <b>\$595,390</b> |

Table 4 presents a complete overview of PY26 costs. The total cost to implement CCLEAN includes overhead and contingency funds:

- Lead agency overhead of 7% of the subcontractor budget
- A contingency of 5% of the total budget

**Table 4. Budget summary PY26 CCLEAN Program costs**

| Program Year | AMS        | Lead Agency Fee | Contingency Fee | Total Budget |
|--------------|------------|-----------------|-----------------|--------------|
| PY 26        | \$595,390* | \$41,038        | \$29,313        | \$665,741*   |

\* The cost for Watsonville Influent sampling is paid exclusively by the City of Watsonville and is not split among the other CCLEAN participants.

Table 5 presents a breakdown of the PY26 budget according to the 5-year average flow calculation per the CCLEAN MOU.

**Table 5. CCLEAN Participant Flow Contributions and Corresponding Budget Allocations for PY26**

| CCLEAN PARTICIPANT | 5-year Average Flow | Budget \$ |
|--------------------|---------------------|-----------|
| Carmel             | 2.75%               | \$27,591  |
| Monterey           | 30.81%              | \$186,599 |
| Watsonville        | 16.60%              | \$115,210 |
| Santa Cruz         | 47.25%              | \$279,704 |
| Scotts Valley      | 2.58%               | \$26,637  |
| Vistra             | 0.00%               | \$30,000  |

Table 6 presented AMS Hourly billing rates for 2025-2026.

**Table 6. AMS Hourly Billing Rates PY26**

| Billing Category          | Staff             | Hourly Rate |
|---------------------------|-------------------|-------------|
| Program Director          | Melwani           | \$255       |
| Program Advisor           | Hardin            | \$230       |
| Quality Assurance Officer | Salop             | \$255       |
| Scientist                 | Goldenberg, Mohay | \$140-165   |
| Administrative            | Stafford, Cammack | \$125-\$150 |

RESOLUTION NO. 2026-53

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH APPLIED MARINE SCIENCES IN AN AMOUNT NOT TO EXCEED \$624,703 FOR THE CENTRAL COAST LONG-TERM ENVIRONMENTAL ASSESSMENT NETWORK (CCLEAN) MONITORING PROGRAM

-oOo-

WHEREAS, the CCLEAN member agencies have approved the contract scope and fee at the May 2026 CCLEAN Steering Committee Meeting; and

WHEREAS, Carmel Area Wastewater District (CAWD) is acting as Lead Agency on behalf of CCLEAN; and

WHEREAS, CAWD receives a Lead Agency fee which covers the cost apportioned to CAWD for participation in CCLEAN and pays for CAWD administrative staff time; and

WHEREAS, Applied Marine Sciences has successfully provided regional monitoring services for CCLEAN since 1999; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Carmel Area Wastewater District finds that approval of this professional services agreement furthers the mission of the District to provide wastewater treatment in a cost-effective manner; and that the Board of Directors of the Carmel Area Wastewater District hereby authorizes the General Manager to enter into a professional services agreement on behalf of CCLEAN with Applied Marine Sciences in an amount not to exceed \$624,703 for CCLEAN Regional Monitoring and Program Management Services.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on June 25<sup>th</sup>, 2026, by the following vote:

AYES: BOARD MEMBERS:  
NOES: BOARD MEMBERS:  
ABSENT: BOARD MEMBERS:  
ABSTAIN: BOARD MEMBERS:

---

Robert Siegfried, President of the Board

ATTEST:

---

Domine Barringer, Secretary of the Board

## *General Manager Comments*

## *Other Items Before The Board*

# Staff Report



TO: Board of Directors

FROM: Barbara Buikema, GM

DATE: June 25, 2026

SUBJECT: Reclamation Oversight of Operations & Management (O&M)  
Expenditures

## RECOMMENDATION

It is recommended that the Board review the attached documents regarding Reclamation Operations and provide direction to staff on next steps.

## DISCUSSION

The Reclamation Management Committee met on June 9, 2026 and voted to pay Delay & Laredo for services rendered in January & February 2026. There is an assumption that there will be further billing as the contract was terminated effective June 5, 2026.

Staff was asked to provide the documentation for how the Reclamation Agreement addressed the issue of O&M funds and their processing. While there are multiple Reclamation Agreements (17 identified by Pebble Beach Community Service District (PBCSD)); staff have focused on including only those agreements that specifically address O&M expenditures. Please also note that the most current iteration of each agreement has been provided; however, if there is a desire to compare with the original version please contact me and I will send it out.

In brief, please find the following attachments:

1. *Letter to RMC Committee dated February 11, 2026-*  
This letter sets forth the District's objection to hiring legal counsel without Carmel Areas Wastewater District's (CAWD) approval. The citation in the text of the letter references the Four Way Agreement, also known as the Construction and Operation Agreement.
- 2.a. *Payment to Delay & Laredo January 2026 – disputed payment withheld.*
- 2.b. *Payment to Delay & Laredo February 2026 – disputed payment withheld.*
3. *CAWD/PBCSD Reclamation Management Agreement (Recl Mgmt Agreement) (02-21-91)*  
Original agreement between CAWD and PBCSD that defines roles and responsibilities as regards Reclamation and interaction with Four Party Agreement.
4. *1<sup>st</sup> Amendment to Financing Implementation Agreement (12-15-04)*  
Modification of Original Financing Implementation Agreement.
5. *Financing Implementation Agreement (12-15-04)*  
Amendment to original agreement – speaks to project financing.
6. *Supplemental Financing Agreement (12-14-04)*
- 7.a. *Amended & Restated Construction & Operation Agreement (12-15-04)*  
This agreement documents how daily financial operations are handled.  
See pages 19 - 27
- 7.b. *Signature page – Amended & Restated C & O Agreement (12-16-13).*

## **FINANCIAL**

No cost impact to CAWD – the funds for Reclamation and CAWD are separate.

### **Attachments:**

1. Letter to RMC Board dated Feb 11, 2026
- 2.a. Payment to Delay & Laredo Jan 2026

- 2.b. Payment to Delay & Laredo Feb 2026
- 3. CAWD/PBCSD Recl Mgmt Agreement (02-21-91)
- 4. Fiscal Sponsorship Agreement (12-15-04)
- 5. Financing Implementation Agreement (12-15-04)
- 6. Supplemental Financing Agreement (12-14-04)
- 7.a. Amended & Restated Construction & Operation Agreement (12-15-04)-  
See pages 19 - 27
- 7.b. Signature page – Amended & Restated C & O Agreement (12-16-13)

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ATTORNEYS AT LAW

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KALI N. SMILEY  
ELIZABETH A. HERR  
NEGIN P. ROTH

OF COUNSEL

CHARLES R. KELLER  
SARA B. BOYNS  
TROY A. KINGSHAVEN  
BRIAN D. CALL

ALEX J. LORCA

February 11, 2026

[ALorca@fentonkeller.com](mailto:ALorca@fentonkeller.com)  
ext. 258

**VIA EMAIL ([pbcسد@pbcسد.org](mailto:pbcسد@pbcسد.org))**

Reclamation Project Management Committee  
c/o Richard D. Verbanec, President  
3101 Forest Lake Road  
Pebble Beach, CA 93953

Re: Legal Services  
Our File: 35273.70365

Dear Mr. Verbanec:

As you know, our firm represents the Carmel Area Wastewater District (“CAWD”). At its January 29, 2026 meeting, CAWD’s Board of Directors directed my office to write to the Reclamation Project Management Committee (“RMC”) and reiterate its objection to the hiring of legal counsel without CAWD’s approval. Setting aside CAWD’s disappointment in the Pebble Beach Community Services District’s (“PBCSD”) and RMC’s lack of professional courtesy to consult with CAWD regarding the hiring of RMC counsel (especially in light of its known objection), CAWD reiterates its position that doing so is in violation of the Four Way Agreement.

As previously pointed out, Section 6.1(a) of the Four Way Agreement, “Role of Management Committee,” gives the RMC the authority to “make all decisions as prescribed in the [Four Way Agreement] with respect to the design, construction, management, operation and maintenance of the Project on behalf of the Board of Directors of each of CAWD and PBCSD, except for those matters requiring legally binding action by such **boards**, including, without limitation, **the execution of any agreement**, the adoption of any budget, and the initiation of any legal action.” (Emphasis added.)

“Boards” is plural, and of course entering into a legal services agreement is the “execution of any agreement” and is a matter “requiring legally binding action.” Therefore, any agreement for

the provision of legal services to the RMC must be approved by both the CAWD Board of Directors and the PBCSD Board of Directors.<sup>1</sup>

It is, of course, axiomatic that a law firm may only represent a client that has in fact hired it.<sup>2</sup> Here, because CAWD did not approve the legal services agreement with DeLay & Laredo, that firm is prohibited from representing CAWD.

Moreover, where a lawyer or law firm represents two or more clients whose interest may become adverse, the lawyer or law firm must obtain written waivers of actual or possible conflicts of interest.<sup>3</sup> Here, even if CAWD consented to RMC's putative hiring of legal counsel (which it does not), a conflict-of-interest waiver would have to be obtained from CAWD. CAWD has not signed a conflict-of-interest waiver, and no such waiver has been presented.

As you know, the CAWD Board would be supportive of a process by which both it and PBCSD select legal representation via an RFP process.

Sincerely,

FENTON & KELLER  
A Professional Corporation



Alex J. Lorca

AJL:kmc

cc: PBCSD Board Members (sent to all at [pbcسد@pbcسد.org](mailto:pbcسد@pbcسد.org)):

- Peter B. McKee, Vice President
- Jeffrey B. Froke, Ph.D, Director
- Richard B. Gebhart, Director
- Leo M. Laska, Director

CAWD Board Members (sent to all at [downstream@cawd.org](mailto:downstream@cawd.org)):

- Ken White, President
- Bob Siegfried, Director
- Kevan Urquhart, Director
- Suzanne Cole, Director
- Elise Weiland, Director

Nick Becker ([nbecker@pbcسد.org](mailto:nbecker@pbcسد.org))

Barbara Buikema ([buikema@cawd.org](mailto:buikema@cawd.org))

Diane Goldman ([goldmand@pebblebeach.com](mailto:goldmand@pebblebeach.com))

---

<sup>1</sup> The CAWD Board expresses its interpretation of this provision with respect to the legal services agreement only, and not necessarily to any other type of agreement.

<sup>2</sup> See California Evidence Code section 951, which defines "client" as "a person who, directly or through an authorized representative, consults a lawyer for the purpose of retaining the lawyer or securing legal service or advice from him in his professional capacity."

<sup>3</sup> See generally California Rules of Professional Conduct, Rule 1.7 "Conflict of Interest: Current Clients."

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
FUND 631**

04004

|        |                 |               |             |
|--------|-----------------|---------------|-------------|
| Vendor | Vendor Name     | Date 03/23/26 | Ck # 084004 |
| DEL07  | DE LAY & LAREDO |               |             |

| Invoice ID    | Inv Date    | Invoice Description                         | Gross           | Discount   | Total           |
|---------------|-------------|---|-----------------|------------|-----------------|
| 19844-        | Feb 12 2026 | RECLAM MGMT COMMITTEE LEGAL SVC 12/8/25-1/2 | 1,089.00        |            | 1,089.00        |
| 19866-        | Mar 05 2026 | LEGAL RETAINER FEES FEB 2026                | 2,800.00        |            | 2,800.00        |
| 13            |             |   |                 |            |                 |
| <b>Totals</b> |             |   | <b>3,889.00</b> | <b>.00</b> | <b>3,889.00</b> |

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www.chase.com

90-7162/3222

DATE

AMOUNT

84004

03/23/26

\*\*\*\*\*3,889.00\*

PAY

\*Three Thousand Eight Hundred Eighty-Nine\*\*\*\*\*

TO THE  
ORDER  
OF

DE LAY & LAREDO  
606 FOREST AVENUE  
PACIFIC GROVE CA 93950

*R. V. [Signature]*

*[Signature]*

AUTHORIZED SIGNATURE

Security Features. Details on back.

# PEBBLE BEACH COMMUNITY SERVICES DISTRICT

## Purchase Information Form (PIF)



**Department**

Maintenance

Reclamation

Admin

Engineering

Capital (3 Quotes Attached)

Other:

| BUDGET ACCOUNT # | ITEM/DESCRIPTION<br><small>DESCRIBE USE OR PURPOSE OF ITEM(S) LISTED FOR EACH ACCT # ASSIGNED</small> | AMOUNT            |
|------------------|---|-------------------|
| 723              | <b>CAWD/PBCSD Wastewater Reclamation Project</b>  |                   |
|                  | ~ RMC Legal Counsel Services for Jan.2026 <span style="float: right;">(Invoice #19844)</span>         | \$1,089.00        |
|                  |   |                   |
|                  |   |                   |
|                  |   |                   |
|                  |   |                   |
|                  |   |                   |
|                  |   |                   |
|                  |   |                   |
|                  | <b>TOTAL</b>  | <b>\$1,089.00</b> |

**VENDOR:** De Lay & Laredo

Check here if this is pro forma payment

Check here & complete boxes below if this is an employee reimbursement & enter info below

Name: \_\_\_\_\_

Mall to:  \_\_\_\_\_

Hold & Call:  \_\_\_\_\_

|                                   |  |         |
|-----------------------------------|--|---------|
| <b>1. Ordered / Received By:</b>  |  | ✓       |
|                                   | Marianna Pimentel, Chief Financial Officer | 3/12/26 |
| <b>2. Reviewed / Approved By:</b> |  | ✓       |
|                                   | Nick Becker, General Manager               | 3/12/26 |

All PIFs must have two signatures.

If total is more than \$7,500, PIF must be signed by General Manager.

*For Finance Department Use Only*

**Definition:**

| Fund | Account | Dept | Amount    | Inventory Tag Number & Notes |
|------|---------|------|-----------|------------------------------|
| 22   | 5230    |      | \$1089.00 |                              |
|      |         |      |           |                              |
|      |         |      |           |                              |

**De LAY & LAREDO**

ATTORNEYS AT LAW

David C. Laredo  
Frances M. Farina  
Michael D. Laredo

Telephone: 831.646.1502  
Facsimile: 831.646.0377

Paul R. De Lay (1919 - 2018)

March 03, 2026

Pebble Beach Community Services District  
3101 Forest Lake Road  
Pebble Beach, CA 93953

**Attention: Nick Becker**

**RE: RMC Wastewater Reclamation Project General Services**

Enclosed is the legal services statement for January 2026. Your current balance due is \$1,089.00. Thank you for your confidence in our work and our commitment to serving you.

**Billing Summary**

|                             |                    |
|-----------------------------|--------------------|
| Total for Retained Services | \$ 1,089.00        |
| Total Cost Advanced         | \$                 |
| <b>Balance Due</b>          | <u>\$ 1,089.00</u> |

**De Lay & Laredo**  
 Attorneys at Law  
 606 Forest Avenue  
 Pacific Grove, CA 93950  
 (831) 646-1502

✓ DEL 07

Pebble Beach Community Services District  
 3101 Forest Lake Road  
 Pebble Beach, CA 95953 ✓

**Invoice**

Invoice Number 19844  
 Invoice Date 02/12/2026  
 Amount Due \$1,089.00

**PBCSD5200-RMC- Wastewater Reclamation Project  
 Management Committee**

**Fees**

| Date              | Description   | Staff    | Rate          | Hours | Total    |
|-------------------|---|----------|---------------|-------|----------|
| <u>12/08/2025</u> | Services: No Charge<br>- 20251208 - Letter to PBCSD Board of Directors (Richard Verbanec) created (0.30hrs)<br>- Draft Response to Lorca Demand (0.50hrs) | DL       |               | 0.80  | \$0.00   |
| 12/19/2025        | Services: No Charge<br>- 1 email sent/reviewed regarding Motion for Agenda Item No. 27- see snip of motion below (0.20hrs)                                | MDL      |               | 0.20  | \$0.00   |
| 12/31/2025        | No Charge - 2 emails sent/reviewed regarding RMC Agreement  | MDL      |               | 0.40  | \$0.00   |
| 01/05/2026        | 1 email sent/reviewed regarding RMC Services  | ✓<br>MDL | ✓<br>\$285.00 | 0.40  | \$114.00 |
| 01/06/2026        | Services:<br>- 3 emails sent/reviewed regarding Agreement for RMC Legal Counsel Services (0.40hrs)  | MDL      | \$285.00      | 0.40  | \$114.00 |
| 01/09/2026        | Services:<br>- 1 email sent/reviewed regarding Agreement for RMC (0.10hrs)  | MDL      | \$285.00      | 0.10  | \$28.50  |
| 01/27/2026        | Services:<br>- 1 email sent/reviewed regarding RMC Agreement (0.10hrs)  | MDL      | \$285.00      | 0.10  | \$28.50  |

|                          |  |     |               |           |                   |
|--------------------------|--|-----|---------------|-----------|-------------------|
| 01/27/2026               | Services:<br>- Email attachment reviewed - 20251208 - Letter to PBCSD Board of Directors (Richard Verbanec) (0.30hrs)<br>- Review Reclamation Project Management Committee (0.30hrs) | DL  | ✓<br>\$295.00 | 0.60      | \$177.00          |
| 01/28/2026               | Services:<br>- 1 email sent/reviewed regarding RMC Agreement (0.20hrs)<br>- Meet w/ N. Becker re: RMC attended (1.00hrs)   | MDL | ✓<br>\$285.00 | ✓<br>1.20 | \$342.00          |
| 01/29/2026               | Attend CAWD Board meeting re: RMC issue  | MDL | \$285.00      | 1.00      | \$285.00          |
|                          |  |     |               | 5.20      | \$1,089.00        |
| <b>Subtotal</b>          |  |     |               |           | <b>\$1,089.00</b> |
| <b>Total</b>             |  |     |               |           | <b>\$1,089.00</b> |
| <b>Total Balance Due</b> |  |     |               |           | <b>\$1,089.00</b> |

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**RESOLUTION NO. 25-33**  
**PEBBLE BEACH COMMUNITY SERVICES DISTRICT**  
**APPROVING AGREEMENT WITH THE LAW FIRM OF**  
**DE LAY & LAREDO TO PROVIDE LEGAL COUNSEL SERVICES**  
**FOR THE WASTEWATER RECLAMATION PROJECT**

-oOo-

**WHEREAS**, the Wastewater Reclamation Project requires legal counsel services including representation, advice, and consultation to the Reclamation Management Committee regarding its powers, duties, rights, and obligations; and

**WHEREAS**, at the November 18, 2025 Reclamation Management Committee meeting the Reclamation Management Committee passed a motion requesting the Pebble Beach Community Services District on behalf of the Reclamation Management Committee administer an agreement with the law firm of *De Lay & Laredo* to provide legal counsel services for the Wastewater Reclamation Project; and

**WHEREAS**, on this date the Board of Directors has received and reviewed a memorandum from the General Manager recommending approval of an agreement with the law firm of *De Lay & Laredo* to provide legal counsel services for the Wastewater Reclamation Project and a form of agreement for providing legal counsel services.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Pebble Beach Community Services District that:

1. The Board of Directors hereby approves agreement with the law firm of *De Lay & Laredo* and authorizes and directs the Board President and General Manager to execute agreement with the law firm of *De Lay & Laredo* to provide legal counsel services for the Wastewater Reclamation Project.
2. The Board Secretary is instructed to send a certified copy of adopted *Resolution 25-33* and an executed form of agreement for providing legal counsel services for the Wastewater Reclamation Project to the law firm of *De Lay & Laredo*.

**PASSED AND ADOPTED** by the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, at a regular meeting held on **December 12, 2025**, by the following vote:

**AYES:** BOARD MEMBERS: Jeffrey B. Froke, Richard B. Gebhart, Leo M. Laska  
Peter B. McKee, Richard D. Verbanec

**NOES:** BOARD MEMBERS:

**ABSENT:** BOARD MEMBERS:

  
Richard D. Verbanec, Board President

ATTEST  
  
Nicholas R. Becker, Board Secretary

I hereby certify that the foregoing is a full, true, and correct copy of ***Resolution No. 25-33 approving agreement with the law firm of De Lay & Laredo to provide legal counsel services for the Wastewater Reclamation Project*** adopted by the Board of Directors of the Pebble Beach Community Services District at a regular meeting thereof held on **December 12, 2025**.



---

Nicholas R. Becker, Board Secretary

**WASTEWATER RECLAMATION PROJECT  
MANAGEMENT COMMITTEE  
AGREEMENT FOR  
LEGAL COUNSEL SERVICES**

THIS AGREEMENT shall govern the Scope of Services and related Fees and Charges associated with the performance of Legal Counsel Services by De Lay & Laredo Attorneys at Law (hereafter referred to as "General Counsel") to and for the WASTEWATER RECLAMATION PROJECT MANAGEMENT COMMITTEE (hereafter referred to as "RMC"). This Agreement shall be administered by the Pebble Beach Community Services District (hereafter referred to as "District") for the benefit of the RMC. This Agreement shall commence on the dates set forth below and shall have a term ending December 31, 2027, unless it is extended in writing by the parties.

WHEREAS, the RMC requires legal services including representation, advice, and consultation as to its powers and duties and as to the rights and obligations of those with whom it deals and/or regulates; and

WHEREAS, General Counsel has civil law experience, regularly represents local public agencies, and maintains a civil law office in Pacific Grove, California with personnel who are familiar with legal principles applicable to the RMC;

NOW, THEREFORE, the parties do hereby agree as follows:

1. General Counsel will provide to, or on behalf of RMC, General Counsel Services on an as needed basis. These services generally include day-to-day advice, written opinions, legal document review, appearances at all RMC meetings, appearance at other meetings at the upon request, oversight of special counsel, litigation advice or services, services subject to reimbursement by third parties, and bond, audit, or financial services. Michael D. Laredo is designated as lead attorney; service may also be provided by other De Lay & Laredo counsel or staff. Service by non-firm counsel shall be subject to RMC approval. RMC agrees to pay General Counsel for general counsel services on a time and material basis upon invoice from General Counsel, in accord with paragraph 3, below.

2. General Counsel's engagement with respect to matters relating to conflicts of interest, Fair Political Practice Act issues, or Government Code Section 1090 issues shall be provided only as to specific matters for which General Counsel has been formally consulted and for which General Counsel has agreed to accept. General Counsel's engagement shall not impose a duty upon De Lay & Laredo or any attorney of that firm, to undertake an independent review or special investigation of RMC files, transactions, contractual arrangements, or other affairs for the purpose of issues

December 12, 2025

Page 2 of 3

referenced above, except in response to a specific question or consultation. This engagement also does not require separate inquiry or review of any statement of economic interest (or any inquiry as to the accuracy of such statement), nor does this engagement require an independent assessment as to conflict or self-dealing issues absent a specific written consultation or written question thereon.

3. Upon the effective date of this Agreement, General Counsel shall be paid Legal Services, upon invoice, as follows:

- Efforts by Michael D. Laredo - two hundred eighty-five dollars (\$285) per hour,
- Efforts by David C. Laredo - two hundred ninety-five dollars (\$295) per hour,
- Efforts by Frances M. Farina - two hundred ninety-five dollars (\$295) per hour,
- Efforts by firm paralegal staff - one hundred fifty dollars (\$150) per hour.

The legal service rates set forth above shall be reviewed annually and presented to the RMC during budget process at the regularly scheduled May RMC meeting. Consumer Price Index (%) tables shall be used as a basis when considering an adjustment to the legal service rates. Any increase to the legal service rates will be at the discretion of the RMC.

4. RMC agrees to reimburse General Counsel for all expenses and reasonable costs incurred by General Counsel relating to the RMC. RMC shall reimburse General Counsel all costs incurred on behalf of RMC including to specialty counsel, appraisers, filing fees, witness fees, transcripts, reporter fees, hearing officer costs, photocopying costs, long distance telephone costs, travel and lodging costs, legal process fees, discovery costs, and jury fees. Out-of-County travel shall be billed at 50% of service rate. Costs shall be billed at actual cost (no over-head additions). No cost charge shall be made for communications or deliveries to or from other firm counsel. General Counsel shall not charge for travel expenses inside Monterey County related to in-person attendance at meetings.


5. This legal services Agreement shall end on December 31, 2027, provided however, that this Agreement may be terminated at any time during its term, without cause, by the affirmative majority vote of the RMC. In the absence of a written renewal, this contract shall continue on a monthly basis on January 1, 2028, provided however, that RMC or General Counsel shall provide thirty (30) days advance notice of any amendment.

6. De Lay & Laredo shall maintain a policy of professional liability insurance with a minimum of \$1,000,000/\$1,000,000 limits during the term of this Agreement, or such other minimum insurance requirements as may be set by RMC.


December 12, 2025  
Page 3 of 3

IN WITNESS WHEREOF, on November 18, 2025 the Wastewater Reclamation Project Management Committee directed the Pebble Beach Community Services District to execute this Agreement with De Lay & Laredo to provide Legal Counsel Services for the Wastewater Reclamation Project.


12/12/2025  
Dated

  
Richard D. Verbanec, Board President  
Pebble Beach Community Services District

12-12-2025  
Dated

  
Nicholas R. Becker, General Manager  
Pebble Beach Community Services District

12/12/2025  
Dated

  
Michael D. Laredo  
De Lay & Laredo

84043

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

FUND 0001 Vendor Name Date 04/09/26 Ck # 084043

DELO7 DE LAY & LAREDO

| Invoice ID        | Inv Date    | Invoice Description                        | Gross           | Discount   | Total           |
|-------------------|-------------|--|-----------------|------------|-----------------|
| 19865-            | Mar 05 2026 | RECLAMATION MGMT COMMITTEE LEGAL SVC FEB 2 | 1,686.50        |            | 1,686.50        |
| (5) <b>Totals</b> |             |  | <b>1,686.50</b> | <b>.00</b> | <b>1,686.50</b> |

PRODUCT DLR250 USE WITH 91834 ENVELOPE Deluxe Corporation 1-800-328-0304 or www.deluxe.com PRINTED IN U.S.A.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

3101 FOREST LAKE RD  
PEBBLE BEACH, CA 93953



JPMorgan Chase Bank, N.A.  
www.Chase.com

90-7162/3222

DATE

AMOUNT

84043

04/09/26 \*\*\*\*\*1,686.50\*

PAY \*One Thousand Six Hundred Eighty-Six and 50/100\*\*\*\*\*

TO THE

ORDER DE LAY & LAREDO  
OF 606 FOREST AVENUE  
PACIFIC GROVE CA 93950

*R. DeLay*  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

Security features. Details on back. FD

**De LAY & LAREDO**

ATTORNEYS AT LAW

David C. Laredo  
Frances M. Farina  
Michael D. Laredo

Telephone: 831.646.1502  
Facsimile: 831.646.0377

Paul R. De Lay (1919 - 2018)

March 10, 2026

Pebble Beach Community Services District  
3101 Forest Lake Road  
Pebble Beach, CA 93953

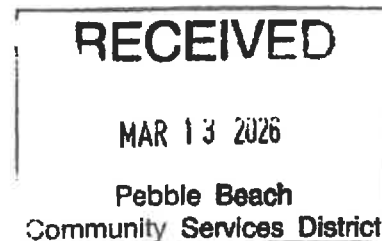
**Attention:** Nick Becker

**RE:** Wastewater Reclamation Project General Services

Enclosed is the legal services statement for February 2026. Your current balance due is \$1,686.50. Thank you for your confidence in our work and our commitment to serving you.

