



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

February 23, 2023
Thursday
9:00AM



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES

Thursday, 9:00 a.m., January 26, 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 Temp Bob Siegfried, and Directors Greg D'Ambrosio, Mike Rachel, Kevan Urquhart

Absent: None

A quorum was present.

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD or District)
Rachél Lather, Principal Engineer, CAWD
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Plant Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Superintendent of Collections, CAWD
Domine Barringer, Board Secretary, CAWD
Fanny Mui, Lab Analyst/Environmental Inspector Grade II, CAWD
Kevin Young, Operations Supervisor, CAWD
Robert Wellington, Wellington Law Offices, CAWD Legal Counsel
Richard Gebhart, Vice President of the Board Pebble Beach Community Services District (PBCSD)
Mike Niccum, General Manager, PBCSD
Nick Becker, Deputy General Manager, PBCSD

Public attendees:

David Scopp
Krista Ostoich
Gail Dryden
Keith

1. Appearances/Public Comments: No public comments

2. Agenda Changes:

- Agenda Item#6, Insertion of the December 2022 CLA Independent Audit Letter
- Agenda Item #4 Insertion of the Power Point Presentation
- Agenda Item #19 -correction on the Agenda report covering December 2022 and January 2023

3. **Employee Recognition: Fanny Mui**
The Board gave recognition to Fanny Mui and her achievements and provided congratulations.
4. **An oral storm update was provided by:** Ed Waggoner, Superintendent of Plant, Daryl Lauer, Superintendent of Collections, and Chris Foley, Superintendent of Maintenance regarding the impact at the Treatment Plant. The oral presentation also included the impact of the storm on Scenic Drive. The Collections Superintendent Lauer reported out the excellent interagency cooperation and a solution was implemented for the impacted residents on Scenic.

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 Siegfried and seconded by Director Urquhart. After a Roll Call vote, the Board unanimously received and approved the following Consent Calendar/Agenda items.

Item No. 19 of the Agenda and Consent Calendar was pulled for discussion. In that discussion it was asked how the District recoups costs regarding annexations? Director Siegfried would like to have data gathered regarding costs associated with annexations. A motion to add this item to the next agenda and approve Item #19 was made by President White and seconded by Director Pro Tem Siegfried, there was no objection from the Board.

5. Approve December 8, 2022, Regular Board Meeting Minutes & December 6, Salary & Benefits Meeting Minutes
6. Receive and Accept Bank Statement Review by Hayashi Wayland – November & December *(will insert into the packet at board meeting or when received)*
7. Receive and Accept Schedule of Cash Receipts & Disbursements- November & December, 2022
8. Approve Register of Disbursements – Carmel Area Wastewater District – November & December, 2022
9. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – November & December, 2022
10. Receive and Accept Financial Statements and Supplementary Schedules – November & December, 2022
11. Receive and Accept Collection System Superintendent’s Report – 2022 December, November, October & Annual Collections Report
12. Receive and Accept Safety and Regulatory Compliance Report – December, 2022

13. Receive and Accept Treatment Facility Operations Report – December, November & October, 2022
14. Receive and Accept Laboratory/Environmental Compliance Report – December
15. Receive and Accept Capital Projects Report/Implementation Plan
16. Receive and Accept Project Summaries – Capital & Non-Capital
17. Receive and Accept Plant Operations Report – December
18. Receive and Accept Maintenance Projects Report – November & December
19. Receive and Accept District Engineer’s Report – ~~September, October & November~~ (correction – dates covered December 2022 and January 2023)

ACTION ITEMS BEFORE 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, Vote and Action.

RESOLUTIONS

20. **Resolution No. 2023-01;** Report By Principal District Engineer, Rachel Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Rachel and seconded by Director Urquhart. Following a Roll Call vote, the Board unanimously passed Resolution 2023-01, authorizing the General Manager to invite bids for the 2022-2023 Pipeline Spot Repair Project #23-02.

21. **Resolution No. 2023-02;** Report By Principal District Engineer, Rachel Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director D’Ambrosio. Following a Roll Call vote, the Board unanimously passed Resolution 2023-02, authorizing the General Manager to execute a contract with Monterey Peninsula Engineering (MPE) for an emergency sewer relocation at Lorca Lane and Del Monte street, for an amount not to exceed \$153,500, project #22-07.

22. **Resolution No. 2023-03;** Report By Principal District Engineer, Rachel Lather

Board Action

A motion to approve the resolution was made by Director Rachel and seconded by Director Urquhart. Following a Roll Call vote, the Board unanimously passed Resolution 2023-03, Resolution Accepting Completed Project And Directing the General Manager To File A Notice Of Completion On The Manhole Rehabilitation Project #21-06.

- 23. Resolution No. 2023-04;** *Report By Principal District Engineer, Rachel Lather*

Board Action

A motion to approve the resolution was made by President White and seconded by Director Siegfried. Following a Roll Call vote, the Board unanimously passed Resolution 2023-04, A Resolution Authorizing The General Manager To Enter Into A Contract With MNS Engineers To Provide Design Services For The Santa Rita & Guadalupe Pipeline Rehabilitation, In An Amount Not To Exceed \$171,464-Project #23-01.

- 24. Resolution No. 2023-05;***Report By Principal District Engineer, Rachel Lather*

Board Action

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 2023-05, Authorizing The General Manager To Amend A Contract With MNS Engineers To Provide Design Support For Additional Pipeline Segments And Coastal Permitting Support To Be Included In The Scenic Road Pipe Bursting Ocean To Bay Project-#20-08 Amendment #5, In An Amount Not To Exceed \$125,065.

- 25. Resolution No. 2023-06;** *Report By Principal District Engineer, Rachel Lather*

Board Action

A motion to approve the resolution was made by Director Urquhart and seconded by Director Siegfried. Following a Roll Call vote, the Board unanimously passed Resolution 2023-06, Authorizing The General Manager To Execute A Contract With Coastal Paving & Excavating For The Emergency Relocation Of A Sewer Line At Scenic Road On A Time And Materials Basis.

Per District Counsel, Rob Wellington stated that per the Public Contract Code when an emergency situation occurs there is a requirement that subsequent reporting to the Board is required to receive the report out of the stated emergency, which has been covered in this meeting.

- 26. Resolution No. 2023-07;** *Report by Plant Superintendent, Ed Waggoner*

Board Action

A motion to approve the resolution was made by Director Urquhart and seconded by Director Siegfried. Following a Roll Call vote, the Board unanimously passed Resolution 2023-07, Resolution Awarding The Contract To Scinor Water America LLC, For The Purchase Of 160 Microfiltration Modules In An Amount Not To Exceed \$160,000.

- 27. Resolution No. 2023-08; Report by General Manager, Barbara Buikema**

Board Action

A motion to approve the resolution was made by Director Urquhart and seconded by Director Siegfried. Following a Roll Call vote, the Board unanimously passed Resolution 2023-08, Resolution Designating Classification Titles In The Carmel Area Wastewater District and Providing For the Number of Positions And Monthly Salary Ranges.

- 28. Resolution No. 2023-09; Report by General Manager, Barbara Buikema**

Board Action

A motion to approve the resolution was made by Director Urquhart and seconded by President White. Following a Roll Call vote, the Board unanimously passed Resolution 2023-09, Resolution Authorizing The General Manager To Amend A Contract With The Pun Group To Provide Additional Audit Services In An Amount Not To Exceed \$15,000.

COMMUNICATIONS

- 29. General Manager Report – oral report**

District staff and President White met with Supervisor Adams to provide an update on the District projects and provide an update regarding the Carmel Meadows and Pescadero projects. Carmel Meadows goes before the Planning Commission March 3rd. Both the General Manager, Barbara Buikema, and the District Engineer, Rachél Lather will be attending the Planning Commission meeting.

OTHER ITEMS BEFORE THE BOARD

- 30. 2023 Committee Assignments, PBCSD Regular Board Meeting Attendance, and Conference Schedule – Report by Board Secretary, Domine Barringer**

Board Action

A motion to accept the 2023 Committee Assignments and PBCSD Regular Board Meeting rotation was made by Director Siegfried and seconded by Director D'Ambrosio.

- 31.** Requesting a Motion to Accept the Carmel Area Wastewater District June 30, 2022 Financial Audit– *Report by Barbara Buikema, General Manager Report is under separate cover (e)*

Board Action

After A Brief Description Concerning The Clean Audit Opinion and The Governmental Accounting Standards Board(GASB) 84 Correction For Fiduciary Reporting A Motion To Accept The Carmel Area Wastewater District June 30,2022 Financial Audit Was Made By Director D’Ambrosio And Seconded By Director Rachel.

INFORMATION/DISCUSSION ITEMS

- 32.** Carmel Meadows Storm Report- *Report by General Manager, Barbara Buikema*

General Manager, Barbara Buikema reported out that the District hiked the Carmel Meadows terrain with staff and Director Rachel and Director Urquhart. The General Manager requested the District Plant Engineer review the terrain due to the emergency on hand. Superintendent of Collections, Daryl Lauer was requested to purchase enough lay flat to do a bypass up to 1,000 feet and pump if needed. The District Purchased two Smart Covers to monitor both the upstream and downstream manhole for any unusual movement. The marking of the pipe will be done to show if there is any movement. The General Manager, Barbara Buikema, stated this is an area of concern and the Supervisor was informed that if the pipe moves that the District would move in immediately to ensure that there is no spill into the lagoon. The District will practice “watchful waiting” and will continue interface with the Planning Commission. A flyer was sent out to residents that this may be coming.

- 33.** Electrical Vehicle Charging Stations - *Report by Maintenance Superintendent, Chris Foley*

Superintendent of Maintenance, Chris Foley stated the District is moving toward developing a policy and the future of the District using electric vehicles. President White asked who is paying for the electricity? Mr. Foley stated the employee will be paying for the charge and the District will be tracking the usage.

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

District Plant Engineer informed the Board of the following: The sludge tank is on line and working well. The old structures have been demoed and are being cleaned up. The motor control centers (electrical equipment) will be delivered in February. The project is moving along.

35. Bi-Annual Wastewater Treatment Plant Electricity Usage- *Report by Plant Engineer, Patrick Treanor*

District Plant Engineer informed the Board of the following: The improvements on electricity usage have reduced the electricity usage at the plant. This past six month period has shown a savings of 12,000 *kwh* each month, which is annual savings of approximately \$22K due to increased efficiencies. It is expected that similar improvements will continue after all of the remaining equipment has been installed and have run for several months.

36. December 9, 2022, PBCSD Board Meeting Summaries-*Report by General Manager, Barbara Buikema*

37. Topics For the Spring 2023 Newsletter- *Report by General Manager, Barbara Buikema*

The Board discussed a few items to include in the next newsletter.

38. Reclamation Agreement Discussion-*Discussion by Legal Counsel, Rob Wellington*
Legal Counsel, Rob Wellington, provided a table of contents as an exhibit of the amended and restated four way agreement in the packet. In early 1990's bond certificates of participation were issued in the amount of \$33.9M issued by the Water Management District and underwritten by the Pebble Beach Company. The term of the agreement shall last and continue until terminated by mutual agreement by all parties. Going forward, CAWD may need to consider the orders coming down from the Coastal Commission regarding sea level rise (SLR). Items that should be considered are what might come next. Director D'Ambrosio would like to discuss with the board in advance condemnation rules. Mr. Wellington stated that further discussion could move forward and that the proper expertise will need to be obtained regarding eminent domain including easements in that discussion. President White commented on the Meadows project and he is not sure about the demarcation of the property line and that needs to be addressed.

39. 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, January 27, 2023, at 9:30 a.m. – President White is scheduled to attend.
Friday, February 24, 2023, at 9:30 a.m. – Director D'Ambrosio 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. – Director D'Ambrosio 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, February 7, 2023, at 9:30 a.m. President White is scheduled to attend.

- 40. 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 adjourned 11:00 a.m. and took a 5 minute break. The Board then convened into closed session at 11:05 a.m. The Board came out of closed session at 11:55 a.m. and Legal Counsel reported that during the closed session the Board took up. With regard to the performance evaluation matter, the employee evaluation was completed, and no reportable action was taken. The Board came back into open session at 11:55 a.m. and the meeting was convened at 11:56 a.m.

41. ADJOURNMENT

*The next Regular Meeting will be held at 9:00 a.m., Thursday, **February 26, 2023**, or at an alternate acceptable date. NOTE: The meeting will have a teleconference option hosted through Zoom. You may access the Zoom link by visiting our website, www.cawd.org. If you need assistance, please call the District office at 831-624-1248 or send an email to 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, Secretary to the Board

APPROVED:

Ken White, President of the Board



CARMEL AREA WASTEWATER DISTRICT (CAWD)
BUDGET COMMITTEE MEETING MINUTES
January 23, 2023, Monday, 3:00 p.m.
3645 Rio Road, Carmel, CA 93923

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 3:00 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Director Greg D'Ambrosio, Committee member
Barbara Buikema, General Manager
Chris Foley, Maintenance Superintendent
Rachél Lather, Principal Engineer, CAWD
Patrick Treanor, Plant Engineer, CAWD

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

- The 2022-23 Capital Budget. The committee decided to accept the capital budget.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 4 :45 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, January 23, 2023, or an alternate acceptable date, in person and via teleconference webinar. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Bob Siegfried, President Pro Tem



CARMEL AREA WASTEWATER DISTRICT (CAWD)
BUDGET COMMITTEE MEETING MINUTES
January 31, 2023, Tuesday, 12:00 p.m.
3645 Rio Road, Carmel, CA 93923

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 12:00 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Director Greg D'Ambrosio, Committee member
Barbara Buikema, General Manager
Chris Foley, Maintenance Superintendent

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

- The 2022-23 Operations & Maintenance Budget. The committee recommended changes to be brought forward at the next committee meeting.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 1:45 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, February 23, 2023, or an alternate acceptable date, in person and via teleconference webinar. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Bob Siegfried, President Pro Tem



CARMEL AREA WASTEWATER DISTRICT (CAWD)
BUDGET COMMITTEE MEETING MINUTES
February 7, 2023, Tuesday, 12:00 p.m.
3645 Rio Road, Carmel, CA 93923

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 12:00 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Director Greg D'Ambrosio, Committee member
Barbara Buikema, General Manager
Chris Foley, Maintenance Superintendent

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

- The 2022-23 Proposed rate model was on the agenda. However, the committee decided to return to additional discussion of the 2022-23 O&M budget. They plan to discuss the rate model on February 16th.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 2:00 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, February 23, 2023, or an alternate acceptable date, in person and via teleconference webinar. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Bob Siegfried, President Pro Tem



CARMEL AREA WASTEWATER DISTRICT (CAWD)
SALARY & BENEFITS COMMITTEE MEETING MINUTES
February 9, 2023, Tuesday, 3:00 p.m.
3645 Rio Road, Carmel, CA 93923

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 3:00 p.m.

Present: President White, Committee member
Director Mike Rachel, Committee member
Barbara Buikema, General Manager

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

Closed Session:

- General Manager Review
- Administrative-Board Clerk Salary Request
- Human Resources Contract Negotiations
- Employee Negotiations -Salary Double Time Question

The committee adjourned to closed session at 3:04 p.m. The Committee came out of closed session at 3:42 p.m. The Committee took up all items listed on the agenda for closed session. The reportable action taken with regards to the Administrative-Board Clerk salary the Committee, directed that the matter be taken before the full board at their next regular meeting.

With regard to the General Manager Review, Human Resources Contract Negotiations, and the Double Time Question there was no reportable action taken.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 3:45 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, February 23, 2023, or an alternate acceptable date, in person and via teleconference webinar. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Ken White, President



**CARMEL AREA WASTEWATER DISTRICT (CAWD)
PENSION COMMITTEE MEETING MINUTES
February 13, 2023, Monday, 1:00 p.m.**

Via teleconference and in-person

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 1:00 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Kevan Urquhart, Director Committee member
Chris Foley, Acting General Manager
Robert Wellington, Legal Counsel
Bill Hastie, Managing Partner, CPFA, Hastie Financial Group
Haley Hitchman, Partner, CPFA, Hastie Financial Group
Ryan Hastie, CPFA, Hastie Financial Group

Absent: **Barbara Buikema, General Manager**

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

1. Review 4th quarter 2022 and discussed 1st quarter 2023
4th Presentation from Hastie group.
2. Discussion of Correlation Coefficients and implications
of positive correlation
No reportable action.
3. Review CalPERS Actuarial report
No action on this item.
4. Review SAM Actuarial Report
Recommendation from the committee to budget \$100,000 for FY23-24 to minimize rate
spikes when future UAL is realized.
Direction to staff to research options on SAM conversion.
5. Review Section 115 performance and make recommendation to Budget Committee
Recommendation from the committee to budget \$100,000 for FY23-24 to minimize rate
spikes when future UAL is realized.
Direction to staff to verify if there is option to combine strategies in section 115.

