



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES

Thursday, 9:00 a.m., March 30, 2023

Via Teleconference Webinar & In Person with Proof of Vaccination

CALL TO ORDER - ROLL CALL - The meeting was called to order at 9:01 a.m.

Present: Directors: President Ken White, Pro Tem Bob Siegfried, and Directors Greg D'Ambrosio, Mike Rachel, Kevan Urquhart

Absent: None

A quorum was present.

Others: Barbara Buikema, General Manger
Carmel Area Wastewater District (CAWD or District)
Rachél Lather, Principal Engineer, CAWD
Patrick Treanor, Plant Engineer, CAWD*
Ed Waggoner, Plant Superintendent, CAWD*
Kevin Young, Plant Operations Supervisor, CAWD*
Chris Foley Maintenance Superintendent, CAWD
Daryl Lauer, Superintendent of Collection*
Domine Barringer, Board Secretary, CAWD
Robert Wellington, Wellington Law Offices, CAWD Legal Counsel
Leo Laska, President of the Board Pebble Beach Community Services District (PBCSD) *
Mike Niccum, General Manager, PBCSD*
Nick Becker, Deputy General Manager, District Engineer, PBCSD*

In Person Public Attendees:

Kate Daniels| Corona Road Resident Chuck Keller| Resident
David Scopp| Resident Barbara Ricciardi| Resident Keith Porter| Resident
Elizabeth Oka| Resident Dan Keig| Resident Dasha Keig| Resident
Denise Duffy| Denise Duffy & Associates & Robyn Simpson| Denise Duffy &
Associates

Virtual Public Attendees:

Lilian Hull| Corona Road Resident* Carol Keller| Resident*
Shandy Carroll| Monterey County*
Marianna Pimentel| PBCSD* Yuriana Nunez| PBCSD*

*Signifies Virtual Attendance

1. *Appearances/Public Comments: Public Comments (Matters Not on Agenda Any Subject):*

Public comments on non-agendized matters were received from David Scopp, Chuck Keller, Elizabeth Oka.

Appearances/Public Comments on Agendized Items:

Item # 21-Public Comments received by the Board from Kate Daniels, and Lillian Hull, Denise Duffy. Item #27- Shandy Carroll| Monterey County Project-Carmel River Floodplain Restoration (CRFREE).

2. *Agenda Changes:*

The Board agreed to move Agenda Items #21, 22, 23 forward to accommodate public comment on these agenda items.

3. **CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the Board of Directors may adjourn to a Closed Session to consider specific matters dealing with litigation, certain personnel matters, real property negotiations, or to confer with the District’s Meyers-Milias-Brown representative.***

The board room was cleared of all in person attendees and all virtual attendees placed on hold in a waiting room. The Board went into closed session at 9:12 a.m. and discussed agenda item #3 regarding potential litigation. The closed session ended at 9:40 a.m. Legal Counsel reported that during the closed session the Board took up, the matter at hand with regard to the potential litigation, and no reportable action was taken. The Board came back into open session at 9:45 a.m. and the open meeting was reconvened at 10:11 a.m. and all in person attendees were invited back into the open session and all virtual attendees had access to the audio and visual platform to participation in the meeting.

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

Consists of routine items for which Board approval can be taken with a single motion and vote.

Board Action

A motion to receive and approve the consent agenda was made by Director Urquhart and seconded by Director Rachel. After a Roll Call vote, the Board unanimously received and approved the following Consent Calendar/Agenda items.