**Billing Summary**

|                             |                    |
|-----------------------------|--------------------|
| Total for Retained Services | \$ 1,686.50        |
| Total Cost Advanced         | \$                 |
| <b>Balance Due</b>          | <b>\$ 1,686.50</b> |



NB -> 3/13/26

De Lay & Laredo  
Attorneys at Law  
606 Forest Avenue  
Pacific Grove, CA 93950  
(831) 646-1502

DELPH?

Pebble Beach Community Services District ✓  
3101 Forest Lake Road  
Pebble Beach, CA 95953

### Invoice

|                |            |
|----------------|------------|
| Invoice Number | 19865      |
| Invoice Date   | 03/05/2026 |
| Amount Due     | \$1,686.50 |

## PBCSD5200-RMC- Wastewater Reclamation Project Management Committee

### Fees

| Date       | Description  | Staff | Rate     | Hours | Total    |
|------------|--|-------|----------|-------|----------|
| 02/03/2026 | Services:<br>- 2 emails sent/reviewed regarding Agreement for RMC Legal Counsel Services (0.10hrs)   | MDL   | \$285.00 | 0.10  | \$28.50  |
| 02/11/2026 | Services:<br>- 20260211 - Letter to RMC Board (Richard Verbanec) created (0.10hrs)<br>- 2 emails sent/reviewed regarding Letter to Reclamation Project Mgmt. Committee re Legal Services (0.30hrs)<br>- Legal research re: 4-Way Agreement (0.50hrs)                           | MDL   | \$285.00 | 0.90  | \$256.50 |
| 02/12/2026 | Review Alex Lorca letter re RMC Counsel; Prepare partial response  | DL    | \$295.00 | 0.50  | \$147.50 |
| 02/12/2026 | Services:<br>- Email attachment reviewed - 20260211 - Letter to RMC Board (Richard Verbanec) (0.20hrs)<br>- 6 emails sent/reviewed regarding Letter to Reclamation Project Mgmt. Committee re Legal Services (0.40hrs)<br>- TC w. N. Becker re: CAWD Letter attended (0.70hrs) | MDL   | \$285.00 | 1.30  | \$370.50 |
| 02/17/2026 | Attend RMC meeting, review agenda  | MDL   | \$285.00 | 1.20  | \$342.00 |

|            |   |     |          |      |            |
|------------|---|-----|----------|------|------------|
| 02/25/2026 | Services:<br>- 1 email sent/reviewed regarding Letter to Reclamation Project Mgmt. Committee re Legal Services (0.10hrs)<br>- TC w/ N. Becker re: CAWD agenda re: RMC counsel (0.30hrs) | MDL | \$285.00 | 0.40 | \$114.00   |
| 02/26/2026 | Services:<br>TC w/ N. Becker re: threat of litigation (CAWD)<br>Attend CAWD Board meeting re: RMC counsel   | MDL | \$285.00 | 1.50 | \$427.50   |
|            |   |     |          | 5.90 | \$1,686.50 |

|                          |                   |
|--------------------------|-------------------|
| <b>Subtotal</b>          | <b>\$1,686.50</b> |
| <b>Total</b>             | <b>\$1,686.50</b> |
| <b>Total Balance Due</b> | <b>\$1,686.50</b> |

Privileged & Confidential – Do Not Store with publicly accessible documents



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RESOLUTION NO. 91-08

A RESOLUTION OF THE CARMEL AREA WASTEWATER DISTRICT  
RE-APPROVING AND AUTHORIZING THE EXECUTION OF THE  
CAWD/PBCSD RECLAMATION MANAGEMENT AGREEMENT

-oOo-

WHEREAS, the Carmel Area Wastewater District ("CAWD") and the Pebble Beach Community Services District ("PBCSD"), along with other parties, have been actively pursuing a proposed Wastewater Reclamation project at the CAWD Treatment Facility under the terms of various existing agreements and memoranda of understanding between said agencies; and

WHEREAS, CAWD (formerly known as the Carmel Sanitary District) and PBCSD adopted a Memorandum of Understanding dated November 16, 1987, which, among other things, described the proposed Reclamation Project, established a Management Committee, authorized CAWD to be the Administrative Board, and required that a final decision on joint ownership of project facilities be made prior to the implementation of Pebble Beach Company's commitment to finance the project; and

WHEREAS, a comprehensive Four-Party Construction and Operation Agreement between all involved parties has now been negotiated and executed, and a supplemental agreement between CAWD and PBCSD, relative to their respective relationships for the ownership and management of the Project, was previously approved by this Board on March 15, 1990, and as revised has now been presented to the Board this date.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby re-approve the attached Management Agreement with PBCSD regarding

LAW OFFICER OF  
ROBERT R. WELLINGTON  
457 CARB STREET  
SUITE D  
MONTEREY,  
CALIFORNIA 93940  
TELEPHONE

Meeting  
Date 2-21-91  
JTC

1 the relationships and responsibilities of CAWD/PBCSD relative  
2 to implementing the CAWD/PBCSD Wastewater Reclamation Project,  
3 and authorizes the General Manager and the Secretary of the  
4 Board to execute said Agreement on behalf of the CAWD.

5 PASSED AND ADOPTED by the Board of Directors of the  
6 Carmel Area Wastewater District at a regular meeting duly held  
7 on February 21, 1991, by the following vote:

8 AYES: BOARD MEMBERS:  
9 NOES: BOARD MEMBERS:  
10 ABSENT: BOARD MEMBERS:

\_\_\_\_\_  
President of the Board

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13 ATTEST:

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15 \_\_\_\_\_  
Secretary of the Board  
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11  
LAW OFFICES OF  
ROBERT H. WELLINGTON  
407 CANT STREET  
SUITE 0  
MONTEREY,  
CALIFORNIA 93940  
TELEPHONE  
(408) 373-8733

40

CAWD/PBCSD RECLAMATION  
MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into on February \_\_\_\_\_, 1991, by and between the CARMEL AREA WASTEWATER DISTRICT (hereinafter "CAWD") and the PEBBLE BEACH COMMUNITY SERVICES DISTRICT (hereinafter "PBCSD"), as follows:

Recitals

1. CAWD owns and operates, and PBCSD has a contractual right for one-third of the capacity of, a wastewater treatment plant, and the parties hereto, in conjunction with the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ("WMD") and the PEBBLE BEACH COMPANY ("PBC"), are actively pursuing the implementation of a wastewater reclamation project capable of producing at least 800 acre feet per year of subpotable water.

2. It is the intent of the parties hereto that the reclamation facility will be located at the CAWD treatment plant and that CAWD and PBCSD will own and manage the construction and subsequent operation of the facility and the related distribution system (collectively, the "Project"), as provided hereinafter, with CAWD acting as the lead agency.

3. Effective on November 1, 1990, the four entities mentioned above - CAWD, PBCSD, WMD and PBC - entered into that certain "Wastewater Reclamation Project Construction and Operation Agreement" (hereinafter referred to as the "Four-Party Agreement"), a copy of which is attached hereto as Exhibit "A" and is incorporated in this Agreement by reference for the purpose of setting forth the agreement of the parties with respect to the construction and operation of the project.

4. The purpose and intent of this Agreement, therefore, is to specify as between CAWD and PBCSD certain provisions relating to the ownership, operation and management of the Project.

Terms and Conditions

In consideration of the mutual promises contained herein, CAWD and PBCSD agree to the following terms and conditions:

1. Project Ownership. The "Project" which includes both the reclamation "Facility" and the "Distribution System," as said terms are defined in Section 1.17 and 2.1 of the Four-Party Agreement, shall be owned by the parties hereto as follows:

a) CAWD shall own the Facility and the portion of the Distribution System Pipeline that runs from the facility to the southwestern edge of Lasuen Drive (in the unincorporated Carmel area), where it abuts the pipeline and access easement presently owned by CAWD; and

b) PBCSD shall own all of the remainder of the Distribution System Pipeline (from Lasuen Drive generally north to the PBCSD boundary line) and all of the Distribution System (pipelines and storage tank facilities) within the boundaries of PBCSD.

2. Other Facilities. All wastewater treatment and disposal facilities of CAWD which are not part of the Project will continue to be owned, operated and financed in accordance with the presently existing agreement between the parties hereto, dated March 27, 1969, and all amendments thereto or any successor agreements replacing same (the "1969 Agreement").

3. Management Committee. The parties hereto, jointly referred as to "CAWD/PBCSD" (as provided in Section 1.6 of the Four-Party Agreement), will jointly design, construct, operate and maintain the Project. CAWD and PBCSD shall carry out such design, construction, operation and maintenance through a Management Committee as provided in the Four-Party Agreement. As provided in Section 1.13 of the Four-Party Agreement, the Management Committee shall be composed of a) two representatives of CAWD, b) two representatives of PBCSD, and c) one representative of PBC, until such time as PBC ceases to be a member of such committee in the manner provided in section 1.13 of the Four-Party Agreement. The role of the Management Committee, and its procedures, powers and duties, are set forth at length in the Four-Party Agreement.

4. Appointment of Committee Members. The Boards of Directors of each of CAWD and PBCSD may appoint or elect their representatives on the Management Committee, and may replace and change representatives, by such procedures as may be adopted by each Board.

5. Operation of the Management Committee. The Management Committee may adopt its own rules, procedures, or by-laws for its operations; provided, however, that the following provisions shall apply to the operation of the Management Committee:

a) A quorum of the Management Committee shall consist of one representative of CAWD, one representative of PBCSD and the representative of PBC on the Management Committee, and, except as provided to the contrary in the Four-Party Agreement, the approving votes of three of the members of the Management Committee shall be necessary for it to take any action;

b) All meetings of the Management Committee shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (Sections 54950 et seq. of the California Government Code and Section 6.1 of the Four-Party Agreement; and

c) The names of each of the initial members of the Management Committee, and the entity which has appointed him or her, are set forth on Exhibit "B" hereto. Each entity which may appoint a person as a member of the Management Committee may change the person it has appointed as such member at any time, and from time to time, upon giving each of the other entities written notice of such change.

6. Management Staff. The General Manager of the CAWD shall be responsible, subject to the direction and control of the Management Committee, for the day-to-day implementation of the responsibilities and duties of CAWD/PBCSD for the Project. In connection with performing such services, the General Manager shall receive such staff assistance as may be required, from time to time, from the staff members of the CAWD. Pursuant to, and subject to the limitations set forth in, Section 5.2(b) of the Four-Party Agreement, all reasonable administrative or overhead expenses of CAWD or PBCSD which relate to the Project shall be included in, and reimbursed as part of, the Operation and Maintenance Expenses, as defined in Section 1.16 of the Four-Party Agreement.

7. Lead Agency; Administrative Board. CAWD shall be the lead agency with regard to the operations of, and actions to be taken concerning, the Project by CAWD/PBCSD, and the Board of Directors of CAWD is hereby designated the Administrative Board for the Project and is hereby authorized to carry out, as a ministerial function, those actions approved by the Management Committee and, as necessary, the Board of Directors of each of CAWD and PBCSD.

8. Board Approval; Procedure. Any matter which the Management Committee, pursuant to Section 6.1(d) of the Four-Party Agreement, determines should be referred to and recommended for action by the CAWD and PBCSD Board of Directors shall be considered for approval by each Board. If both Boards approve the recommended matter, the Administrative Board will automatically take formal action, as a ministerial function, to implement such matter. If either Board disagrees with the recommended matter, it may call for a joint meeting of the two Boards to consider the matter. In that circumstance, the joint Boards will function as one ten-member Board, with eight members required as a quorum for the transaction of business and with decisions made by majority vote of the ten-members, and such vote, without further action, will bind the Administrative Board to act accordingly. Failure to obtain a majority vote of the joint Boards will result in the return of the matter to the Management Committee for further consideration and recommendations. In that circumstance, the Management Committee may either a) withdraw its earlier recommendation or b) modify its earlier recommendation in which latter case the matter will then be automatically resubmitted to the ten-member Board. If the committee cannot resolve by either of these methods any impasse on the matter within ten (10) days of first reconsidering the matter, then the matter shall be resolved exclusively by arbitration in the manner set forth in the following paragraph.

9. Arbitration. Within ten (10) days after the Management Committee concludes there is an impasse on a recommended matter, it shall meet and act to prepare and transmit a written notice to both parties hereto of the referral of the matter to arbitration (the "Arbitration Notice"). Such arbitration, shall be conducted by one arbitrator, unless the parties cannot agree on an arbitrator within fifteen (15) days after the date of the Arbitration Notice, in which case it shall be conducted by a panel of three arbitrators. If a three-arbitrator panel is to be used, each party shall select a single arbitrator, and the two arbitrators so selected shall engage in all reasonable efforts to select the third arbitrator, within thirty (30) days after the date of the Arbitration Notice.

In the event the third arbitrator has not been selected within such thirty-day period, either of the parties may request the American Arbitration Association to select such arbitrator. If one of the parties has not selected an arbitrator, or notified the other party in writing of such selection within fifteen (15) days after the date of the Arbitration Notice, the arbitrator selected by the other party shall act as the sole arbitrator. No arbitrator may be affiliated, whether directly or indirectly, with either of the parties. Arbitration shall be conducted pursuant to the procedure described in this paragraph and the rules of the American Arbitration Association, and shall take place in Monterey County, California. A decision of the arbitrator(s) (and if the arbitration is conducted by a panel of three arbitrators, the decision shall be made by a vote of at least two of the arbitrators) and shall be delivered in writing and shall contain a description in reasonable detail, of the reasons for the decision. The arbitrator(s) shall be required to use his (their) best efforts to a) hold the hearing with respect to the arbitration within thirty (30) days after the selection of the last of the arbitrators to be selected, and b) deliver the decision to each of the parties within ten (10) days of the completion of the hearing. A decision by the arbitrator(s) shall be final, binding and conclusive on the parties. A judgment based on the decision of the arbitrator(s) may be entered by any court of competent jurisdiction.

10. Amendment or Modification. This Agreement may be amended, altered or modified only by a writing, specifying such amendment, alteration or modification, executed by both of the parties hereto; provided, however, that so long as any of the bonds issued to finance the Project, as more fully described in the Fiscal Sponsorship Agreement between PBC and WMD, or any bonds or certificates of participation issued to refinance such bonds, are outstanding, CAWD and PBCSD shall make no amendments to this Agreement which could, at the time or in the future, impair the ability of CAWD/PBCSD to perform any of its obligations hereunder or under the Four-Party Agreement or adversely affect any of the rights of PBC or WMD under the Fiscal Sponsorship Agreement or the Four-Party Agreement.

11. Term. This Agreement shall become effective upon its execution and delivery to each party and shall continue until terminated by mutual agreement of both parties hereto, by operation of law or by judicial decree.

12. Indemnification. Each party shall defend, indemnify and hold harmless the other party from and against any and all damages, liabilities, losses and costs of expenses suffered or incurred by such other party, arising out of or resulting from any breach of its agreements set forth in this Agreement.

13. Further Assurances. Each of the parties agree to execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to effectuate the terms and conditions of this Agreement; provided, however, such covenant shall not have the effect of increasing the obligations of any party pursuant to this Agreement or require any representations and warranties by any party.

14. Relationship of the Parties. Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between the parties.

15. Notices. Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to any party hereto, shall be in writing and shall, except as otherwise expressly provided in this Agreement, or by law, be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service, within five (5) days after being deposited in the United States mail, first-class, postage prepaid, addressed to the principal place of business of the party to whom they are directed.

16. Assignment. This Agreement shall be binding upon, and inure to the benefit of, the successors and permitted assign of the parties. Neither party may assign any of its rights or obligations hereunder to any person or entity other than a successor agency.

17. Severability. Should any provision of this Agreement be declared invalid and unenforceable in any jurisdiction by a court of competent jurisdiction, then such portion or provision shall be deemed to be severable, to the extent valid or unenforceable, from this Agreement as to such jurisdiction (but, to the extent permitted by law, not elsewhere) and shall not affect the remainder hereof. Notwithstanding the foregoing, a) such provision of this Agreement shall be interpreted by the parties and by any such court, to the extent possible, in such a manner that such provision shall be deemed to be valid and enforceable, and b) such court shall have the right to make such modifications to any provision of this Agreement as do not materially affect the rights or obligations under this Agreement of the parties hereto and as may be necessary in order for such provision to be valid and enforceable.

18. Waiver. No waiver of any right or obligation of any of the parties shall be effective unless in a writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by any of the parties of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

19. Headings and Titles. The designation of a title, or a caption of a heading, for each section of this Agreement is for the purpose of convenience only and shall not be used to limit or construe the contents of this Agreement.

20. Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall constitute one and the same instrument.

21. Entire Agreement. This Agreement and the Four-Party Agreement constitute the entire agreement between the parties regarding the subject matter hereof, and supersede all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.



## FIRST AMENDMENT TO FINANCING IMPLEMENTATION AGREEMENT

This First Amendment to Financing Implementation Agreement, dated as of December 15, 2004 (the "First Amendment to Financing Implementation Agreement"), is entered by and among the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, a California public agency duly organized and existing under the laws of the State of California ("MPWMD") and PEBBLE BEACH COMPANY, a California general partnership ("PBC").

WHEREAS, the parties hereto are parties to a certain Financing Implementation Agreement, dated as of December 1, 1992 (the "Original Financing Implementation Agreement") entered into in connection with the execution and delivery of \$33,900,000 Variable Rate Demand Certificates of Participation (Wastewater Reclamation Project) Series 1992 (the "1992 Certificates").

WHEREAS, MPWMD and U.S. Bank National Association, formerly known as First Trust of California, National Association, have previously entered into a certain Trust Agreement, dated as of December 1, 1992 (the "Original Trust Agreement") in connection with the issuance of the 1992 Certificates.

WHEREAS, in accordance with a certain Water Purchase Agreement, dated as of December 1, 1992, (the "Original Water Purchase Agreement") by and among MPWMD, the Carmel Area Wastewater District, a California public agency duly organized and existing under the laws of the State of California ("CAWD") and the Pebble Beach Community Services District, a California public agency duly organized and existing under the laws of the State of California ("PBCSD"), CAWD and PBCSD agreed to sell, and MPWMD agreed to purchase, through certain payments known as "Series 1992 Water Payments," as defined in the Original Trust Agreement, reclaimed water (also referred to as recycled water) produced by the wastewater reclamation project which was financed and constructed with proceeds of the 1992 Certificates (the "Original Project"). These 1992 Water Payments payable by MPWMD constitute the security for payment of the principal and interest components of the Series 1992 Certificates.

WHEREAS, the performance of the Original Project has not met the expectations of certain parties with regard to either quantity or quality of recycled water due to a number of factors beyond the consideration of any of the parties participating in the Original Project. Prominent among these factors are: (1) the salt sensitivity of the dominant species planted in the greens of many of the golf courses irrigated with the recycled water; (2) inadequacy of the drainage facilities to conduct accumulated salts away from the greens; (3) increased salinity due to (a) smaller than anticipated amounts of secondary effluent due to decreased flows of influent to the CAWD wastewater plant (resulting in part from consumers' water conservation efforts), (b) the addition of water softening units, and (c) internal wastewater plant processes contributing additional salinity loading; (4) the lack of sufficient data concerning the composition of the secondary effluent produced by the CAWD Wastewater Treatment Plant or concerning the water quality and water quantity requirements for golf course irrigation; and (5) the absence of any seasonal storage of recycled water.

WHEREAS, the parties have agreed to cooperate in the implementation and financing of certain improvements to the Original Project (such improvements being the "Project Expansion").

WHEREAS, the parties hereto desire to amend the Original Financing Implementation Agreement to provide for certain modifications thereto caused by the Project Expansion and related activities.

WHEREAS, concurrently herewith, MPWMD, CAWD and PBCSD will execute a First Amendment to Water Purchase Agreement (the "First Amendment to Water Purchase Agreement") dated as of the date hereof.

WHEREAS, concurrently herewith, the Trustee and MPWMD will execute a First Amendment to Trust Agreement (the "First Amendment to Trust Agreement") dated as of the date hereof.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

A. Definitions. Unless otherwise indicated herein or in the First Amendment to Trust Agreement, all capitalized terms shall have the meanings set forth in the Original Financing Implementation Agreement, in the Original Water Purchase Agreement, as amended by the First Amendment to Water Purchase Agreement, and in the Original Trust Agreement, as amended by the First Amendment to Trust Agreement. The Original Financing Implementation Agreement, as amended by this First Amendment to Financing Implementation Agreement, is referred to herein as the "Financing Implementation Agreement."

B. Transfer of Custody of Operation and Maintenance Reserve Fund.

The text of Section 6, shall be re-entitled "Operation and Maintenance Reserve Fund," and is hereby amended to read as follows, in order to provide that the Operation and Maintenance Reserve Fund shall be held by CAWD and PBCSD rather than by MPWMD:

PBC and MPWMD hereby acknowledge and agree that the Operation and Maintenance Reserve Fund, created and held by MPWMD under the Original Water Purchase Agreement, shall hereafter be held by CAWD and PBCSD separate and apart from other funds. PBC and MPWMD hereby further acknowledge and agree that if and to the extent necessary, the Operation and Maintenance Reserve Fund shall hereafter be replenished at the beginning of each Fiscal Year by MPWMD from Net Operating Revenues such that the beginning balance shall be in the amount of the Operation and Maintenance Reserve Requirement (as determined by the Management Committee and specified in the budget approved for that Fiscal Year). PBC and MPWMD hereby further acknowledge and agree that such fund shall be replenished during the Fiscal Year, as requested by the Management

Committee, only in the event of any withdrawal or deficiency and then solely from Net Operating Revenues (as defined under the Water Purchase Agreement) and that any such deficiency shall not constitute an Operation and Maintenance Expense and shall not be included for the purpose of calculation of any Net Operating Deficiency under the Fiscal Sponsorship Agreement or otherwise.

C. Notices.

Section 20 is hereby added to read as follows:

All written notices to be given hereunder shall be given by first-class mail or overnight delivery service to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to PBC:

Pebble Beach Company  
Post Office Box 1767  
4005 Sunridge Road  
Pebble Beach, CA 93953-1767  
Attn: General Counsel

and

Thomas H. Jamison  
Fenton & Keller, P.C.  
2801 Monterey-Salinas Highway  
Post Office Box 791  
Monterey, CA 93942-0791

If to MPWMD:

Monterey Peninsula Water  
Management District  
Post Office Box 85  
5 Harris Court, Bldg. G  
Monterey, CA 93942-0085  
Attn: General Manager

and

David C. Laredo  
De Lay & Laredo  
606 Forest Avenue  
Pacific Grove, CA 93950-4221"

D. Execution in Counterparts. This First Amendment to Financing Implementation Agreement may be executed in counterparts, each of which shall be an original and all of which shall together constitute one instrument. A telecopied signature hereon shall be deemed an original for all purposes.

E. Complete Agreement. This First Amendment to Financing Implementation Agreement sets forth the complete agreement of the parties hereto with respect to the subject matter hereof. Further, except as specifically described herein, nothing in this First Amendment to Financing Implementation Agreement shall replace or amend the terms of the Original Financing Implementation Agreement or the other COP Documents, which, except as otherwise amended from time to time, shall remain in full force and effect, or be deemed a waiver of any right, benefit, protection, or assurance under such documents.

F. Governing Law. This First Amendment to Financing Implementation Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of California.

G. Effective Date. This First Amendment to Financing Implementation Agreement shall become effective, as of the date first written above, upon the execution and delivery hereof by the parties hereto and execution by the Credit Bank of the written consent of the Credit Bank, attached hereto as Exhibit A, and shall terminate at the same time and upon the same conditions as the Original Financing Implementation Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Financing Implementation Agreement to be executed in their names and on their behalf, as of date and year first written above.

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT

By:   
Its: General Manager

PEBBLE BEACH COMPANY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Financing Implementation Agreement to be executed in their names and on their behalf, as of date and year first written above.

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

PEBBLE BEACH COMPANY


By: Mark Stilwell  
Its: Executive VP & General Counsel

EXHIBIT A

CONSENT OF CREDIT BANK

The undersigned, on behalf of Bank of America, N.A., as Credit Bank for the 1992 Certificates of Participation, hereby consents to the execution, delivery, and implementation of this First Amendment to Financing Implementation Agreement dated as of the date and year first above written, in the form attached hereto.