6. Review state of committee & communication
No action taken.
7. Graph for Quarterly & Annual investment results
Committee requested Hastie to provide a graph in next report with 4 quadrants and each fund having a description of Fund Name, the percentage return, and a benchmark.
8. Discuss replacement of S & P as a component of the
blended benchmark
Direction to staff to provide recommendation to the committee on benchmark options.

Email Hastie Director Siegfried's response to the Bill's letter dated 11/21/22

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 3:21 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, February 23, 2023, or an alternate acceptable date, in-person and via teleconference webinar. The teleconference webinar is hosted through Zoom, and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Chris Foley, Acting General Manager

APPROVED:

Bob Siegfried, President Pro Tem



CARMEL AREA WASTEWATER DISTRICT (CAWD)
BUDGET COMMITTEE MEETING MINUTES
February 16, 2023, Thursday, 12:00 p.m.
3645 Rio Road, Carmel, CA 93923

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 12:00 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Director Greg D'Ambrosio, Committee member
Barbara Buikema, General Manager
Patrick Treanor, District Plant Engineer
Chris Foley, Maintenance Superintendent

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

- The 2022-23 Proposed rate model.
The committee discussed the rate model and capital component of the rate model.
The committee took no reportable action.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 1:54 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, February 23, 2023, or an alternate acceptable date, in person and via teleconference webinar. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

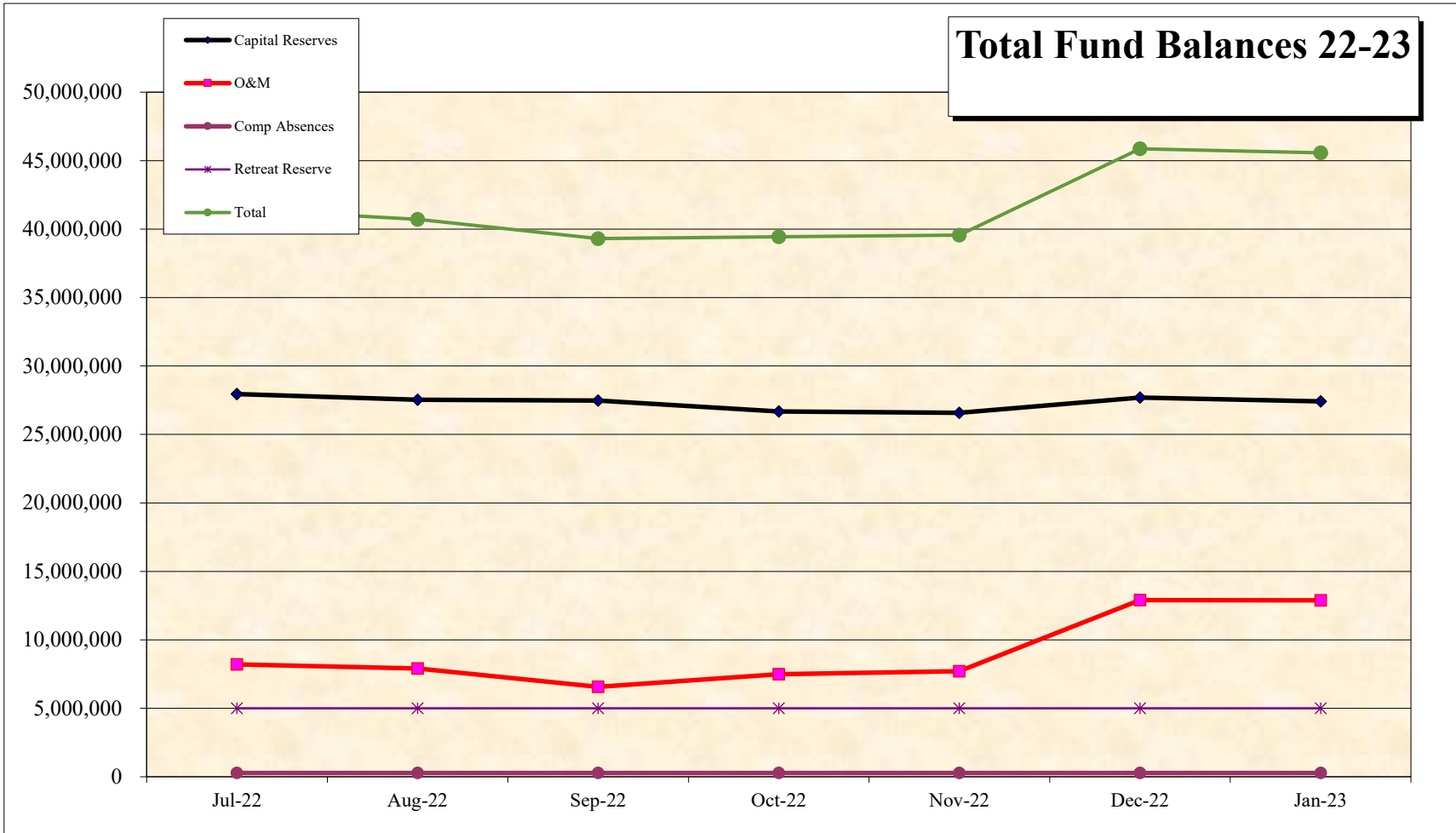
APPROVED:

Bob Siegfried, President Pro Tem

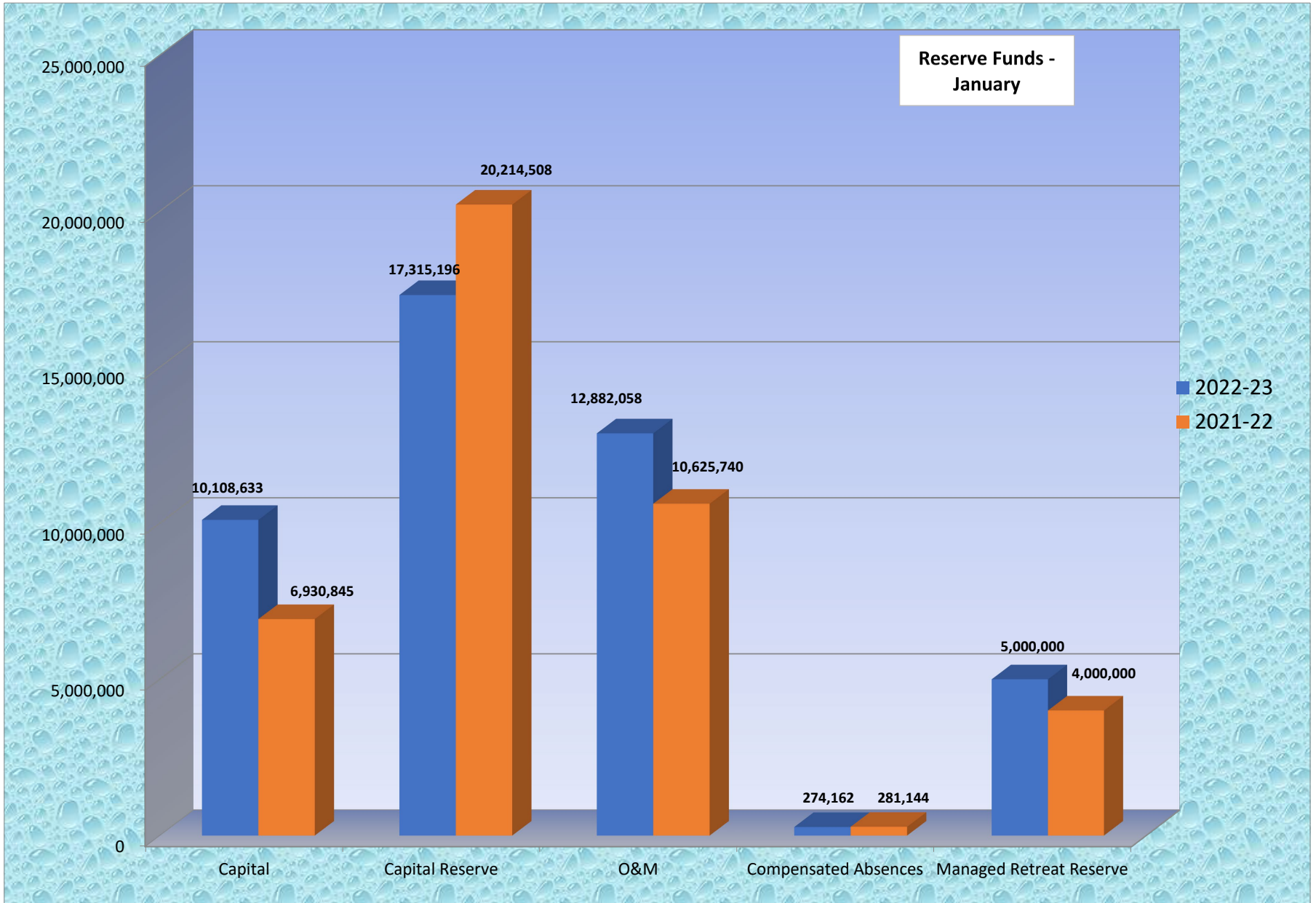
**CLA Independent Auditor Letter-
will insert when received**

Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - JANUARY 2023

	Capital Fund	Capital Improvement Reserve	General O & M Fund	Compensated Accruals Reserve	Defend or Managed Retreat Reserve	COUNTY Total Fund Balance	Chase Bank O & M Balance	Chase Bank PR Balance	L.A.I.F. Balance
BALANCE BEGINNING OF MONTH	\$10,399,816	\$17,289,289	\$12,900,983	\$274,162	\$5,000,000	\$45,864,250	\$472,993	\$123,632	\$1,204,556
Receipts:									
User Fees			123,585						
Property Taxes		25,907							
PBCSD Treatment Fees							230,000		
Reclamation O & M reimbursement							153,126		
Reclamation capital billing									
Permits							4,800		
PBCSD capital billing									
Other misc. revenue							4,228		
Interest income			166,307						6,293
Connection Fees									
CCLEAN receipts							43,163		
Worker's comp check									
GovDeals sale of spare parts									
Greeley and Hansen return duplicate check									
Void checks-replace lost checks							35,051		
Total Receipts	0	25,907	289,892	0	0	315,799	470,368	0	6,293
Fund Transfers:									
Transfers to Chase Bank O&M	(291,183)		(308,817)				600,000		
Transfers to Chase Bank PR							(260,000)	260,000	
Transfer to Defend or Managed Retreat Fund									
Intra-fund transfers for capital expenditures									
Rebalance Capital and O&M Reserves									
Total Transfers	(291,183)	0	(308,817)	0	0	(600,000)	340,000	260,000	0
Disbursements:									
Operations and capital							811,318		
Payroll & payroll taxes								376,962	
Employee Dental reimbursements							1,677		
CALPERS EFT							55,078		
CAWD SAM pension EFT							0		
CAWD pension loans EFT							0		
Home Depot EFT							31		
US Bank EFT							8,059		
Deferred comp contributions EFT							19,562	0	
PEHP contributions EFT							3,321	0	
Bank/ADP fees							0	828	
Highlands Bond Debt Service Payment									
Annual County admin billing fee									
Greeley Hansen deposit lost check									
HCM Unlocked EFT							2,250		
Total Disbursements	0	0	0	0	0	0	901,295	377,790	0
BALANCE END OF MONTH	10,108,633	17,315,196	12,882,058	274,162	5,000,000	45,580,049	382,067	5,842	1,210,849



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



Carmel Area Wastewater District
Disbursements
Jan-23

Date	Check	Vendor	Description	Amount
01/04/23	3901	American Fidelity Assurance	Employee insurance premiums	630.27
01/04/23	3902	California Assn. of Sanitation Agencies	2023 annual membership renewal	14,300.00
01/04/23	3903	CSRMA	2023 Annual Pooled Liability premium	89,852.00
01/04/23	3904	Culligan Water Conditioning	C&I exchange service for the lab	17.35
01/04/23	3905	CWEA	Employee certificate renewal	95.00
01/04/23	3906	Equitable Financial Life Insurance	Life insurance, long-term and short-term disability premiums	2,589.23
01/04/23	3907	First Alarm	Quarterly billing for Plant and admin.	615.84
01/04/23	3908	Patelco Credit Union	Health savings accounts contributions	4,992.57
01/04/23	3909	State Water Resource Control Board	Annual permit fees for NPDES WW and waster discharge requirement	24,100.00
01/04/23	3910	Syn-Tech Systems	Annual Fuelmaster renewal	550.00
01/04/23	3911	U.S. Bank National Association	Annual bond fee	60.00
01/04/23	3912	Vision Service Plan	Vision insurance premium	617.40
01/13/23	3913	Amazon Capital Services	Plant and Collections operating supplies	750.76
01/13/23	3914	American Fidelity Assurance Company	Flex accounts	163.55
01/13/23	3915	AT&T CALNET 3	Admin alarm and Plant fiber	457.82
01/13/23	3916	AT&T	Plant fiber router and IP card	718.97
01/13/23	3917	AutomationDirect, Inc.	Operating supplies	30.47
01/13/23	3918	Biobot Analytics	Influent sample testing	1,400.00
01/13/23	3919	Borges & Mahoney	2 rpm Synch motor	1,461.87
01/13/23	3920	Brain-Based Strategies Consulting	Management and Board training	7,550.00
01/13/23	3921	California American Water	Monthly service	861.32
01/13/23	3922	Chicago Title Company	Easement requests for eight parcels	4,000.00
01/13/23	3923	Cintas Corporation #63D	Laundry service	1,243.59
01/13/23	3924	Clark Pest Control	Plant service	293.00
01/13/23	3925	Commercial Truck Co.	Operating supplies	10.86
01/13/23	3926	Direct TV	Plant service	100.24
01/13/23	3927	Duke's Root Control	Root foaming for 29,915 feet of pipe	55,941.05
01/13/23	3928	OVERFLOW STUB		0.00
01/13/23	3929	Edges Electrical Group	Electrical supplies for various Plant and admin repairs	1,591.65
01/13/23	3930	El Camino Machine & Welding	Racks for Collections generators	284.19
01/13/23	3931	eNPDES.com & Associates	Annual CIWQS compliance software for the lab	875.00

Carmel Area Wastewater District
Disbursements
Jan-23

Date	Check	Vendor	Description	Amount
01/13/23	3932	Fastenal Company	Operating supplies	1,572.72
01/13/23	3933	Fas Trak Invoice Processing Department	Bridge toll for employee training class	7.00
01/13/23	3934	Ferguson Enterprises	Collection supplies	988.67
01/13/23	3935	Fisher Scientific	Lab supplies	108.65
01/13/23	3936	Gierlich-Mitchell, Inc.	Two M84 manhole monitors with opti-floats and service packages	5,381.57
01/13/23	3937	Harrington Industrial Plastics	Operating supplies	446.76
01/13/23	3938	ICON Cloud Solutions	Telephone service	599.43
01/13/23	3939	MBS Business Systems	Admin copier quarterly billing	757.63
01/13/23	3940	Miele, Inc.	Lab supplies	78.92
01/13/23	3941	Monterey Bay Engineers	Emergency Lorca Lane Sewer Relocation #22-07 (CAPITAL)	10,325.00
01/13/23	3942	Monterey Tire Service	Cart supplies	160.31
01/13/23	3943	NAPA Auto Parts	Vehicle parts	692.62
01/13/23	3944	Peninsula Welding & Medical Supply	Non-liquid cylinder rent	38.70
01/13/23	3945	Pacific Gas & Electric	Monthly service	10,756.22
01/13/23	3946	Pure Water	Plant and admin service	141.75
01/13/23	3947	Quill LLC	Admin office supplies	254.66
01/13/23	3948	Scarborough Lumber (ACE)	Plant and Collections operating supplies	203.00
01/13/23	3949	Sigma-Aldrich, Inc.	Lab supplies	111.50
01/13/23	3950	Streamline	Website maintenance	400.00
01/13/23	3951	Synagro Technologies	Sludge hauling	6,399.43
01/13/23	3952	Teledyne Instruments	Refrigerated Sampler 5800 for the lab	9,217.96
01/13/23	3953	Toro Petroleum	Gasoline, diesel and oil	10,745.51
01/13/23	3954	Univar Solutions USA Inc.	Sodium hypochlorite and bisulfate	15,235.92
01/13/23	3955	Universal Staffing	Admin temp service	126.00
01/13/23	3956	The UPS Store	Shipping costs to send instruments for calibration	39.54
01/13/23	3957	USA Blue Book	Zoeller High Head Waste Pumps, switches and flange kits	2,885.26
01/13/23	3958	WM Corporate Services	Plant rollofs and admin garbage	2,434.56
01/20/23	3959	Amazon Capital Services	Plant and Collections operating supplies	224.50
01/20/23	3960	Applied Marine Sciences	CCLEAN expenses	3,479.46
01/20/23	3961	AT&T Mobility	Cell service	427.17
01/20/23	3962	AT&T	Voice routing	52.46