4. Approve February 23, 2023, Regular Board Meeting Minutes &
02-13-2023 Pension Minutes
02-16-2023 Budget Minutes
03-09-2023 Budget Minutes
03-13-2023 Special Board Minutes
03-20-2023 Budget Meeting Minutes
5. Receive and Accept Bank Statement Review by Clifton Larson Allen (CLA) –
February 2023
6. Receive and Accept Schedule of Cash Receipts & Disbursements- February 2023
7. Approve Register of Disbursements – Carmel Area Wastewater District – February 2023
8. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project February,2023
9. Receive and Accept Financial Statements and Supplementary Schedules – February,2023
10. Receive and Accept Collection System Superintendent’s Report –February 2023
11. Receive and Accept Safety and Regulatory Compliance Report –February 2023

12. Receive and Accept Treatment Facility Operations Report –February 2023
January 2023 & December 2022
13. Receive and Accept Laboratory/Environmental Compliance Report –February 2023
14. Receive and Accept Capital Projects Report/Implementation Plan
15. Receive and Accept Project Summaries – Capital & Non-Capital
16. Receive and Accept Plant Operations Report – February 2023
17. Receive and Accept Maintenance Projects Report – February 2023
18. Receive and Accept District Engineer’s Report – March 2023

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

19. **Resolution No. 2023-23;** Resolution Accepting the Lowest Responsible Bid For The 2022-2023 Pipeline Spot Repairs Project #23-02 And Awarding Contract in An Amount Not to Exceed \$118,700– *Report by District Engineer, Rachel Lather*

Board Action

After brief discussion, a motion to approve the resolution was made by Director Rachel and seconded by Director Siegfried. Following a Roll Call vote, the Board unanimously passed Resolution 2023-23. Accepting the lowest responsible bid for the 2022-2023 pipeline spot repairs project #23-02 and awarding the contract to Rooter King in an amount not to exceed \$118,700

20. **Resolution No. 2023-24;** Contract With Monterey Peninsula Engineering For \$53,830 To Pay For Initial Work Performed At Lorca Lane Project #22-07–
Report by District Engineer, Rachel Lather

Board Action

After brief discussion, a motion to approve the resolution was made by President White and seconded by Director D’Ambrosio. Following a Roll Call vote, the Board unanimously passed Resolution 2023-24 to enter into a contract with Monterey Peninsula Engineering for \$53,830 to pay for initial work performed at Lorca Lane project #22-07

Director D’Ambrosio asked about the repaving of the street by the County. The District Engineer, replied that the County is most likely responsible for the paving and she will confirm with the County.

- 21. Resolution No. 2023-25;** Resolution To Adopt An Initial Study/Mitigated Negative Declaration (IS/MND) And; The Mitigation Monitoring & Reporting Program (MMRP) And Approve The Project For The Corona Road Sewer Extension Project- #18-21-
Report by District Engineer, Rachel Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Urquhart and seconded by Director D'Ambrosio. Following a Roll Call vote, the Board unanimously passed Resolution 2023-25. To adopt an initial study/mitigated negative declaration (IS/MND) and; the mitigation monitoring & reporting program (MMRP) and approve the project for the Corona Road Sewer Extension Project- #18-21.

- 22. Resolution No. 2023-26;** Resolution Authorizing The General Manager To Enter Into A Contract Amendment No. 2 With Denise Duffy & Associates To Provide Additional Environmental Consulting Services For The Corona Road Sewer Extension Project #18-21 In An Amount Not To Exceed \$62,867- *Report by District Engineer, Rachel Lather*

Board Action

A motion to approve the resolution was made by Director Urquhart and seconded by Director Rachel. Following a Roll Call vote, the Board unanimously passed Resolution 2023-26 to enter into a contract amendment no. 2 with Denise Duffy & Associates to provide additional environmental consulting services for the Corona Road Sewer Extension Project #18-21 in an amount not to exceed \$62,867.

- 23. Resolution No. 2023-27;** Resolution Adopting A Memorandum Of Agreement (MOA) Between County of Monterey And Carmel Area Wastewater District ("District") Regarding Carmel River Flood Plain Restoration And Environmental Enhancement Project-*Report by General Manager, Barbara Buikema*

Board Action

After a lengthy discussion, a motion to approve the amended resolution was made by Director Siegfried and seconded by D'Ambrosio. Following a Roll Call vote, the Board unanimously passed Resolution 2023-27, adopting a Memorandum of Agreement (MOA) between County of Monterey and Carmel Area Wastewater District ("District") regarding Carmel River Flood Plain Restoration and Environmental Enhancement Project

The amendment requested by Director Siegfried requested a language change to ensure that in the event of cost overruns additional funding is not coming from District funds. The board agreed to approving this resolution as amended and to remove the contradiction.