BANK OF AMERICA, N.A., as Credit Bank

  
By: Les J. Butler  
Its: Senior Vice President

Dated: December 15, 2004

**SUPPLEMENTAL FINANCING AGREEMENT**  
**between the**  
**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**  
**and**  
**PEBBLE BEACH COMPANY**  
**Dated as of December 15, 2004**

**supplementing (but not superseding) the**  
**WASTEWATER RECLAMATION PROJECT**  
**FISCAL SPONSORSHIP AGREEMENT**  
**Dated as of October 3, 1989**

## TABLE OF CONTENTS

|  | Page |
|--|------|
| 1. DEFINITIONS.....  | 2    |
| 1.1 Definitions for Supplemental Financing Agreement.....            | 2    |
| (a) “Actual Use of Water”.....                                       | 2    |
| (b) “Advanced Treatment Component”.....                              | 2    |
| (c) “Amended and Restated Construction and Operation Agreement”..... | 2    |
| (d) “Ancillary Project Costs”.....                                   | 2    |
| (e) “Ancillary Project Costs Agreement”.....                         | 3    |
| (f) “Benefited Properties”.....                                      | 3    |
| (g) “Bond Carrying Costs”.....                                       | 3    |
| (h) “Cal-Am”.....  | 3    |
| (i) “Capital Costs”.....   | 3    |
| (j) “Capital Costs of the Project Expansion”.....                    | 4    |
| (k) “CAWD”.....  | 4    |
| (l) “CAWD/PBCSD”.....  | 4    |
| (m) “Certificates of Participation”.....                             | 5    |
| (n) “Commercial Operation Date”.....                                 | 5    |
| (o) “Completed”.....   | 5    |
| (p) “COP Documents”.....   | 5    |
| (q) “Costs of Sale”.....   | 5    |
| (r) “Del Monte Forest”.....  | 5    |
| (s) “Distribution System”.....                                       | 5    |
| (t) “Escrow Account”.....  | 5    |
| (u) “Financial Commitment”.....                                      | 5    |
| (v) “Financing Implementation Agreement”.....                        | 6    |
| (w) “Fiscal Sponsor”.....  | 6    |
| (x) “Fiscal Sponsorship Agreement”.....                              | 6    |
| (y) “Fiscal Year”.....   | 6    |
| (z) “Forest Lake Component”.....                                     | 6    |
| (aa) “General Manager”.....  | 6    |
| (bb) “Griffin”.....  | 6    |

**TABLE OF CONTENTS**  
(continued)

|  | <b>Page</b> |
|--|-------------|
| (cc) "Interruption" .....                                  | 6           |
| (dd) "Irrigation System" .....                             | 6           |
| (ee) "IRWUG" .....   | 6           |
| (ff) "Lohr" .....  | 6           |
| (gg) "Management Agreement" .....                          | 6           |
| (hh) "Management Committee" .....                          | 6           |
| (ii) "MPWMD" .....   | 7           |
| (jj) "Net Operating Deficiency" .....                      | 7           |
| (kk) "Net Operating Revenues" .....                        | 7           |
| (ll) "Operating Revenues" .....                            | 7           |
| (mm) "Operation and Maintenance Expenses" .....            | 7           |
| (nn) "Operating and Maintenance Reserve Fund" .....        | 7           |
| (oo) "Ordinance 39" .....                                  | 8           |
| (pp) "Ordinance 109" .....                                 | 8           |
| (qq) "Original Construction and Operation Agreement" ..... | 8           |
| (rr) "Original Project" .....                              | 8           |
| (ss) "Owner" .....   | 8           |
| (tt) "PBCSD" .....   | 8           |
| (uu) "Proceeds" .....                                      | 8           |
| (vv) "Project" .....                                       | 8           |
| (ww) "Project Expansion" .....                             | 8           |
| (xx) "Public Participant" .....                            | 8           |
| (yy) "Recycled Water" .....                                | 8           |
| (zz) "Recycled Water Irrigation Areas" .....               | 9           |
| (aaa) "Recycled Water Sales Agreement" .....               | 9           |
| (bbb) "Related Agreements" .....                           | 9           |
| (ccc) "Secondary Facilities" .....                         | 9           |
| (ddd) "Supplemental Financial Commitment" .....            | 9           |
| (eee) "Supplemental Financing Agreement" .....             | 10          |

**TABLE OF CONTENTS**  
(continued)

|  | Page |
|--|------|
| (ff) "Tertiary Facility" .....   | 10   |
| (ggg) "Trust Agreement" .....  | 10   |
| (hhh) "Water Entitlement" .....  | 10   |
| (iii) "Water Purchase Agreement" .....   | 10   |
| (jjj) "Water Use Permit" .....   | 10   |
| 1.2 Revisions to Definitions in Fiscal Sponsorship Agreement .....                           | 10   |
| 2. THE PROJECT EXPANSION .....   | 10   |
| 2.1 Purpose and Intent.....  | 10   |
| 2.2 Description of Project Expansion .....   | 11   |
| 2.3 No Implicit Effect on Financial Commitment or Water Entitlement .....                    | 11   |
| 3. FINANCING OF PROJECT EXPANSION .....  | 11   |
| 3.1 Method of and Procedure for Financing Project Expansion.....                             | 11   |
| 3.2 Authority to Sell Portions of PBC Water Entitlement.....                                 | 12   |
| 3.3 Procedures for Separate Sale and Conveyance.....   | 13   |
| 3.4 Procedures Following Consummation of Separate Sales and Conveyances .....                | 14   |
| (a) Deposit of Revenues.....   | 14   |
| (b) Supplemental Financial Commitment.....   | 14   |
| (c) Costs of Sale .....  | 14   |
| (d) Capital Costs of the Project Expansion.....  | 14   |
| 3.5 Procedures if Supplemental Financial Commitment Not Provided.....                        | 14   |
| 3.6 Rights to Reimbursement.....   | 15   |
| 4. ENTITLEMENT TO AND USE OF WATER.....  | 15   |
| 4.1 Implementation of Section 4 of Fiscal Sponsorship Agreement .....                        | 15   |
| 4.2 Implementation of Ordinance 109 .....  | 16   |
| 4.3 Water Use Permits .....  | 17   |
| 4.4 Restrictions on Use of Portion of Water Entitlement Separately Sold<br>and Conveyed..... | 18   |
| 4.5 Use of Water Entitlement by PBC.....   | 19   |
| 4.6 Water Charges.....   | 19   |

**TABLE OF CONTENTS**  
(continued)

|   | Page |
|---|------|
| 4.7 No New Rights to Use Potable Water.....   | 19   |
| 4.8 Revocation and Termination of Water Use Permits Held or Conveyed<br>by PBC..... | 20   |
| 5. REPRESENTATIONS, WARRANTIES, AND COVENANTS .....                                 | 21   |
| 5.1 Mutual Representations and Warranties .....                                     | 21   |
| 5.2 Representations and Warranties of MPWMD .....                                   | 21   |
| 5.3 Covenant against Conflicting Agreements or Actions.....                         | 22   |
| 6. REMEDIES.....  | 22   |
| 6.1 Remedies in General .....   | 22   |
| 6.2 Remedies for MPWMD Breach.....  | 22   |
| 6.3 Acknowledgment by PBC.....  | 22   |
| 7. INDEMNIFICATION PROVISIONS .....   | 23   |
| 8. MISCELLANEOUS PROVISIONS.....  | 23   |
| 9. EFFECTIVE DATE, TERM, EXPIRATION, AND TERMINATION .....                          | 24   |
| 9.1 Effective Date .....  | 24   |
| 9.2 Term.....   | 24   |
| 9.3 Expiration.....   | 24   |
| 9.4 Termination; Authority to Void Agreements.....                                  | 24   |

**EXHIBITS**

|   |     |
|---|-----|
| EXHIBIT "A" – BENEFITED PROPERTIES.....             | A-1 |
| EXHIBIT "B" – DEL MONTE FOREST .....                | B-1 |
| EXHIBIT "C" – RECYCLED WATER IRRIGATION AREAS.....  | C-1 |
| EXHIBIT "D" – DESCRIPTION OF ORIGINAL PROJECT.....  | D-1 |
| EXHIBIT "E" – DESCRIPTION OF PROJECT EXPANSION..... | E-1 |
| EXHIBIT "F" – WATER QUALITY STANDARDS.....          | F-1 |

## SUPPLEMENTAL FINANCING AGREEMENT

This Supplemental Financing Agreement ("Agreement") is entered into as of December 15, 2004, 2004, by and between the **MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**, a California public agency ("MPWMD"), and **PEBBLE BEACH COMPANY**, a California general partnership ("PBC").

### RECITALS

A. As is described in greater detail in MPWMD Ordinance 109, pursuant to statutory authority, beginning in 1989 MPWMD entered into a series of interrelated agreements with various parties for the finance, design, construction, and operation of facilities comprising the Original Project (as defined herein), for the production and use of recycled water in lieu of potable water for irrigation of vegetated areas within the Del Monte Forest area of the Monterey Peninsula.

B. One such agreement, which is presently and shall remain in effect as amended when this Agreement becomes effective by its terms, was the Wastewater Reclamation Project Fiscal Sponsorship Agreement dated as of October 3, 1989, as amended ("Fiscal Sponsorship Agreement"). The Fiscal Sponsorship Agreement implemented the selected method of financing the Original Project by designating PBC as the Fiscal Sponsor to guarantee all costs of designing, constructing, equipping, and operating the Original Project in exchange for the "Water Entitlement" as defined in MPWMD Ordinance 39, and as granted in the Fiscal Sponsorship Agreement.

C. Thus, in the Fiscal Sponsorship Agreement, PBC undertook the obligation to guarantee payment of the costs of the Original Project, and MPWMD granted and dedicated a Water Entitlement in the cumulative amount of 380 acre feet ("af") annually for use within the Del Monte Forest on the "Benefited Properties" described in Exhibit "A" to the Fiscal Sponsorship Agreement. MPWMD subsequently issued Water Use Permits to PBC, to J. Lohr Properties, Inc. ("Lohr"), and the Hester Hyde Griffin Trust ("Griffin") in the respective amounts of 365 af, 10 af, and 5 af.

D. The Original Project has been constructed and is in operation. MPWMD has supplied and will continue to supply, under the Agreements for Sale of Reclaimed Water with the owners of the various Recycled Water Irrigation Areas, non-potable water for irrigation purposes, which has enabled potable water to be conserved. However, the performance of the Original Project has not met the expectations of the parties, either with regard to quantity or quality, due to a number of factors described in MPWMD Ordinance 109.

E. The parties to the Fiscal Sponsorship Agreement and the interrelated agreements have determined that an expansion of the Original Project (the "Project Expansion" as further defined herein), if and when Completed (as defined herein), will improve the performance of the Original Project such that the Original Project together with the Project Expansion will produce sufficient quantities of Recycled Water each year to meet all of the irrigation needs of the Recycled Water Irrigation Areas without the addition of any potable water thereto (except during

an Interruption and the other circumstances described in the Recycled Water Sales Agreement, as defined herein).

F. Those parties primarily involved in the planning of the Project Expansion concluded that, given the limited availability of public funds, the most effective means to raise the funds necessary to implement the Project Expansion would be to establish a financing plan using funds raised from the private sector. MPWMD Ordinance 109 authorized such a financing plan.

G. Under the financing plan, through which PBC will attempt to raise funds sufficient to finance all Capital Costs of the Project Expansion, as authorized by Ordinance 109 and as further set forth in this Agreement, PBC may sell and convey up to 175 acre feet of its existing Water Entitlement, for such valuable consideration as PBC may determine, solely for dedication to property not owned by PBC within the Del Monte Forest being used for residential purposes, with the Proceeds (as defined herein) of such sales and conveyances to be devoted to the Capital Costs of the Project Expansion (as defined herein). MPWMD and PBC desire to enter into this Agreement to establish the terms and conditions under which the financing plan will be implemented.

## 1. DEFINITIONS

1.1 **Definitions for Supplemental Financing Agreement.** As used in this Agreement, including the portions of the Fiscal Sponsorship Agreement incorporated herein, the following terms shall have the following meanings:

(a) **“Actual Use of Water”** means the quantity of water that has passed through the water meter or meters installed to measure it.

(b) **“Advanced Treatment Component”** means that component of the Project Expansion consisting of the addition of advanced treatment components to the tertiary treatment plant facilities of the Original Project, as more particularly described in attached Exhibit “E.”

(c) **“Amended and Restated Construction and Operation Agreement”** means the Amended and Restated Construction and Operation Agreement among the MPWMD, CAWD, PBCSD, and PBC, dated as of December 15, 2004, as amended from time to time.

(d) **“Ancillary Project Costs”** means net revenues (gross revenues less allocable operation and maintenance and administrative and general costs, as such terms are defined in accordance with generally accepted utility practices), with respect to the potable water, subject, from time to time, to the Water Entitlement, which net revenues Cal-Am does not receive by reason of operation of the Project, all as more fully described in the Ancillary Project Cost Agreement. Such costs shall not include any return on assets of Cal-Am which have been removed from the water distribution system rate base by reason of the Project. Such costs shall be reduced over time by net revenues received by Cal-Am by reason of sales of potable water to the Benefited Properties following the Commercial Operation Date. Cal-Am’s and PBC’s rights and responsibilities with respect to Ancillary Project Costs are set forth in the Ancillary Project Costs Agreement.

(e) “**Ancillary Project Costs Agreement**” means the Ancillary Project Costs Agreement, dated as of August 1, 1990, by and between Cal-Am and PBC, as it may be amended from time to time.

(f) “**Benefited Properties**” means all properties within the Del Monte Forest, as defined herein, to which a portion of the Water Entitlement is or may be dedicated and utilized in accordance with the Fiscal Sponsorship Agreement and the Supplemental Financing Agreement, and such additional real property as has been designated and included as Benefited Properties under the Fiscal Sponsorship Agreement pursuant to amendments thereto as approved by MPWMD before the adoption of Ordinance 109.

(g) “**Bond Carrying Costs**” means the following costs incurred with respect to the Certificates of Participation: fees and expenses of trustees, remarketing agents, tender agents, and paying agents, any rebatable arbitrage required to be deposited pursuant to the Trust Agreement, arbitrage rebate calculation fees, costs and fees incurred in connection with the letter of credit or renewals of the letter of credit securing the Certificates of Participation or additional letters of credit (including bond, MPWMD, and bank counsel fees and rating agency fees), fees for preparing or updating offering circulars, auditor or accounting fees, bond counsel and other counsel fees generally, and other similar ordinary and necessary costs, incurred with respect to the Certificates of Participation. Each use of the term “letter of credit” herein has the same meaning as the term “Letter of Credit” as defined in the Trust Agreement.

(h) “**Cal-Am**” means the California American Water Company, a California corporation, and its successors and assigns.

(i) “**Capital Costs**” means the following costs related to all or any part of the Project:

(i) the cost of acquisition of all lands, structures, real or personal property rights, rights-of-way, franchises, easements, and interests acquired or used for, the Project, inclusive of fees and commissions for acquisition;

(ii) the cost of construction of the Project, including, without limitation, demolition, modification, repair, replacement, renovation, or improvement of existing structures, facilities, fixtures or equipment essential to the construction and operation of the Project; cost of improvements and materials; direct and indirect construction and administration expenses of each of the Public Participants properly allocable to the Project in accordance with generally accepted accounting principles; cost of painting, decorating, furnishing and landscaping; contractor and subcontractor profit; and costs related, by reason of the Project, to plumbing, mains, tanks, or pipes which are modified, replaced or renovated, whether owned by any of the Public Participants or others;

(iii) the cost of demolishing or removing any buildings, fixtures, equipment, or structures on land so acquired, including, without limitation, the cost of acquiring any lands to which such buildings or structures may be moved;

(iv) the cost of all new machinery, piping, equipment and furnishings, and the lesser of (i) the fair market value, or (ii) depreciated value for purposes of the applicable rate base, of machinery, piping, equipment and furnishings made obsolete or unusable to Cal-Am or any of the Public Participants by reason of the Project to the extent not replaced by the Project;

(v) costs of selling and issuing the Certificates of Participation, including, without limitation, the underwriter's discount;

(vi) interest on any funds advanced to permit payment of any of the Capital Costs prior to, during, and for a reasonable period after completion of the acquisition and construction of the Project as determined by PBC and MPWMD, including, without limitation, capitalized interest on the Certificates of Participation;

(vii) the Operation and Maintenance Reserve Fund, as defined herein (which is the fund defined as the "Operating Reserve" in the Fiscal Sponsorship Agreement); and

(viii) the cost of architectural, engineering, planning, environmental analysis, financial, accounting, auditing and legal services, plans, specifications, estimates, administrative expenses, permits, fees, adverse claims, personnel and overhead costs (both direct and indirect, to the extent properly allocable to the Project in accordance with generally accepted accounting principles), and other expenses necessary or incident to determining the feasibility of construction of any portion of the Project or incident to the planning, construction, acquisition, or financing of any portion of the Project (subject to independent audit and review pursuant to this Agreement) including, without limitation:

(A) payment during the construction period of the premiums for all title and other insurance, bonds, or undertakings required to be obtained and maintained with respect to any part of the Project, to the extent such amounts are not paid by any contractor who constructs or installs any portion of the Project;

(B) payment of the taxes, assessments and other fees or charges, if any, that may become payable during the construction period with respect to any portion of the Project, or reimbursements thereof; and

(C) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the acquisition, construction, or installation of any portion of the Project.

(j) "**Capital Costs of the Project Expansion**" means costs falling within the definition of Capital Costs that apply specifically to the initial approval, design, and construction of the Project Expansion, including, without limitation, payment of costs incurred beginning on January 1, 1995, concerning the Project Expansion, the need for the Project Expansion, and the drafting, negotiation, and execution of any and all agreements necessary or desirable to implement the design, construction, operation, and maintenance of the Project Expansion.

(k) "**CAWD**" means the Carmel Area Wastewater District (formerly known as the Carmel Sanitary District), a California public agency, its successors and assigns.

(l) "**CAWD/PBCSD**" means the combination of CAWD and PBCSD and/or their respective successors and assigns which entities, pursuant to the Management Agreement, will separately own the various components comprising the Project and, through the Management Committee, manage, and be responsible for the design, construction, operation and maintenance of, their respective portions of the Project.

(m) **"Certificates of Participation"** means the Variable Rate Demand Certificates of Participation (Wastewater Reclamation Project) Series 1992 issued by MPWMD in the original principal amount of \$33,900,000 to finance the Capital Costs of the Original Project (and which has the same meaning as "Bonds" as defined in the Related Agreements).

(n) **"Commercial Operation Date"** means the date the Original Project became operational.

(o) **"Completed"** with respect to the Project Expansion shall mean that each of the following events has occurred: (1) all required permits or other approvals have been obtained, and (2) all construction activities for the Advanced Treatment Component, the Forest Lake Reservoir, and all treatment and distribution facilities associated therewith have been completed and tested in accordance with their respective approved plans, permits and other approvals, and (3) Forest Lake Reservoir has been filled to capacity with Recycled Water from the Advanced Treatment Component, and (4) all portions of the distribution system are capable of delivering such Recycled Water to the Recycled Water Irrigation Areas then in operation. The Project Expansion shall be deemed Completed only if and when each of the events described in the preceding sentence have occurred as reasonably determined by CAWD/PBCSD.

(p) **"COP Documents"** means the Official Statement and all other documents prepared in connection with the execution and delivery of the \$33,900,000 Variable Rate Demand Certificates of Participation (Wastewater Reclamation Project) Series 1992 including, without limitation, the authorizing resolutions and the Trust Agreement, as defined in this Agreement.

(q) **"Costs of Sale"** means the costs incurred by PBC and by the Public Participants (to the extent that they have not been advanced or reimbursed by PBC) in connection with the negotiation, documentation, marketing, and sale of the Water Entitlement by PBC, including, without limitation, the costs thus incurred for outside attorneys' fees for time spent developing Ordinance 109 and the agreements to implement Ordinance 109 and/or the actual documentation to offer, sell, and transfer portions of the Water Entitlement to individual buyers; mailing and copying costs for the subscription agreements; all costs of escrow, including escrow fees, recording costs, and any other governmental or title company charges in connection with the closing; any other miscellaneous costs related to the sale and reasonably and necessarily incurred.

(r) **"Del Monte Forest"** means all real property within the boundaries of the unincorporated portions of Monterey County known as the Del Monte Forest and shown on the map attached as part of Exhibit "B."

(s) **"Distribution System"** has the meaning set forth in Section 2 of attached Exhibit "D."

(t) **"Escrow Account"** means the escrow account established to deposit the funds received from the sale of portions of PBC's Water Entitlement pursuant to this Agreement.

(u) **"Financial Commitment"** means the commitment of PBC, as Fiscal Sponsor, or any subsequent Fiscal Sponsors, to assume and guarantee payment of (a) Capital Costs of the Original Project (including the payment of principal and interest of the Certificates of Participation or any bonds or other obligations issued by the Public Participants), (b) any Net

Operating Deficiency; and (c) any Ancillary Project Costs, as more specifically provided in the Fiscal Sponsorship Agreement and this Agreement.

(v) "**Financing Implementation Agreement**" means the Financing Implementation Agreement Relating to Wastewater Reclamation Project, dated as of December 1, 1992, by and between MPWMD and PBC, as amended from time to time.

(w) "**Fiscal Sponsor**" means PBC and any person or persons (including partnerships, corporations, municipal corporations, or other public entities) that may succeed PBC and assume, as the Fiscal Sponsor, all of PBC's obligations pursuant to the Fiscal Sponsorship Agreement and this Agreement.

(x) "**Fiscal Sponsorship Agreement**" means the Wastewater Reclamation Project Fiscal Sponsorship Agreement between MPWMD and PBC dated as of October 3, 1989, as amended from time to time (including the amendments thereto made by the Financing Implementation Agreement).

(y) "**Fiscal Year**" means the fiscal year for the Project, and shall be the same as the current fiscal year of CAWD/PBCSD (July 1 through June 30) unless otherwise changed by unanimous agreement of the parties to the Amended and Restated Construction and Operation Agreement.

(z) "**Forest Lake Component**" means the addition of storage, treatment, and distribution facilities at or associated with the Forest Lake Reservoir located within the Del Monte Forest, as more particularly described in attached Exhibit "E."

(aa) "**General Manager**" means the General Manager of MPWMD.

(bb) "**Griffin**" means the Hester Hyde Griffin Trust referenced in the Fiscal Sponsorship Agreement.

(cc) "**Interruption**" means an interruption for longer than 12 hours in the supply of Recycled Water to a Recycled Water Irrigation Area.

(dd) "**Irrigation System**" means each of the recycled water irrigation systems installed and operating on each of the Recycled Water Irrigation Areas and owned, operated, and maintained by the owners of the Recycled Water Irrigation Areas.

(ee) "**IRWUG**" means the Independent Recycled Water Users Group, an unincorporated association of the owners of Cypress Point Golf Club, Poppy Hills Golf Course, and the Monterey Peninsula Country Club.

(ff) "**Lohr**" means J. Lohr Properties, Inc., referenced in the Fiscal Sponsorship Agreement in conjunction with the Winifred H. Braun Charitable Annuity Trust.

(gg) "**Management Agreement**" means the Reclamation Water Management Agreement dated as of February 22, 1991, between CAWD and PBCSD, as amended from time to time.

(hh) "**Management Committee**" means a committee composed of (a) two representatives of CAWD, (b) two representatives of PBCSD, (c) one representative of PBC, and (d) one non-voting representative of IRWUG. After the Certificates of Participation are fully paid and retired, IRWUG will become a voting member of the Management Committee,

subject to and in compliance with Section 11.4(b) of the Amended and Restated Construction and Operation Agreement.

(ii) “MPWMD” means the Monterey Peninsula Water Management District, a public agency, its successors and assigns.

(jj) “Net Operating Deficiency” for a Fiscal Year means the amount by which Operation and Maintenance Expenses exceed Operating Revenues for such Fiscal Year.

(kk) “Net Operating Revenues” for a Fiscal Year means the amount by which Operating Revenues exceed Operation and Maintenance Expenses and Bond Carrying Costs during such Fiscal Year.

(ll) “Operating Revenues” as applied to the Project, means all income, rents, rates, fees, charges and other moneys derived by the Public Participants from the ownership or operation of the Project, including, without limiting the generality of the foregoing: (i) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of the Recycled Water (or from potable water supplied in lieu thereof); (ii) insurance and condemnation proceeds resulting from damage to or destruction of the Project facilities, or from the condemnation of any of such facilities; and (iii) interest earned on all revenues mentioned in (i) and (ii) above or on any fund or account relating to the Project under the COP Documents (excluding any amounts required to be rebated to the United States pursuant to Section 148 of the Internal Revenue Code); provided, that such term shall not include customers’ deposits or any other deposits subject to refund until such deposits have become the property of one of the Public Participants or the water supply surcharge retained by MPWMD in connection with the sale of Recycled Water in accordance with the Financing Implementation Agreement.

(mm) “Operation and Maintenance Expenses” as applied to the Project, means all expenses and costs of management, operation, maintenance, repair, replacement, renovation, or improvement of the Project properly chargeable to the Project in accordance with generally accepted accounting principles, including, without limitation, (a) payments to be made by the Public Participants under agreements with Cal-Am for the purchase of potable water; (b) an allowance for depreciation, amortization, and obsolescence determined pursuant to Section 5.2(b) of the Amended and Restated Construction and Operation Agreement; (c) all administrative expenses of MPWMD, CAWD, and PBCSD, incurred in connection with, and properly allocable as an expense relating to, the Project and the Certificates of Participation; and (d) an amount equal to any reduction in real property taxes allocated to MPWMD caused by a change in California state law which results in a reduction of such tax allocation based on the collection of the Operating Revenues from the sale of the Recycled Water, as more specifically provided in the Financing Implementation Agreement.

(nn) “Operation and Maintenance Reserve Fund” means the fund which shall be maintained and held separate and apart from other funds to pay for Operation and Maintenance Expenses as they become due and payable during a Fiscal Year to the extent the timing or amount of Operating Revenues for such Fiscal Year are insufficient to provide for such payments.

(oo) "**Ordinance 39**" means MPWMD Ordinance No. 39 adopted by the MPWMD Board of Directors on February 13, 1989.

(pp) "**Ordinance 109**" means MPWMD Ordinance No. 109 adopted by the MPWMD Board of Directors on May 27, 2004.

(qq) "**Original Construction and Operation Agreement**" means the Wastewater Reclamation Project Construction and Operation Agreement, dated as of November 1, 1990, among MPWMD, CAWD, PBCSD, and PBC.

(rr) "**Original Project**" means and consists of (1) a tertiary treatment facility at the present CAWD wastewater treatment plant site, designed to produce at least 800 acre feet per year of disinfected recycled water suitable for irrigation of the Recycled Water Irrigation Areas, as more specifically described as the Tertiary Facility in attached Exhibit "D," and, (2) the distribution system which is capable of distributing the recycled water from the Tertiary Facility to a point of distribution in the Del Monte Forest for further distribution to the Recycled Water Irrigation Areas presently in operation, as more specifically described as the Distribution System in attached Exhibit "D." Improvements to the Irrigation System on each of the Recycled Water Irrigation Areas presently in operation were also financed and constructed as part of the Original Project.

(ss) "**Owner**" means the holder (of record) of fee title to any Benefited Property.

(tt) "**PBCSD**" means the Pebble Beach Community Services District, a California public agency, its successors and assigns.

(uu) "**Proceeds**" means the funds received from the separate sale and conveyance of a portion of PBC's Water Entitlement pursuant to this Agreement and deposited in the Escrow Account, less the Costs of Sale paid from the Escrow Account, as provided in this Agreement.

(vv) "**Project**" means the Original Project and the Project Expansion.

(ww) "**Project Expansion**" means and consists of components intended to improve the Original Project, principally including (but not limited to) (a) the addition of advanced treatment components to the treatment facilities of the Original Project (the "Advanced Treatment Component"), and (b) the addition of storage, treatment, and distribution facilities at or associated with the Forest Lake Reservoir located within the Del Monte Forest (the "Forest Lake Component"), both as more specifically described in attached Exhibit "E."

