



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES March 28, 2019

CALL TO ORDER - ROLL CALL - The meeting was called to order at 9:00 a.m.

Present: President: Ken White, Directors: Greg D'Ambrosio, Michael Rachel, Robert Siegfried and Charlotte Townsend

Absent: None

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Rachel Lather, Principal Engineer, CAWD
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Robert Wellington, Wellington Law Offices, CAWD District Legal Counsel
Allan Melkesian, Director, Clear Peak Development LLC
Wei Huang-DL Family Office, Chief Representative
Sandy Watts – Design Principal
Dick Gebhart, , Director, Pebble Beach Community Service District (PBCSD)
Mike Niccum, General Manager, PBCSD

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

1. Appearances/Public Comments:

President White opened the meeting for public comment at 9:17 am and asked if the anyone would like to speak on any agenda item.

There was no public comment.

2. Agenda Changes:

The Board Secretary requested an “agenda change” on item number twenty-five concerning the PBCSD Meeting on April 6th, stating President White is scheduled to attend.

There were no other agenda changes.

CONSENT CALENDAR: APPROVAL OF MINUTES, FINANCIAL STATEMENTS AND MONTHLY REPORTS

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Siegfried, the Board unanimously approved the Regular Meeting Minutes of February 28th, 2019, and enacted the following Consent Calendar items:

3. Approve Regular Board Meeting Minutes on February 28, 2019
4. Receive and Accept Bank Statement Review by Hayashi Wayland – January & February 2019
5. Receive and Accept Schedule of Cash Receipts and Disbursements – February 2019
6. Approve Register of Disbursements - Carmel Area Wastewater District – February 2019
7. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – February 2019
Director Rachel requested comments on the \$90K expenditure for California American Water (CALAM). Ms. Buikema stated it was a one-time purchase of potable water for Reclamation this year. Ms. Buikema said that although the reservoir did get full, as a safety measure, PBCSD purchased water from CALAM.
8. Receive and Accept Financial Statements and Supplementary Schedules – February 2019
9. Receive and Accept Collection System Superintendent's report – for February 2019
Director D'Ambrosio requested a color change on Collections Map from magenta to another color. Director Siegfried would like the map to be printed in "landscape".

Director D'Ambrosio asked for information concerning the power loss and staff rotation of 24 hour shifts during storm events.

Director D'Ambrosio also wanted to know what the standard protocol is for the entire department to ramp up for an emergency response? Mr. Lauer spoke about cross training and on call backup procedures which are in place. During the latest storm surge the Carmel area was hit by the south winds twice. There are continuing efforts to train employees and this storm presented staff with the opportunity to put into practice what they had learned. Things went very smoothly.

Director D'Ambrosio then asked Mr. Foley if there is a similar protocol at the Plant? Mr. Foley confirmed that there is a ramp up of communication when a storm is coming. There is coordination between Collections and the Plant. During storm events there is on-call staff representing Treatment, Collections, and Maintenance. The staff must be

available and be aware of the storm.

Director D'Ambrosio also asked if there was someone at the Plant or if monitoring is done from home? Mr. Foley explained there is the same protocol at the Plant. When running the generator, we go ahead and staff the Plant. During that storm the Plant was getting power outages where the plant was going on and off and a conscious decision was made to place the Plant on a stand by generator to be less susceptible to damage from power outages. As the winds died down CAWD shifted back to PG&E.

Mr. Foley said that there is communication before an event, planning for the event to ensure that there is available staff to follow the protocols in place.

President White asked a question concerning page 48, the chart about an odor complaint and if it involved a holding tank? Mr. Lauer replied that there was injection pump located by the house. It is a 50-gallon injector tank, but it had not been used for six or seven months and water needed to be run through it.