The General Manager, Barbara Buikema, requested that the Monterey County representative, Shandy Carroll, take it before the County for the language change. If the County approves and removes the contradiction the District motion will stand. If the County does not approve the language change the District motion will be null and void.

Shandy Carroll| Monterey County stated that it will be brought to the County Board at the end of April, which will allow for signatory by both the County and CAWD. She also referenced section 2.03.

General Manager clarified that the language to the County is that the District will not compromise the District's Operations and Maintenance and will not approve any change to plans and specifications that would compromise the project.

- 24. Resolution No. 2023-28;** A Resolution Adopting a Debt Management Policy In Compliance With California Government Code Section 8855(I)-*Report by General Manager, Barbara Buikema*

Board Action

After brief discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director Rachel. Following a Roll Call vote, the Board unanimously passed Resolution 2023-28 adopting a Debt Management Policy

COMMUNICATIONS

- 25.** General Manager Report – oral report covering the last two weeks of February 2023, *
was presented by the Acting General Manager, Chris Foley

OTHER ITEMS BEFORE THE BOARD

- 26.** Carmel Area Wastewater District's Fiscal Year (FY) 2023-2024 Preliminary Budget-
Report by General Manager, Barbara Buikema and Maintenance Superintendent, Chris Foley

***Action Required – Requesting A Motion to Accept the Fiscal Year
2023-2024 Preliminary Budget Preliminary Budget Under Separate Cover e***

Board Action

After brief discussion, a motion to approve the FY 2023-20234 Preliminary Budget was made by Director Rachel and seconded by Director D'Ambrosio. Following a Roll Call vote, the Board unanimously accepted the 2023-2024 Preliminary Budget.

- 27.** Carmel Area Wastewater District's Fiscal Year 2023-2024 Preliminary
Rate Model- *Report by General Manager, Barbara Buikema and Maintenance
Superintendent, Chris Foley*

***Action Required – Requesting A Motion to Accept the Fiscal Year 2023-2024
Preliminary Rate Model***

Board Action

After brief discussion, a motion to approve the fiscal year rates for 2023-2024 was made by Director Siegfried and seconded by President White. Following a Roll Call vote, the Board unanimously accepted the Fiscal Year 2023-2024 Preliminary Rate Model.

- 28.** Section 115 footnote disclosure for the published Carmel Area Wastewater District's Financial Audit Fiscal Year ending 6-30-2022. Director Siegfried requested that this footnote disclosure discussion be agendaized and there was a board consensus to add this to the March agenda. The request by Director Siegfried is for the Pun Group to insert additional information regarding the Strategy 2 column with asset classes and benchmarks to be shown.

During the discussion, Director Siegfried requested proof that the PUN Group provided The Secretary of State with the corrected edited footnote disclosure. The General Manager confirmed that the District has filed the report with the State Controller's Office with the correct numerical component, but there is no requirement as to how the State discloses submission of footnote disclosures.

President White asked if there is a need to discuss this item any further and there was no further comments from the Board regarding this item and President White called for Board Action.

Action Required – Requesting A Motion to Accept the edited footnote disclosure for Section 115

Board Action

After a discussion, a motion to accept the edited footnote was made by President White and seconded by Director Rachel, with a No vote from Director Siegfried. Following a Roll Call vote, the Board accepted the edited footnote disclosure.

- 29.** Annexation Cost – Trust Fund – Cost Of Living Adjustment (COLA) Inflation– Report by General Manager, Barbara Buikema

During the discussion Director Siegfried would like to see the value that is funded the system is paid by the rate payer that originally funded the system. The value that is paid should be the same or closely approximated to current costs. The suggestion proposed by Director Siegfried, was to increase the annexation fees by the Consumer Price Index (CPI).