(xx) "**Public Participant**" means any one or more of the following: the MPWMD, CAWD, PBCSD, or any successor public agency to any of them, including without limitation any joint powers agency formed by one or more of such agencies.

(yy) The meaning of the term "**Recycled Water**" depends upon whether or not the Project Expansion is Completed. As used in any of the Related Agreements, the term "Reclaimed Water" means "Recycled Water" as defined below.

(i) Before the Project Expansion is Completed, "Recycled Water" shall mean water originating from the Tertiary Facility.

(ii) After the Project Expansion is Completed, "Recycled Water" shall mean water originating from the Advanced Treatment Component and/or the Forest Lake Component meeting the water quality standards set forth in attached Exhibit "F."

(zz) "Recycled Water Irrigation Areas" means the golf courses and other vegetated areas as set forth on attached Exhibit "C" and located within the Del Monte Forest that now or in the future may be irrigated with Recycled Water supplied by the Project.

(aaa) "Recycled Water Sales Agreement" means each Agreement for Sale of Reclaimed Water, dated as of 1992 and currently in effect, by and between MPWMD and the owners of the Recycled Water Irrigation Areas and, after the Project Expansion is Completed, each Agreement for Sale of Recycled Water by and between MPWMD and the then current Owners of the Recycled Water Irrigation Areas.

(bbb) "Related Agreements" means the agreements, in form and substance satisfactory to each of the parties to such agreements and PBC, between or among two or more of CAWD, PBCSD, MPWMD, Cal-Am, an Owner of one or more of the Recycled Water Irrigation Areas, the Trustee, and PBC, as the case may be, reasonably necessary to implement the Project and addressing all matters related to the Project as the parties deem necessary or advisable, including, without limitation, the following agreements, as amended from time to time:

- (i) Amended and Restated Construction and Operation Agreement;
- (ii) Original Construction and Operation Agreement;
- (iii) Fiscal Sponsorship Agreement;
- (iv) Financing Implementation Agreement;
- (v) Management Agreement;
- (vi) Recycled Water Sales Agreements;
- (vii) Supplemental Financing Agreement;
- (viii) Trust Agreement;
- (ix) Water Purchase Agreement; and
- (x) Ancillary Project Cost Agreement.

(ccc) "Secondary Facilities" means the primary and secondary facilities owned and operated by CAWD and/or PBCSD for the collection, distribution, and treatment of effluent, including the existing CAWD sewage treatment plant located immediately south of the Carmel River and west of California State Highway One.

(ddd) "Supplemental Financial Commitment" means all of the following:

(i) the irrevocable written commitment by PBC to pay all Capital Costs of the Project Expansion from commencement through the time that the Project Expansion is Completed, using funds raised through the sale of such portions of its Water Entitlement pursuant to Section Three of Ordinance 109 (combined with any funds which may be independently committed by PBC, IRWUG, CAWD, PBCSD, or any other entity willing to

commit funds to the Capital Costs of the Project Expansion), and to continue to pay the Net Operating Deficiencies of the Project until the Certificates of Participation (and any bonds or other obligations issued by any Public Participant to finance such costs) have been paid in full (or for any shorter periods as permitted by MPWMD), and to continue to pay all Ancillary Project Costs; and

(ii) the written representation, as applicable, by each of PBC, CAWD, and PBCSD that each is prepared and intends forthwith to commence construction of the Project Expansion and to proceed diligently therewith until the Project Expansion is Completed.

(eee) "**Supplemental Financing Agreement**" means this Supplemental Financing Agreement between MPWMD and PBC, as amended from time to time.

(fff) "**Tertiary Facility**" has the meaning set forth in Section 1 of attached Exhibit "D."

(ggg) "**Trust Agreement**" means the Trust Agreement by and between MPWMD and First Trust of California, National Association, as initial trustee, dated as of December 1, 1992, relating to the \$33,900,000 Variable Rate Demand Certificates of Participation (Wastewater Reclamation Project) Series 1992, as amended or supplemented in accordance with its terms from time to time.

(hhh) "**Water Entitlement**" means an aggregate of 380 acre feet per year of potable water which has been dedicated (as evidenced by Water Use Permits issued pursuant to Ordinance 39, Resolution No. 89-21, and the Fiscal Sponsorship Agreement) to land within the jurisdiction of MPWMD for the purpose of providing for the payment of the Capital Costs, Ancillary Project Costs, and any Net Operating Deficiency of the Original Project. Pursuant to Ordinance 109, this Agreement provides authorization and a process by which a portion of the Water Entitlement held by PBC may be separately sold and conveyed and thereby be dedicated to other land within the Del Monte Forest with the Proceeds to be applied to the costs of the Project Expansion as more specifically described herein.

(iii) "**Water Purchase Agreement**" means the Water Purchase Agreement, dated as of December 1, 1992, by and among MPWMD, CAWD, and PBCSD as amended from time to time.

(jjj) "**Water Use Permit**" means a writing from MPWMD which evidences the dedication of the Water Entitlement as a vested property right inuring to the use and benefit of one or more of the Benefited Properties, as more fully described in this Supplemental Financing Agreement.

1.2 **Revisions to Definitions in Fiscal Sponsorship Agreement.** The parties intend to examine whether, and the extent to which, the definitions in the Fiscal Sponsorship Agreement should be revised to be consistent with the revised definitions set forth in the Related Agreements, and to amend the Fiscal Sponsorship Agreement to revise the definitions therein.

## 2. **THE PROJECT EXPANSION**

2.1. **Purpose and Intent.** The purpose of this Agreement is to implement the financing plan for the Project Expansion authorized by Ordinance 109, which, when it becomes

operative by its terms, authorizes PBC to separately convey, for valuable consideration, up to 175 acre feet of PBC's existing Water Entitlement solely for dedication to property or the portion thereof being used for residential purposes within the Del Monte Forest that is not owned by PBC as of May 27, 2004, the date that Ordinance 109 was adopted. Section 3 of this Agreement establishes a specific method by which PBC will attempt to raise funds to finance all Capital Costs of the Project Expansion. Funds thus raised (and any additional funds separately contributed) in excess of the amount needed for Capital Costs of the Project Expansion shall be applied as more specifically described in Section 3 of this Agreement. This Agreement is not intended to alter the continuing guarantees of PBC's fiscal responsibility for the Original Project.

2.2 **Description of Project Expansion.** The Project Expansion consists of components intended to improve the Original Project, principally including the addition of advanced treatment components to the tertiary treatment plant facilities of the Original Project (the "Advanced Treatment Component"), and the addition of storage, treatment, and distribution facilities at or associated with the Forest Lake Reservoir located within the Del Monte Forest (the "Forest Lake Component"). Both components of the Project Expansion are more particularly described in attached Exhibit "E."

2.3 **No Implicit Effect on Financial Commitment or Water Entitlement.** Except as expressly stated herein, this Agreement shall have no effect on the Financial Commitment made, or the Water Entitlement granted, respectively, in the Fiscal Sponsorship Agreement.

### 3. FINANCING OF PROJECT EXPANSION

#### 3.1 **Method of and Procedure for Financing Project Expansion**

(a) This Agreement is intended to implement the financing plan for the Project Expansion authorized by Ordinance 109. This Agreement allows PBC, on terms and conditions set forth herein, to separately sell and convey up to 175 acre feet of its existing Water Entitlement solely for dedication to the Benefited Properties not owned by PBC as of May 27, 2004, the date that Ordinance 109 was adopted.

(b) Pursuant hereto, PBC will use its good faith efforts to sell such portions of its Water Entitlement as PBC in its discretion may determine (but not to exceed 175 acre feet) to raise the funds necessary to cover the Capital Costs of the Project Expansion. At the end of each month after the effective date of Ordinance 109, PBC shall report to MPWMD, in a manner that shall not adversely impact its continuing ability to sell such portions of its Water Entitlement, on its progress in raising funds for the Supplemental Financial Commitment.

(c) As of May 27, 2004, the date of adoption of Ordinance 109, the Capital Costs of the Project Expansion were estimated by CAWD, PBCSD, and PBC at \$22 million.

(d) All proceeds received by PBC from any separate sale or conveyance of a portion of PBC's Water Entitlement authorized by this Agreement shall be deposited in an Escrow Account requiring the signature of PBC and MPWMD to release funds therefrom to pay Costs of Sale, and requiring the signature of PBC and either CAWD or PBCSD, in the manner agreed by them, to release funds to pay for, in the first instance, the Capital Costs of the Project Expansion.

(e) PBC may provide MPWMD with the writings constituting the Supplemental Financial Commitment at any time, regardless of the amount of commitments received for sale of portions of its Water Entitlement. If the expected proceeds of the commitments received by PBC for sale of portions of its Water Entitlement within eighteen months after this Agreement becomes effective are insufficient to fund the entire Project Expansion, and if PBC is unwilling or unable to provide the writings constituting the Supplemental Financial Commitment, either by committing to use its own additional funds or because no other person or entity has come forward with sufficient additional funds to enable both components of the Project Expansion to proceed, the parties shall follow the procedures specified in Section 3.5.

(f) Capital Costs of the Project Expansion advanced by PBC or any other person (including any funds independently committed by MPWMD, PBC, IRWUG, CAWD, PBCSD, or any other entity as a part of the funding component of the Supplemental Financial Commitment) shall be reimbursed only pursuant to Section 3.6.

(g) Under no circumstances shall PBC keep any of the Proceeds received from the separate sale or conveyance pursuant to this Section 3.1, provided that nothing in this sentence shall be construed to affect the reimbursement, after the documents constituting the Supplemental Financial Commitment are provided by PBC, of Capital Costs of the Project Expansion advanced by PBC or any other entity pursuant to Section 3.6. Nothing in the preceding sentence shall be construed to limit reimbursement of Costs of Sale in accordance with Subsection 3.4(c). Any Proceeds from such sales in excess of the Capital Costs of the Project Expansion, including reimbursement of advanced Capital Costs of the Project Expansion pursuant to Section 3.6, shall be used to pay the Capital Costs of the Original Project.

(h) If PBC has not, within eighteen months after Ordinance 109 becomes effective in accordance with Section Nine thereof, given notice that all of the elements of the Supplemental Financial Commitment are present, the parties shall proceed in accordance with Section 3.5.

(i) MPWMD and PBC each acknowledge and agree that PBC does not represent, warrant, or covenant that PBC will provide the Supplemental Financial Commitment. PBC has no obligation to provide any funds, other than funds raised from the separate sale and conveyance of portions of its Water Entitlement authorized by this Agreement, to the Supplemental Financial Commitment.

**3.2 Authority to Sell Portions of PBC Water Entitlement.** In recognition of PBC's undertaking to attempt to raise funds for, and, upon raising such funds, to irrevocably commit such funds to, the Project Expansion through the sale of portions of its Water Entitlement (in accordance with the terms and conditions specified in this Agreement), PBC is hereby authorized, beginning on June 26, 2004, to separately sell and convey to other owners of land within Del Monte Forest, for such consideration and upon such terms and conditions as PBC in its discretion may determine, such portions of its Water Entitlement as it may choose, up to 175 acre feet, provided that each such conveyance shall conform to the limitations of Section 3.3, and that the use of each portion of the PBC Water Entitlement thus conveyed shall comply with the limitations set forth in Section 4 of this Agreement.

3.3 **Procedures for Separate Sale and Conveyance**

(a) No such conveyance shall be effective unless and until the writings comprising the Supplemental Financial Commitment have been received by MPWMD; and

(b) Each portion of the PBC Water Entitlement thus conveyed:

1. shall be dedicated solely to property within the Del Monte Forest that is not owned by PBC as of May 27, 2004, the date that that Ordinance 109 was adopted;

2. shall be put solely to Residential use (as defined in MPWMD Rule 11); and

3. shall be offered on the same terms and conditions to persons on the Monterey County waiting list for approved residential development projects within the Del Monte Forest which are awaiting water availability .

(c) As of and after the date that the writings comprising the Supplemental Financial Commitment are received by MPWMD, each recipient of a portion of PBC's Water Entitlement sold and conveyed pursuant to Sections 3.2 and 3.3 shall be entitled to issuance by the General Manager of a Water Use Permit, upon payment of a fee, according to a fee schedule adopted by MPWMD, in an amount sufficient to pay any expenses incurred by MPWMD to issue or amend a Water Use Permit, to track and record changes in the Water Entitlement and to verify water use capacity pursuant to Rule 23 following issuance of new Water Use Permits, to monitor compliance with or to enforce water usage in the manner required by applicable laws, ordinances, and regulations, and to make such determinations concerning adjustments, and to implement and enforce the adjustments, to Water Use Permits that may be required in 2075.

(d) The Water Use Permit shall authorize uses only through a "Residential connection" (as defined in MPWMD Rule 11), up to the amount of the Water Entitlement separately conveyed as is documented and authenticated in the conveyance documentation presented to the General Manager.

(e) All Water Use Permits issued to evidence the portions of the Water Entitlement separately conveyed by PBC pursuant to this Section 3.3 shall provide that rights memorialized thereby shall be subject to modification after year 2075 as provided in Ordinance 109 and in Ordinance 39, and shall further provide that such rights shall not be Revoked (as Revoke is defined in MPWMD Rule 11) or Terminated (as Terminate is defined in Ordinance 109) with respect to the entire Water Entitlement so conveyed except as provided in Section 4 of this Agreement.

(f) Each of the restrictions of use set forth or referenced in Section 4 of this Agreement shall be set forth on the face of the Water Use Permit, and shall bind each Owner of the Benefited Property to which the Water Entitlement is conveyed. The Water Use Permit shall also provide that MPWMD shall have such access as may be required to enable it to account for the use of water on the Benefited Property.

(g) Upon issuance of Water Use Permits pursuant to this subsection 3.3, the General Manager shall simultaneously make a record of the quantity of the Water Entitlement

thus conveyed and a commensurate reduction in the aggregate amounts of the Water Entitlement thereafter held by PBC.

3.4 **Procedures Following Consummation of Separate Sales and Conveyances**

(a) **Deposit of Revenues.** PBC shall deposit the funds received from the separate sale and conveyance of a portion of its Water Entitlement pursuant to Ordinance 109 and this Agreement into the Escrow Account.

(b) **Supplemental Financial Commitment.** The Supplemental Financial Commitment shall be established by the following procedures:

(i) PBC shall prepare, in a form approved by MPWMD, and duly execute an irrevocable written commitment to pay all Capital Costs of the Project Expansion, using funds raised through the sale of the portions of its Water Entitlement pursuant to Sections 3.2 and 3.3 of this Agreement (combined with any funds which may be independently committed by PBC, IRWUG, CAWD, PBCSD, or any other entity willing to commit funds to the Capital Costs of the Project Expansion), and to continue to pay the Net Operating Deficiencies of the Project until the Certificates of Participation (and any bonds or other obligations issued by any Public Participant to finance such costs) have been paid in full (or for any shorter periods as permitted by MPWMD), and to continue to pay all Ancillary Project Costs; and

(ii) PBC, CAWD, and PBCSD, as applicable, shall each duly execute one or more written representations that each is prepared and intends forthwith to commence construction of the Project Expansion and to proceed diligently therewith until the Project Expansion is Completed.

(c) **Costs of Sale.** Upon the provision of the Supplemental Financial Commitment, the Costs of Sale shall be reimbursed from the Escrow Account to the parties entitled to such reimbursement, provided that MPWMD shall have the right to review and approve such reimbursement, such approval not to be unreasonably withheld or delayed.

(d) **Capital Costs of the Project Expansion.** The Proceeds in the Escrow Account shall be used by CAWD and PBCSD to pay Capital Costs of the Project Expansion in the manner set forth in the Amended and Restated Construction and Operation Agreement and in Section 3.6.

3.5 **Procedures if Supplemental Financial Commitment Not Provided.** If the expected Proceeds of the commitments received by PBC for sale of portions of its Water Entitlement within eighteen months after this Agreement becomes effective are insufficient to fund the entire Project Expansion, and if PBC is unwilling or unable to provide the writings constituting the Supplemental Financial Commitment, either by committing to use its own additional funds or because no other person or entity has come forward with sufficient additional funds to enable both components to proceed of the Project Expansion, the parties shall follow the procedures specified in this Section.

(a) MPWMD may hold a hearing to determine whether, and for what period of time, if any, to allow PBC to continue selling portions of its Water Entitlement. MPWMD

shall give PBC, CAWD, PBCSD, and IRWUG not less than 14 days written notice for such hearing.

(b) The purpose of the hearing is to consider such evidence that may be presented (including written materials that may be included in an Administrative Record), and based thereon, to determine (1) whether there is a reasonable possibility that such efforts will generate funds sufficient to pay for the Capital Costs of the Project Expansion and (2) whether PBC has used good faith efforts to raise the Supplemental Financial Commitment.

(c) Upon considering the evidence presented (including written materials that may be included in an Administrative Record), which will be the basis for its determination of whether, and for what period of time, if any, PBC may continue selling portions of its Water Entitlement, MPWMD may make a determination thereon.

(d) MPWMD shall give PBC written notice of its determination, whereupon the determination shall take effect on the 15<sup>th</sup> day following service of the notice by personal delivery or by facsimile, whereupon, PBC shall immediately comply with the determination or timely challenge the same in court pursuant to section 7(b) below.

(e) To comply with any determination pursuant to this Section 3.5 to cease selling portions of its Water Entitlement, PBC shall disburse the monies received from separate sales of portions of its Water Entitlement from the Escrow Account to the respective person or persons then holding record title to the real property for which such monies have been deposited in the Escrow Account.

3.6 **Rights to Reimbursement.** PBC, MPWMD, IRWUG, CAWD, and PBCSD each has advanced, or may in the future advance, funds for expenditures with respect to design, engineering, environmental review, legal services, and other matters incident and preparatory to the Project Expansion, including, without limitation, legal and consulting fees and costs associated with the Project Expansion, Ordinance 109, this Agreement, and each Related Agreement, and each such party shall have the right, but not the obligation, to continue to advance funds for such expenditures. All such expenditures incurred thereby, to the extent not included in and paid as the Costs of Sale, shall be deemed to constitute Capital Costs of the Project Expansion and shall be reimbursed to the party expending them out of the Proceeds after the documents constituting the Supplemental Financial Commitment are provided by PBC. Upon approval by MPWMD, such approval not to be unreasonably withheld or delayed, such reimbursement shall be paid out of the Escrow Account within 30 days after the receipt by MPWMD of written evidence, in reasonable detail, that the party seeking such reimbursement actually incurred such expenditures.

#### 4. ENTITLEMENT TO AND USE OF WATER

##### 4.1 **Implementation of Section 4 of Fiscal Sponsorship Agreement.**

(a) Pursuant to the Fiscal Sponsorship Agreement, MPWMD has granted the Water Entitlement to PBC, Lohr, and Griffin under Section 4.1 thereof, and has issued Water Use Permits to PBC, Lohr, and Griffin under Section 4.2(a) and (b) thereof, in and for the Benefited Properties described in Exhibit "A" thereto as amended. As of the Effective Date, by virtue of the Water Entitlement, each of the Water Use Permits held by PBC, Lohr, and Griffin (and their respective successors and assigns) evidences a present vested property right enuring

to the Benefited Properties described in such Water Use Permits for the use and benefit of a specified quantity of potable water per year (in acre feet) produced by the water distribution system owned and operated by Cal-Am and authorizing the expansion and extension of the Cal-Am water distribution system to provide water service and connections for the benefit of these Benefited Properties. The rights, privileges, obligations, and limitations incident to these interests are generally described in Sections 4.1 through 4.6 of the Fiscal Sponsorship Agreement with respect to the Benefited Properties described in Exhibit "A" (as amended through May 27, 2004) to the Fiscal Sponsorship Agreement and in the respective Water Use Permits.

(b) Pursuant to Ordinance 39 and Section 4.7 of the Fiscal Sponsorship Agreement, MPWMD has entered into Agreements for Sale of Reclaimed Water with each of the owners of the Open Spaces, as defined in, and identified on Exhibit "B" to, the Fiscal Sponsorship Agreement, each of which contain all of the provisions described in said Section 4.7, and are the same in all material respects. MPWMD has supplied and will continue to supply thereunder recycled and potable water for irrigation purposes until the Project Expansion is Completed. Accordingly, compliance by MPWMD with each Agreement for Sale of Recycled Water entered into between MPWMD and the owner of each of the Recycled Water Irrigation Areas shall constitute compliance with said Section 4.7 to the extent it remains in effect.

#### 4.2 Implementation of Ordinance 109.

(a) Ordinance 109 re-defines the Benefited Properties to which a portion of the Water Entitlement may be granted and for which Water Use Permits may be issued. The Benefited Properties under Ordinance 109, and this Agreement, include all real property within the unincorporated area of Del Monte Forest. The Benefited Properties include real property other than the Benefited Properties described in Exhibit "A" to the Fiscal Sponsorship Agreement (referred to only for clarity and convenience in this Section 4 as the "Original Benefited Properties," with the Benefited Properties (other than the Original Benefited Properties) being referred to as the "Other Benefited Properties").

(b) Ordinance 109, implemented by this Agreement, authorizes PBC (but not Lohr or Griffin) to separately sell, and convey to an Owner of the Other Benefited Properties a portion of PBC's Water Entitlement, and authorizes such Owner to receive a Water Use Permit from MPWMD evidencing and memorializing the portion of the Water Entitlement thereby acquired (with a corresponding reduction in the amount set forth in PBC's Water Use Permit).

(c) Upon the completion of the separate sale and conveyance by PBC as described above, the Owner shall have a vested property right upon such Other Benefited Property for the use and benefit of a specified quantity of potable water per year (in acre feet) produced by the water distribution system owned and operated by Cal-Am and authorizing the expansion and extension of the Cal-Am water distribution system to provide water service and connections for the benefit of such Other Benefited Property. The use of the Water Entitlement on such Other Benefited Properties is subject to the conditions, limitations, and procedures imposed by MPWMD and specified in Ordinance 109, MPWMD Rule 23.5, and Sections 3 and 4 of this Agreement, including the issuance of the Water Use Permit.

(d) The rights of Lohr and Griffin and their successors and assigns under their respective Water Use Permits shall not be altered or affected by this Agreement.

(e) Except as set forth in this Section 4, as specified in each Water Use Permit, the pertinent portion of the Water Entitlement may be assigned, in whole or in part, only in connection with, and as an integral part of, a conveyance of title to all or part of the Benefited Property or Properties to which it is dedicated, and, only to the successor-in-interest to such Benefited Property or Properties.

#### 4.3 Water Use Permits.

MPWMD Rule 23.5, as amended by Ordinance 109, governs the use of the Water Entitlement and Water Use Permits from the date of this Agreement, except with respect to those of Lohr and Griffin, and their respective successors and assigns, and the successors and assigns of PBC (with respect to property conveyed by PBC before the Effective Date), or assignments thereof, which are governed by their respective Water Use Permits issued pursuant to the Fiscal Sponsorship Agreement. This Section 4.3 and the following Sections 4.4 through 4.8 shall, pursuant to Ordinance 109, govern the use of the portions of the Water Entitlement and all Water Use Permits not described in the preceding sentence.

Water Use Permits shall be subject only to the following limitations:

(1) the permit shall not limit the power of the MPWMD to curtail water use in the event of any emergency caused by drought, or other threatened or existing water shortage, as defined in Section 332 of the Monterey Peninsula Water Management Act, including without limitation the power of MPWMD to terminate water service as a consequence of a violation of water use restrictions;

(2) the permit shall not relieve or reduce any obligation of the recipient of water to pay customary fees, connection charges, user fees, surcharges, taxes, utility taxes, and/or any other customary monetary obligation which may be imposed by the California Public Utilities Commission, Cal-Am, MPWMD, or other Public Participants upon water users of the same class within the Cal Am service area, including but not limited to fees and charges due and payable to MPWMD by reason of Rule 24 of MPWMD's Rules and Regulation, nor shall such permit limit the authority of Cal-Am or MPWMD to terminate water use for non-payment of such fees and charges;

(3) the permit shall enable present use of the Water Entitlement by PBC only upon its continuing financial assurance or guarantee relating to the payment of Net Operating Deficiencies for the Project; and

(4) notwithstanding any other provision of this Agreement:

(a) the Water Entitlement allocated to the Benefited Properties as a whole shall not exceed 380 AF,

(b) the water usage under the Water Entitlement on any Benefited Property shall not exceed the amount of the Water Entitlement allocated to such Benefited Property, measured in accordance with the water use factors specified at the time of connection in the MPWMD Rules, as amended from time to time, and

(c) for purposes of collecting connection charges and fees, the projected water usage of the Benefited Properties shall be calculated by MPWMD in the manner set forth in Rule 24.

(5) Further, notwithstanding any other provision of this Agreement, once a new water connection is established pursuant to a Water Use Permit and use of all or a portion of a Water Entitlement,

(a) no user of water through such connection shall be entitled to preferential access to water over any other water user of the Cal-Am water distribution system; and

(b) the fixtures on the Benefited Property served by that connection shall be subject to verification of water use capacity in the manner specified in the MPWMD Rules, as amended from time to time; and

(c) the use of water on the Benefited Property served by such connection shall be accounted for by MPWMD in the manner specified at the time of connection in the MPWMD Rules, as amended from time to time; and

(d) the restrictions of use set forth above shall be enforced as determined by MPWMD to be necessary.

(6) The revocation and termination of any Water Use Permit shall not diminish or otherwise adversely affect present Actual Use of Water by reason of a prior expansion or extension of the Cal-Am water distribution system through any connection previously made pursuant to such Water Use Permit, except that Actual Use of Water may be reduced pursuant to the provisions of subdivisions (1) through (5) of this Section 4.3.

(7) Permits issued pursuant to this Agreement shall represent a vested property interest upon issuance and shall not be subject to revocation or cancellation except as expressly set forth in Section 4.8 below.

(8) The Water Entitlement granted by each Water Use Permit shall not be subject to reallocation pursuant to MPWMD Rule 30, nor shall it be terminated or diminished by reason of any water emergency, water moratorium or other curtailment on the setting of meters for the Cal-Am water system, nor shall it otherwise be subject to diminishment or revocation, except in the event that a Water Use Permit is Revoked or cancelled or as otherwise provided by Section 4.8 below.

#### **4.4 Restrictions on Use of Portion of Water Entitlement Separately Sold and Conveyed.**

(a) Any portion of the Water Entitlement of PBC separately conveyed pursuant to Sections 3.2 and 3.3 of this Agreement may be used only after the writings comprising the Supplemental Financial Commitment have been received by MPWMD, and then only on the specific property to which it is first dedicated following the conveyance, and the water shall be put solely to Residential use (as defined in MPWMD Rule 11).