10. Receive and Accept Safety And Regulatory Compliance Report- February 2019

11. Receive and Accept Treatment Facility Operations Report –Dec 2018, Jan & Feb 2019

12. Receive and Accept Laboratory/Environmental Compliance Report –February 2019

Director Siegfried requested that the list of abbreviations and acronyms be agendaized at the next meeting and that the Board set a protocol on abbreviations and acronyms that appear in communication to the Board. President White and Director Townsends concurred.

13. Receive and Accept Capital Projects Report/Implementation Plan– February 2019

14. Receive and Accept Plant Operations Report – February 2019

15. Receive and Accept Maintenance Projects Report – February 2019

16. Receive Principal Engineer Monthly Report General Engineering –February 2019

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/ORDINANCES

17. Resolution No. 2019-012; A Resolution Authorizing Adopting An Amendment to Hatton Canyon Engineering Services Contract for An Amount Not To Exceed \$15,865 To MNS Engineers to Provide A Vegetation Restoration Plan For Permitting Purposes and To Ratify The Actions of The General Manager To Sign And Execute Contract – *Report by Principal Engineer, Rachel Lather*

Ms. Lather stated that this is a resolution adopting an amendment to the Hatton Canyon engineering services contract as we approach getting the California Environmental Quality Act (CEQA) documents and the permits together in order to be awarded a grant from The Federal Emergency Management Agency (FEMA). CAWD found out that the Regional Water Board Control Board wanted a planting plan prior to giving CAWD a permit. This is not a common occurrence so additional services had to be added to meet the requirement.

Director D'Ambrosio asked a question on the title heading; "optional task to expand and revise restoration plan". Does this cover the road way, the pipe and anything offsite? Ms. Lather stated the optional task was asked for a proposal for two different grants one is for the road restoration, which is \$300K and the other grant is for the pipeline. Ms. Lather wanted to ensure that CAWD was prepared for both in the event the road had to be done before the pipeline.

President White asked if this would have to go out to bid? Ms. Lather said yes

Board Action

Following a motion made by Director Rachel and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-12.

18. Resolution No. 2019-13; A Resolution Authorizing Invitation To BID For Sewage Lift Station Control Panel Upgrades -Programmable Logic Control Equipment- *Report by Principal Engineer, Rachel Lather*

This is a project to update the Supervisory Control and Data Acquisition (SCADA) program. Ms. Lather has been working with Mr. Foley and Mr. Lauer to complete the project, as well as working in conjunction with a consultant. This consultant is the same engineer that worked on the Treatment Plant. The plans and specification are available for review. Director Rachel asked if the upcoming budget of \$600K is allocated for this project. Currently there is \$350K for procuring this which is not inclusive of installation? Ms. Lather agreed.

Mr. Foley indicated that there are several components to this process. The design was provided by Frisch Engineering, which is the same engineering firm that Pebble Beach Community Service District is using for their lift station and pump station upgrade. Frisch is providing the specs and design for the Programmable Logic Controller (PLC) panels. Mr. Lauer is working with Comcast on the communication component upgrading the old copper phone lines. This encompasses all the hardware with new panels and new PLC's. The next phase will be installing it and the final step is programming and integrating into the SCADA system.

Director Rachel stated there are seven lift stations and how many PLC's in total will that be? Mr. Foley stated that each lift station has its own independent PLC and they all communicate back to the master PLC at the Plant and that ties into the SCADA system.

Director Rachel asked if the inputs from the PLC's come from various sensors? Mr. Foley confirmed that out at the stations there are two pumps and all the inputs are going into the local PLC for the two pumps and there is a local display with a status of the alarms and pumps. Simultaneously the PLC monitors the wet well level and instructs pumps when to turn on, controls the station's alarming, and provides pump run times, status and so forth.

Director Siegfried asked if all that data is logged? Mr. Foley answered in the affirmative. Not only do the PLC's talk back to the master PLC it also monitors the run times and alarms. Historical data can also be pulled. As well there is a redundant system with cellular backup that logs all runtimes and alarm data pulses.