Carmel Area Wastewater District
Disbursements
Jan-23

Date	Check	Vendor	Description	Amount
01/20/23	3963	AutomationDirect, Inc.	Operating supplies	1,073.19
01/20/23	3964	Barbara Buikema	Postage for public records request	12.05
01/20/23	3965	Bryan Mailey Electric	Plant and admin electrical work	5,965.93
01/20/23	3966	Buckles-Smith Electric	Power monitor 1000 volt and accessory kit	1,526.39
01/20/23	3967	Burleson Consulting	Perimeter Fence Project #19-18 (CAPITAL)	3,138.75
01/20/23	3968	California American Water	Monthly service	112.93
01/20/23	3969	CAWD\PBSCD Reclamation Project	Reimbursement for tertiary lab PG&E	707.97
01/20/23	3970	Chicago Title Company	Easement request for one parcel	500.00
01/20/23	3971	Christian Schmidt	Dental	426.80
01/20/23	3972	Cintas Corporation #63D	Laundry service	414.53
01/20/23	3973	Clark Bros., Inc.	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL) , Progress payment #15	234,336.50
01/20/23	3974	Comcast	Admin internet	276.41
01/20/23	3975	Conte's Generator Service	Block heater	405.79
01/20/23	3976	Currie Engineers	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL) ,	19,827.30
01/20/23	3977	Grainger	Rain gear and operating supplies	386.68
01/20/23	3978	Greeley and Hansen	Long term sea level rise planning	14,071.11
01/20/23	3979	Image Source	Plant copier	81.47
01/20/23	3980	Kennedy/Jenks Consultants	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL) ,	17,911.00
01/20/23	3981	Mark Dias	Training class expenses and dental (\$385.00)	1,088.13
01/20/23	3982	McMaster-Carr	Small tools	191.53
01/20/23	3983	Pacific Gas & Electric	Monthly service	33,127.76
01/20/23	3984	Public Agency Coalition Enterprise	Health insurance	33,676.51
01/20/23	3985	Quill LLC	Office supplies	96.27
01/20/23	3986	Robert Siegfried	Dental	690.00
01/20/23	3987	Solenis LLC	Praestol K 144 L-NA IBC polymer	23,449.55
01/20/23	3988	Town & Country Gardening	Monthly service	700.00
01/20/23	3989	Weco Industries	Plant operating supplies	1,200.47
01/20/23	3990	Wellington & Rathie	District legal services	6,958.00
01/20/23	3991	Whitson Janitorial Service	Plant and admin janitorial service	1,300.00
01/25/23	3992	Public Agency Coalition Enterprise	Replace lost check #3795 from 11-17-22	35,051.20

Carmel Area Wastewater District
Disbursements
Jan-23

Date	Check	Vendor	Description	Amount
01/26/23	3993	Acme Analytical Solutions	Acetic acid	250.57
01/26/23	3994	Amazon Capital Services	Operating supplies	413.94
01/26/23	3995	Amerigas	Propane for Highlands pump station	1,151.99
01/26/23	3996	American Fidelity Assurance Company	Flex accounts	694.49
01/26/23	3997	AT&T Mobility	SCADA text modem	60.42
01/26/23	3998	AT&T	IP card and Plant fiber router	718.97
01/26/23	3999	Barry Blevins	Storm call out meal	17.68
01/26/23	4000	Cintas Corporation #63D	Laundry service	450.10
01/26/23	4001	Clark Pest Control	Plant service	293.00
01/26/23	4002	CliftonLarsonAllen LLP	Bank reconciliation oversight	450.00
01/26/23	4003	Comcast	Pump station internet	537.00
01/26/23	4004	Controlling Ins. Cost in Calif. Schools	Annual Employee Assistance Program fee	602.64
01/26/23	4005	Daryl Lauer	Dental	175.00
01/26/23	4006	Datco Services Corporation	Employee controlled substance test	126.75
01/26/23	4007	Direct TV	Plant service	100.24
01/26/23	4008	Edges Electrical Group	Electrical supplies for Plant and collections	1,462.28
01/26/23	4009	Fastenal Company	Operating supplies for the Plant	7,730.81
01/26/23	4010	Got.Net	Domain parking	4.20
01/26/23	4011	Margolin David L & Jann J TRS	User charge refunds	5,533.53
01/26/23	4012	Mark Napier	Storm call out meal	16.03
01/26/23	4013	Monterey Fire Extinguisher	Admin service	50.00
01/26/23	4014	NAPA Auto Parts	Repair part	232.43
01/26/23	4015	Nicolay Consulting Group	Actuarial services for audit, pension statements and funding	8,125.95
01/26/23	4016	The Pun Group	Audit fee	28,550.00
01/26/23	4017	SRT Consultants	Bay/Scenic Pump Station Rehab. Project #20-07 (CAPITAL)	5,644.60
01/26/23	4018	Star Sanitation LLC	Collections portable toilet rental	23.05
01/26/23	4019	State Water Resource Control Board	Annual permit fee for NPDES SW Industrial Issued IGO	1,738.00
01/26/23	4020	Univar Solutions USA Inc.	Sodium bisulfate	7,856.28
01/26/23	4021	USA Blue Book	CorePRO sampler and bib overalls	833.88
				812,994.93

CAWD/PBCSD Reclamation Project
Disbursements
Jan-23

Date	Check	Vendor	Description	Amount
01/04/23	832	Alliant Insurance Services Inc.	2023 Commercial Package	25,838.31
01/04/23	833	Pacific Gas & Electric	Tertiary billing	19,953.86
01/13/23	834	Automationdirect.com	Prosense alternating relays	64.65
01/13/23	835	Brenntag Pacific	Brennfloc RE 5000 and tote returns	5,522.86
01/13/23	836	eNPDES.com & Associates	Annual CIWQS compliance software for the lab	875.00
01/13/23	837	Fisher Scientific	Lab supplies	108.66
01/13/23	838	Miele, Inc.	Lab supplies	78.93
01/13/23	839	Pebble Beach Company	Bond principal and interest, past letter of credit and bond fees and project rep costs	276,610.77
01/13/23	840	R.F. MacDonald Co.	Gould volute pump	15,007.39
01/13/23	841	SCP Science	Lab supplies	225.99
01/13/23	842	Sigma-Aldrich, Inc.	Lab supplies	111.51
01/13/23	843	Thatcher Company of California	Citric acid and container return	18,935.45
01/20/23	844	Atlas Copco	Filter kits and Smartboxes	1,786.38
01/20/23	845	Brenntag Pacific	Ammonium hydroxide	5,007.82
01/20/23	846	Bryan Mailey Electric	Electrical service	5,100.00
01/20/23	847	Carmel Area Wastewater District	O&M, chemical and PG&E reimbursement	74,209.52
01/20/23	848	Grainger	Motor start capacitor	15.73
01/20/23	849	Pacific Gas & Electric	MF/RO billing	24,003.19
01/20/23	850	Trussell Technologies Inc.	MF/RO Ops Support Data Review	8,207.50
01/26/23	860	Acme Analytical Solutions	Acetic acid	250.57
01/26/23	859	Brenntag Pacific	Ammonium hydroxide	5,045.86
01/26/23	858	Cal-Am Water	Hydrant meter K	2,822.29
01/26/23	857	Edges Electrical	Electrical supplies	782.94
01/26/23	856	Hach Company	Fiber wipers, desiccant cartridges and process vials	994.92
01/26/23	855	Harrington Industrial Plastics	Sulfuric Acid Tank Project #18-26 (CAPITAL)	126.97
01/26/23	854	Motion Industries	TEFC electric motor	479.82
01/26/23	853	Pebble Beach Community Services District	O&M reimbursement	20,587.92
01/26/23	852	The Pun Group, LLP	Balance due for the audit fee	1,850.00
01/26/23	851	Siemens Industry	SITRANS P320 pressure transmitter	1,826.36
				516,431.17



**Financial Statements
and
Supplementary Schedules**

January 2023

February 23, 2023

Carmel Area Wastewater District

Balance Sheet

January 2023

ASSETS			
Current Assets			
Cash			
Cash	47,178,807.54		
TOTAL Cash	47,178,807.54		47,178,807.54
Other Current Assets			
Other Current Assets	294,140.03		
TOTAL Other Current Assets	294,140.03		294,140.03
TOTAL Current Assets			47,472,947.57
Fixed Assets			
Land			
Land	308,059.76		
TOTAL Land	308,059.76		308,059.76
Treatment Structures			
Treatment Structures	70,377,201.24		
TOTAL Treatment Structures	70,377,201.24		70,377,201.24
Treatment Equipment			
Treatment Equipment	8,864,043.57		
TOTAL Treatment Equipment	8,864,043.57		8,864,043.57
Collection Structures			
Collection Structures	1,238,843.71		
TOTAL Collection Structures	1,238,843.71		1,238,843.71
Collection Equipment			
Collection Equipment	1,524,870.54		
TOTAL Collection Equipment	1,524,870.54		1,524,870.54
Sewers			15,508,199.42
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	4,511,351.21		
TOTAL Other Fixed Assets	4,511,351.21		4,511,351.21
Capital Improvement Projects			
Capital Improvement Projects	7,323,010.86		
TOTAL Capital Improvement Projects	7,323,010.86		7,323,010.86
Accumulated depreciation			(56,777,957.36)
TOTAL Fixed Assets			54,521,513.80
Other Assets			
Other Assets		3,666,420.35	
TOTAL Other Assets			3,666,420.35
TOTAL ASSETS			105,660,881.72

Carmel Area Wastewater District

Balance Sheet

January 2023

LIABILITIES

Current Liabilities		
Current Liabilities	430,330.60	
TOTAL Current Liabilities	430,330.60	430,330.60
Long-Term Liabilities		
Long Term Liabilities	(648,709.61)	
TOTAL Long-Term Liabilities	(648,709.61)	(648,709.61)
TOTAL LIABILITIES		(218,379.01)
	 NET POSITION	
Net Assets	101,293,950.98	
Year-to-Date Earnings	4,585,309.75	
TOTAL NET POSITION	105,879,260.73	105,879,260.73
TOTAL LIABILITIES & NET POSITION		105,660,881.72

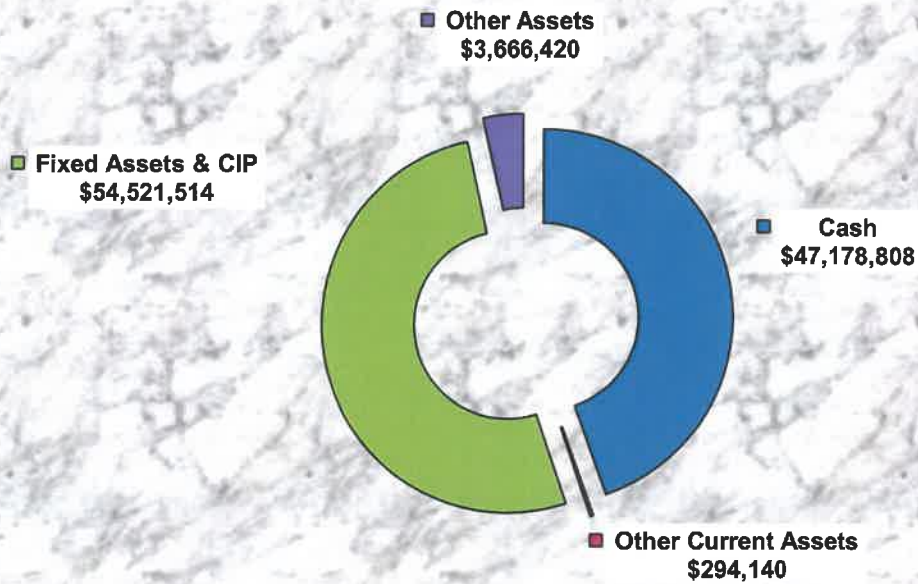
Carmel Area Wastewater District
Income Statement Actual to Budget
Year-to-Date Variance, January 2023 - current month, Consolidated by account

	<i>7 Months Ended January 31, 2023</i>	<i>7 Months Ended January 31, 2023 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	7,650,741.12	7,318,227.51	332,513.61	4.5 %
TOTAL Income	7,650,741.12	7,318,227.51	332,513.61	4.5 %
Adjustments				
Discounts	14.54	0.00	14.54	
TOTAL Adjustments	14.54	0.00	14.54	
*****	7,650,755.66	7,318,227.51	332,528.15	4.5 %
***** OPERATING INCOME	7,650,755.66	7,318,227.51	332,528.15	4.5 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	2,267,494.87	2,513,943.50	246,448.63	9.8 %
TOTAL Salaries and Payroll Taxes	2,267,494.87	2,513,943.50	246,448.63	9.8 %
Employee Benefits				
Employee Benefits	559,179.59	481,309.80	(77,869.79)	-16.2 %
TOTAL Employee Benefits	559,179.59	481,309.80	(77,869.79)	-16.2 %
Director's Expenses				
Director's Expenses	16,402.27	20,521.93	4,119.66	20.1 %
TOTAL Director's Expenses	16,402.27	20,521.93	4,119.66	20.1 %
Truck and Auto Expenses				
Truck and Auto Expenses	36,227.38	51,916.61	15,689.23	30.2 %
TOTAL Truck and Auto Expenses	36,227.38	51,916.61	15,689.23	30.2 %
General and Administrative				
General and Administrative	507,810.27	500,016.69	(7,793.58)	-1.6 %
TOTAL General and Administrative	507,810.27	500,016.69	(7,793.58)	-1.6 %
Office Expense				
Office Expense	43,473.61	51,460.50	7,986.89	15.5 %
TOTAL Office Expense	43,473.61	51,460.50	7,986.89	15.5 %
Operating Supplies				
Operating Supplies	254,353.38	304,271.59	49,918.21	16.4 %
TOTAL Operating Supplies	254,353.38	304,271.59	49,918.21	16.4 %
Contract Services				
Contract Services	459,876.74	540,523.56	80,646.82	14.9 %
TOTAL Contract Services	459,876.74	540,523.56	80,646.82	14.9 %

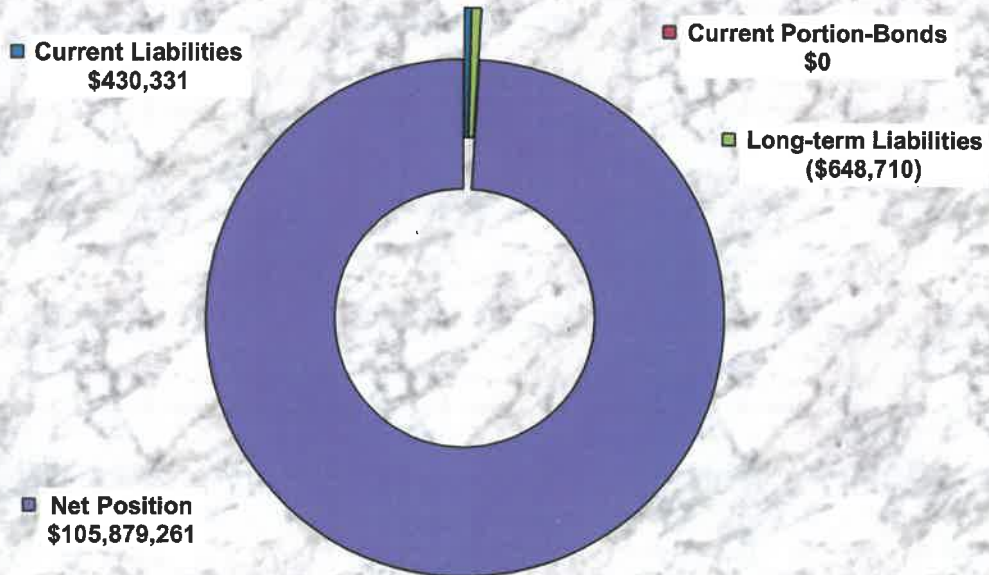
Carmel Area Wastewater District
Income Statement Actual to Budget
Year-to-Date Variance, January 2023 - current month, Consolidated by
account