(b) In addition, the use of water acquired pursuant to Sections 3.2 and 3.3 of this Agreement shall not exceed the quantity set forth in the Water Use Permit issued pursuant thereto and shall be measured in accordance with the water use factors specified at the time of connection in the MPWMD Rules, as amended from time to time, and shall at all times remain subject to the limitations and restrictions referenced in this Agreement.

(c) An Owner acquiring any portion of the Water Entitlement of PBC separately conveyed pursuant to Sections 3.2 and 3.3 of this Agreement shall not have the right to further sell or convey the Water Use Permit or the corresponding portion of the Water Entitlement for any use other than Residential use or on any other Benefited Property. Nothing in the foregoing sentence shall in any way limit the conveyance of the Water Use Permit so acquired, as an integral part of the conveyance of title to one or more Benefited Properties, to the successor(s)-in-interest to the Benefited Properties to which the pertinent portion of the Water Entitlement is dedicated.

4.5 **Use of Water Entitlement by PBC.** PBC may commence or continue to use the quantity of PBC's Water Entitlement that is not sold and conveyed by PBC pursuant to Sections 3.2 and 3.3 of this Agreement on any or all Benefited Properties owned by PBC as of May 27, 2004, as provided in the Fiscal Sponsorship Agreement, for any lawful use as determined by the appropriate jurisdiction with land use authority thereover. However, PBC agrees that the use of that portion of PBC's Water Entitlement granted to and retained by PBC for PBC's Original Benefited Properties shall be subject to and comply with the provisions of Ordinance 109 (specifically the provisions of MPWMD Rule 23.5 as amended by Ordinance 109) to the extent inconsistent with Section 4 of the Fiscal Sponsorship Agreement. PBC may sell and convey a parcel of land that it owns together with a specified portion of PBC's remaining Water Entitlement without being required to apply any consideration received therefor to any costs of the Project.

4.6 **Water Charges.** The water subject to the Water Entitlement shall be sold to the Owners of each of the Benefited Properties at charges which are not in excess of Cal-Am's charges (and, if applicable, any MPWMD charges) for potable water, in similar quantities and sold to similar users for similar uses, from time to time in effect. Nothing in the preceding sentence shall be construed to in any way affect the Owners' respective obligations pursuant to their Water Use Permit:

- (a) to pay the connection fee specified in Rule 23.5; and
- (b) to pay the fees set forth in Section 3.3 of this Agreement.

4.7 **No New Rights to Use Potable Water.** Nothing in this Agreement is intended to or shall be construed to create or vest any rights to use potable water in any way inconsistent with the provisions of MPWMD Rule 23.5 as revised by Ordinance 109. Nothing in this Agreement is intended to or shall be construed to adversely affect the ability of MPWMD to curtail or eliminate the Actual Use of Water through any connection previously made pursuant to a Water Use Permit to the extent that such curtailment or elimination is authorized by other laws, ordinances, or regulations as are generally applicable to all similarly situated users (Residential users within the Cal-Am system with lots classified by MPWMD as the same size) actually using water from the Cal-Am water distribution system, nor is it intended to provide or imply that any Water Use Permit holder shall not be subject to such generally applicable laws, ordinances, and regulations. For example, persons using water from the Cal-Am water distribution system are required to reduce their water usage in the various stages in MPWMD's Expanded Water Conservation and Standby Rationing Plan, and may be penalized or their water service may be terminated for failing to reduce water usage as required. Similarly, such persons must pay the rates and charges imposed for such water service, or their water service may be terminated.

4.8 Revocation and Termination of Water Use Permits Held or Conveyed by PBC.

(a) Each Water Use Permit held by PBC or a successor Fiscal Sponsor shall provide that it shall be revoked and terminated in the event that the Fiscal Sponsor shall default in any material manner upon its obligation, assurance, and guarantee of the Financial Commitment for the Project, provided that nothing herein shall preclude PBC or any other subsequent Fiscal Sponsor to PBC from disputing in good faith any claim of default made by MPWMD nor shall MPWMD terminate or revoke any Water Use Permit unless PBC or any subsequent Fiscal Sponsor shall have been given notice and a reasonable opportunity to cure any such default so long as such opportunity to cure shall not result in any payment default to the holders of the Certificates of Participation.

(b) All Water Use Permits issued to evidence the Water Entitlement conveyed by PBC pursuant to Sections 3 and 4 of this Agreement shall not be Revoked (as Revoke is defined in MPWMD Rule 11) or Terminated (as Terminate is defined in Ordinance 109) with respect to the entire Water Entitlement so conveyed except as follows:

(i) the Actual Use of Water on each of the Benefited Properties to which a portion of the Water Entitlement is dedicated (after conveyance by PBC pursuant to Sections 3 and 4 of this Agreement) shall at all times remain subject to the limitations and restrictions referenced in Sections 4.3 through 4.7 of this Agreement, which shall be enforced in the manner determined by MPWMD to be necessary. In order to facilitate enforcement of this limitation, MPWMD shall have the right to account for the use of water on the Benefited Property in the manner specified at the time of connection in the MPWMD Rules, as amended from time to time .

(ii) each Water Use Permit which on or after January 1, 2075, embodies an annual Water Entitlement in excess of requirements for planned land uses on a Benefited Property or which purports to authorize usage in excess of the constitutional limitation to reasonable and beneficial use shall be subject to modification, revocation, or termination in the sole discretion of MPWMD, such that the water usage authorized thereby shall not exceed such requirements and limitations.

Prior to any modification, termination, or revocation pursuant to this Section 4.8, the holder of the Water Use Permit, shall be entitled to notice and a hearing, and any termination, revocation, or modification shall be subject to appeal to the Board pursuant to Rule 70 of the MPWMD Rules and Regulations.

The revocation, termination, or modification of any Water Use Permit shall not diminish or otherwise adversely affect present Actual Use of Water by reason of prior expansion or extension of the Cal-Am water distribution system through any connection previously made pursuant to such Water Use Permit, provided that each Water Use Permit holder shall be subject to such laws, ordinances, and regulations as are generally applicable to all similarly situated users (Residential users within the Cal-Am system with lots classified by MPWMD as the same size) actually using water from the Cal-Am water distribution system, and nothing herein is intended to or shall affect the ability to curtail or eliminate the Actual Use of

Water through any connection previously made pursuant to a Water Use Permit to the extent such curtailment or elimination is authorized by such generally applicable laws, ordinances, or regulations applied in a non-discriminatory fashion to all similarly situated users in the Cal-Am system (Residential users with lots classified by MPWMD as the same size).

For example, persons using water from the Cal-Am water distribution system are required to reduce their water usage in the various stages in MPWMD's Expanded Water Conservation and Standby Rationing Plan, and may be penalized or their water service may be terminated for failing to reduce water usage as required. Similarly, such persons must pay the rates and charges imposed for such water service, or their water service may be terminated.

## 5. REPRESENTATIONS, WARRANTIES, AND COVENANTS

5.1 **Mutual Representations and Warranties.** PBC and MPWMD each hereby represents and warrants to the other that:

(a) the execution and delivery of this Agreement by it, and the performance of its obligations under this Agreement, have been duly authorized by all necessary action on its part, and it has full power, right and authority to enter into this Agreement and to perform its obligations hereunder and thereunder;

(b) neither the execution and delivery of this Agreement by it, nor the performance by it of any of its obligations under this Agreement, violates any applicable Federal, state or local law, whether statutory or common, or regulation or, with respect to PBC, partnership agreement, or constitutes a violation of, or a breach or default under, any agreement or instrument, or judgment or order of any court or governmental authority, to which it is a party;

(c) this Agreement is a valid and binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by equitable principles or by bankruptcy or other laws affecting creditors' rights generally; and

(d) no consent, approval, order or authorization of any person, entity, court or governmental authority is required on its part in connection with the execution and delivery of this Agreement or the performance by it of any of its obligations hereunder.

5.2 **Representations and Warranties of MPWMD.** MPWMD hereby represents and warrants to PBC as follows:

(a) Subject to the terms and conditions of this Agreement, each Owner of the Benefited Properties who has received by separate sale and conveyance from PBC a portion of the Water Entitlement shall have a vested right inuring to the Benefited Properties it owns for the use and benefit of a specified quantity of potable water per year (in acre feet) produced by the Cal Am distribution system and authorizing the expansion and extension of the Cal-Am water distribution system to provide water service and connections for the benefit of these Benefited Properties, free and clear of any liens, claims or encumbrances, statutory or otherwise, and not subject to revocation or termination except as expressly provided in Section 4 hereof.

(b) Each portion of the Water Entitlement separately sold and conveyed by PBC pursuant to the terms and conditions of this Agreement shall constitute a vested property right, as described in Sections 3 and 4, to the potable water that is subject to such Water Entitlement and the corresponding Water Use Permit, enforceable according to its terms, except

as such enforceability may be limited by equitable principles or by bankruptcy or other laws affecting creditor's rights generally.

(c) The terms and conditions of this Agreement are in compliance, in all material respects, with the terms and conditions of Ordinance 109.

5.3 **Covenant against Conflicting Agreements or Actions.**

MPWMD shall not enter into any agreements, or take any actions inconsistent with this Agreement, which may adversely affect or impair the right of the Owner of any portion of the Water Entitlement to such portion or to use or enjoy such portion with respect to the Benefited Properties it owns, including, without limitation, any amendment, repeal, or revocation of MPWMD Ordinance 39 or Ordinance 109.

6. **REMEDIES**

6.1 **Remedies in General.** Neither MPWMD nor PBC shall have the right to terminate this Agreement as a result of a breach of this Agreement by the other. Subject to the foregoing limitation, each party may avail itself of such rights at law or in equity as such party may have as a result of a breach of this Agreement by the other. Each of the parties hereby acknowledge that the other party may have no adequate remedy at law if such party breaches any of its obligations hereunder, and, accordingly, each of the parties shall have the right, in addition to any other rights it may have hereunder or at law, to obtain, in any court of competent jurisdiction, injunctive relief to restrain a breach or threatened breach of this Agreement by the other party or otherwise to specifically enforce any of the provisions of this Agreement involved in any such breach or threatened breach.

6.2 **Remedies for MPWMD Breach.** In the event MPWMD breaches this Agreement with respect to the Water Entitlement or the Water Use Permits:

(a) In the event that, after such breach, an Owner of a Benefited Property is entitled to less potable water for use on such Benefited Property than is contemplated by this Agreement, as and to the extent contemplated by this Agreement, MPWMD shall utilize its regulatory powers to the fullest extent to ensure that the Owner of such Benefited Property to which the Water Use Permit is appurtenant is entitled to receive, and does receive, potable water at such times, in such quantities and pursuant to such terms and conditions as are substantially equivalent to its rights with respect to potable water as specified in the Water Use Permit, and

(b) Because the damages which such Owner would suffer as a result of the breach of the covenant set forth in the preceding sentence would be irreparable and difficult to quantify, such Owner shall be entitled to specific enforcement, by a court of competent jurisdiction of its rights hereunder which are affected by such breach. Any such relief shall be determined in an action brought and prosecuted in accordance with Section 8(b)(i).

(c) Each Owner of the Benefited Properties who has received by sale and conveyance from PBC a portion of the Water Entitlement shall have the right to enforce this Section 6.2 as an intended third party beneficiary.

6.3 **Acknowledgment by PBC.** PBC acknowledges that MPWMD does not covenant in this Agreement, and is not responsible for, the release from the Escrow Account of funds to pay for the Capital Costs of the Project Expansion, and PBC shall not seek any redress

against MPWMD for any refusal or delays in the release of such funds, or any consequences thereof, including those described in Section 9.4 of this Agreement. Notwithstanding anything to the contrary, MPWMD shall not be required to pay any moneys derived from any source other than the Net Operating Revenues for the performance of any agreements or covenants required to be performed by it contained or referred to herein. No director, officer, or employee of MPWMD shall be individually or personally liable for any obligations of MPWMD contained or referred to herein.

**7. INDEMNIFICATION PROVISIONS**

The provisions of section 10 of the Fiscal Sponsorship Agreement are hereby incorporated into this Agreement as if fully set forth herein.

**8. MISCELLANEOUS PROVISIONS**

(a) The provisions of section 11 of the Fiscal Sponsorship Agreement are hereby incorporated into this Agreement as if fully set forth herein, except that section 11.3 of the Fiscal Sponsorship Agreement is hereby revised to read as follows:

“11.3 Notices. Whenever any matter herein provides for notice or other communication to be given to any of the parties, such notice shall be in writing and given to the persons, and at the addresses, designated below for such party, or to such other person or other address as such party shall provide, in writing, to the other party. All notices may be given by personal delivery, by postage prepaid, first-class United States mail, or by overnight delivery service. Each such notice shall be deemed to be effective (a) if personally delivered or sent by overnight delivery service, upon receipt, or (b) if sent by first-class mail, 5 days after being mailed.

If to PBC:

Pebble Beach Company  
4005 Sunridge Road  
P.O. Box 1767  
Pebble Beach, CA 93953-1767

Attn: General Counsel

Fenton & Keller  
2801 Monterey-Salinas Highway  
Post Office Box 791  
Monterey, CA 93942-0791

Attn: Thomas H. Jamison

If to MPWMD:

Monterey Peninsula Water Management District  
5 Harris Court, Bldg. G  
Monterey, CA 93940  
P.O. Box 85  
Monterey, CA 93942-0085

Attn: General Manager

David C. Laredo  
De Lay & Laredo  
606 Forest Avenue  
Pacific Grove, CA 93950

(b) **Dispute Resolution.**

(i) The parties shall make good faith efforts to resolve all claims and disputes related to this Agreement at the lowest possible cost. Unless the parties agree upon an alternative forum of dispute resolution, any litigation concerning claims and disputes related to this Agreement shall be filed in and timely prosecuted to conclusion in the Superior Court in and for Monterey County, and each party hereby waives its right to move to change venue.

(ii) If dissatisfied with the determination made following the procedures specified in Section 3.5 of this Agreement, PBC shall have the right, within 30 days after the effective date of such determination, to file suit in the Superior Court in and for Monterey County challenging such determination in Administrative Mandamus or other available remedy based on the Administrative Record.

(iii) PBC shall comply with the determination made following the procedures specified in Section 3.5 of this Agreement unless and until expressly relieved from doing so by written order from the court.

**9. EFFECTIVE DATE, TERM, EXPIRATION, AND TERMINATION**

9.1 **Effective Date.** This Agreement shall commence and be effective and binding on the parties on the date this Agreement, the Amended and Restated Construction and Operation Agreement, and the Agreements for Sale of Recycled Water have each been fully executed by each signatory thereof (the "Effective Date").

9.2 **Term.** After the Effective Date, PBC shall not be able to terminate the Fiscal Sponsorship Agreement pursuant to Section 9 thereof. This Agreement shall continue and remain in effect thereafter, unless the Agreement expires pursuant to section 9.3 or is declared void pursuant to section 9.4.

9.3 **Expiration.** If any one or more of the Amended and Restated Construction and Operation Agreement, and/or the Agreements for Sale of Recycled Water is or are declared void by any party thereto pursuant to the terms thereof, and the parties to each agreement thus declared void do not execute a successor or replacement agreement therefor within 90 days, this Agreement shall thereupon cease to have any force or effect except as set forth in the following paragraph.

9.4 **Termination; Authority to Void Agreements.** MPWMD and PBC are each authorized, but not required, to declare this Agreement void if the Supplemental Financial Commitment has not been made within eighteen (18) months after the effective date of Ordinance 109. The parties agree to memorialize in writing the dates on which (1) Ordinance 109 becomes effective, and (2) the date that the documents constituting the Supplemental Financial Commitment are provided by PBC, respectively. Neither party may unilaterally terminate this Agreement in any other fashion.

IN WITNESS WHEREOF, this Agreement has been executed by the officers of each of the parties effective the date first shown above.

Pebble Beach Company

Monterey Peninsula Water  
Management District

By: Mark Stowell  
Its: Executive VP & General Counsel

By: [Signature]  
Its: General Manager

**EXHIBIT "A"**  
**BENEFITED PROPERTIES**

All real property within the boundaries of the unincorporated portions of the Del Monte Forest as defined in Exhibit "B" and such additional real property as has been designated and included as Benefited Properties under the Fiscal Sponsorship Agreement pursuant to amendments thereto as approved by the MPWMD Board before May 27, 2004, the date that Ordinance 109 was adopted.

A-1

*Supplemental Financing Agreement between MPWMD and PBC  
Dated as of December 15, 2004*

**EXHIBIT "B"**  
**DEL MONTE FOREST**

All real property within the boundaries of the unincorporated portions of Monterey County known as the Del Monte Forest and shown on the attached map.

B-1

*Supplemental Financing Agreement between MPWMD and PBC  
Dated as of December 15, 2004*

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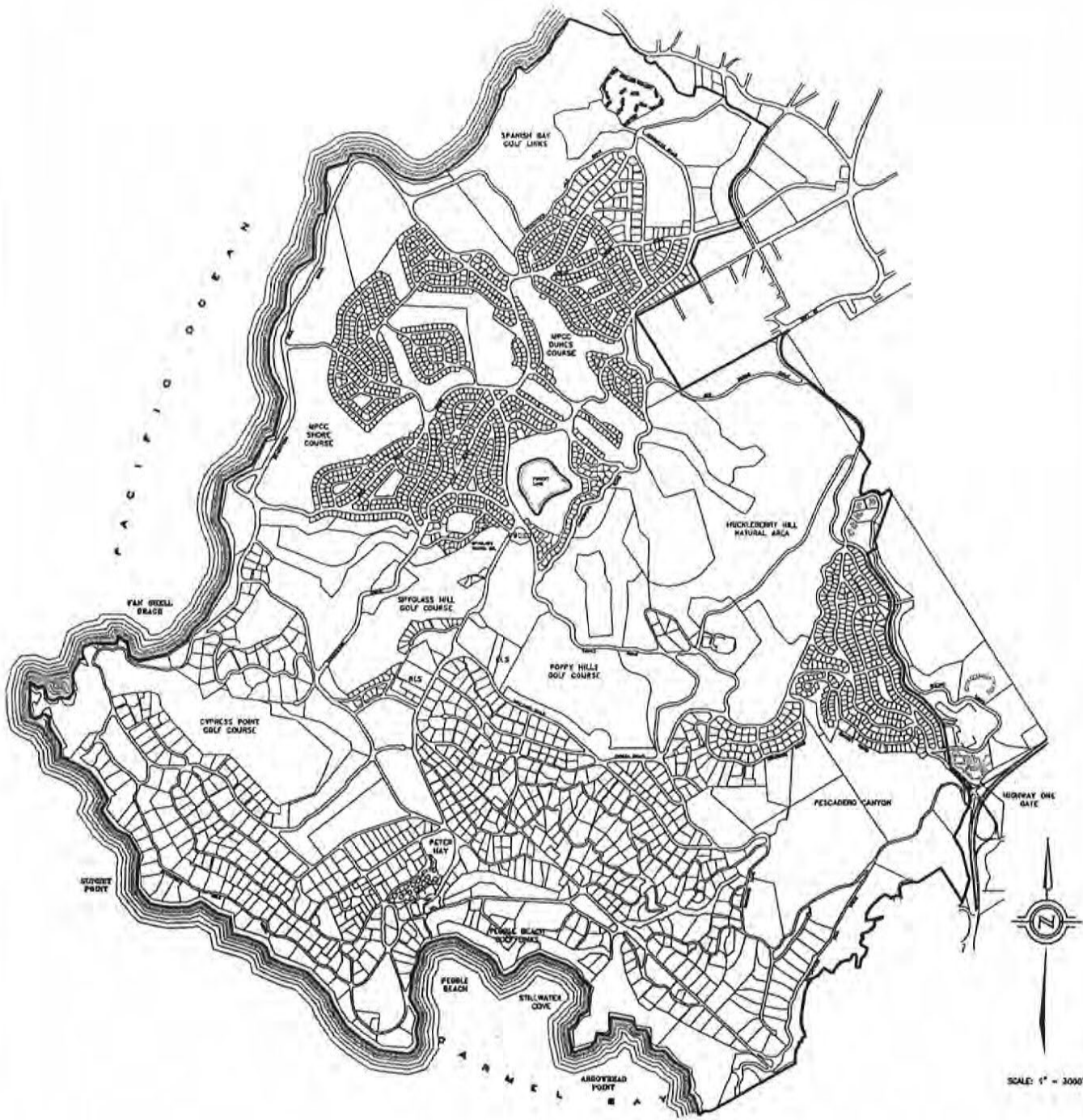


EXHIBIT B  
DEL MONTE FOREST

**EXHIBIT "C"**  
**RECYCLED WATER IRRIGATION AREAS**

---

**Golf Courses**

Monterey Peninsula Country  
Club Dunes Course

Monterey Peninsula Country  
Club Shore Course

Cypress Point Golf Course

Spyglass Hill Golf Course

Pebble Beach Golf Course

Spanish Bay Golf Course

Pebble Beach Forest Course (new)

Poppy Hills Golf Course

**Other Recycled Water Irrigation Areas**

Peter Hay Par 3 Golf Course

Pebble Beach Range

Equestrian Center/Field  
(existing or new)

Stevenson School athletic fields (existing or new)

Spanish Bay Range (new)

**EXHIBIT "D"**  
**DESCRIPTION OF ORIGINAL PROJECT**

The Original Project consists of the following components:

**1. The Tertiary Facility.**

(a) The tertiary treatment plant located at the CAWD wastewater treatment plant immediately south of the Carmel River and west of California State Highway One, capable of producing 1.8 million gallons per day (MGD) of tertiary treated recycled water. The existing tertiary treatment facility diverts and treats secondary level effluent from the Secondary Facilities for reuse as irrigation water using a treatment process consisting of: secondary effluent flow equalization; influent pumping; polymer and alum addition with rapid mixing for coagulation; low energy mixing for flocculation; filtration; chlorination; dechlorination; and pumping.

(b) The improvements within the Secondary Facilities to assure a consistent supply of secondary effluent from the Secondary Facilities diverted to the tertiary treatment plant. These improvements include a secondary clarifier flow split control and replacement of the existing mechanical aeration diffusers.

**2. The Distribution System.**

(a) The recycled water distribution system consisting of approximately 38,000 feet of distribution pipeline and a steel water storage tank (described in item (b) below) in Del Monte Forest beginning at the tertiary treatment plant and terminating at the southern portion of the Spanish Bay Golf Course and Resort in Del Monte Forest. The pipeline is located primarily within existing roads and road rights-of-way extending through the City of Carmel-by-the-Sea and unincorporated areas of Monterey County, including areas of Del Monte Forest. The distribution system also includes a connection adjacent to the storage tank (described in item (b) below) for furnishing an emergency potable water supply in the event of failure of the tertiary treatment plant or distribution pump station.

(b) The 2.5 million gallon recycled water storage tank located adjacent to the Poppy Hills Golf Course maintenance yard north of Viscaino Road in Del Monte Forest.

**EXHIBIT "E"**  
**DESCRIPTION OF PROJECT EXPANSION**

The Project Expansion consists of the following components:

**1. The Advanced Treatment Component.**

The Advanced Treatment Component consists of the addition of microfiltration and reverse osmosis facilities ("MF/RO Facilities") to the Tertiary Facility designed to treat and deliver Recycled Water meeting the quality requirements set forth in attached Exhibit "F." This work will include all related mechanical, electrical, and structural work necessary to integrate the MF/RO facilities into the Tertiary Facility and the Secondary Facilities.

**2. Forest Lake Reservoir Component.**

The Forest Lake Reservoir Component consists of the retrofitting of the existing Forest Lake Reservoir owned by PBCSD to hold up to 420 acre feet of recycled water in a manner that meets the requirements of the Division of Safety of Dams, California Department of Water Resources. Additionally, this Component includes the construction of a filtration, pH control, and pumping facility, and necessary distribution lines designed to treat and deliver the Recycled Water meeting the quality requirements set forth in attached Exhibit "F."

**EXHIBIT "F"**  
**WATER QUALITY STANDARDS**

The Recycled Water produced by the Project shall meet all applicable regulatory and health standards, including CAWD's NPDES permit requirements, and the following additional quality criteria:

|                                   |                                  |
|-----------------------------------|----------------------------------|
| Sodium Adsorption Ratio:          | 3.00 or less                     |
| Adjusted Sodium Adsorption Ratio: | 4.00 or less                     |
| Sodium Level:                     | 55 mg/L or less, 95% of the time |
| Electrical Conductivity:          | 350-450 micro-mhos/cm            |
| pH:                               | 6.3-7.3                          |

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F-1

*Supplemental Financing Agreement between MPWMD and PBC  
Dated as of December 15, 2004*



## Supplemental Financial Commitment

Pursuant to Sections 3.2 and 3.3 of the Supplemental Financing Agreement between the Monterey Peninsula Water Management District and Pebble Beach Company dated as of December 15, 2004 (the "Supplemental Financing Agreement"), PBC hereby irrevocably commits to pay all Capital Costs of the Project Expansion, using funds raised through the sale of the portions of its Water Entitlement (combined with any funds which may be independently committed by PBC), and to continue to pay the Net Operating Deficiencies of the Project until the Certificates of Participation (and any bonds or other obligations issued by any Public Participant to finance such costs) have been paid in full (or for any shorter periods as permitted by MPWMD), and to continue to pay all Ancillary Project Costs.

PBC, CAWD, and PBCSD hereby commit that they are each prepared and intend forthwith to commence design and construction of their respective components of the Project Expansion and to proceed diligently therewith until the Project Expansion is Completed.

All capitalized terms used herein have the meaning set forth in the Supplemental Financing Agreement.

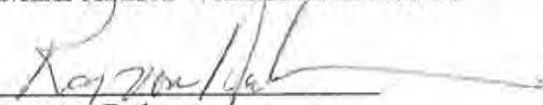
### **PEBBLE BEACH COMPANY**

By: 

Mark Stilwell

Its: Executive Vice President  
and General Counsel

### **CARMEL AREA WATER DISTRICT**

By: 

Ray von Dohren

Its: General Manager

### **PEBBLE BEACH COMMUNITY SERVICES DISTRICT**

By: 

Richard Andrews

Its: General Manager

**THIS AGREEMENT** is made and entered into as of 12/16 2013, by and among the **MONTEREY PENINSULA WATER MANAGEMENT DISTRICT**, the **CARMEL AREA WASTEWATER DISTRICT**, the **PEBBLE BEACH COMMUNITY SERVICES DISTRICT**, the **PEBBLE BEACH COMPANY**, and the **INDEPENDENT RECYCLED WATER USERS GROUP**.