Director D'Ambrosio said that at the budget committee review level, they felt it would be better to consolidate the process at the stations. Mr. Foley stated that the product as a whole will have everything standardized and all the panels will match, and economies of scale will be achieved. This standardization will assist with bidding and trouble shooting. In addition, this standardization will also assist in working with Pebble Beach Community Service District in trouble shooting problems or to assist if there is a need for emergency spare parts.

Director Rachel asked Mr. Foley that he had mentioned a master PLC and he wanted to know if it will have enough input capacity for anything in the foreseeable future? Mr. Foley stated yes, the master PLC will ship next week. It has a dual function and will replace the existing master PLC and is one platform up from the ones in the field. There is enough space and speed to add capacity.

Board Action

Following a motion made by Director Siegfried and seconded by Director Ambrosio, the Board unanimously adopted Resolution No. 2019-13.

OTHER ITEMS BEFORE THE BOARD

19. Preliminary 2019-20 Budget- Report By Barbara Buikema, General Manager

Ms. Buikema introduced the preliminary budget for 2019-20 and said the process has been streamlined. The Budget in Brief is the streamlined version. This year the budget is projected to be \$13M in total revenues. This includes user fees of \$8M, interest income, reimbursement from Reclamation and Pebble Beach Community Service District (PBCSD), and a projected reserve contribution of \$800K. This budget continues the path initiated over the last five to six years to position the District for the future. It plans for rehabilitation at both the Treatment facility and in the Collection system over the next 15 years and begins to address the challenge of sea level rise. This budget is attempting to address these three items through a combination of tight fiscal management and efficient project scheduling. We believe that if we manage well we can continue our strategy of “pay-as-you-go” for the next 15 years.

President White commented that the Budget Committee spent time on the concept that the number one priority is Phase II. PBCSD also provided input, during the budget committee’s review. Director D’Ambrosio stated that there were some good comments from the PBCSDs Finance Division. Director D’Ambrosio thanked Mr. Niccum for his input.

Director D’Ambrosio commented on pages iii-iv of the General Manager’s Budget letter regarding “Making Significant Capital Investment in the District’s Infrastructure” is a good crisp description of our mission, which might be considered as a comment in the quarterly report or Newsletter. On page two, under Key Deliverables in the “Budget-in-Brief” section, important information for the public is summarized.

Director Siegfried provided general comments about the budget process. He said that the budget is an “iterative process” and that he lacks the technical capability of providing a “thumbs up or down” on anyone’s proposal. He tries to compare the operations budget to past budgets, and to screen the purchases to see if they are meant for conveniences or solid operations.

Director Siegfried stated that there has been some comments on the CAWD rates and “what is required to run this place as a top-class operation”. This is a proper topic for a Board study session prior to the next budget session. Staff has presented “where they would like to go” but he would like to see how this fits into the Board vision. Director D’Ambrosio would like to see a session such as this this in the early Fall, which would cover the staff and their preparation process and the Boards review.

Director Townsend commented that the District's ability to fund projects with cash is impressive. Not many organizations can do this. Also, Director Townsend stated that projecting far into the future is "an exercise in futility". People may not do the same things with waste water in five to ten years. CAWD is not alone on this journey and it is important to be flexible.

Director D'Ambrosio stated there have been robust discussions about CAWD's rate adjustments and options.

Director Rachel moved from the preliminary budget to the rate model. There has been a residential rate increase of 7.55%. His questioned is the real net – net effect of that increase. Fixed costs go up every year and if nothing is done there is still costs of living, CALPERS, pensions and other elements that will cause an increase across the board. Perhaps to let the public know that just to operate seven days a week, 24 hours a day comes with a standard basic cost.

Mr. Niccum commented that the Board's fiduciary responsibility is to ensure taxpayer's money is being spent fairly or efficiently for services. With respect to the Treatment Plant and Reclamation, PBCSD provides a 3rd party review, for the most part looking to make sure it is being spent well and that helps with your fiduciary overview.