The goal is to recoup the fee for the current rate payers that the benefits future connections the constituents are going to receive.

The General Manager stated that a charge for annexations can be brought to the Board every year. The issue at hand is that there are two different annexations occurring in different years, with different fees due to different parameters.

Over time, the tracking of annexation fees will be difficult to track due to the iterations of fees per annexation, based on the size and the timeline for the project to be completed.

President White stated that the District needs to formulate what is needed to calculate the fee based on all of the parameters.

Board Action

After the discussion, a motion to table the discussion for further consideration at some point in time regarding annexation costs was made by Director Siegfried and seconded by President White. Following a Roll Call vote, the Board, unanimously agreed to table the conversation.

- 30.** *Other Director's Compensation Amounts in the County- Report by General Manager, Barbara Buikema*

Board Action

After brief discussion, a motion to approve the report and keep the Director's compensation "as is" was made by Director Rachel and seconded by Director Urquhart. Following a Roll Call vote, the Board unanimously agreed to keep compensation as status quo.

- 31.** *General Manager's role as Trustee on the Pension Committee as requested by Director Siegfried and agreed by the Board to agendize.*

During the discussion Director Siegfried stated that the General Manager membership in the Pension Committee, being bound to the General Manager's position could be putting this position in legal jeopardy.

Legal Counsel, Rob Wellington stated that expertise is important and conversion to the 338 Plan did provide adequate protection for all the participating committee members. The protection comes from the committee having an investment manager. Barbara with her institutional knowledge and her experience in finance is a very valued member of the committee. However, it is a good point when recruiting a new General Manager that this topic of having the General Manager with a Trustee role on the Pension Committee should be reviewed.

The General Manager, Barbara Buikema, stated that the current Pension plan the District has cannot be terminated. She advised that the District hire a Pension attorney for any further discussion.

President White stated it is important that a staff member be present on the Pension Committee.

Board Action

After brief discussion, a motion to accept the report and take no further action was made by Director Urquhart and seconded by Director Siegfried. Following a Roll Call vote, the Board, unanimously agreed no further action is to be taken.

INFORMATION/DISCUSSION ITEMS

- 32.** *February Construction Updates of Project #18-01
Electrical/Mechanical Rehab and Sludge Holding Tank Replacement -
Report by Plant Engineer, Patrick Treanor*

33. February 24, 2023, PBCSD Board Meeting Summaries-
Report by Maintenance Superintendent, Chris Foley

34. 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 meeting is scheduled for:
Friday, March 31, 2023, at 9:30 a.m. – Director Rachel is scheduled to attend.
Friday, April 28, 2023, at 9:30 a.m. – Director Siegfried is scheduled to attend.

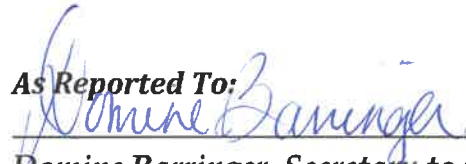
Special Districts Association of Monterey County – The next SDA meeting is scheduled for:
Tuesday, April 18, 2023, at 6:00 p.m. – President White is scheduled to attend.
Tuesday, July TBD, 2023, at 6:00 p.m. – Director Rachel is scheduled to attend.

Reclamation Management Committee (RMC) Meeting – The next RMC meeting is scheduled for:
Tuesday, May 9, 2023, at 9:30 a.m. Director Rachel is scheduled to attend.

35. ADJOURNMENT:

The Board adjourned open session at 9:01 a.m. and took a 5-minute break to clear the room of public attendees. The Board then convened into closed session at 9:12 a.m. The Board came out of closed session at 9:40 a.m., and Legal Counsel reported that during the closed session the Board took up, the matter at hand with regard to the potential litigation, and no reportable action was taken. The Board reconvened back into open session at 9:45 a.m. and the meeting was convened at 12:03 p.m.

As Reported To:



Domine Barringer, Secretary to the Board

APPROVED:



Ken White, President of the Board