WHEREAS, the Monterey Peninsula Water Management District (the “MPWMD”) and the Pebble Beach Company (“PBC”) have entered into a Supplemental Financing Agreement as of December 15, 2004, supplementing (but not superseding) the Wastewater Reclamation Project Fiscal Sponsorship Agreement dated as of October 3, 1989 between the parties (the “Supplemental Financing Agreement”); and

WHEREAS, MPWMD, the Carmel Area Wastewater District (“CAWD”), the Pebble Beach Community Services District (“PBCSD”), and PBC have entered into an Amended and Restated Construction and Operation Agreement dated as of December 15, 2004 (the “Restated C&O Agreement”), amending and restating the Wastewater Reclamation Project Construction and Operation Agreement dated as of November 1, 1990 among the parties; and

WHEREAS, MPWMD has entered into an Amended and Restated Agreement for Sale of Recycled Water (collectively, the “Amended Recycled Water Sales Agreement”) dated as of June 30, 2013, with each of the owners of Recycled Water Irrigation Areas (as defined in the Supplemental Financing Agreement), those owners being as of the date of this agreement the Cypress Point Club, Monterey Peninsula Country Club, and Poppy Holding, Inc. (collectively “IRWUG”), Robert Louis Stevenson School, and PBC;

WHEREAS, the execution and delivery of each Amended Recycled Water Sales Agreement requires certain conforming changes to be made to the Supplemental Financing Agreement and the Restated C&O Agreement;

NOW, THEREFORE, in consideration of the foregoing, and the covenants, representations, and warranties set forth in the agreements referred to above, the parties hereto agree as follows:

1. All references in the Supplemental Financing Agreement and the Restated C&O Agreement to the “Recycled Water Sales Agreement” (as defined in the Supplemental Financing Agreement) shall mean and refer to the Amended Recycled Water Sales Agreement.

2. The term “Management Committee”, as used in the Supplemental Financing Agreement and the Restated C&O Agreement, shall mean a committee composed of (a) two representatives of CAWD, (b) two representatives of PBCSD, (c) one representative of PBC, and (d) one representative of IRWUG.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their duly authorized officers or officials all as of the date first written above.

**MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT**

By: Dave Potter

**CARMEL AREA WASTEWATER DISTRICT**

By: Charlotte F. Townsend

**PEBBLE BEACH COMMUNITY SERVICES  
DISTRICT**

By: [Signature]

**PEBBLE BEACH COMPANY**

By: Mark Stowell

**INDEPENDENT RECYCLED WATER USERS  
GROUP**

By: Mural J. Long

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 13-27**

**A RESOLUTION APPROVING AGREEMENT WITH MONTEREY PENINSULA  
WATER MANAGEMENT DISTRICT, CARMEL AREA WASTEWATER  
DISTRICT, PEBBLE BEACH COMPANY AND INDEPENDENT RECYCLED  
WATER USERS GROUP AMENDING COMPOSITION OF  
RECLAMATION MANAGEMENT COMMITTEE**

-oOo-

**WHEREAS**, Pebble Beach Community Services District (PBCSD), Monterey Peninsula Water Management District (MPWMD), Carmel Area Wastewater District (CAWD) and Pebble Beach Company (PBCo) operate the CAWD/PBCSD Wastewater Reclamation Project under provisions of the Construction and Operation Agreement dated December 15, 2004; and

**WHEREAS**, that agreement identifies the composition of the Management Committee that provides oversight of the construction and operation of the Reclamation Project; and

**WHEREAS**, the parties desire to provide a mechanism for the Independent Recycled Water Users Group (IRWUG) to become a voting member of the Management Committee;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Pebble Beach Community Services District that:

1. The attached agreement with MPWMD, CAWD, PBCo and IRWUG to amend the composition of the Reclamation Management Committee is hereby approved.
2. The Board President and General Manager/Secretary are authorized to execute said agreement and the General Manager/Secretary is directed to return signed copies to the other parties.

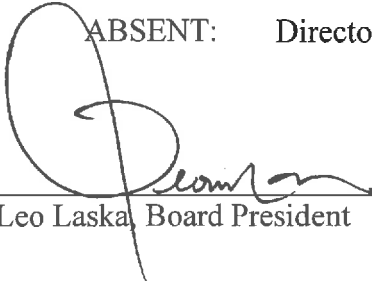
**PASSED AND ADOPTED** by the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, at a regular meeting on **December 13, 2013** by the following vote:

AYES: Directors: FROKE, GEBHART, LASKA, MCKEE, VERBANEC

NOES: Directors: NONE

ABSENT: Directors: NONE

ATTEST:

  
\_\_\_\_\_  
Leo Laska, Board President

  
\_\_\_\_\_  
Mike Niccum, Board Secretary

I hereby certify that the foregoing is a full, true and correct copy of a ***Resolution No. 13-27 approving an agreement with Monterey Peninsula Water Management District, Carmel Area Wastewater District, Pebble Beach Company and the Independent Recycled Water Users Group amending the composition of the Reclamation Management Committee*** adopted by the Board of Directors of the Pebble Beach Community Services District at a regular meeting thereof held on **December 13, 2013**.



---

Mike Niccum  
Board Secretary/General Manager

received  
1-17-90

WASTEWATER RECLAMATION PROJECT  
MANAGEMENT AGREEMENT  
among the  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT,  
CARMEL SANITARY DISTRICT, PEBBLE BEACH  
COMMUNITY SERVICES DISTRICT  
and  
PEBBLE BEACH COMPANY  
DATED AS OF JANUARY \_\_, 1990

TABLE OF CONTENTS

|   | <u>Page(s)</u> |
|---|----------------|
| <u>Recitals</u> . . . . .                                     | 1              |
| <u>Agreement</u> . . . . .                                    | 2              |
| 1. Definitions . . . . .                                      | 2              |
| 1.1 Bonds . . . . .   | 2              |
| 1.2 Business Day . . . . .                                    | 2              |
| 1.3 Cal-Am . . . . .  | 2              |
| 1.4 Capital Costs . . . . .                                   | 2              |
| 1.5 Commercial Operation Date . . . . .                       | 4              |
| 1.6 CSD/PBCSD . . . . .                                       | 4              |
| 1.7 Distribution System . . . . .                             | 4              |
| 1.8 Facility . . . . .  | 4              |
| 1.9 Fiscal Sponsorship Agreement . . . . .                    | 4              |
| 1.10 General Manager . . . . .                                | 4              |
| 1.11 Irrigation Systems . . . . .                             | 4              |
| 1.12 Management Agreement . . . . .                           | 4              |
| 1.13 Management Committee . . . . .                           | 4              |
| 1.14 Open Spaces. . . . .                                     | 4              |
| 1.15 Operating Revenues . . . . .                             | 5              |
| 1.16 Operation and Maintenance Expenses . . . . .             | 5              |
| 1.17 Project . . . . .  | 5              |
| 1.18 Public Participant . . . . .                             | 5              |
| 1.19 Reclaimed Water . . . . .                                | 5              |
| 1.20 Reclamation Project . . . . .                            | 5              |
| 1.21 Related Agreements . . . . .                             | 5              |
| 1.22 Service Agreement . . . . .                              | 6              |
| 2. The Reclamation Project . . . . .                          | 6              |
| 2.1 Description . . . . .                                     | 6              |
| 2.2 Role of Public Participants . . . . .                     | 6              |
| 2.3 Use of Reclaimed Water . . . . .                          | 7              |
| 3. Financing of Construction of Reclamation Project . . . . . | 7              |
| 4. Construction of Project . . . . .                          | 8              |
| 5. Operation of Project . . . . .                             | 10             |
| 5.1 Management of Project . . . . .                           | 10             |
| 5.2 Budgeting and Financial Accounting for Project . . . . .  | 11             |
| 5.3 Standards of Operation . . . . .                          | 13             |

TABLE OF CONTENTS  
(Continued)

|  | <u>Page(s)</u> |
|--|----------------|
| 5.4 Insurance . . . . .  | 14             |
| 5.5 Payment of Operation and Maintenance Expenses . . . . .              | 14             |
| 6. Management of Project . . . . .                                       | 16             |
| 6.1 Role of Management Committee . . . . .                               | 16             |
| 6.2 General Manager and Staff . . . . .                                  | 17             |
| 6.3 Management Agreement . . . . .                                       | 17             |
| 7. Investment of Operating Revenues . . . . .                            | 17             |
| 8. Advance of Costs . . . . .  | 18             |
| 9. Representations and Warranties and Covenants . . . . .                | 18             |
| 9.1 Mutual Representations and Warranties . . . . .                      | 18             |
| 9.2 Covenants of CSD and PBCSD Concerning Operation of Project . . . . . | 19             |
| 9.3 Covenants of CSD Concerning Personnel. . . . .                       | 19             |
| 10. Effectiveness . . . . .  | 20             |
| 11. Termination of Agreement . . . . .                                   | 20             |
| 11.1 Termination for Breach . . . . .                                    | 20             |
| 11.2 Remedies for Public Participant Breach . . . . .                    | 21             |
| 11.3 Termination by PBC . . . . .  | 21             |
| 12. Indemnification . . . . .  | 21             |
| 12.1 Protection of Parties . . . . .                                     | 21             |
| 12.2 Procedure For Indemnification . . . . .                             | 21             |
| 12.3 Payment of Indemnified Claims . . . . .                             | 22             |
| 12.4 Securities Law Indemnification . . . . .                            | 22             |
| 13. Miscellaneous . . . . .  | 23             |
| 13.1 Further Assurances . . . . .  | 23             |
| 13.2 Relationship of the Parties . . . . .                               | 23             |
| 13.3 Notices . . . . .   | 23             |
| 13.4 Exhibits . . . . .  | 24             |
| 13.5 Assignment . . . . .  | 24             |
| 13.6 Cumulative Remedies . . . . .                                       | 24             |
| 13.7 Severability . . . . .  | 24             |
| 13.8 Waiver . . . . .  | 24             |
| 13.9 Headings and Titles . . . . .                                       | 24             |

TABLE OF CONTENTS  
(Continued)

|   | <u>Page(s)</u> |
|---|----------------|
| 13.10 Presumptions . . . . .                        | 25             |
| 13.11 Amendment or Modification . . . . .           | 25             |
| 13.12 Counterparts . . . . .                        | 25             |
| 13.13 Entire Agreement . . . . .                    | 25             |
| 13.14 Limitation on Liability of Partners . . . . . | 25             |
| 13.15 No Third-Party Beneficiary Rights . . . . .   | 25             |
| 13.16 Security Interest . . . . .                   | 25             |
| Exhibit "A" Open Spaces                             |                |
| Exhibit "B" Description of Project                  |                |

WASTEWATER RECLAMATION PROJECT  
MANAGEMENT AGREEMENT

This Wastewater Reclamation Project Management Agreement is entered into as of January \_\_, 1990, by and among the Monterey Peninsula Water Management District, a California public agency ("WMD"), Carmel Sanitary District, a California public agency ("CSD"), Pebble Beach Community Services District, a California public agency ("PBCSD"), and Pebble Beach Company, a California general partnership ("PBC").

Recitals

A. WMD was created to manage and regulate the use, reuse, reclamation and conservation of water on the Monterey Peninsula and the bond financing of related public works projects. WMD is desirous of implementing methods of conserving potable water consumption, and making available existing potable water, on the Monterey Peninsula for uses and purposes other than the uses and purposes for which it is presently being utilized.

B. CSD owns and operates, and PBCSD has a contractual right for one third of the capacity of, a wastewater treatment plant which is located on the Monterey Peninsula.

C. WMD and PBC have entered into a Wastewater Reclamation Project Fiscal Sponsorship Agreement, dated as of October 3, 1989, pursuant to which PBC has agreed to provide financial guarantees for financing of a wastewater reclamation project, which will utilize wastewater from the CSD plant, in return for entitlements of potable water which assure future potable water service to property owned by PBC and others.

D. The parties hereto desire to cause a wastewater reclamation facility, capable of producing at least 800 acre feet per year of subpotable water suitable for irrigation of existing golf courses and other open spaces on the Monterey Peninsula, and related distribution system and irrigation systems (the "Reclamation Project"), to be financed and constructed on the Monterey Peninsula, with the understanding that such open spaces will utilize such subpotable water for irrigation, thereby conserving potable water consumption and making available existing potable water for other uses and purposes on the Monterey Peninsula.

E. The parties hereto further desire that such wastewater reclamation facility be located at the CSD plant site and that CSD and PBCSD, with the participation of PBC, manage the construction of such facility and distribution system portions of the Reclamation Project and the operation of such portions thereof, and CSD and PBCSD are willing to jointly perform such services, with CSD acting as the lead agency.

## Agreement

NOW, THEREFORE, in consideration of the foregoing, and the covenants and representations and warranties set forth in this Agreement, the parties have agreed as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

1.1 "Bonds" means the bonds or certificates of participation issued by any Public Participant to finance the Capital Costs of the Reclamation Project, as more fully described in the Fiscal Sponsorship Agreement.

1.2 "Business Day" means any weekday which is not a Federal or California state holiday.

1.3 "Cal-Am" means the California American Water Company, a California corporation, and its successors and assigns.

1.4 "Capital Costs", as applied to the Reclamation Project or any portion thereof, means all or any part of:

(a) the cost of acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for the Reclamation Project, inclusive of fees and commissions for acquisition;

(b) the cost of construction of the Reclamation Project, including, without limitation, demolition, modification, replacement or renovation of existing structures, facilities, fixtures or equipment essential to the construction and operation of the Reclamation Project; cost of improvements and materials; direct and indirect construction and administration expenses of each of the Public Participants properly allocable to the Reclamation Project in accordance with generally accepted accounting principles; cost of painting, decorating, furnishing and landscaping; contractor and subcontractor profit; and costs related, by reason of the Reclamation Project, to plumbing, mains, tanks, or pipes which are modified, replaced or renovated, whether owned by any of the Public Participants or others;

(c) the cost of demolishing or removing any buildings, fixtures, equipment, or structures on land so acquired, including, without limitation, the cost of acquiring any lands to which such buildings or structures may be moved;

(d) the cost of all new machinery, piping, equipment and furnishings, and the lesser of (i) the fair

market value, or (ii) depreciated value for the purpose of the applicable rate base, of machinery, piping, equipment and furnishings made obsolete or unusable to Cal-Am or any of the Public Participants by reason of the Reclamation Project to the extent not replaced by the Reclamation Project;

(e) costs of selling and issuing the Bonds, including, without limitation, the underwriter's discount;

(f) interest on any funds advanced to permit payment of any of the Capital Costs prior to, during, and for a reasonable period after completion of the construction of the Reclamation Project as determined by PBC and WMD, including, without limitation, capitalized interest on the Bonds;

(g) the Operating Reserve, as defined in the Fiscal Sponsorship Agreement;

(h) the Bond Carrying Costs, as that term is defined in the Fiscal Sponsorship Agreement, to the extent reasonably determinable by the commencement of the offering of the Bonds and payable within one year of the closing of such offering; and

(i) the cost of architectural, engineering, planning, environmental analysis, financial, accounting, auditing and legal services, plans, specifications, estimates, administrative expenses, permits, fees, adverse claims, personnel and overhead costs (both direct and indirect, to the extent properly allocable to the Reclamation Project in accordance with generally accepted accounting principles), and other expenses necessary or incident to determining the feasibility of construction of the Reclamation Project or incident to the planning, construction, acquisition, or financing of the Reclamation Project, including, without limitation:

(1) payment during the construction period of the premiums for all title and other insurance, bonds, or undertakings required to be obtained and maintained with respect to any part of the Reclamation Project, to the extent such amounts are not paid by any contractor who constructs or installs any portion of the Reclamation Project;

(2) payment of the taxes, assessments and other fees or charges, if any, that may become payable during the construction period with respect to the Reclamation Project, or reimbursements thereof; and

(3) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract

relating to the acquisition, construction or installation of any portion of the Reclamation Project.

1.5 "Commercial Operation Date" means the date on which the Project is capable of operating at its designed capacity on a continuing basis, as determined by the Management Committee, in good faith and on any reasonable basis, after all required testing of the Project is completed, as evidenced by the issuance by the Management Committee of a certificate setting forth its determination of such date.

1.6 "CSD/PBCSD" means the combination of CSD and PBCSD, which entities, pursuant to the Management Agreement, will own the Project and, through the Management Committee, manage the design, construction, operation and maintenance of the Project.

1.7 "Distribution System" has the meaning given to it in Section 2.1 hereof.

1.8 "Facility" has the meaning given to it in Section 2.1 hereof.

1.9 "Fiscal Sponsorship Agreement" means the Wastewater Reclamation Project Fiscal Sponsorship Agreement, dated as of October 3, 1989, between WMD and PBC.

1.10 "General Manager" means the General Manager of CSD.

1.11 "Irrigation Systems" has the meaning given to it in Section 2.1 hereof.

1.12 "Management Agreement" means the agreement between CSD and PBCSD, which has been executed and delivered concurrently with this Agreement, which establishes and allocates the rights and responsibilities of CSD and PBCSD with respect to the construction, ownership and operation of the Project.

1.13 "Management Committee" means a committee composed of (a) two representatives of CSD, (b) two representatives of PBCSD, and (c) so long as PBC is required to deliver the NOD Letter of Credit, as defined in the Fiscal Sponsorship Agreement, one representative of PBC, which will, pursuant to this Agreement, direct budgeting for, and the management, construction and operation of, the Project.

1.14 "Open Spaces" means the golf courses and other open spaces named on Exhibit "A" hereto.

1.15 "Operating Revenues", as applied to the Project, means all income, rents, rates, fees, charges and other moneys derived by any of the Public Participants from the ownership or operation of the Project, including, without limitation, (a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of Reclaimed Water or from potable water supplied in lieu thereof, (b) insurance and condemnation proceeds resulting from damage to or destruction of any of the Project's facilities or from the condemnation of any of such facilities, and (c) interest earned on all revenues referenced in (a) or (b) above, on the Operating Reserve or on any other fund or account relating to the Project (excluding any amounts required to be rebated to the United States pursuant to Section 148 of the Internal Revenue Code); provided, however, that such term shall not include customers' deposits or any other deposits subject to refund until such deposits are no longer subject to refund and have become the property of one of the Public Participants.

1.16 "Operation and Maintenance Expenses", as applied to the Project, means all expenses and costs of management, operation, maintenance and repair of the Project, including, without limitation, payments to be made by any of the Public Participants under agreements with Cal-Am for the purchase of potable water, and all incidental costs, fees and expenses incurred for such purpose properly chargeable to the Project in accordance with generally acceptable accounting principles, subject, however, to the limitation with respect to depreciation, amortization and obsolescence described in Section 5.2(a) hereof.

1.17 "Project" means the Facility and the Distribution System, but shall not include the Irrigation Systems.

1.18 "Public Participant" means any one or more of the following: WMD, CSD, PBCSD, or any successor public agency, including, without limitation, any joint powers agency formed by one or more of such agencies.

1.19 "Reclaimed Water" has the meaning given to it in Section 2.1 hereof.

1.20 "Reclamation Project" means the Facility, Distribution System and Irrigation Systems (including, without limitation, lands, facilities, equipment, furniture and fixtures).

1.21 "Related Agreements" means the agreements, in form and substance satisfactory to each of the parties to such agreements and PBC, between or among two or more of CSD, PBCSD, WMD, Cal-Am, an owner of one or more of the Open Spaces, and PBC, as the case may be, reasonably necessary to implement

the Reclamation Project and addressing all matters related to the Reclamation Project as PBC deems necessary or advisable, including, without limitation, the following agreements:

(a) Service Agreement;

(b) Sale Agreement among WMD, Cal-Am and Owners of Open Spaces - the long-term sale agreement with respect to the sale and delivery of the Reclaimed Water to the Open Spaces; and

(c) Delivery Agreement among CSD or CSD/PBCSD, WMD, and Cal-Am - the agreement which will define the rights and responsibilities of each of such parties with respect to the operation and maintenance of all distribution systems for Reclaimed Water, distribution of the Reclaimed Water to the users thereof and the billing and collecting of the charges for use of the Reclaimed Water.

1.22 "Service Agreement" means the agreement between Cal-Am and PBC pursuant to which Cal-Am agrees to reserve the necessary water supply and to serve the Benefitted Properties, as defined in the Fiscal Sponsorship Agreement, and PBC agrees to pay the Ancillary Project Costs, as defined in the Fiscal Sponsorship Agreement.

## 2. The Reclamation Project.

2.1 Description. Each of the parties desire to cause the financing and construction of (a) a wastewater reclamation facility at the present CSD treatment plant site, capable of producing at least 800 acre feet per year of subpotable water suitable for irrigation of the Open Spaces (the "Reclaimed Water"), as more specifically described on Exhibit "B" hereto (the "Facility"), (b) a distribution system which is capable of distributing the Reclaimed Water from the Facility to the water meter connections on each of the Open Spaces, as more specifically described on Exhibit "B" hereto (the "Distribution System"), and (c) irrigation systems on each of the Open Spaces, beginning at the water meter on each of the Open Spaces, which, in combination with the present irrigation systems on such Open Space, are capable of accepting and dispensing the Reclaimed Water for irrigation, as more specifically described on Exhibit "B" hereto (collectively, the "Irrigation Systems").

2.2 Role of Public Participants. WMD shall (a) cause the funds necessary to construct and operate the Reclamation Project to be provided and utilized for such purpose, as further described in this Agreement, (b) as consideration for providing such funding, own, and have all rights to sell, the Reclaimed Water, (c) cause the Reclaimed Water to be sold and distributed to the owners of the

Open Spaces and other users, as further described in this Agreement, (d) cause the owners of the Open Spaces and other users of the Reclaimed Water to be billed for the purchase price of such water and such bills to be collected, as described in the Service Agreement, and (e) cause all Operating Revenues to be applied to payment of Operation and Maintenance Expenses and to payment of the Bonds. CSD/PBCSD shall own the Project and, under the direction of the Management Committee, shall be responsible for the construction, operation and maintenance of the Project, including, without limitation, the production of the Reclaimed Water, as further described herein and in the Management Agreement.

### 2.3 Use of Reclaimed Water.

(a) WMD shall sell the Reclaimed Water to each of the owners of the Open Spaces in such quantities as each such owner shall require for irrigation purposes, from time to time, in lieu of the potable water historically utilized by such Open Space for irrigation purposes, all as more fully described in the Sale Agreement, as described in Section 1.21(b) hereof, between WMD and such owner. In addition, the owner of each Open Space shall have such further rights with respect to the purchase of Reclaimed Water, for use on its Open Spaces or other similar properties owned by such owner, as may be described in such Sale Agreement. All Reclaimed Water sold for use on the Open Spaces, or for use on other similar properties owned, from time to time, by the owners of the Open Spaces, shall be sold at charges which are not in excess of Cal-Am's charges for potable water, in similar quantities for similar uses and to similar users, from time to time.

(b) After the Commercial Operation Date, CSD/PBCSD shall produce the Reclaimed Water from the Facility in quantities necessary for WMD to meet its obligations under each of the Sale Agreements and any other agreement pursuant to which it is obligated, from time to time, to sell Reclaimed Water; provided, however, notwithstanding the foregoing, in no event shall CSD/PBCSD be obligated to produce Reclaimed Water in amounts in excess of the then currently designed capacity of the Facility.

3. Financing of Construction of Reclamation Project. WMD shall issue, or shall cause another Public Participant to issue, bonds or certificates of participation (the interest on which, at the election of PBC, is excludable from income for Federal income tax purposes, to the extent permitted under applicable law) for the purpose of financing the estimated Capital Costs of the Reclamation Project, including without limitation, the contingency for change orders contemplated by Section 4(a) hereof. WMD will engage in best efforts to cause the Bonds to be offered for sale within 30

days after the final design and construction budget for the Reclamation Project have been approved and all of the construction contracts for the Reclamation Project have been approved and become effective, subject to closing of the sale of the Bonds; provided, however, the Bonds shall not be offered for sale prior to 30 days after WMD or the issuer of the Bonds gives PBC written notice of its intent to commence such offering.

4. Construction of Project. CSD/PBCSD shall have responsibility for design and construction of the Reclamation Project (except, with respect to the Irrigation Systems, as provided in subsection (e) below), subject to the Management Committee's right to approve decisions relating to the design and construction thereof, including, without limitation, with respect to the matters described in this Section 4.

(a) With respect to design and construction of the Project, each member of the Management Committee shall be given advance written notice, in reasonable detail, and a reasonable period of time after its receipt of such notice to comment on, and make suggestions with respect to, each of the following actions prior, as applicable, to such action becoming effective or complete: (i) initial design plans, and preliminary construction cost estimates, for the Project; (ii) a construction cost estimate for the Project, as set forth in a construction budget and other writings, and a contingency for change orders not contemplated by the construction budget in the amount of 5% of such cost estimate (collectively, the "Cost Estimate"); (iii) the approval of final design plans for the Project; (iv) the establishment of bid criteria for all construction contracts and subcontracts for the Project; (v) the preparation of all design and construction contracts for the Project; (vi) the approval and letting of all such contracts and the related subcontracts; (vii) the establishment of the construction schedule; (viii) all construction disbursements; and (ix) the adequacy of all payment and performance bonds and insurance requirements. The right to comment on, and make suggestions with respect to, the construction disbursements shall be provided, in part, by a designated representative of each member of the Management Committee being given the opportunity to participate in the periodic (but at least monthly) meetings, between the general contractor(s) for the Project and the construction engineer retained by CSD/PBCSD to supervise the construction of the Project, with respect to the status of construction of the Project and the approval of the payment of each construction disbursement. The General Manager shall give WMD notice of such meetings and one representative of WMD may attend each such meeting. The Cost Estimate shall be determined only after the approval and letting of all of the contracts and subcontracts described above. The Management Committee shall

engage in best efforts to complete such approval and letting process by December 31, 1990.

(b) After the Management Committee has approved the design and scope of, and construction schedule for, the Project (upon which the Capital Costs have been determined), (i) no material change to such design, scope or construction schedule shall be made by the Management Committee, without the written approval of PBC, which shall not be unreasonably withheld or delayed, and (ii) if the net effect of all change orders when aggregated together will exceed 5% of the construction budget, excluding any contingency reserves, for the Project, as a whole, no additional change order in excess of \$5,000 may be approved by other than the unanimous vote of the Management Committee. Each entity with representation on the Management Committee and WMD shall be designated a third party beneficiary of all construction contracts, and all payment and performance bonds, with respect to the construction of the Project.