President White thanked the Budget Committee for the thorough process they used.

Board Action

Following a motion made by President White to approve the Preliminary budget and seconded by Director Rachel, the Board unanimously approved Preliminary Budget.

20. Preliminary 2019-20 Rate Model - Report by Barbara Buikema, General Manager

Ms. Buikema said that the rate model builds on the Preliminary Budget just passed. CAWD needs to approve the preliminary rate model because Proposition 218 requires forty-five days for public comment. Ms. Buikema recommended the 7.55% increase. CAWD takes in about \$1.7M in property tax and \$1.6M in capital contributions. The combined total is just over \$3M a year. When you take into consideration what needs to be accomplished at the Treatment plant, Collections, and for sea level rise this is the foundation we must build upon. The user fee revenues that come in cover the O&M budget. The capital component is critical to CAWD's future. Ms. Buikema acknowledged Director Townsend's comments about planning for the future but CAWD's must have a plan to move toward the future. The Coastal Commission is requiring a plan. The Treatment plant is well on its way to being

rehabilitated and it must be maintained. The Collection System has challenges that need to be addressed. Taking in the \$3M will ensure the sustainability of this District and supports the 7.55% rate increase. Compared with rate increases over the last six years, this rate model offers a slight decrease in the rate of cost escalation.

Director Siegfried followed up on Mr. Niccum's comments. He was looking at the Consumer Price Index (CPI) listings and questioned the use of the Bay area as the appropriate comparable. For those people in our area who depend on social security checks that perhaps the National CPI is more representative, or perhaps we should consider a blend of national CPI and the Bay area CPI.

He asked what would the residential rate be if we covered all of our costs? Ms. Buikema stated it would be around an increase of 20%.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Siegfried, the Board unanimously adopted rate model.

INFORMATION/DISCUSSION ITEMS

21. PBCSD 02-22-19 Regular Board Meeting - Report By Barbara Buikema, General Manager

The report was informational only – no action required.

22. Pension Committee Meeting 03-13-19 –Report By Barbara Buikema, General Manager

The report was informational only – no action required.

23. Update on Mr. Larsen's connection In Carmel Highlands

Mr. Lauer reported that CAWD has not received any comments from Mr. Larsen. Ms. Lather is continuing to work with annexations. Ms. Buikema stated that LAFCO prefers blocks of annexation over a piecemeal approach.

Director Rachel asked if the County, through the Local Area Management Plan (LAMP), is exerting pressure on these entities (people with septic systems) to get off their systems and use sewer? Ms. Buikema stated, yes they are but it is a complex issue. For example, Carmel Valley Manor is trucking their effluent to CAWD when required and they would like to connect but there are people out in Carmel Valley who are concerned that sewer connections represent potential growth.

Director Rachel asked what would be the annual cost to be on a septic system and in view of maintenance and replacement? Mr. Lauer stated that LAMP is requiring to put in locally advanced treatment plants, with SCADA and monitoring, and sampling at a cost of \$60K to \$80K.

Director Rachel asked for specifics on how much this is in comparison to the rate model?

Ms. Buikema stated the costs of placing a septic tank in the ground is probably \$20K to \$30K. It would cost \$2k annually with a 20-year life expectancy with septic. Director Rachel stated that it has to be beneficial to be on a sewer system. Ms. Buikema stated it is and the additional benefit is that Mr. Lauer takes care of you if you hook up to CAWD. Ms. Buikema stated the costs vary and depend on the type of soil, location of the house to the street, and other variables. Director D'Ambrosio stated then there are the costs of pumping and cleaning.

STAFF & BOARD MEMBER REPORTS

Staff Reports include items for which verbal reports/presentation will be provided. If a specific presentation is planned, it will be listed and summary information may be included with the Agenda. Brief oral reports may be provided for items arising after the Agenda preparation. The Board may wish to ask questions or discuss a staff report, but no action is appropriate other than referral to staff, or request that a matter be set as a future Agenda Item.