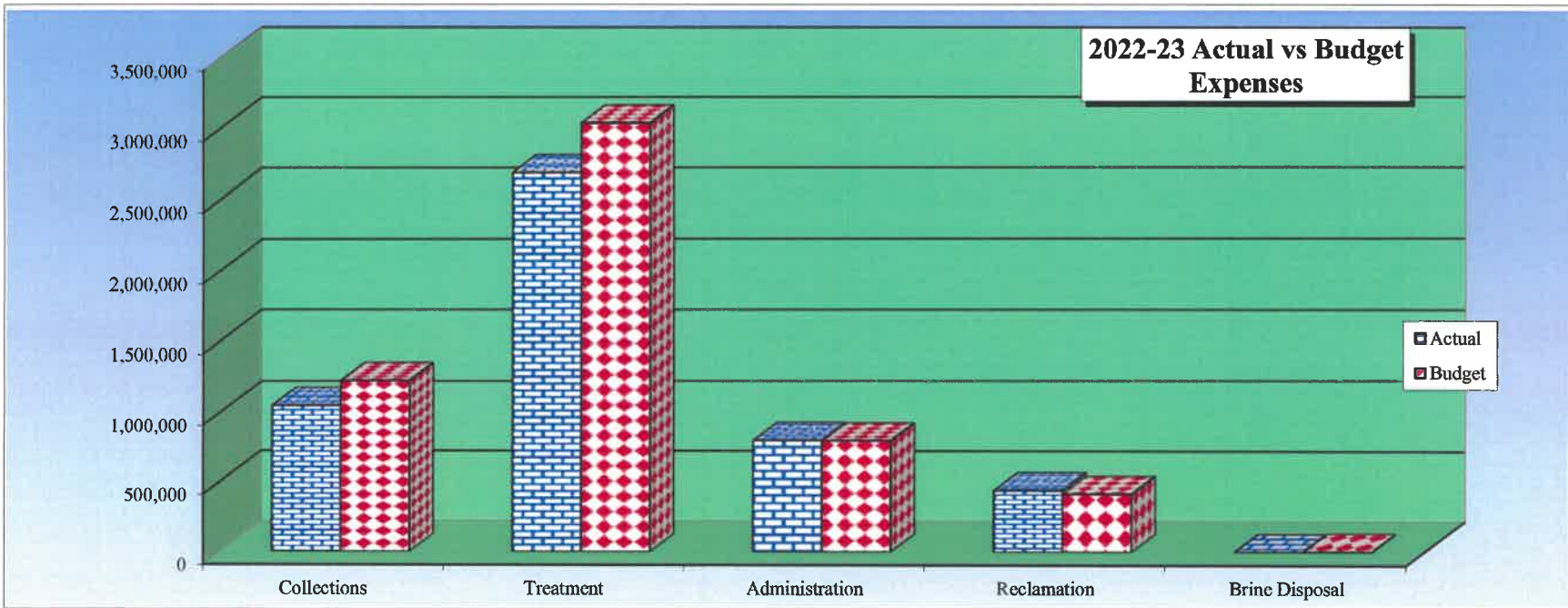
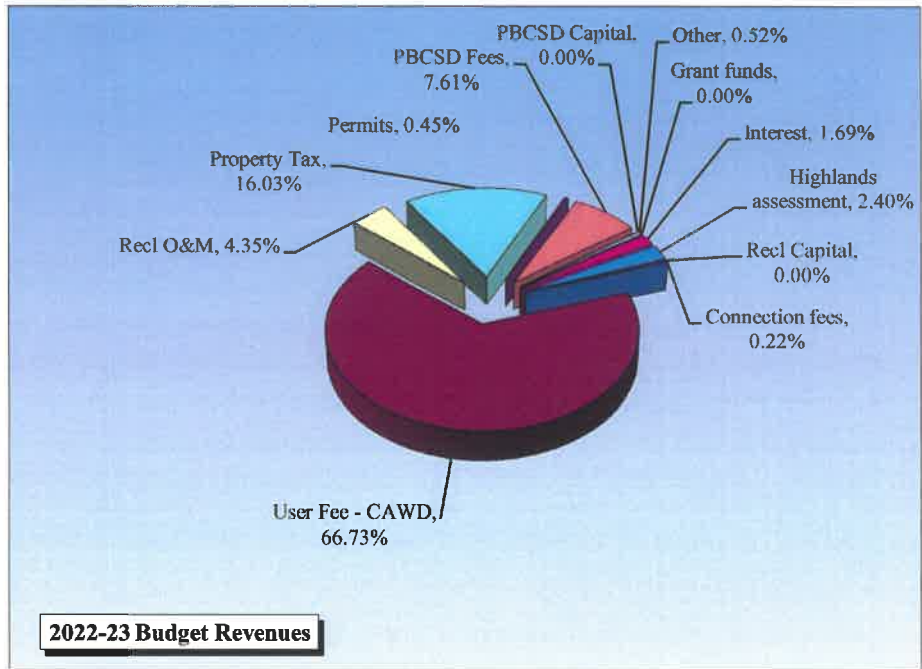
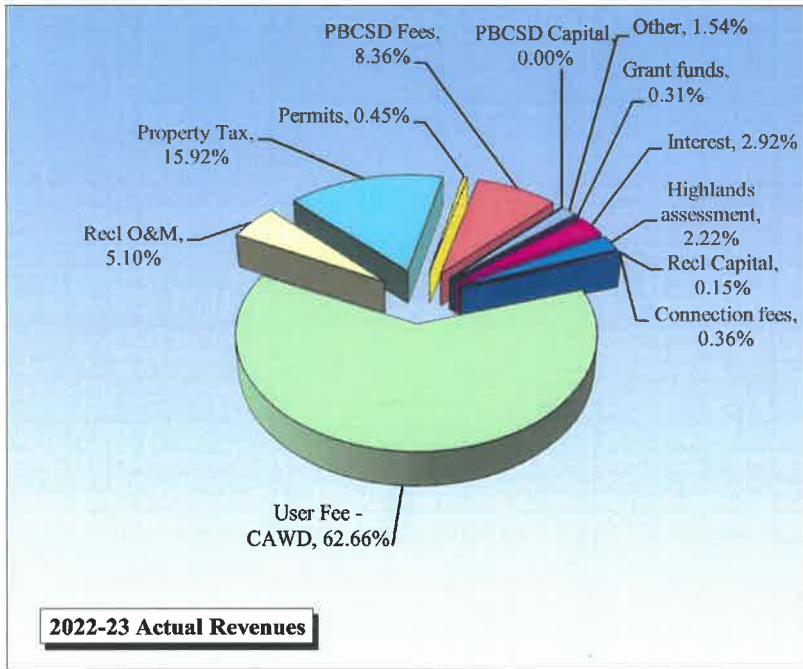
	<i>7 Months Ended January 31, 2023</i>	<i>7 Months Ended January 31, 2023 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	424,241.08	561,508.81	137,267.73	24.4 %
TOTAL Repairs and Maintenance	424,241.08	561,508.81	137,267.73	24.4 %
Utilities				
<i>Utilities</i>	233,035.16	222,853.19	(10,181.97)	-4.6 %
TOTAL Utilities	233,035.16	222,853.19	(10,181.97)	-4.6 %
Travel and Meetings				
<i>Travel and Meetings</i>	25,677.20	33,299.20	7,622.00	22.9 %
TOTAL Travel and Meetings	25,677.20	33,299.20	7,622.00	22.9 %
Permits and Fees				
<i>Permits and Fees</i>	59,931.50	74,838.00	14,906.50	19.9 %
TOTAL Permits and Fees	59,931.50	74,838.00	14,906.50	19.9 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	30,828.16	32,289.05	1,460.89	4.5 %
TOTAL Memberships and Subscriptions	30,828.16	32,289.05	1,460.89	4.5 %
Safety				
<i>Safety</i>	33,988.43	76,908.30	42,919.87	55.8 %
TOTAL Safety	33,988.43	76,908.30	42,919.87	55.8 %
Other Expenses				
<i>Other Expense</i>	19,261.68	10,991.69	(8,269.99)	-75.2 %
TOTAL Other Expenses	19,261.68	10,991.69	(8,269.99)	-75.2 %
TOTAL Operating Expenses	4,971,781.32	5,476,652.42	504,871.10	9.2 %
***** OPERATING INCOME (LOSS)	2,678,974.34	1,841,575.09	837,399.25	45.5 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
<i>Other Income, Gain, Expense and Loss</i>	1,906,335.41	1,568,282.00	338,053.41	21.6 %
TOTAL Other Income or Gain	1,906,335.41	1,568,282.00	338,053.41	21.6 %
TOTAL Non-op Income, Expense, Gain or Loss	1,906,335.41	1,568,282.00	338,053.41	21.6 %
***** NET INCOME (LOSS)	4,585,309.75	3,409,857.09	1,175,452.66	34.5 %
***** NET INCOME (LOSS)	4,585,309.75	3,409,857.09	1,175,452.66	34.5 %

Assets - January 31, 2023

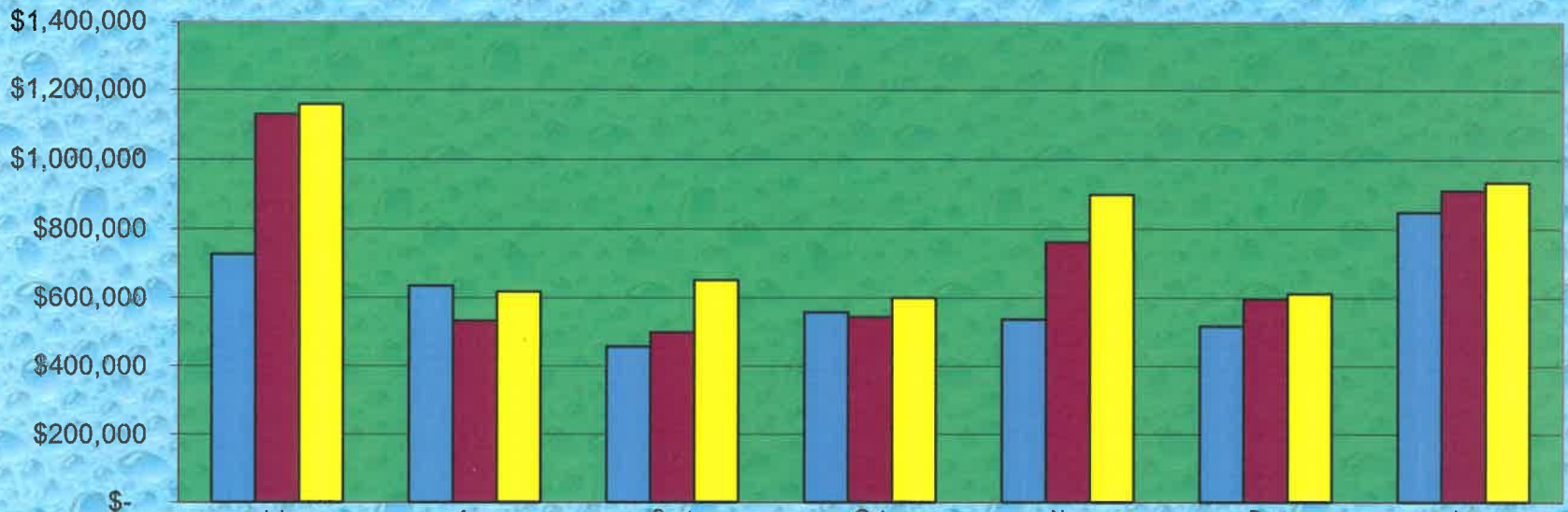


Liabilities - January 31, 2023





Operating Expenses



	July	Aug	Sept	Oct	Nov	Dec	Jan
■ FY 21-22	\$726,464	\$636,022	\$457,080	\$557,531	\$537,313	\$518,130	\$848,165
■ FY 22-23	\$1,129,338	\$532,107	\$498,951	\$543,933	\$761,735	\$595,405	\$910,312
■ CY Budget	\$1,159,356	\$618,626	\$652,827	\$600,535	\$898,527	\$613,186	\$933,595

**Carmel Area Wastewater District
Capital Expenditures
2022-23**

	BEG BAL	JAN	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
		0	0	0	0	NA
		0	0	0	0	NA
<u>Collections</u>						
Jetter water pump hydraulic system-unbudgeted		0	11,575	11,575	0	NA
Pescadero emergency repair-unbudgeted		0	11,380	11,380	0	NA
Flygt pump for MV and 16th pump station-unbudgeted		15,270	15,270	15,270	0	NA
<u>Treatment</u>						
Eaton SVX9000 refurbished VFD for Reclamation-unbudgeted		0	14,208	14,208	0	NA
Pavement and water line repair-unbudgeted		0	14,095	14,095	0	NA
RECL share	0	0	(14,208)	(14,208)	0	NA
PBCSD share (1/3 of cost)	0	0	(4,698)	(4,698)	0	NA
<i>Total Capital Purchases 22-23</i>		15,270	47,622	47,622	0	NA

**Carmel Area Wastewater District
Capital Expenditures
2022-23**

	BEG BAL	JAN	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CIP PROJECTS</u>						
<u>Administration</u>						
<u>Collections</u>						
Construction of new Gravity Sewer Line-Carmel Meadows	474,359	0	36,839	511,198	2,000,000	1.84%
Carmel Valley Manor Sewer-unbudgeted	180	0	0	180	0	NA
Scenic Rd Pipe Burst-Ocn/Bay	231,786	846	16,434	248,220	3,500,000	0.47%
Bay/Scenic Pump Station Rehab	30,892	9,443	32,628	63,520	650,000	5.02%
Pescadero Creek Area Pipe Rehab	89,236	12,865	86,277	175,513	100,000	86.28%
Vactor Receiving Station	0	0	11,996	11,996	100,000	12.00%
Lorca Lane Sewer Repair-budget amendment	0	0	10,325	10,325	153,500	NA
<u>Treatment</u>						
RECL share	0	0	0	0	0	NA
PBCSD share (1/3 of cost)	0	0	0	0	0	NA
<i>Total CIP Projects 22-23</i>	826,453	23,155	194,499	1,020,952	6,503,500	2.99%

**Carmel Area Wastewater District
Capital Expenditures
2022-23**

	BEG BAL	JAN	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<i>LONG TERM CIP PROJECTS</i>						
<u>Treatment</u>						
Perimeter Fence	0	3,139	31,020	31,020	275,000	11.28%
Elec/Mech Rehab & Sludge Holding Tank Project (RECL 2.7%)	4,321,103	381,325	1,889,159	6,210,263	4,820,750	39.19%
Aeration Basin Improvements-unbudgeted	17,332	0	0	17,332	0	NA
Potable Water & Gas Main Replacement	0	0	43,444	43,444	100,000	43.44%
RECL share	(116,670)	(10,296)	(51,007)	(167,677)	(130,160)	39.19%
PBCSD share (1/3 of cost)	(1,407,255)	(124,723)	(637,539)	(2,044,794)	(1,688,530)	37.76%
<i>Total Long Term CIP Projects 22-23</i>	2,814,510	249,445	1,275,078	4,089,588	3,377,060	37.76%
Total Capital (net of RECL and PBCSD)	3,640,963	287,870	1,517,199	5,158,162	9,880,560	15.36%

Carmel Area Wastewater District Variance Analysis

2022-23

**YTD Actual/
YTD Budget
Variance**

Salaries and Payroll Taxes

Employee Benefits -16.20% Worker's compensation insurance underbudgeted.