(c) All Capital Costs incurred and approved, in the manner described in subsections (a) and (b) above, with respect to construction of the Project shall be paid by WMD from the proceeds of the Bonds. WMD shall arrange for such payment by providing to CSD/PBCSD, promptly after the closing of the sale of the Bonds, an amount equal to the Cost Estimate. CSD/PBCSD shall deposit such amount in an interest bearing account, and shall invest the portion thereof which is not, at the time, required to make construction disbursements pursuant to the criteria described in Section 7 hereof. The interest earned on such amount shall be deposited in such account. Upon the approval of a construction disbursement pursuant to subsections (a) and (b) hereof, the General Manager shall have the right to pay such disbursement from such account. On or before the 15th day of each calendar month, or portion thereof, during the period beginning with the construction of the Project and ending with the last payment of a construction disbursement, CSD/PBCSD shall submit to WMD and PBC an accounting, in such format and with such detail as shall be acceptable to WMD and PBC, of the construction disbursements made during such month. Upon payment of all the required construction disbursements, CSD/PBCSD shall promptly return to WMD the balance in such account.

(d) Each Open Space shall have responsibility for the design and construction of the Irrigation System on its property unless such Open Space elects to have CSD/PBCSD perform such duties and services pursuant to this Agreement. All expenses of such design and construction which would be Capital Costs if such services were performed by CSD/PBCSD shall be deemed to be Capital Costs hereunder and shall be paid to such Open Space in the same manner in which Capital Costs are to be paid to CSD/PBCSD, as described in

subsection (c) above. Notwithstanding the foregoing, the Sale Agreement with each owner of an Open Space shall provide that (i) if such owner does not elect to have CSD/PBCSD be responsible for the design and construction of the Irrigation System on such Open Space, (A) the owner of such Open Space shall nevertheless be obligated to obtain the approvals of the Management Committee, with respect to the construction of such Irrigation System, pursuant to subsection (a) above as if such Irrigation System was a part of the Project, (B) the limitations, as applied solely to such Irrigation System, on material changes to the design, scope or construction schedule, and on change orders, described in subsection (b) above shall be applicable to the design and construction of such Irrigation System, and (C) such owner shall be obligated to follow the same bid procedures with respect to the selection of persons to perform the design and construction of such Irrigation System as California public agencies would be obligated to follow for the design and construction of similar projects for their benefit. In the event an owner of an Open Space elects to have CSD/PBCSD be responsible for the design and construction of the Irrigation System on such Open Space, such Irrigation System shall be deemed to be part of the Project for all purposes hereunder, except that such owner would be the owner of such Irrigation System and shall be responsible for all Operation and Maintenance expenses related to such Irrigation System.

(e) CSD/PBCSD shall (i) timely file and diligently prosecute all applications for all permits and governmental approvals and authorizations necessary to construct and operate the Project in the manner contemplated or required by this Agreement, (ii) timely satisfy and comply with all terms and conditions of all such permits, approvals and authorizations, and (iii) at all times maintain such permits, approvals and authorizations in full force and effect. Such permits, approvals and authorizations shall include, without limitation, those required by the California Coastal Commission, the County of Monterey, the California Regional Water Quality Control Board, the Monterey Bay Unified Air Pollution Control District and the City of Carmel-by-The Sea. CSD/PBCSD shall also timely obtain, comply with all of the terms and conditions of, and maintain in full force and effect all private rights and consents necessary to construct and operate the Project in the manner contemplated or required by this Agreement.

## 5. Operation of Project.

5.1 Management of Project. CSD/PBCSD shall have responsibility for management, operation and maintenance of the Project, subject to the rights of each member of the Management Committee to receive financial data (both projected and historical) concerning the Project, and to review, and comment upon, decisions related to such financial data and the

management, operation and maintenance of the Project, including, without limitation, with respect to the matters described in this Section 5.

5.2 Budgeting and Financial Accounting for Project.

(a) The Management Committee shall cause to be developed, and shall approve, an annual budget for the Project for each year, whether partial or full, at least 30 days prior to the commencement of such year. The annual budget for the Project shall be prepared based upon projections of Operating Revenues to be received and Operation and Maintenance Expenses to be incurred by WMD and CSD/PBCSD. WMD shall cooperate with the Management Committee in its budgeting efforts by expeditiously providing to the Management Committee, at its request, a projection of Operating Revenues that WMD expects to receive, and Operation and Maintenance Expenses that WMD expects to incur, during the applicable year. The annual budget for the first partial and the first full fiscal year of the Project shall be submitted to WMD for its approval, which shall not be unreasonably withheld or delayed, promptly after it has been approved by the Management Committee.

(b) In calculating the projected and actual Operation and Maintenance Expenses for any year: (i) no item of administrative or other overhead expense of any of the Public Participants, other than such reasonable expenses which relate to the Project, shall be included in the calculation of Operation and Maintenance Expenses without the prior written consent of each of the members of the Management Committee who is not a representative of such Public Participant, with the exact amount of any such includable expenses to be determined by the Management Committee; (ii) Operation and Maintenance Expenses shall only include an allowance for depreciation, amortization and obsolescence (established in the first annual budget for the Project) which is determined pursuant to generally accepted utility practices, but is limited to an amount sufficient to create, over the original term of the Bonds, a sinking fund for replacement and renovation which shall not exceed \$1,000,000, and such allowance shall not be modified if the Bonds are prepaid for any reason; and (iii) no debt service obligation on the Bonds shall be included.

(c) Each of the members of the Management Committee shall have the right to participate in the development of the annual budget for the Project. Only expenses provided in a budget for the Project, or approved in writing by each member of the Management Committee, shall be deemed to constitute Operation and Maintenance Expenses. CSD shall submit to each member of the Management Committee (A) with respect to the first partial and the first full fiscal year of the Project, and for each fiscal year thereafter, if,

during the immediately prior fiscal year, the results of operations (i.e. difference between Operation and Maintenance Expenses and Operating Revenues) of the Project reflect a negative difference from the results of operations projected in the budget for such fiscal year (an "Operating Deficiency"), unaudited monthly financial statements of the Project, accompanied by an unqualified certificate of the chief financial officer of CSD (an "Officer's Certificate"), on or before the 15th day after each such month, (B) with respect to each fiscal year for the Project not described in clause (A) above, unaudited quarterly financial statements of the Project, accompanied by an Officer's Certificate, on or before the 30th day after each such quarter, (C) with respect to each fiscal year of the Project, audited annual financial statements of the Project, accompanied by an unqualified certificate of the auditing firm approved by the Management Committee, on or before the 45th day after the end of each fiscal year, and (D) such other written information with respect to the Project as may be reasonably requested by such person, including, without limitation, such information as may be necessary to make a proper accounting to PBC with respect to its obligations in connection with the Financial Commitment, as defined in the Fiscal Sponsorship Agreement, within a reasonable period of time after it is requested. Each of such financial statements shall consist of a balance sheet, as of the end of the applicable period, and an income statement and statement of changes in financial position, for such applicable period, and shall be prepared in accordance with generally accepted accounting principles consistently applied.

(d) Each of the members of the Management Committee shall have the right to (i) receive initial drafts of each annual budget with respect to the Project at the same time such draft is first made available to the General Manager or Board of Directors of CSD or PBCSD, (ii) receive the proposed final draft of each such annual budget at least 30 days before it is submitted to the Management Committee for its approval, (iii) make comments to such General Manager and the Management Committee with respect to each such draft of the annual budget and each of the financial statements for the Project which it has the right to receive, and (iv) review and audit, or cause its designated representatives to review and audit, the books and records with respect to the Project, at its own expense, during the business hours of CSD, upon reasonable advance notice of its intention to do so having been given to the General Manager.

(e) Any member of the Management Committee may request, from time to time, the General Manager to prepare projections of the operating results of the Project through the end of the then fiscal year of the Project. Upon receiving such request, the General Manager shall engage in best efforts to prepare and deliver such projections to each member of the

Management Committee within 30 days of receiving such request. In the event that any such projections reveal that it is likely that the results of operations of the Project for such year will involve an Operating Deficiency, at the request of any member of the Management Committee, the Management Committee shall retain a consulting engineer to review the operation and maintenance of the Project and to make recommendations with respect thereto. If requested by PBC, the Management Committee shall cause the Project to promptly comply with all such recommendations which are reasonable. The charges of such consulting engineer shall be paid by the Joint Agency and shall be deemed to be an Operation and Maintenance Expense.

(f) Notwithstanding subsection (a) and paragraph (i) above, in the event the results of operations for any fiscal year of the Project, based upon the results of operations of the Project through the first nine months of such year projected through the end of such year, reflects a \$100,000, or greater, Operating Deficiency, each of PBC and WMD shall have the right to approve the budget for the immediately succeeding fiscal year of the Project.

(g) In addition to the preparation of the annual budget for the Project described above, CSD/PBCSD and WMD shall each maintain separate accounts and budgets with respect to the Operating Revenues it receives and the Operation and Maintenance Expenses it incurs.

(h) The budgeting process described in this Section 5.2 shall be utilized as the basis for determining the projected and actual Net Operating Deficiencies (as such term is defined in the Fiscal Sponsorship Agreement) for purposes of the Fiscal Sponsorship Agreement.

### 5.3 Standards of Operation.

(a) The Project shall be owned, operated, maintained and serviced in accordance with applicable regulations, good engineering practice and prudent business practices. Reclaimed Water produced by the Project shall be suitable for irrigation of greenbelt areas (including golf courses) and otherwise meet all regulatory and health standards for such usage, including, without limitation, the standards set forth in Section 60313(b) of Title 22, Article 4, of the California Administrative Code.

(b) The General Manager shall cause an annual inspection of the Project to be performed, during the last month of each fiscal year of the Project, by a consulting engineer acceptable to the Management Committee, and a report of such engineer to be delivered to each member of the Management Committee, on or before the 45th day of the ensuing year. In the event that operating or other deficiencies are

disclosed in any such report, at the request of PBC, CSD/PBCSD shall promptly cause measures necessary to correct such deficiencies to be implemented. The charges of such consulting engineer shall be paid by CSD/PBCSD and shall be deemed to be an Operation and Maintenance Expense.

5.4 Insurance. CSD/PBCSD shall obtain and maintain in effect insurance for the Project, with such coverages (including with respect to risks, amounts and deductibles), and with such insurance companies, as are acceptable to each member of the Management Committee, which approval shall not be unreasonably withheld or delayed. In recognition that the Project is dependent upon the continued operation of the existing treatment facilities owned by CSD and PBCSD which produce secondary treatment effluent, each of CSD and PBCSD shall (i) make all reasonable efforts to maintain in place its present insurance coverages (including with respect to risks, amounts and deductibles) for such facilities, (ii) shall promptly provide to all members of the Management Committee and WMD such information concerning the insurance in place with respect to such facilities, and the risks of operating such facilities, as may be reasonably requested, from time to time, by any member of the Management Committee or WMD, and (iii) shall purchase such additional insurance with respect to such facilities as may be available in the marketplace and is requested by PBC, with the incremental additional cost for such additional insurance to be reimbursed to CSD and PBCSD from the revenues generated by the Project and deemed to be an Operation and Maintenance Expense. Each such insurance policy shall (i) name each entity which has a representative on the Management Committee and WMD as an additional insured thereunder, and (ii) shall provide that it may not be terminated or amended or otherwise modified, in any material respect, without each additional insured thereunder being given at least 30 days prior written notice of such termination, amendment or modification. Upon the renewal of each such insurance policy and upon the request of any member of the Management Committee or WMD, such Public Participants shall provide such person or entity with written evidence, in the form of policies or certificates of insurance, of such insurance.

5.5 Payment of Operation and Maintenance Expenses.

(a) WMD shall be responsible for paying all of the Operation and Maintenance Expenses of the Project and shall pay such expenses of CSD/PBCSD in the manner provided in this subsection. Within five Business Days of WMD's receipt of the budget (as approved pursuant to this Agreement) for any fiscal year of the Project, but in no event earlier than the 20th day of such fiscal year, WMD shall pay to CSD/PBCSD an amount equal to 35% of the Operation and Maintenance Expenses

of CSD/PBCSD which are projected in such budget. On or before the 20th day of each of the second, third and fourth quarters of each fiscal year of the Project, WMD shall pay to CSD/PBCSD an amount equal to 25%, 25% and 15%, respectively, of such Operation and Maintenance Expenses. The amount of each such payment with respect to a quarter shall be reduced by the difference, as of the last day of the immediately preceding quarter, between the aggregate of such payments made to CSD/PBCSD by WMD and the aggregate of the Operation and Maintenance Expenses actually and properly incurred by CSD/PBCSD pursuant to this Agreement. To the extent such difference, as of the last day of any quarter, less any previous repayments by CSD/PBCSD to WMD pursuant to this subsection, is in excess of the payment which WMD is obligated to make to CSD/PBCSD with respect to the immediately succeeding quarter, CSD/PBCSD shall repay such excess to WMD on or before the 20th day of such succeeding quarter. Each such payment to CSD/PBCSD by WMD shall be deemed to constitute an advance of Operation and Maintenance Expenses for the quarter with respect to which the payment is made and shall be deposited by CSD/PBCSD in a separate account from which only such expenses are to be paid. All interest earned on the sums deposited in such account shall be deemed, for purposes of this subsection, to constitute a payment by WMD to CSD/PBCSD pursuant to this subsection. In the event any of the fiscal years of the Project is a partial fiscal year, the parties hereto shall negotiate in good faith the percentage of the Operation and Maintenance Expenses projected to be incurred by CSD/PBCSD during such fiscal year, as shown in the approved budget for such fiscal year, to be paid by WMD with respect to each of the quarters, whether partial or full, during such fiscal year, and such percentages shall be consistent with the front-end loaded payment concept followed by the parties with respect to a full fiscal year. Within 30 days after the termination of this Agreement, CSD/PBCSD shall repay to WMD the balance in such account, after deducting any amount necessary to pay any Operation and Maintenance Expense which CSD/PBCSD has actually and properly incurred pursuant to this Agreement prior to such termination.

(b) On or before the 15th day after each calendar month, or portion thereof, after the Commercial Operation Date, CSD/PBCSD shall submit to each member of the Management Committee an accounting, in such format and with such detail as shall be acceptable to each such member, of the Operation and Maintenance Expenses incurred with respect to the Project, and any payments of such expenses made, during such month. CSD/PBCSD shall also submit to WMD a copy of each such accounting on the same date it submits such accounting to the members of the Management Committee.

(c) Cost accounting procedures for, and qualifying categories of, Operation and Maintenance Expenses

will be established, and memorialized in writing, by the mutual agreement of each of the parties hereto and attached hereto, as an exhibit, upon such writing having been prepared. The parties shall each engage in best efforts, on a good faith basis, to reach such mutual agreement and memorialize such agreement by December 31, 1990.

6. Management of Project.

6.1 Role of Management Committee. In addition to its other duties specified in this Agreement, the Management Committee shall:

(a) make all decisions with respect to the design, construction, management, operation and maintenance of the Project on behalf of the Board of Directors of each of CSD and PBCSD, except for those matters requiring legally binding action by such boards, including, without limitation, the execution of any agreement, the adoption of any budget, and the initiation of any legal action;

(b) approve such rules with respect to the governance of its actions and the performance of its duties hereunder as are not inconsistent with this Agreement, the Fiscal Sponsorship Agreement, any of the Related Agreements, the Management Agreement or applicable law;

(c) direct the General Manager in the implementation of the duties of CSD/PBCSD with respect to the Project;

(d) at its election, make recommendations to the Board of Directors of each of CSD and PBCSD with respect to any matters concerning the Project requiring the approval, or ratification, of such board;

(e) permit the General Manager of both CSD and PBCSD to attend its meetings, including any closed sessions, and participate in its deliberations; provided, however, such person shall not have a vote on the Management Committee unless he or she has been formally appointed as a representative of CSD or PBCSD to the Management Committee;

(f) permit a representative of WMD to attend its meetings, including, without limitation, any closed session, when appropriate, and ensure that the General Manager of WMD is given written notice of each of the meetings at the same time and in the same manner as the notice of such meeting is given the members of the Management Committee (provided, however, it shall not be deemed appropriate for a representative of WMD to attend any such closed session to the extent such session is intended to involve a discussion of any

personnel matter or threatened or pending litigation in which WMD is or may be a party adverse to CSD/PBCSD); and

(g) ensure that all meetings of the Management Committee shall be open to the public and shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, being Sections 54950, et seq. of the California Government Code.

6.2 General Manager and Staff. The General Manager shall be responsible, subject to the direction and control of the Management Committee, for the day-to-day implementation of the responsibilities and duties of CSD/PBCSD. In connection with performing such services, the General Manager shall receive such staff assistance as may be required, from time to time, from the staff members of CSD. The General Manager, in addition to the other duties specified in this Agreement, shall report regularly to the Management Committee with respect to the construction and operation of the Project and present to the Management Committee for its review and action all matters ultimately requiring the approval, or ratification, of the Board of Directors of each of CSD and PBCSD, payment requests with respect to Capital Costs or Operation and Maintenance Expenses, policy matters and any other category of matters which the Management Committee determines to be appropriate for its consideration. The General Manager shall be responsible, as well, for preparing payment requests for Capital Costs and Operation and Maintenance Expenses.

6.3 Management Agreement. So long as any of the Bonds, or any bonds or certificates of deposit issued to refinance the Bonds, are outstanding, CSD and PBCSD shall make no amendments to the Management Agreement which could, at the time or in the future, impair the ability of CSD/PBCSD to perform any of its obligations hereunder or under any of the Related Agreements or adversely affect any of the rights of PBC or WMD hereunder, under the Fiscal Sponsorship Agreement or under any of the Related Agreements.

7. Investment of Operating Revenues. All Operating Revenues of the Project, including, without limitation, those held by CSD/PBCSD pursuant to Section 5.5(a) hereof as an advance against Operation and Maintenance Expenses of CSD/PBCSD, shall be invested in a manner designed to maximize the investment return on such funds (under the circumstances, given the amount of the funds involved and the time by which such funds are required to be expended), subject to applicable legal investment and/or tax law limitations and the investment criteria agreed upon by PBC and WMD pursuant to Section 3.10 of the Fiscal Sponsorship Agreement.

8. Advance of Costs. PBC has, pursuant to the terms and conditions of a Memorandum of Understanding, dated July 1987, between PBC and WMD and the Fiscal Sponsorship Agreement, advanced funds, both prior and subsequent to the date of such Memorandum and the Fiscal Sponsorship Agreement, for expenditures with respect to design, engineering and other matters incident and preparatory to the Reclamation Project, including, without limitation, legal and consulting fees and costs associated with the Reclamation Project and its implementation and this Agreement, the Fiscal Sponsorship Agreement, each Related Agreement and the Management Agreement, and shall have the right, but not the obligation, to continue to advance funds for such expenditures unless and until the proceeds from sale of the Bonds are available. All such expenditures incurred by PBC shall be deemed to constitute Capital Costs of the Reclamation Project and shall be reimbursed to PBC by the issuer of the Bonds from the proceeds of, and after the closing of, the sale of the Bonds, within 30 days after the receipt by such issuer, from time to time, of written evidence, in reasonable detail, of PBC incurring such expenditures.

9. Representations and Warranties and Covenants.

9.1 Mutual Representations and Warranties.

PBC, PBCSD, CSD and WMD each hereby represents and warrants to the other that:

(a) the execution and delivery of this Agreement, and the performance of its obligations under this Agreement, have been duly authorized by all necessary action on its part, and it has full power, right and authority to enter into this Agreement and to perform its obligations hereunder;

(b) neither the execution and delivery of this Agreement by it, nor the performance by it of any of its obligations under this Agreement, violates any applicable Federal, state or local law, whether statutory or common, or regulation or, with respect to PBC, partnership agreement, or constitutes a violation of, or a breach or default under, any agreement or instrument, or judgment or order of any court or governmental authority, to which it is a party or to which it or any of its property is subject;

(c) this Agreement is a valid and binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by equitable principles or by bankruptcy or other laws affecting creditors' rights generally; and

(d) except as may be required to construct and operate the Project, no consent, approval, order or authorization of any person, entity, court or governmental

authority is required on its part in connection with the execution and delivery of this Agreement or the performance by it of any of its obligations hereunder.

9.2 Covenants of CSD and PBCSD Concerning Operation of Project.

Each of CSD and PBCSD hereby covenant and agree with each of PBC and WMD as follows:

(a) CSD/PBCSD shall ensure that the Project is constructed in compliance with (i) final design plans for the Project, (ii) all applicable provisions of federal, state and local laws and regulations, including, without limitation, building codes, and insurance policies in place with respect to the Project, (iii) the terms and conditions of all construction contracts and subcontracts for the Project, (iv) all performance bonds obtained in connection with the Project, and (v) the construction schedule for the Project.

(b) The General Manager shall implement, upon the initiation of the construction of the Project, and maintain a safety and loss prevention program for the Project. CSD/PBCSD shall ensure that (i) all reasonable precautions for the safety of CSD/PBCSD employees, independent contractors and visitors in connection with the Project have been taken, and (ii) the Project is operated and maintained in compliance with (A) all applicable provisions of federal, state and local laws and regulations, including, without limitation, building codes, and (B) insurance policies in place with respect to the Project.

(c) In accordance with each approved budget, the General Manager shall procure inventory and maintain replacement spare parts, specialized tools, consumables and working supplies reasonably necessary to maximize the continuous operation of the Project.

(d) Subject to shutdowns for scheduled maintenance, CSD/PBCSD shall, to the maximum extent achievable under the law and subject to Section 2.3(b) hereof, use its best efforts to maintain the Project in operation, producing water at its full rated capacity, 24 hours per day, seven days per week, throughout the entire year, including legal and other holidays.

9.3 Covenants of CSD Concerning Personnel.

CSD hereby further covenants and agrees with the other parties as follows:

(a) CSD shall provide and employ qualified plant management, operations and maintenance personnel for the Project in sufficient numbers, and at such times, as is

necessary to accomplish CSD/PBCSD's obligations hereunder and to comply with prudent utility practices for the operation and maintenance of the Project.

(b) All such personnel shall (i) meet the minimum job qualifications required of their positions, as determined by the Management Committee and General Manager, and (ii) possess experience and training equal to standards generally set within the industry for employees who operate and maintain substantially similar facilities.

10. Effectiveness. This Agreement shall become effective upon its execution and delivery by each party. Notwithstanding any implication to the contrary herein, this Agreement may be terminated, at the election of PBC, unless each of the parties to each of the Related Agreements and the Management Agreement shall have executed, and delivered to each of the other parties thereto, such document on or before July 31, 1990. Upon any such termination, neither party hereto shall have any further obligation hereunder to the other party or any other person or entity.

11. Termination of Agreement.

11.1 Termination for Breach. In the event that CSD/PBCSD fails to perform, in any material respect, any of its obligations under this Agreement, PBC shall have the right, in addition to all other remedies it may have under law or in equity, to terminate this Agreement, 30 days or more after CSD/PBSCD receives written notice of such termination, specifying such breach in reasonable detail, if such failure is not cured by CSD/PBSCD during such 30-day period. In the event any party to this Agreement fails to perform, in any material respect, any of its obligations under this Agreement, either of the other parties hereto shall have the right to bring an action against the breaching party for damages arising out of, or resulting from, such breach, 30 days or more after the breaching party receives written notice of the other party's intention to bring such action, specifying the breach giving rise to the exercise of such right, if such failure is not cured by the breaching party during such 30-day period. Notwithstanding the foregoing, if a cure of any such failure by any party hereto cannot practicably be effected within such 30-day period, and the breaching party, upon receiving such written notice, promptly initiates efforts to cure such failure and diligently pursues such cure, the other party shall not have the right to exercise its rights under this Section 11.1 unless such cure is not effected within 90 days after the breaching party receives such written notice. Except as provided in the first sentence of this Section 11.1, no party shall have the right to terminate this Agreement as a result of any breach hereof. No termination of this Agreement by PBC shall affect the Water Entitlement or the Water Use Permits,

each as defined in the Fiscal Sponsorship Agreement, or any rights thereto. For purposes of this Section 11.1, CSD and PBCSD shall be deemed to be one party.

11.2 Remedies for Public Participant Breach. In the event that either CSD or PBCSD breaches any of its representations and warranties or covenants in this Agreement or any Related Agreement, then so long as such breach continues, PBC's obligations under the Fiscal Sponsorship Agreement with respect to any NOD Letter of Credit shall not be enforceable.

11.3 Termination by PBC. PBC shall have the right, in its absolute discretion and for any reason whatsoever, to terminate this Agreement at any time prior to the commencement of the offering of the Bonds upon delivering written notice of such termination to the other parties hereto. Upon any such termination, no party hereto shall have any further obligation hereunder to any other party or any other person or entity.

## 12. Indemnification.

12.1 Protection of Parties. Subject to the limitations in this Section 12, each party shall defend and indemnify, and hold harmless, each of the other parties from and against any and all damages, liabilities, losses, and costs or expenses suffered or incurred by such other party, arising out of, or resulting from, any breach of its representations, warranties or agreements set forth in this Agreement.

12.2 Procedure For Indemnification. In the event that any legal proceedings are instituted, or any claim or demand is asserted, by any third party which may give rise to any damage, liability, loss, or cost or expense in respect of which any party has indemnified any of the other parties under Section 12.1 hereof, the indemnified party shall give the indemnifying party written notice of the institution of such proceedings, or the assertion of such claim or demand, promptly after the indemnified party first becomes aware thereof; provided, however, any failure by the indemnified party to give such notice on such prompt basis shall not affect any of its rights to indemnification hereunder unless such failure materially and adversely affects the ability of the indemnifying party to defend such proceeding. The indemnifying party shall have the right, at its option and at its own expense, to utilize counsel of its choice in connection with such proceeding, claim or demand, subject to the approval of the indemnified party, which approval shall not be unreasonably withheld or delayed, and to defend against, negotiate with respect to, settle or otherwise deal with such proceeding, claim or demand; provided, however, that no settlement of such proceeding, claim or demand shall be made without the prior

written consent of the indemnified party, which consent shall not be unreasonably withheld or delayed, unless, pursuant to the terms and conditions of such settlement, the indemnified party shall be released from any liability or other exposure with respect to such proceeding, claim or demand; and provided, further, that the indemnified party may participate in any such proceeding with counsel of its choice at its own expense. In the event, or to the extent, the indemnifying party elects not to, or fails to, defend such proceeding, claim or demand and the indemnified party defends against, settles or otherwise deals with any such proceeding, claim or demand, any settlement thereof may be made without the consent of the indemnifying party if it is given written notice of the material terms and conditions of such settlement at least ten days prior to a binding agreement with respect to such settlement being reached. Each of the parties agrees to cooperate fully with each other in connection with the defense, negotiation or settlement of any such proceeding, claim or demand.