24. General Manager's Report -- Oral Report by Barbara Buikema, General Manager

- Update on SLR Committee
Ms. Buikema said there will be a sea level rise (SLR) meeting on April 9th. Staff met with the Coastal Commission staff in Santa Cruz last Friday and felt the meeting was generally positive. CAWD's Coastal consultant, Susan McCabe, is advising the District to engage a land use attorney with experience in coastal issues. The Santa Cruz office indicated they do not have a specific time line for permit issuance and is willing to work with CAWD. A permit is needed for Phase II and CAWD cannot proceed until this issue is resolved.
- Vacation Schedule
Ms. Buikema will be on vacation next week and Mr. Foley will be the acting General Manager.

Ms. Buikema wanted to add that she attended a meeting with California Coastal Trail group. The trail will run from Rancho Canada on down the coast. She let the group know that CAWD has a bridge. Two of group members came over to see the bridge. The Coastal Trail is moving forward and perhaps a tributary path could come through and the causeway could be walkable under the highway. Ms. Buikema stated that we should encourage our community commitment.

Director Townsend stated Sam Farr wants a trail all the way from Monterey to Point Lobos and CAWD has the only bridge and he is still interested.

Director Siegfried attended a Water Reuse Conference and discussed the items of interest to

CAWD. One was that a new plant was built in the middle of a residential neighborhood. The plant uses ultra-filtration and reverse osmosis. They are pulling water out of a river and treating it has resulted in a plant with community space and gardens.

There was presentation on ceramic membrane technology by Purifics Water Inc. One presentation prompted Director Siegfried to send an email to the Santa Clara Valley Water District Board of Directors. A response came back thanking anyone for communicating with the Board of Directors. Director Siegfried requested that CAWD consider the same type of customer response commitment and that all communication be routed through Board.

Director D'Ambrosio stated as a point of information, he is a Board member of Friends of Mission Trail and a water shed study was just completed by Dudek Engineering. CAWD should get a copy because as a point of interest, there are three easements on the preserve of CAWD's property. This group is also working with Fire and Police Departments to remove invasive species and this group also has a contract for fire fuel abatement. Director D'Ambrosio discussed with Mr. Lauer the need to have a protocol that they chip everything. Mr. Lauer stated that CAWD is chipping as a protocol.

OTHER ITEMS BEFORE THE BOARD

Comments regarding the CAWD letter to Gavilan College – President White stated that the Board may want to look at the Gavilan letter Ms. Buikema has drafted after the meeting regarding Gavilan College to start water/waste water training program. President White thanked Mr. Waggoner for his comments at the Boards last meeting on education on waste water treatment in this area and would like an update after Mr. Waggoner receives a response from Gavilan College. President White stated the letter has been written and Ms. Buikema also suggested that CAWD's facility could be used as a classroom.

25. Announcements On Subjects Of Interest To The Board Made By Members Of The Board

or Staff - *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 meetings are scheduled for:
Friday, March 29, 2019 at 9:30a.m. *Director Townsend is scheduled to attend.*
Friday, April 26, 2019 at 9:30a.m. *Director White is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for:
Wednesday, May 8, 2019 at 9:30 a.m. *Director Townsend and Director White are scheduled to attend.*

Special Districts Association of Monterey County–The next SDA meeting is scheduled for:
Tuesday, April 16, 2019 at 6:00 pm. *Director Townsend is scheduled to attend.*

26. CLOSED SESSION

No closed session was scheduled or held.

27. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 10:04 a.m. The next regular meeting will be held at 9:00a.m., Thursday, April 25, 2019 or an alternate acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

Respectfully Submitted:



Domine Barringer, Board Secretary

APPROVED:



Ken White, Board President