Director's Expenses

Truck and Auto Expenses

General and Administrative

Office Expense

Operating Supplies

Contract Services

Repairs and Maintenance

Utilities

Travel and Meetings

Permits and Fees

Memberships and Subscriptions

Safety

Other Expense -75.20% Recruiting unbudgeted. Newsletter underbudgeted.

District Obligations:

1) 2004 Highlands Project Bond Proceeds \$3,057,165 - Balance \$400,000

**Carmel Area Wastewater District
2022-23 Resolutions Amending the Budget**

Resolution #	Description	Budgeted	Amendment	Spent To Date
2023-02	A Resolution authorizing the General Manager to execute a contract with Monterey Peninsula Engineering in an amount not to exceed \$153,500 for an emergency sewer relocation at Lorca Lane and Del Monte Street, Project #22-07.	\$ -	\$ 153,500	\$ 10,325
Total To Date		<u>\$ -</u>	<u>\$ 153,500</u>	<u>\$ 10,325</u>

STAFF REPORT



TO: Board of Directors

FROM: Daryl Lauer, Collection Superintendent

DATE: February 23, 2023

SUBJECT: Monthly Report – January

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in January	13
Total Fees	\$2,760.00

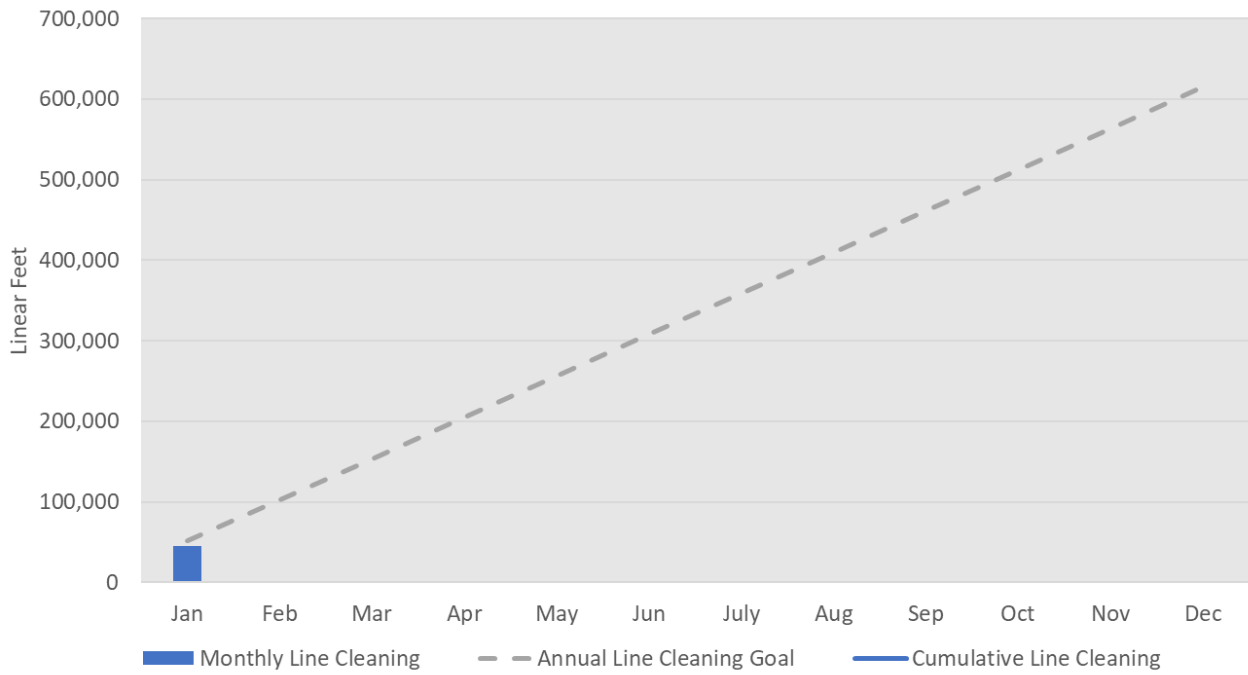
Maintenance

Attached is a map of the areas cleaned and Closed-Circuit Television (CCTV) inspected in past three months. There were 46,421 feet of sewer lines cleaned, there were no CCTV inspections during the month of January.

Recent Line Cleaning Summary

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
January	46,421 ft.	11.29%	6 – 10 inches
December	47,393 ft.	11.38%	6 - 12 inches
November	51,682 ft.	12.57%	6 – 27 inches

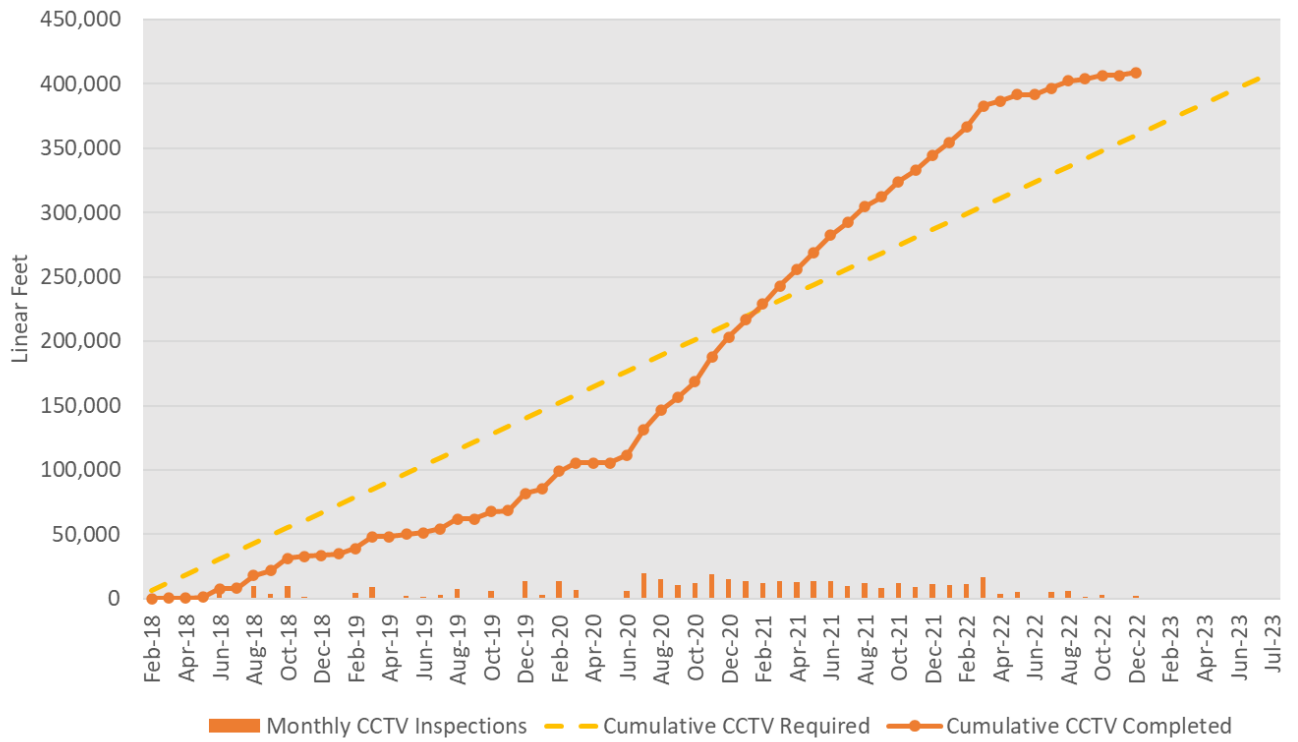
Annual Line Cleaning Graph



Line Cleaning Table

Total Target Amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
615,000	46,421	568,579

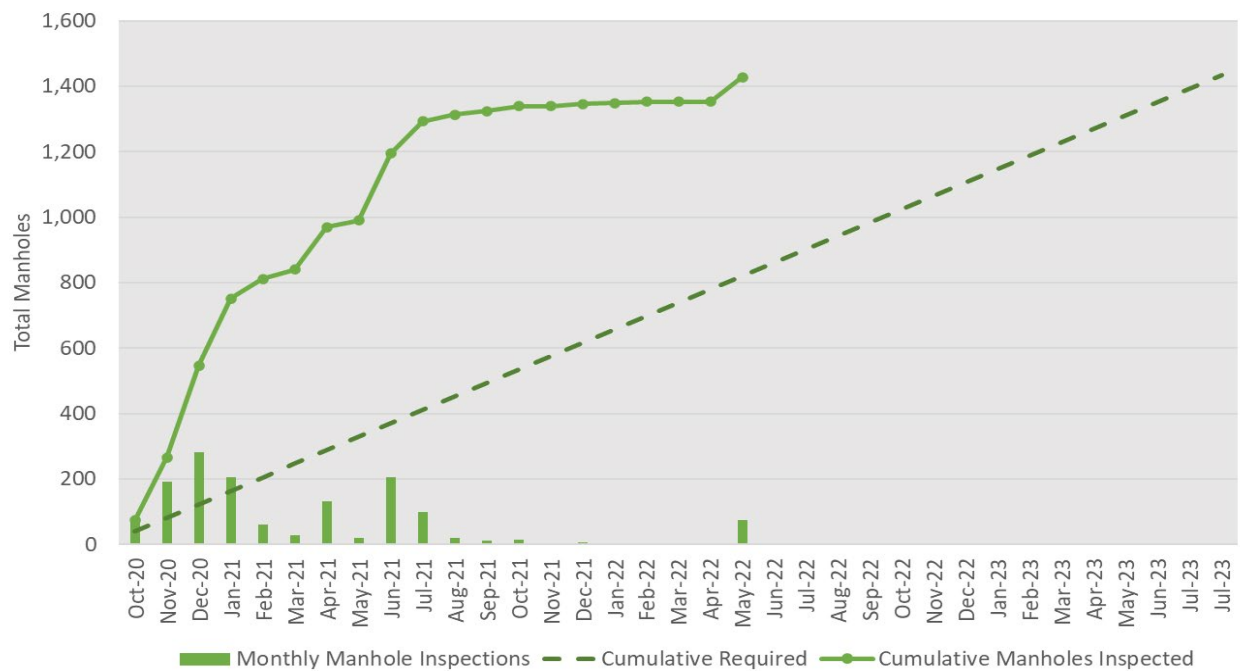
CCTV Progress Graph (River Watch Settlement Agreement Target)



CCTV Table

Total Required amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
408,672	408,672	0

Manhole Inspection Progress Graph (Riverwatch Settlement Agreement Target)



Manhole Inspection Table

Total Required Amount (Manholes)	Actual Complete (Manholes)	Remaining (Manholes)
1428	1428	0

Riverwatch Update

- Staff has completed the manhole inspection part of the settlement. The Principal Engineer will use this data to schedule rehabilitation or replacement of damaged or deteriorated manholes.
- Staff has completed the CCTV inspections and pumps station evaluations are being reviewed by the Principal Engineer. All of this information will be used for the final Collection System Asset Management Plan.

Construction Activities

- CAWD was notified on 1/6/2023 by the County of Monterey of a sewer line and manhole that were in danger of collapsing due to erosion of the roadway caused by the large atmospheric storm events previously in the month.

Staff set up by-pass equipment and plugged the sewer main so no sewage would flow through the manhole on the bluff. Contractors were brought in on an emergency basis to regrade the sewer line to discharge on Valley View. The emergency project took about two weeks from start to finish.

Staff Development

- Staff completed several in-person tail gate trainings.

General Comments

- I would like to thank staff for all their dedication and effort for the long hours worked during the storms in the first two weeks of January.

Service calls responded to by Crew

c	Time	Callout	Resolution
1/5/2023	2:17 PM	Lateral Overflow	Called by homeowner for a lateral overflow. Staff cleaned District main line and found no problems in District's line. Staff informed owner to call a plumber of their choice.
1/6/2023	3:48 PM	Infrastructure Damage	Called by the County of Monterey for a report of a District manhole on Scenic in danger of collapse. See construction activities for summary.

Date	Time	Callout	Resolution
1/16/2023	1:43 PM	Storm Drain Damage	Called by homeowner for a report of a sewer overflow in the Carmel Meadows area. Staff arrived onsite to find a storm drain that was damaged by a fallen tree. District infrastructure was not damaged and no sewer overflow. Informed homeowner to contact The County of Monterey for repairs.
1/17/2022	10:38 AM	Main Line Stoppage Sanitary Sewer Overflow (SSO)	Called by homeowner at 25797 Morse Dr. for a sewer overflowing from their cleanout. Staff arrived on scene and found the mainline to be partially blocked. Staff used pressure cleaner to open the blockage. Estimated 5,419 gallons spilled. Staff cleaned the area and restored flow. Staff determined that roots at a cracked section of pipe were the cause of the blockage. Repairs will be scheduled to fix the damaged section of pipe in the future. See attached map for location of spill.
1/23/2023	9:15 AM	Lateral Overflow	Called by homeowner for a lateral overflow. Staff cleaned District main line and found no problems in District's line. Staff informed owner to call a plumber of their choice.
1/31/2023	1:30 PM	Lateral Overflow	Called by homeowner for a lateral overflow. Staff cleaned District main line and found no problems in District's line. Staff informed owner to call a plumber of their choice.

USA Location Requests – 138

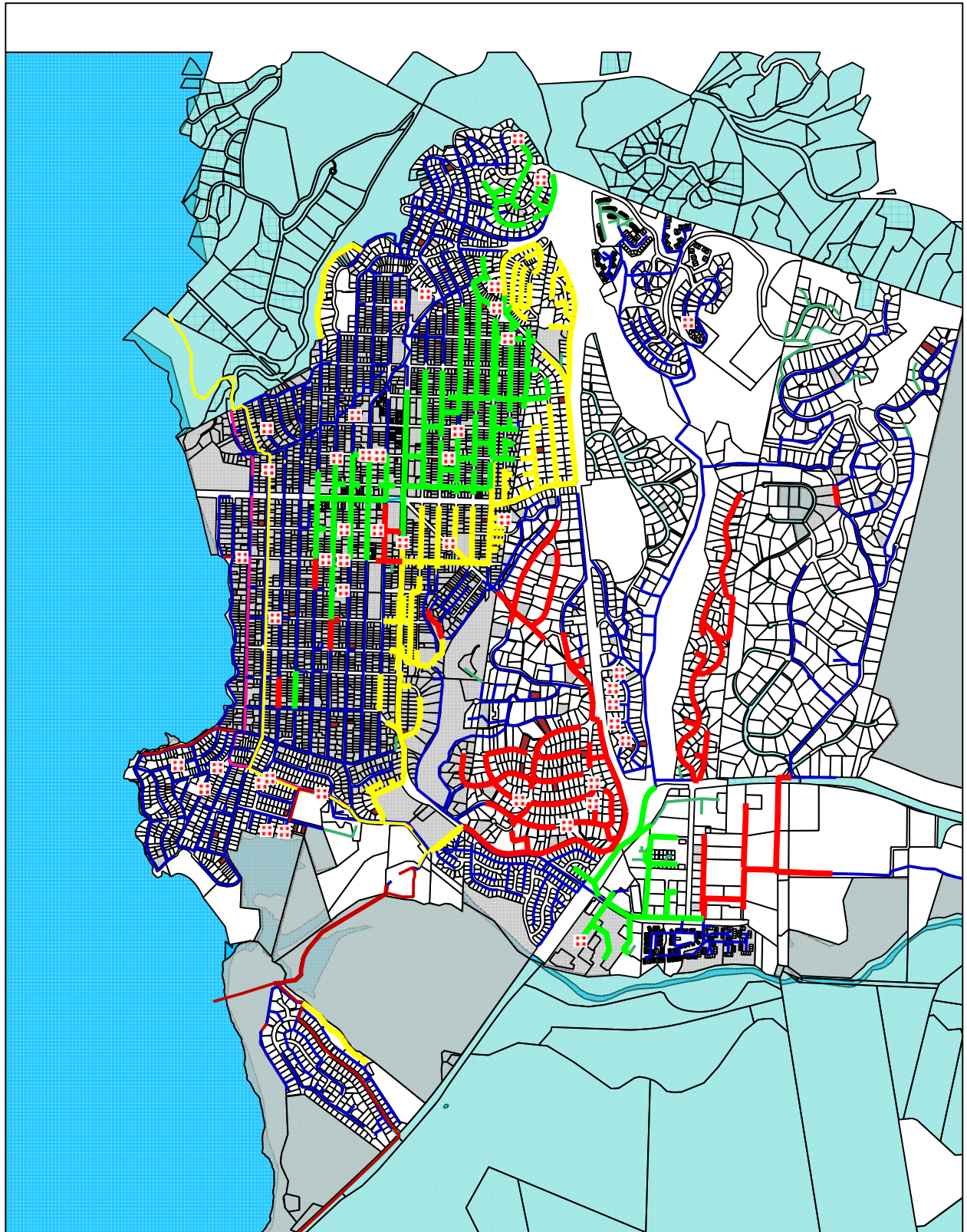
Plumbing permit inspections – 10

Private Sewer Lateral Compliance Certificates Issued – 11

FUNDING N/A

January (Red) 46,421 feet
December (Yellow) 47,393 feet
November (Green) 51,682 feet