12.3 Payment of Indemnified Claims. Upon a final judgment or award with respect to any proceeding of the nature described in Section 12.2 hereof having been rendered by a court, arbitration board or administrative agency of competent jurisdiction and the expiration of the time in which an appeal therefrom may be made (a "Final Judgment"), or a settlement of such proceeding, claim or demand having been consummated, or the parties having arrived at a mutually binding agreement with respect to each separate matter indemnified hereunder, the indemnifying party shall forthwith pay all of the sums so owing to the indemnified party. In the event any such proceeding is brought, in which allegations of fault are made against both of the parties, the extent of any indemnification shall be determined in accordance with the findings of the court as to the relative contribution by each of the parties to the damage suffered by the party seeking indemnity with respect to such proceeding.

12.4 Securities Law Indemnification. Subject to the limitations in this Section 12, each party shall defend and indemnify, and hold harmless, each of the other parties from and against any and all expenses suffered or incurred by such other party as a result of any written information provided by the indemnifying party for inclusion in any of the Bond Documents, as defined in the Fiscal Sponsorship Agreement, or any Bond Document prepared by the indemnifying party (except with respect to the portion thereof prepared based on written information provided by other than the indemnifying party for inclusion in such Bond Document), containing any untrue statement of a material fact or omitting to state a material fact necessary to make such written information or Bond Document not misleading.

13. Miscellaneous.

13.1 Further Assurances. Each of the parties agrees to execute, and deliver to the other parties, such documents and instruments, and take such actions, as may reasonably be required to effectuate the terms and conditions of this Agreement; provided, however, such covenant shall not have the effect of increasing the obligations of any party pursuant to this Agreement or require any representations and warranties by any party in addition to those of such party set forth herein.

13.2 Relationship of the Parties. Nothing in this Agreement shall create a joint venture, partnership or principal-agent relationship between or among any of the parties.

13.3 Notices. Whenever any matter herein provides for notice or other communication to be given to any of the parties, such notice shall be in writing and given to the persons, and at the addresses, designated below for such party, or to such other person or other address as such party shall provide, in writing, to the other party. All notices may be given by being personally delivered, placed in the United States mail, postage prepaid, certified or registered mail, or sent by overnight, prepaid air freight, addressed to the party to whom notice is to be given. Each such notice shall be deemed to be effective upon receipt, if personally delivered or sent by air freight, or five days after being so mailed.

If to PBC:

Pebble Beach Company  
P.O. Box 1767  
Pebble Beach, CA 93953  
Attn: Steven Eimer

Miller-Klutznick-Davis-Gray  
4643 South Ulster, Suite 1500  
Denver, CO 80237  
Attn: Myron M. Miller and  
Donald E. Spiegleman

If to PBCSD:

Pebble Beach Community Services  
District  
Forest Lake Road & Lopez Road  
Pebble Beach, California 93953  
Attn: General Manager

If to WMD:

Monterey Peninsula Water  
Management District  
187 Eldorado, Suite E  
Monterey, CA 93940  
Attn: General Manager

David C. Laredo  
De Lay & Laredo  
606 Forest Avenue  
Pacific Grove, CA 93923

If to CSD:

Carmel Sanitary District  
P.O. Box 221428  
Carmel, California 93922  
Attn: General Manager

13.4 Exhibits. All exhibits referred to in this Agreement and attached hereto are hereby incorporated herein and made a part of this Agreement, for all purposes, by this reference.

13.5 Assignment. This Agreement shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties. Notwithstanding the foregoing, (a) WMD, PBCSD and CSD may each assign any of their rights or obligations hereunder only to any successor agency, and (b) PBC and any successor assignee may at any time assign any of its rights hereunder and/or may assign any of its obligations hereunder to any person or entity which assumes such obligations in writing. In the event any permitted assignment occurs, the assignor shall thereafter have no further responsibility with respect to such obligation.

13.6 Cumulative Remedies. Except as specifically provided to the contrary in Section 11.1 hereof, no remedy or election hereunder shall be deemed exclusive, but shall be cumulative with all other remedies at law or in equity.

13.7 Severability. Should any provision of this Agreement be declared invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, then such portion or provision shall be deemed to be severable, to the extent invalid or unenforceable, from this Agreement as to such jurisdiction (but, to the extent permitted by law, not elsewhere) and shall not affect the remainder hereof. Notwithstanding the foregoing, (a) such provision of this Agreement shall be interpreted by the parties and by any such court, to the extent possible, in such a manner that such provision shall be deemed to be valid and enforceable, and (b) such court shall have the right to make such modifications to any provision of this Agreement as do not materially affect the rights or obligations under this Agreement of the parties hereto and thereto and as may be necessary in order for such provision to be valid and enforceable.

13.8 Waiver. No waiver of any right or obligation of any of the parties shall be effective unless in a writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by any of the parties of any of its rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

13.9 Headings and Titles. The designation of a title, or a caption or a heading, for each section of this Agreement is for the purpose of convenience only and shall not be used to limit or construe the contents of this Agreement.

13.10 Presumptions. Because all of the parties have participated in preparing this Agreement, there shall be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part hereof.

13.11 Amendment or Modification. This Agreement may be amended, altered, or modified only by a writing, specifying such amendment, alteration or modification, executed by all of the parties hereto.

13.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

13.13 Entire Agreement. This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter, including, without limitation, any memoranda of understanding to which the parties or WMD, CSD and PBCSD are parties.

13.14 Limitation on Liability of Partners. No recourse shall be had against any partner of PBC or any partner or subpartner of a partner of PBC, or any legal representative, heir, successor or assign of any thereof, on account of any covenant, agreement or indemnification contained herein or in any of the Related Agreements, or for any claim arising out of or with respect to this Agreement or any of the Related Agreements, or the performance hereof or thereof. Recourse therefor shall be limited solely to PBC and the assets of PBC (a deficit capital account of any partner of PBC or other funding obligation of a partner under the partnership agreement of PBC shall not be deemed an asset or property of PBC), and no action or proceeding on account of any such covenant, agreement or indemnification shall be sought, obtained or enforced against any partner of PBC or any partner or subpartner of PBC, or heir, successor or assign, or against their respective individuals assets.

13.15 No Third-Party Beneficiary Rights. CSD and PBCSD each hereby acknowledge that all of its rights with respect to the Reclamation Project are set forth in this Agreement, the Related Agreements to which it is a party and the Management Agreement and it is not a third-party beneficiary of the Fiscal Sponsorship Agreement.

13.16 Security Interest. WMD hereby grants to CSD/PBCSD a security interest in all of its right, title and interest to the payments which the Open Spaces will be obligated to make to it pursuant to the Sales Agreements, and all proceeds

thereof, (the "Collateral") as security for the performance by WMD of its obligations to make payments to CSD/PBCSD pursuant to Section 5.5(a) hereof. CSD/PBCSD shall have all of the rights and remedies of a secured party under the California Commercial Code with respect to the Collateral.

IN WITNESS WHEREOF, this Agreement has been executed by the duly executed officers of each of the parties effective the date first shown above.

Pebble Beach Company

Monterey Peninsula Water  
Management District

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Pebble Beach Community  
Services District

Carmel Sanitary District

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

4233E

EXHIBIT "A"

OPEN SPACES

Pebble Beach Golf Course  
Cypress Point Golf Course  
Spyglass Hill Golf Course  
Poppy Hills Golf Course  
Monterey Peninsula Country Club Dunes Course  
Monterey Peninsula Country Club Shore Course  
Spanish Bay Golf Course  
Peter Hay Par 3 Golf Course  
Collins Field  
Pebble Beach Practice Fairway  
Robert Louis Stevenson School athletic fields

## EXHIBIT "B"

### DESCRIPTION OF PROJECT

The Project is described in the Basis of Design Report, dated June, 1988, prepared by Engineering Science for CSD, and consists of the following components:

(1) Construction of a new 9,000 square foot treatment plant, at the existing CSD sewage treatment plant located immediately south of the Carmel River and west of California State Highway One, capable of producing 1.5 million gallons per day (MGD) of tertiary treated reclaimed water suitable for irrigation. The location of the tertiary treatment plant has been moved from land outside the existing CSD boundaries (as originally proposed and studied in the Basis of Design Report) to land within the existing CSD boundaries. The new treatment facility will divert and treat secondary level effluent from the existing CSD plant to levels suitable for reuse as irrigation water (i.e., tertiary treatment). The plant will have a treatment process consisting of: secondary effluent flow equalization; influent pumping; polymer and alum addition with rapid mixing for coagulation; low energy mixing for flocculation; filtration; chlorination; dechlorination; and reclaimed pumping.

(2) Improvements to the existing CSD plant facilities in order to assure consistent and reliable quality of secondary effluent from the existing CSD plant to be diverted to the tertiary treatment plant. These improvements include construction of a secondary clarifier flow split control and replacement of the existing mechanical aeration diffusers.

(3) A reclaimed water distribution system consisting of approximately 38,000 feet of distribution pipeline and a steel water storage tank (described below) in Del Monte Forest. The main transmission pipeline will begin at the treatment plant site and terminate at the southern portion of the Spanish Bay Golf Course and Resort in Del Monte Forest. The pipeline will be constructed primarily within existing roads and road rights-of-way extending through the City of Carmel-by-the-Sea and incorporated areas of Monterey County, including areas of Del Monte Forest. A connection for emergency potable water supply will also be constructed to provide irrigation water to the Open Spaces in the event of failure of the reclamation plant or distribution pump station.

(4) Construction of a 2.5 million gallon reclaimed water storage tank adjacent to the Poppy Hills Golf Course maintenance yard north of Viscaino Road in Del Monte Forest.

The tank will be a 35-foot tall, 115-foot in diameter enclosed steel structure.

(5) Irrigation of the Open Spaces. Modification of the existing Open Space irrigation systems will be necessary to convert from the existing potable water supply to the reclaimed water supply. These modifications consist of disconnection from the potable water main and connection to turnouts on the reclaimed water distribution pipeline, separation of potable water uses, such as drinking fountains, from the irrigation system, and identification of reclaimed water facilities.

*Selecting A Delegate*

*To Review All Reclamation  
Documents*

*Meeting Date To Be Determined*























# Along Back of Parking Spaces



P.M. Landscaping  
Service, LLC  
2611 Garden Rd, Suite 1  
Monterey, CA 93940  
Phone: (831)324-0637

Carmel Waste Water Admin Building  
3945 Rio Road  
Carmel-By-the-Sea, CA 93922

# Along Back of Parking Spaces

|   |  |   |  |
|---|--|---|--|
| <p><b>1</b> <b>YERBA BUENA<br/>GROUNDCOVER</b><br/><i>Clinopodium douglasii</i><br/>(Yerba buena)<br/>Size: 6–12" H x 2–3' W</p>  <p><b>CALIFORNIA NATIVE</b><br/>Pollinators:    </p> | <p><b>2</b> <b>DECOMPOSED<br/>GRANITE</b><br/>Size: 1/4" minus</p>  <p>Permeable, stable surface<br/>for pathways and borders</p>  | <p><b>3</b> <b>BOULDERS</b><br/>Size: 2–3' diameter<br/>(varies)</p>  <p>Natural accents and habitat<br/>for lizards and beneficials</p>   | <p><b>4</b> <b>HEUCHERA MAXIMA<br/>ISLAND ALUMROOT</b><br/><i>Heuchera maxima</i><br/>(Island alumroot)<br/>Size: 1–1.5' H x 1.5–2' W</p>  <p><b>CALIFORNIA NATIVE</b><br/>Pollinators:   </p> |
| <p><b>5</b> <b>POLYSTICHUM MUNITUM<br/>WESTERN SWORD FERN</b><br/><i>Polystichum munitum</i><br/>(Western sword fern)<br/>Size: 2–3' H x 3–4' W</p>  <p><b>CALIFORNIA NATIVE</b><br/>Pollinators: </p>   | <p><b>6</b> <b>WHITE SAGE</b><br/><i>Salvia apiana</i><br/>(White sage)<br/>Size: 3–5' H x 3–5' W</p>  <p><b>CALIFORNIA NATIVE</b><br/>Pollinators:    </p> | <p><b>7</b> <b>COYOTE BUSH</b><br/><i>Baccharis pilularis</i><br/>(Coyote bush)<br/>Size: 4–6' H x 4–6' W</p>  <p><b>CALIFORNIA NATIVE</b><br/>Pollinators:   </p> | <p><b>CALIFORNIA NATIVE</b><br/>All plants in this palette<br/>are California native and<br/>support local ecosystems,<br/>wildlife, and pollinators.</p> <p><b>PLANTING NOTES</b></p> <ul style="list-style-type: none"> <li>• Water deeply, then allow to dry between waterings.</li> <li>• Mulch lightly if desired (keep off crowns).</li> <li>• Prune lightly after flowering to maintain shape.</li> </ul>   |

## WHY NATIVE?



Low Water Use



Supports Wildlife



Pollinator Friendly



Builds Healthy Soil



Sustainable Beauty



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Carmel Waste Water Admin Building  
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Carmel-By-the-Sea, CA 93922

## By Front Entry



P.M. Landscaping  
Service, LLC  
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Monterey, CA 93940  
Phone: (831)324-0637

Carmel Waste Water Admin Building  
3945 Rio Road  
Carmel-By-the-Sea, CA 93922

## Parking Island +



P.M. Landscaping  
Service, LLC  
2611 Garden Rd, Suite 1  
Monterey, CA 93940  
Phone: (831)324-0637

Carmel Waste Water Admin Building  
3945 Rio Road  
Carmel-By-the-Sea, CA 93922

# Parking Area +



**1** **LOMANDRA ARCTIC FROST**

*Lomandra longifolia*  
'Arctic Frost'

Qty: 2 per island planter

POLLINATORS:



**4**

**HEUCHERA MAXIMA**

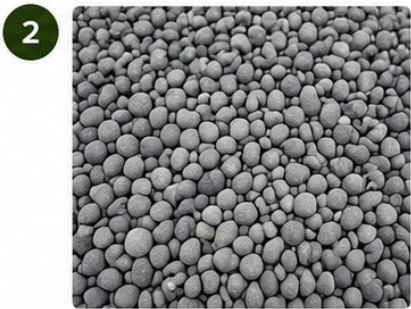
*Heuchera maxima*

Qty: As shown

POLLINATORS:



CALIFORNIA NATIVE



**2**

**PEA GRAVEL**

3/8" – 1/2" pea gravel

Used in all island planters



**5**

**POLYSTICHUM MUNITUM**

*Polystichum munitum*  
(Western sword fern)

Qty: As shown

POLLINATORS:



CALIFORNIA NATIVE



**3**

**DECOMPOSED GRANITE**

1/4" decomposed granite

Used behind parking spaces



**6**

**YERBA BUENA GROUNDCOVER**

*Clinopodium douglasii*  
(Yerba buena)

Qty: As shown

POLLINATORS:



CALIFORNIA NATIVE

**NOTE:** All plant quantities are as shown in the photo. Plant sizes are at maturity.

**CALIFORNIA NATIVE:** Items 4, 5, and 6 are California native plants that support local ecosystems, wildlife, and sustainable landscapes.

**POLLINATOR ICON KEY**



Bees



Butterflies



Hummingbirds



Birds



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Carmel Waste Water Admin Building  
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Carmel-By-the-Sea, CA 93922

# Lower Seating Area



P.M. Landscaping  
Service, LLC 2611 Garden Rd, Suite 1  
Monterey, CA 93940  
Phone: (831)324-0637

Carmel Waste Water Admin Building  
3945 Rio Road  
Carmel-By-the-Sea, CA 93922

# Planting By Conference Room



P.M. Landscaping  
Service, LLC  
2611 Garden Rd, Suite 1  
Monterey, CA 93940  
Phone: (831)324-0637

Carmel Waste Water Admin Building  
3945 Rio Road  
Carmel-By-the-Sea, CA 93922

# STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: June 25, 2026

Subject: Pebble Beach Community Services District  
(PBCSD) - Regular Board Meeting on May 29, 2026

## DISCUSSION

Agenda items from May 29, 2026, meeting information that are of specific interest to this District:

- Total cash balance at the end of April 2026 was \$44.3M; of that \$31.9M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 80% of PBCSD revenues with user fees making up 22% of the total actual cost of wastewater operations.
- Cash basis budget through April 2026 shows total Revenue \$28.8M or 63% of budget and total Expenses of \$16.8M or 36% of budget.
- The Board accepted the Treasurer's Report of Investments for the quarter ending March 31, 2026. They continue to monitor investment earnings.
- The Board approved the following salary and compensation adjustments effective July 1, 2026:
  - 2.2% market rate adjustment for Administrative and Engineering Departments classifications and a 4.2% market rate adjustment for Maintenance Department classifications.
  - 2.8% Cost-of-Living Adjustment for all employees based on the average annual charge for the months of December 2025 and February 2026 in the Consumer Price Index for the San Francisco-Oakland-San Jose region.
  - Market rate adjustment increasing Maintenance Department standby compensation.
    - Weekday standby to increase from one hour of standby pay per day to two hours of standby pay per day
    - Holiday and weekend compensation to increase from two hours of standby pay per day to three hours of standby pay per day.

- Approximately 115 million gallons (MG) or 353 Acre Feet (AF) of recycled water is stored in Forest Lake, which represents 100% of permitted capacity. The current storage volume is 6% above the historic average of 108 MG or 331 AF. Weather during April was mild, and the reservoir was able to maintain full capacity throughout the reporting period.
- Average daily wastewater flow of 488,000 gallons per day (GPD) was measured in April at the PBCSD-Carmel gate. This represents 35% of the total monthly flow at the Carmel Area Wastewater District (CAWD) treatment facility. The measured PBCSD flows were 7% above the five-year average of 455,000 GPD for the month of April. The CAWD total flows were 6% above the five-year average of 1,317,000 GPD for April.
- Total irrigation water demand for the 2026 calendar year through April was 195AF. Total demand for the calendar year is 34% above the 5-year annual average usage of 145 AF and is 39% above the 31-year average annual usage of 140 AF. Total irrigation demand through April was 64% above the 2025 total annual demand of 119 acre feet.
- Staff provided the Assembly Bill 2561 report on Staffing Vacancies, Recruitment and Retention. Current fiscal year vacancies = 0

During the year, the District experienced one resignation of Maintenance Technician position and is currently onboarding a new employee who is expected to begin before the end of June. The District also extended an offer to an Assistant Engineer, Delbert Truong. Looking ahead, staff anticipated the retirement of long term Maintenance Technician at end of year and will initiate recruitment to fill this upcoming vacancy. Additionally, anticipate Environmental Compliance Coordinator is expected to complete their contracted employment by year-end and will evaluate needs and resources before determining the next steps.

- Made and considered adjustments to the job description and salary range for the position of Administrative Services Manager/Board Clerk.

- Average daily wastewater flows measured in million gallons per day (MG):

| <b>MONTH</b> | <b>TOTAL</b>   | <b>CAWD FLOW</b> | <b>PBCSD FLOW</b> | <b>PBCSD</b>   |
|--------------|----------------|------------------|-------------------|----------------|
| July - 25    | 39.112         | 27.065           | 12.047            | 30.801%        |
| Aug - 25     | 39.021         | 26.738           | 12.283            | 31.478%        |
| Sept - 25    | 34.813         | 23.780           | 11.033            | 31.692%        |
| Oct - 25     | 34.727         | 24.350           | 10.377            | 29.882%        |
| Nov - 25     | 38.115         | 26.783           | 11.332            | 29.731%        |
| Dec - 25     | 37.198         | 26.162           | 11.036            | 29.668%        |
| Jan - 26     | 55.457         | 35.808           | 19.649            | 35.431%        |
| Feb - 26     | 53.242         | 34.364           | 18.878            | 35.457%        |
| Mar - 26     | 42.185         | 27.314           | 14.871            | 35.252%        |
| Apr - 26     | 42.068         | 27.425           | 14.643            | 34.808%        |
| <b>Total</b> | <b>415.938</b> | <b>279.789</b>   | <b>136.149</b>    | <b>32.733%</b> |

# Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: June 25, 2026

SUBJECT: Reclamation Management Committee (RMC) – June 9, 2026

## RECOMMENDATION

It is recommended that the Board accept the report and appoint a representative to the RMC Agreement Working Group.

## DISCUSSION

The following matters were discussed at the RMC meeting on June 9, 2026:

- Accepted the fiscal year 2026-27 Reclamation budget with amendments to capital carryover
  - (Note: the budget was approved by Carmel Area Wastewater District (CAWD) Board at its May 28, 2026 meeting)
- Report on legal service agreement. Effective June 5, 2026 Pebble Beach Community Services District terminated the agreement with DeLay and Laredo.
- Direction for payment of legal services:
  - A motion was made by Director Cole to postpone this item until it could go before the CAWD Board. It failed by a vote of 5:1
  - A motion was made to approve payment of Laredo legal services with Reclamation funds. It passed by a vote of 5:1

- The RMC directed each of the five members (CAWD, Pebble Beach Community Service District, Pebble Beach Company, Independent Reclaimed Water Users Group , and Monterey Peninsula Water Management District) on its board to appoint a representative to join a working group to review the Reclamation Project agreements and return to the RMC with its recommendation. The representative can be either a director or a staff member.

## **FINANCIAL**

None known at this time.

# STAFF REPORT



To: Board of Directors  
 From: Patrick Treanor, District Engineer  
 Date: June 25<sup>th</sup>, 2026  
 Subject: Sewer Replacement Construction Update

## RECOMMENDATION

This report is an update on sewer replacement projects. Informational only; no action required.

### Santa Rita & Guadalupe St Project

|  |                                |                 |
|--|--------------------------------|-----------------|
| General Contractor                               | Pacific Trenchless Inc.        |                 |
| Contract Value                                   |                                |                 |
| Contract Bid Amount                              | \$3,397,815                    |                 |
| Change Orders                                    | Cost                           | % of Bid Amount |
| Value Added Change Order Cost <sup>(1)</sup>     | \$1,640,227.10                 | 48.3%           |
| Non Value Added Change Order Cost <sup>(2)</sup> | \$12,445                       | 0.3%            |
| Total Change Order Cost                          | \$1,652,672.10                 | 48.6%           |
| Contract Time                                    |                                |                 |
| Notice To Proceed                                | June 30 <sup>th</sup> , 2025   |                 |
| Estimated Contract Completion Date               | August 15 <sup>th</sup> , 2026 |                 |
| Contract Progress Summary                        |                                |                 |
| Total Linear Footage                             | 12,129 (2.3 Miles)             |                 |
| % Linear Footage Completed                       | 95%                            |                 |
| % Project Time Expended                          | 87%                            |                 |
| % Project Cost Expended                          | 77% (not including retention)  |                 |

Notes:

1. Value Added Change Orders include: District Requested Additional Work and Betterments
2. Non Value Added Change Orders include: Design Issues, and Unforeseen/Differing Site Conditions

Santa Rita & Guadalupe St Project - Photos



## Scenic Rd. Project

|  |                                |                 |
|--|--------------------------------|-----------------|
| General Contractor                               | KJ Woods                       |                 |
| Contract Value                                   |                                |                 |
| Contract Bid Amount                              | \$7,438,000                    |                 |
| Change Orders                                    | Cost                           | % of Bid Amount |
| Value Added Change Order Cost <sup>(1)</sup>     | \$0                            | 0%              |
| Non Value Added Change Order Cost <sup>(2)</sup> | (-\$173,052)                   | -2.3%           |
| Total Change Order Cost                          | \$0                            | 0%              |
| Contract Time                                    |                                |                 |
| Notice To Proceed                                | August 20 <sup>th</sup> , 2025 |                 |
| Estimated Contract Completion Date               | June 22 <sup>nd</sup> , 2026   |                 |
| Contract Progress Summary                        |                                |                 |
| Total Linear Footage                             | 10,700 (2 Miles)               |                 |
| % Linear Footage Completed                       | 93%                            |                 |
| % Project Time Expended                          | 95%                            |                 |
| % Project Cost Expended                          | 62% (not including retention)  |                 |

Notes:

1. Value Added Change Orders include: District Requested Additional Work and Betterments
2. Non Value Added Change Orders include: Design Issues, and Unforeseen/Differing Site Conditions

Scenic Rd Project - Photos



## Carmel Meadows Sewer Pipeline Repair

|  |  |                 |
|--|--|-----------------|
| General Contractor                               | Brett George Company   |                 |
| Contract Value                                   |  |                 |
| Contract Bid Amount                              | \$262,225  |                 |
| Change Orders                                    | Cost   | % of Bid Amount |
| Value Added Change Order Cost <sup>(1)</sup>     | \$0  | 0%              |
| Non Value Added Change Order Cost <sup>(2)</sup> | \$0  | 0%              |
| Total Change Order Cost                          | \$0  | 0%              |
| Contract Time                                    |  |                 |
| Notice To Proceed                                | April 21 <sup>st</sup> , 2026                                |                 |
| Estimated Contract Completion Date               | August 1 <sup>st</sup> , 2026                                |                 |
| Contract Progress Summary                        |  |                 |
| Completed to date:                               | Installation of retaining wall, rehabilitation of 5 manholes |                 |
| % Project Completed                              | 40%  |                 |
| % Project Time Expended                          | 45%  |                 |
| % Project Cost Expended                          | NA / No invoices processed                                   |                 |

Notes:

1. Value Added Change Orders include: District Requested Additional Work and Betterments
2. Non Value Added Change Orders include: Design Issues, and Unforeseen/Differing Site Conditions

**Carmel Meadows Project - Photos**



**FUNDING**

N/A Information Only

*Conference Attendance  
Oral Report*

## **Announcements on Subjects of Interest to the Board Made by Members of the Board or Staff**

- a. *Oral reports or announcements from Board President, Directors or staff concerning their activities and/or meetings or conferences attended.*

**PBCSD Board Public Meeting Notice & Agenda** – The next PBCSD meeting is scheduled for:

*Friday, June 26th, 2026, at 9:30 a.m. –Director White is scheduled to attend*

*Friday, July 31st, 2026, at 9:30 a.m. –Director Cole is scheduled to attend*

**Special Districts Association (SDA) of Monterey County** – The next SDA meeting is scheduled for:

*Tuesday, July 21, 2026, at 6:00 p.m. –Director Weiland scheduled to attend the meeting*

*Tuesday, October 21, 2026, at 6:00 p.m. –President Siegfried scheduled to attend the meeting*

*Tentative dates not confirmed*

**Reclamation Management Committee (RMC) Meeting** – The next RMC meeting is scheduled for:

*Tuesday, July 14<sup>th</sup>, 2026, at 9:30 a.m. Director Cole and Director Weiland are scheduled to attend.*

## *Board Photo Break*

# *Adjournment*