Monthly Cleaning map

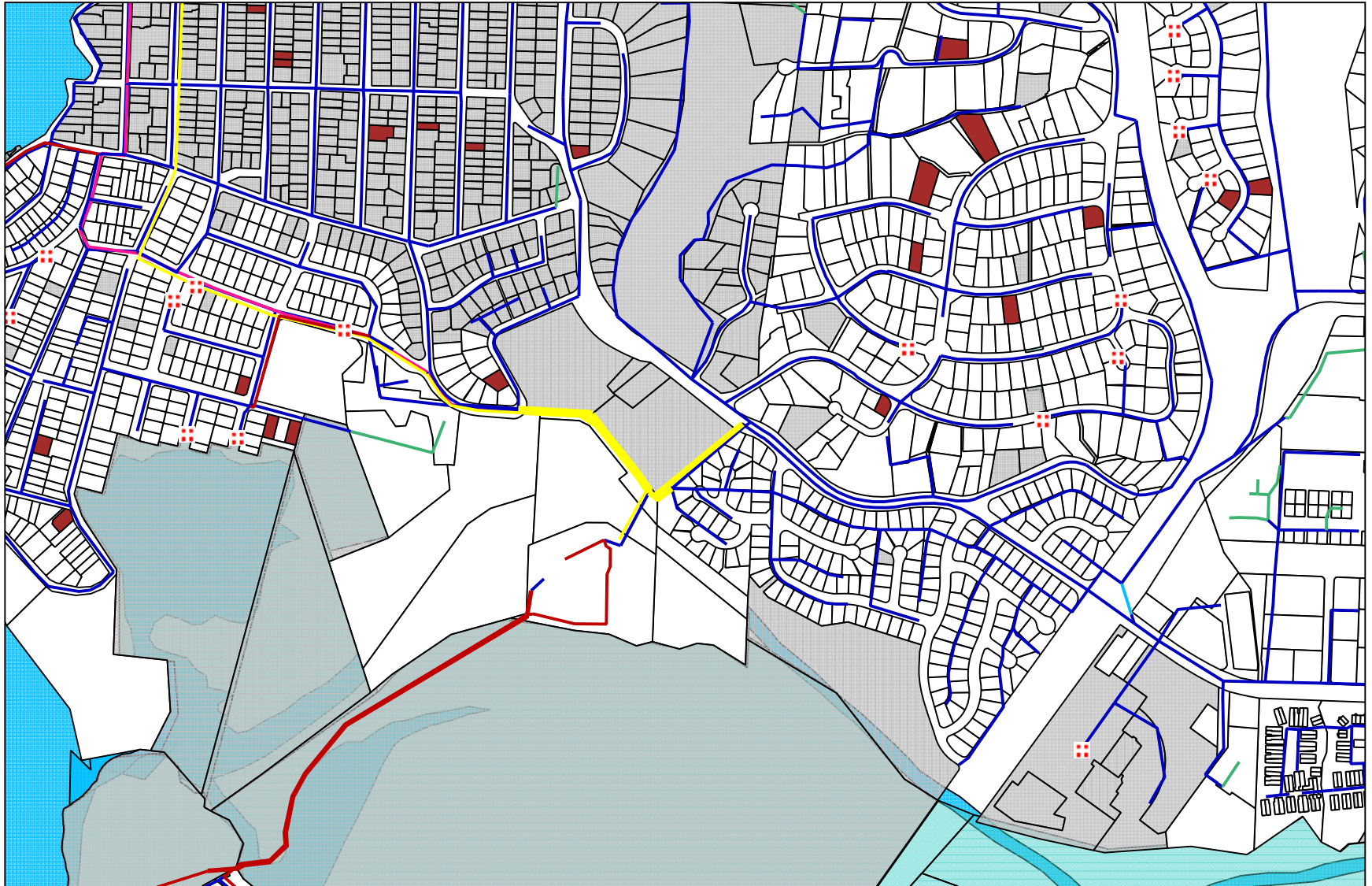


2/9/2023



January (Red)
December (Yellow) 1,913 feet
November (Green)

Monthly CCTV Map



RedZone
ROBOTICS

2/9/2023



STAFF REPORT

To: Board of Directors

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

Date: February 23, 2023

Subject: Monthly Safety Report (for January 2023)



RECOMMENDATION

Receive Report- Informational only; no action required

DISCUSSION

Safety & Training

- **Jan 11-Tailgate Training; Disaster Service Workers.** Following the flooding of January 9-10, Ed Waggoner, Operations Superintendent gave a presentation reminding staff that special district employees are required to be available for disaster response. Employees can first address family needs but then must be available to respond.
- **Jan 18-Automated External Defibrillator (AED) refresher and topical treatments for first aid:** S/C Admin Dias provided a refresher training on the AED. While all staff is given training on the AEDs biannually, this is a small part of a day-long class and details can be forgotten. A video from the manufacturer was shown and discussed. It was highlighted that an AED has a diagnostic feature where it analyzes the heart rhythm and will only advise a shock if the victim needs one. This could be useful if a person was found unconscious or has overlapping symptoms of a heart attack but is actually suffering from some other illness. S/C Admin Dias also discussed the contents of first aid kits. Minor cuts and scrapes occur during the course of work. The first aid kits contain five topical treatments so it can be confusing which one to use when treating a cut or scrape. When wanting to disinfect the hands or an area around a wound and no gloves or soap and water are available, alcohol and iodine wipes are recommended.

When cleaning the wound itself, alcohol and hydrogen peroxide are not recommended because they damage the tissue and can slow healing. Mild soap and water remains the preferred method. If additional wound cleaning is needed benzalkonium chloride (BZK) wipes should be used.

Jan 25- Tailgate Training; Dusk-Dawn and Winter Driving. Mark Napier, Collections Worker II, listed several tips on safe driving during twilight hours and in the rain. It was also noted that a relatively new California law requires that headlights must be turned on whenever windshield wipers are in use. This would apply to our misty summer days with heavy fog.

Ongoing Safety Improvements

Maintenance Superintendent 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 January included:

- **Carmel River Flood Response, Planning and Prediction.** In anticipation of potential flooding, over a hundred Flood-Sax were taken out of storage and staged in case they were needed. These cellulose-filled sacks absorb water and swell to become effective flood barriers. They are much easier to store and deploy than traditional sandbags. In the event of a very large (50 – 100 year) river flood they would be used to seal low-lying grates and sumps to prevent flood waters from entering the treatment stream. While the site did not flood and the sacks were not needed, they are now staged in a readily accessible location.

Also, during and after the river flooding on January 9 and 10, efforts were made to further improve prediction of when flooding will impact the plant. After the flooding in 2017, an engineered notch was intentionally cut in the south side of the levee of the river west of the Highway 1 bridge. This allows flood waters to flow to the south arm of the lagoon and reduce the flows past the plant and Mission Fields area. Since the notch was cut, the river has overtopped the levee six times in the last five years. This impacts access to the plant because the flood waters flow over the access road. For all six of these events, S/C Admin Dias has tracked the river flood modeling issued by the National Oceanic and Atmospheric Administration's River Forecast Center. Simultaneously, the levels of the two river gauges and the lagoon were tracked and compared to the modeling. This information was then compared to the real-time visual observation of when the flood waters overtopped the notch in the levee east of the plant and then began running across the access road. This information has been documented for all six events. As a result, there is now a moderate level of confidence in predicting when the flooding will overtop the levee and how deep the water will be.

During the most recent flood, these observations allowed time to evacuate staff from the plant who otherwise would not have been able to drive their vehicles through the flood waters.

Tours and Outreach

- **Tours.** On-site tours remain on temporary hold while several areas of the plant are being impacted by Phase II construction activities. Further progress was made on developing virtual tours. A simplified virtual tour was beta-tested with the Santa Catalina school in January. Although some technical transmission issues were discovered during the test, the tour was well received by the students. The technical issues are being resolved and a second virtual tour is planned in February.

Injuries; First Aid Incidents; Workers Compensation Claims

There were no first aid injuries or workers comp cases in January. The first matrix for 2023 is below.

	Work Related Injuries and Illnesses for 2023 Calendar Year				
TYPE	New Incidents (Month)	Total Incidents (Year)	Total Days Away from Work (Year)	Total Days of Job Restriction (Year)	Cumulative days lost (Year)
OSHA Injuries	0	0	0	0	0
OSHA Illnesses	0	0	0	0	0
Other WC Claims	0	0	0	0	0
First Aid (non-OSHA)	0	0	0	0	0

FUNDING

N/A- Informational item only

Wastewater Treatment Facility Operations Report

Report for: January 2023	HYDRAULIC LOADINGS					2023 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	45.825	1.478	0.877	2.531	56.424	45.83	140.57
PBCSD Flow	35.391	1.142	0.604	1.981	43.576	35.39	108.56
Total Plant Flow	81.216	2.620	1.481	4.512	100.00	81.22	249.13
Tertiary Flow (2)	23.155	1.007	0.170	1.615	28.510	23.16	71.03
Ocean Discharge	60.192	1.942	0.994	4.568	74.113	60.19	184.64
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2023)	23.16MG (71.03acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.27 BG (28.44 K acre-ft.)
12 Month Rolling Total Reclamation Production	346.72 MG (1064.08 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Jan'23 kWh	Price per kWh	Jan'23	Dec'22	Nov'22	Oct'22
Secondary	115,142.00	\$ 0.183	\$ 21,036.13	\$ 22,608.37	\$ 20,217.64	\$ 19,148.64
Blowers	53,954.32	\$ 0.168	\$ 9,037.96	\$ 10,196.01	\$ 10,482.05	\$ 9,363.99
CAWD Total	169,096.32		\$ 30,074.09	\$ 32,804.38	\$ 30,699.69	\$ 28,512.63
Tertiary	93,401.56	\$ 0.179	\$ 16,711.11	\$ 19,953.86	\$ 16,183.46	\$ 16,189.86
MF/RO	66,996.00	\$ 0.221	\$ 14,804.84	\$ 24,003.19	\$ 24,511.97	\$ 19,032.17
Reclaim Total	160,397.56		\$ 31,515.95	\$ 43,957.05	\$ 40,695.43	\$ 35,222.03
Adjusted Monthly Totals (1)	CAWD Total		\$ 18,511.37	Reclamation Total		\$ 43,078.67

kW-h Per Acre Foot

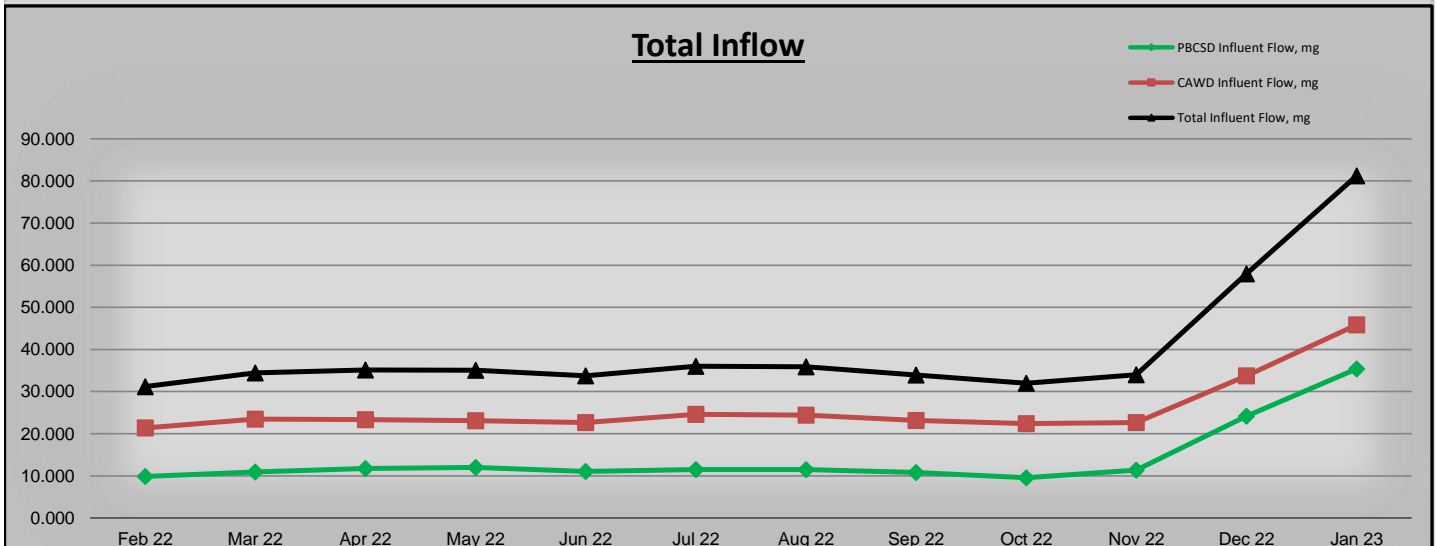
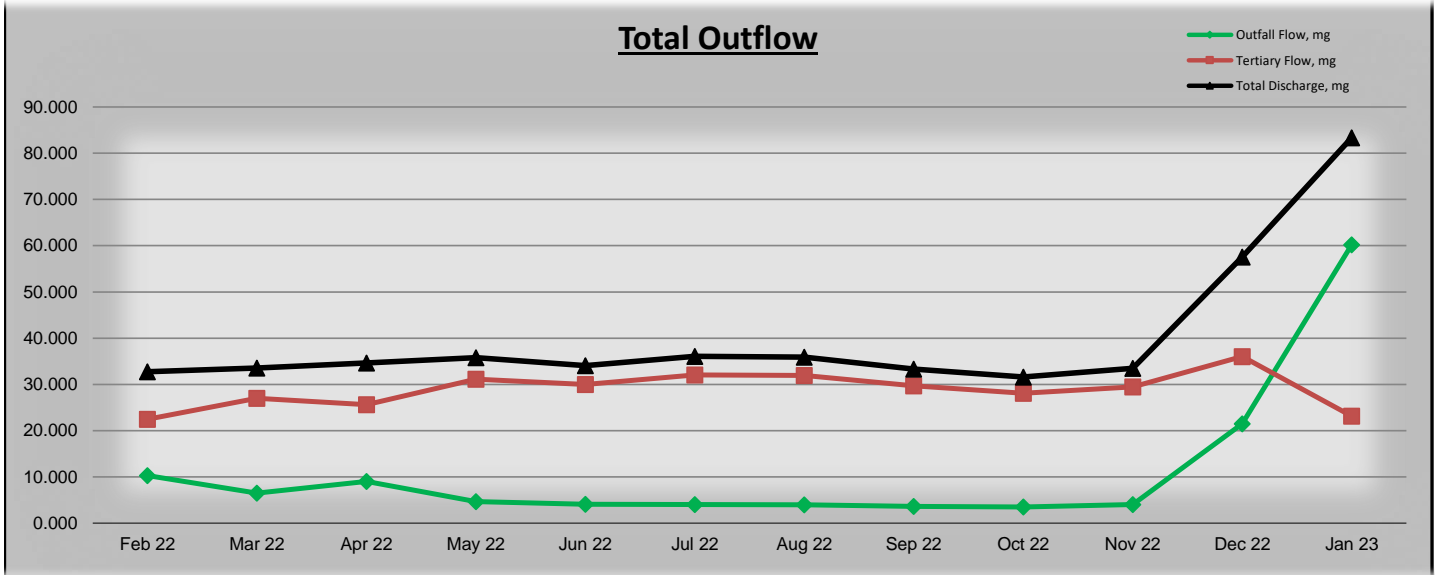
	2022				2023			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1409.48	1577.57	1448.51	1206.68	N/A	N/A	N/A	N/A
Reclamation	2190.20	1984.97	1885.30	1907.67	N/A	N/A	N/A	N/A

MICROTURBINE SUMMARY

Month	Jan '23 kW-h	Dec'22	Nov'22	Oct'22	Accumulated Totals
Production, kW-h	11,943	5,817	10,147	20,420	1,305,054.00

(1) Cost adjustment for Reclamation percentage for Secondary power costs and CAWD's percentage for Tertiary's power costs due to the Lab's power usage.

(2) Reclamation facility taken off-line on 1/23/2023 due to full reservoir and storage tank



Wastewater Treatment Facility Operations Report

Report for: December 2022	HYDRAULIC LOADINGS					2022 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	33.771	1.090	0.747	2.293	58.263	291.44	893.98
PBCSD Flow	24.192	0.780	0.391	1.809	41.737	148.69	456.10
Total Plant Flow	57.963	1.870	1.138	4.102	100.00	440.13	1350.09
Tertiary Flow	36.035	1.162	0.795	1.313	62.169	349.06	1070.74
Ocean Discharge	21.500	0.691	0.096	3.184	37.093	90.43	277.39
Potable Water	0.000	0.000	0.000	0.000	0.000	1.732	5.313

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2022)	349.06MG (1070.74acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.24 BG (28.37 K acre-ft.)
12 Month Rolling Total Reclamation Production	349.06 MG (1071.27 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Dec'22 kWh	Price per kWh	Dec'22	Nov'22	Oct'22	Sep'22
Secondary	109,445.00	\$ 0.207	\$ 22,608.37	\$ 20,217.64	\$ 19,148.64	\$ 21,517.93
Blowers	53,738.00	\$ 0.190	\$ 10,196.01	\$ 10,482.05	\$ 9,363.99	\$ 11,415.30
CAWD Total	163,183.00		\$ 32,804.38	\$ 30,699.69	\$ 28,512.63	\$ 32,933.23
Tertiary	91,198.24	\$ 0.219	\$ 19,953.86	\$ 16,183.46	\$ 16,189.86	\$ 20,917.38
MF/RO	109,777.00	\$ 0.219	\$ 24,003.19	\$ 24,511.97	\$ 19,032.17	\$ 20,763.27
Reclaim Total	200,975.24		\$ 43,957.05	\$ 40,695.43	\$ 35,222.03	\$ 41,680.65
Adjusted Monthly Totals (1)	CAWD Total		\$ 20,227.10	Reclamation Total		\$ 56,534.33

kW-h Per Acre Foot

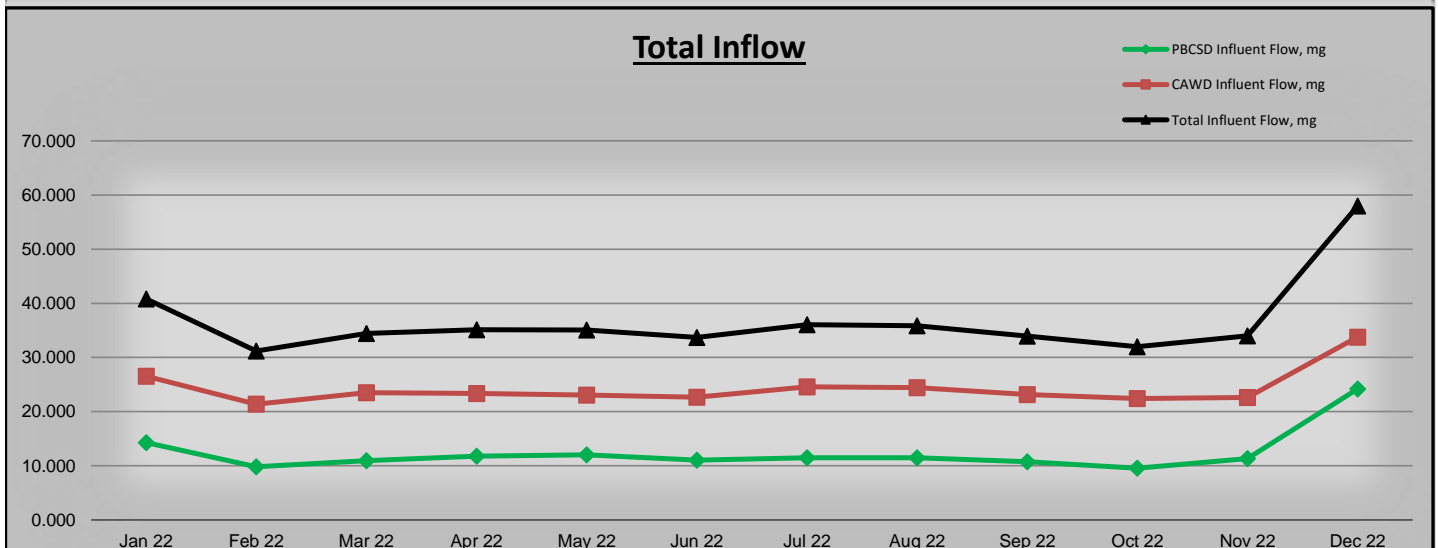
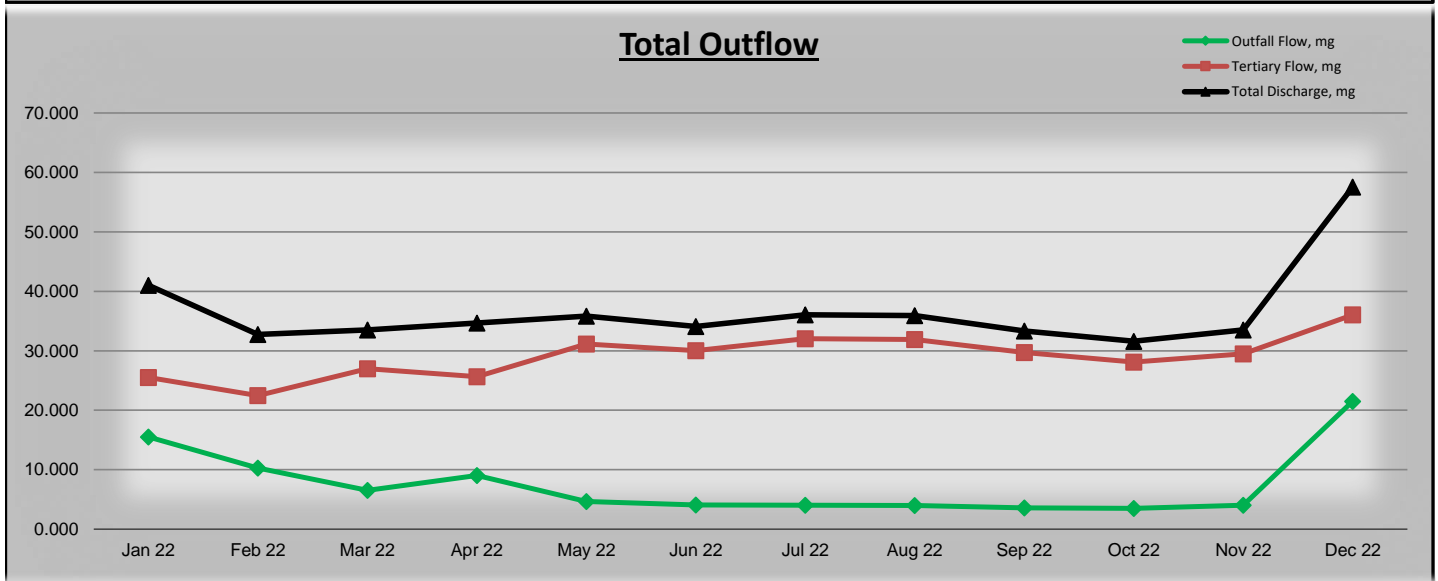
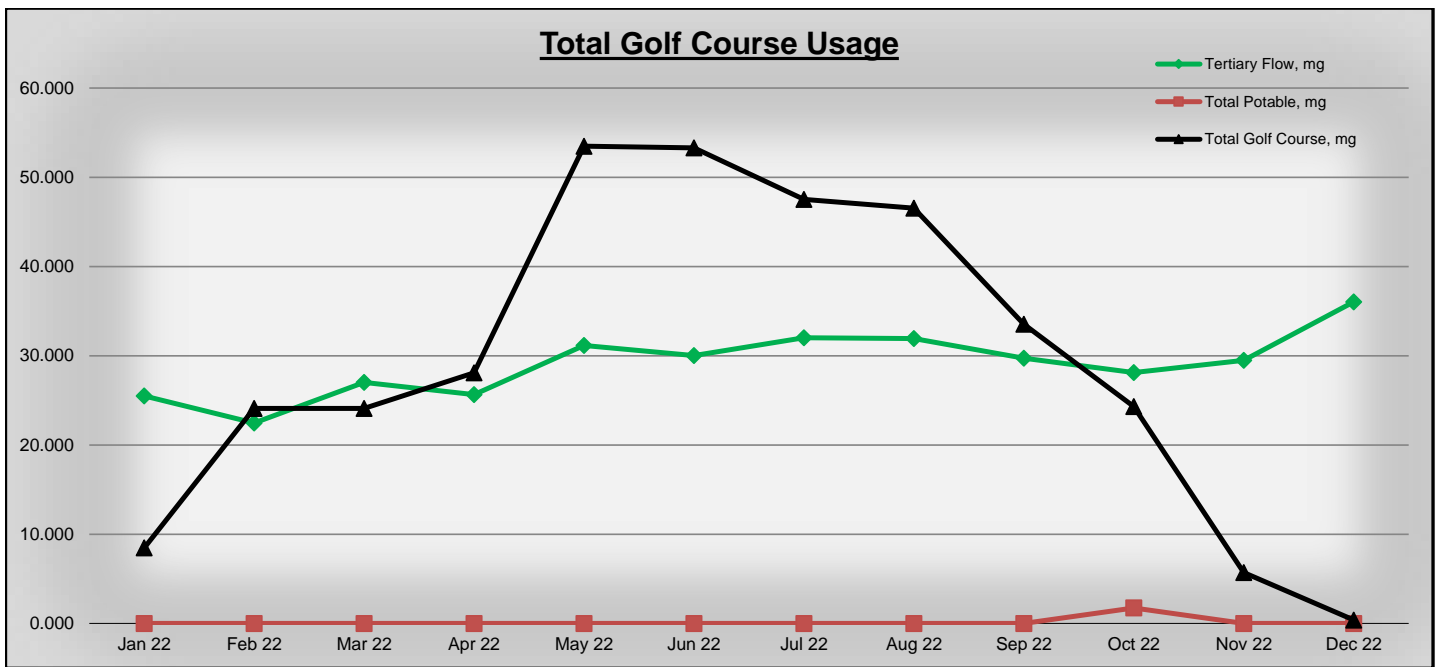
	2021				2022			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1453.87	1327.64	1298.73	1681.53	1409.48	1577.57	1448.51	1206.68
Reclamation	1984.84	1939.79	1682.65	1887.92	2190.20	1984.97	1885.30	1907.67

MICROTURBINE SUMMARY

Month	Dec '22 kW-h (2)	Nov'22	Oct'22	Sep'22	Accumulated Totals
Production, kW-h	5,817	10,147	20,420	18,825	1,293,111.00

(1) Cost adjustment for Reclamation percentage for Secondary power costs and CAWD's percentage for Tertiary's power costs due to the Lab's power usage.

(2) Micro Turbine back on-line 12/16/2022 after repair by vendor



Wastewater Treatment Facility Operations Report

Report for: November 2022	HYDRAULIC LOADINGS					2022 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	22.641	0.718	0.665	1.189	66.587	257.67	790.39
PBCSD Flow	11.361	0.379	0.286	0.851	33.413	124.50	381.90
Total Plant Flow	34.002	1.097	0.951	2.040	100.00	382.17	1172.29
Tertiary Flow	29.480	0.983	0.754	1.243	86.701	313.03	960.20
Ocean Discharge	4.016	0.134	0.092	0.294	11.811	68.93	211.44
Potable Water	0.000	0.000	0.000	0.000	0.000	1.732	5.313

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2022)	313.03MG (960.20acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.21 BG (28.26 K acre-ft.)
12 Month Rolling Total Reclamation Production	350.87 MG (1076.82 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Nov'22 kWh	Price per kWh	Nov'22	Oct'22	Sep'22	Aug'22
Secondary	99,305.00	\$ 0.204	\$ 20,217.64	\$ 19,148.64	\$ 21,517.93	\$ 24,363.59
Blowers	54,821.04	\$ 0.191	\$ 10,482.05	\$ 9,363.99	\$ 11,415.30	\$ 12,430.57
CAWD Total	154,126.04		\$ 30,699.69	\$ 28,512.63	\$ 32,933.23	\$ 36,794.16
Tertiary	80,061.00	\$ 0.202	\$ 16,183.46	\$ 16,189.86	\$ 20,917.38	\$ 20,649.74
MF/RO	107,867.00	\$ 0.227	\$ 24,511.97	\$ 19,032.17	\$ 20,763.27	\$ 22,362.14
Reclaim Total	187,928.00		\$ 40,695.43	\$ 35,222.03	\$ 41,680.65	\$ 43,011.88
Adjusted Monthly Totals (1)	CAWD Total		\$ 18,840.29	Reclamation Total		\$ 52,554.83

kW-h Per Acre Foot

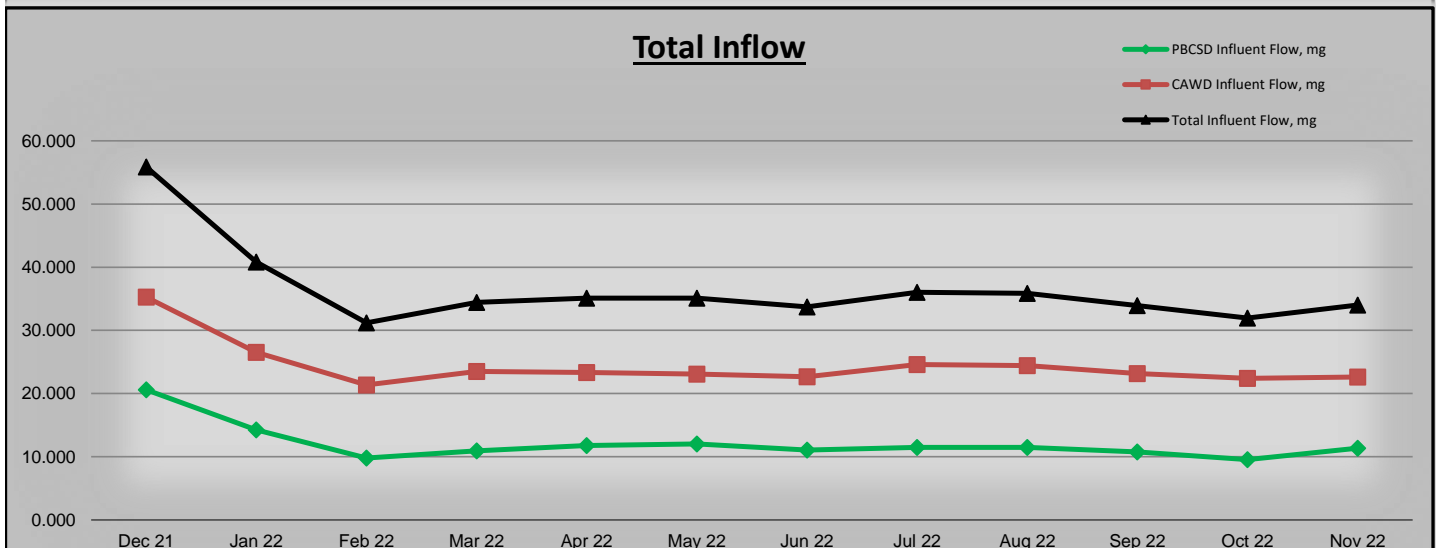
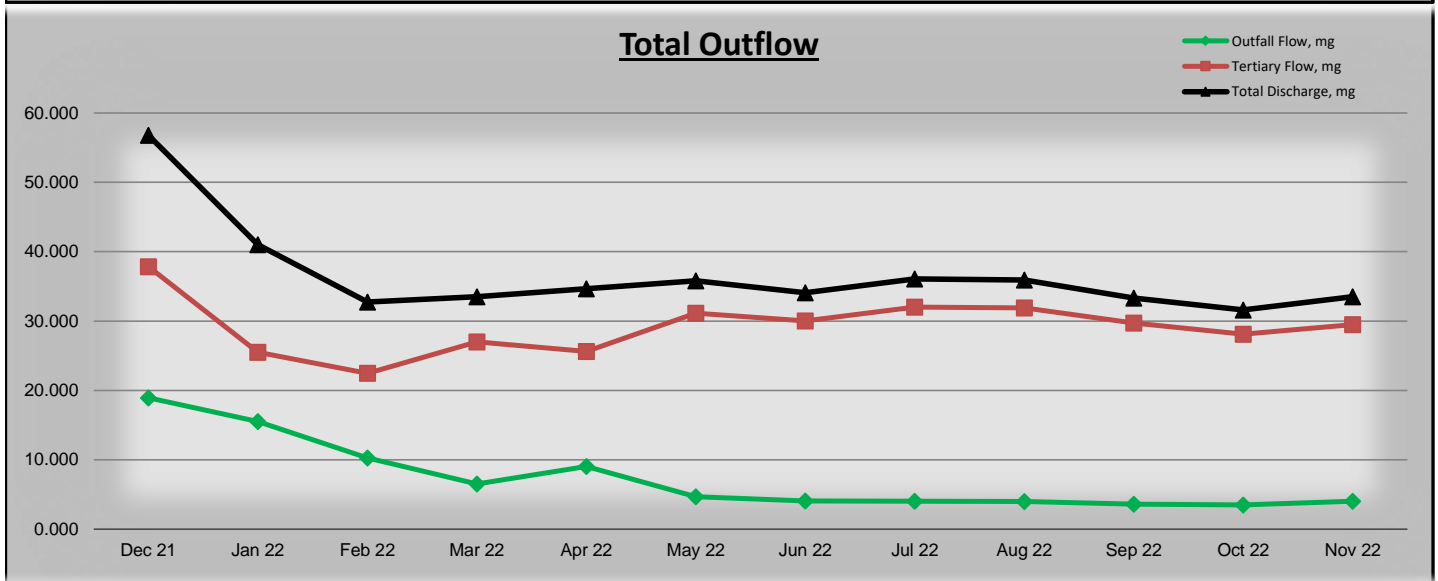
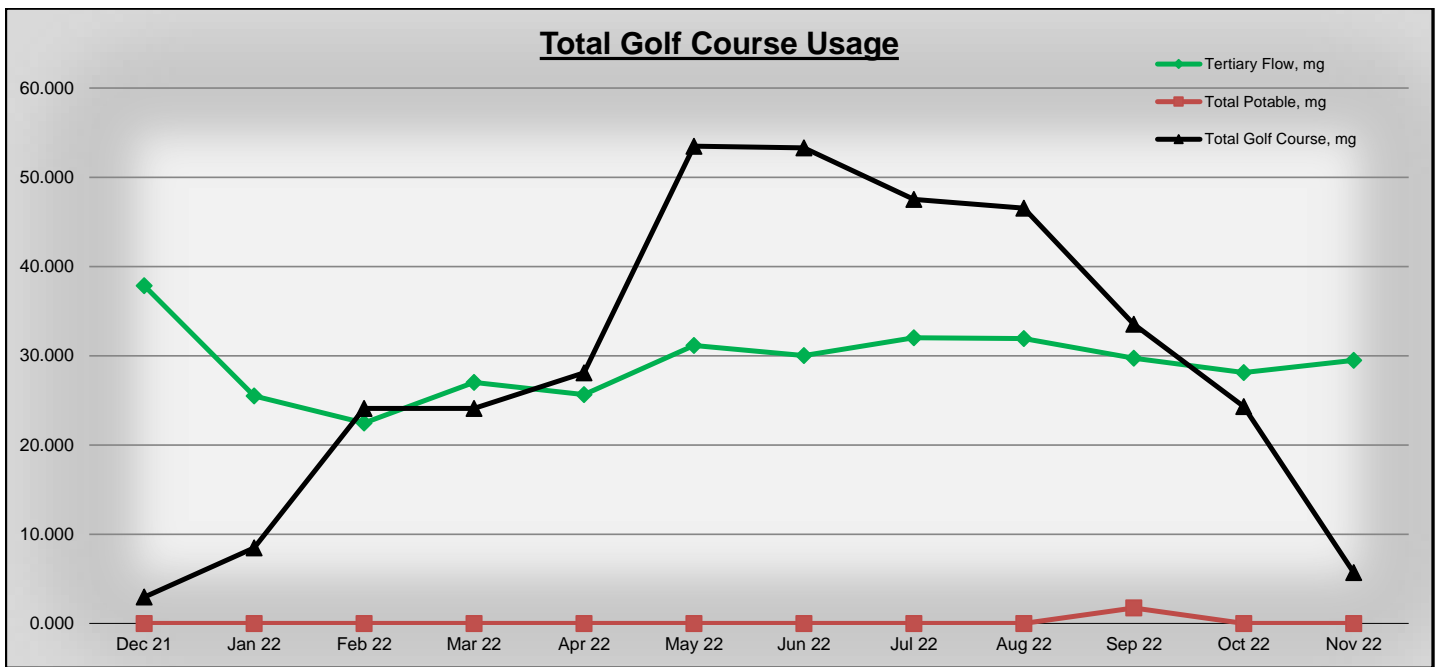
	2021				2022			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1453.87	1327.64	1298.73	1681.53	1409.48	1577.57	1448.51	N/A
Reclamation	1984.84	1939.79	1682.65	1887.92	2190.20	1984.97	1885.30	N/A

MICROTURBINE SUMMARY

Month	Nov '22 kW-h (2)	Oct'22	Sep'22	Aug'22	Accumulated Totals
Production, kW-h	10,147	20,420	18,825	12,231	1,287,294.00

(1) Cost adjustment for Reclamation percentage for Secondary power costs and CAWD's percentage for Tertiary's power costs due to the Lab's power usage.

(2) Micro Turbine off-line on 11/18/2022 due to fault code. Scheduling vender to repair.



STAFF REPORT



To: Board of Directors
From: Ray De Ocampo - Laboratory/Environmental Compliance Supervisor
Date: February 23, 2022
Subject: Monthly Report – January 2023

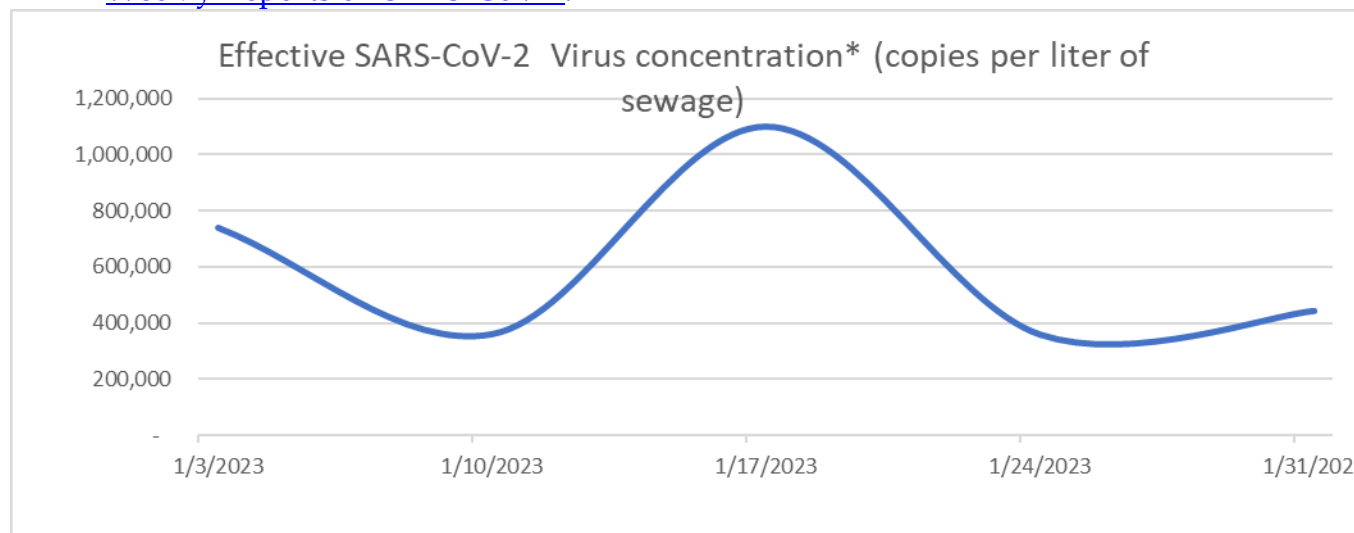
RECOMMENDATION

Receive Report - Informational only; No action required.

DISCUSSION

LABORATORY REPORT

- Biobot Analytics continues to provide COVID-19 analysis for Carmel Area Wastewater District (CAWD) composite samples of the Influent Pump Station. Biobot samples are available upon request and can also be viewed on the CAWD website: [Biobot Analytics Weekly Reports on SARS-CoV-2](#).



* Effective virus concentration value is derived by adjusting the raw virus concentration to account for dilution & other factors (copies per liter of sewage)

- Laboratory staff collected CAWD Stormwater samples on January 5th and 9th to meet stormwater requirements.
- Laboratory staff has completed the 2022 Annual CAWD report and the Biosolids report to submit to California Integrated Water Quality System (CIWQS).

ENVIRONMENTAL COMPLIANCE REPORT

- Source Control inspections were not performed in January due to laboratory staff members on vacation.
- On January 30- February 1, 2023, Mr. De Ocampo attended the California Water Environment Association P3S conference in Seaside. Session attended included Pretreatment, Per-and Polyfluoroalkyl substances (PFAS), Local Limits, Microplastics, Environmental Compliance Inspector (ECI) exam preparation, and CAWD’s Six Sigma Fats, Oil, and Grease presentation.

Restaurant Inspections

Restaurant	Compliant	Reason for Non-Compliance	Comments
No inspections performed			

Grocery Store/Delicatessen Inspections

Grocery Store/Delicatessen	Compliant	Reason for Non-Compliance	Comments
NA			

Compliance Register

% Compliance	Maintenance	Mechanical
November 2022	100	100
December 2022	100	100
January 2023	NA	NA

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	21	2022			2023		2024			20
									H2	H1	H2	H1	H2	H1	H2	H1		
Projects Implementation Plan Schedule																		
<u>Treatment Plant Capital Projects</u>																		
18-01	1620.000	Elec/Mech Rehab and Sludge Holding Tank Replacement Project	Treanor	4/30/18	9/29/23	\$4,820,750	\$9,137,431	In Construction	Tank Replacement Project									
18-28	1626.000	Perimeter Tree Plan and Implementation	Treanor	7/1/19	6/30/26	\$75,000	\$130,020	Planning Stakeholder Meeting	Perimeter Tree Plan and Implementation									
19-21	1993.000	Carmel River FREE Mitigation	Treanor	6/1/20	11/29/24	\$0	\$0	Pending Funding	Carmel River FREE Mitigation									
19-19	1634.000	Aeration Basin Improvements	Waggoner	7/1/20	6/30/22	\$0	\$17,332	On Hold Until Spring 2023	Improvements									
19-18	1593.000	Perimeter Fencing	Treanor	7/1/22	10/13/23	\$275,000	\$275,000	Design/CEQA	Perimeter Fencing									
22-03	1639.000	WWTP Gas and Water Main Replacement	Treanor	5/2/22	6/28/24	\$100,000	\$300,000	In Study Phase	WWTP Gas and Water Main Replacement									
22-04	5500.006	CAWD Bridge and Trail Project	Treanor	3/1/21	2/29/28	\$0	\$550	Funding Strategy	CAWD Bridge and Trail Project									
22-06	1640.000	Vactor Receiving Station	Treanor	7/1/22	8/29/24	\$104,950	\$354,950	Design Phase	Vactor Receiving Station									
<u>Reclamation Capital Projects</u>																		
18-26	14777	Sulfuric Acid and Citric Acid Storage and Feed Systems	Treanor	1/1/19	12/30/22	\$334,000	\$455,923	In Construction	Storage and Feed Systems									
22-05	14794	Reclamation 15-Year CIP Master Plan	Treanor	8/2/22	12/29/23	\$300,000	\$300,000	In Progress	Reclamation 15-Year CIP Master Plan									
<u>Collections Capital Projects</u>																		
19-03	1586.000	Carmel Meadows Sewer Replacement	Lather	8/1/19	1/17/25	\$2,000,000	\$2,471,949	Permitting	Meadows Sewer Replacement									
20-07	1636.000	Bay/Scenic Pump Station Rehabilitation	Lather	12/31/20	6/30/24	\$650,000	\$680,892	In Design	Bay/Scenic Pump Station Rehabilitation									
20-08	1635.000	Scenic Rd Pipe Bursting - Ocean to Bay	Lather	2/5/21	6/28/24	\$3,500,000	\$3,731,786	In Design / CEQA	Scenic Rd Pipe Bursting - Ocean to Bay									
21-05	1637.000	Pescadero Sewer Relocation	Lather	7/1/21	6/30/25	\$100,000	\$1,689,236	In Design	Pescadero Sewer Relocation									
22-07		Emergency Lorca Lane Sewer Relocation	Lather	8/30/22	1/31/23	\$175,000	\$0	In Progress	Emergency Lorca Lane Sewer Relocation									
23-03		Scenic & Carmelo Emergency Project	Lather	1/31/23	3/31/23	\$0	\$0	In Progress	Scenic & Carmelo Emergency Project									
23-01		Santa Rita & Guadalupe Pipeline Rehab	Lather	1/1/23	6/30/23	\$0	\$0	In Design	Santa Rita & Guadalupe Pipeline Rehab									
20-06		Collections 15-Year CIP	Lather	7/1/20	7/1/40	\$0	\$62,899,430	Work In Progress	Collections 15-Year CIP									
<u>Collections Non-Capital Projects</u>																		
20-05		River Watch Agreement	Lather	2/21/20	2/21/24	\$0	\$0	Work In Progress	River Watch Agreement									
23-02		22-23 Pipeline Spot Repair	Lather	1/2/23	6/30/23	\$150,000	\$150,000	Bidding	22-23 Pipeline Spot Repair									
<u>Assessment Districts/Annexations</u>																		
19-09	5500.005	2021 Sphere of Influence Amendment and Annexation Proposal	Lather	3/15/19	3/1/23	\$0	\$73,675	Complete	SOF Amendment and Annexation Proposal									
18-21	1631.000/2505.000	Corona Road Assessment District	Lather	8/2/18	3/15/24	\$0	\$0	In Design / CEQA	Assessment District									
19-08	1632.000	Carmel Valley Manor Pipeline and Pump Station	Lather	7/3/18	2/15/24	\$0	\$0	In Construction	Pipeline and Pump Station									
18-29	9095.000	September Ranch Subdivision	Lather	9/1/22	8/30/24	\$0	\$0	Sewer Agreement	September Ranch Subdivision									
		Rancho Cañada Village Subdivision	Lather	3/1/23	2/27/25	\$0	\$0	In Design by Property Owner	Rancho Cañada Village Subdivision									

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	21	2022			2023		2024		20
									H2	H1	H2	H1	H2	H1	H2	H1	
		<u>Other Non-Capital Projects</u>															
		Workforce Now	Foley			\$0	\$0	Implementation									
		Real Property Investigation	Buikema			\$75,000	\$75,000	Ongoing									
		Cyber Security	Foley			\$17,000	\$17,000	Ongoing									
		Source Control Six Sigma	Buikema			\$0	\$0	Board Presentation									
22-01	5500.006	Long Term SLR Planning	Buikema / Treanor	5/3/21	2/29/40	\$260,000	\$1,400,000	In Progress									

Treatment Plant Capital Project Summaries



Photo: New Sludge Tank Under Construction

Project Number:	18-01	
Project Name:	Wastewater Treatment Plant (WWTP) – Elec/Mech Rehab & Sludge Holding Tank Replacement Project	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	In Construction	
Project Description:	This project is a multi-area project at the WWTP aimed at mitigating risk of failure in the Influent Pump Station, Headworks, 3W/Chlorine Analyzer Building, Effluent Building and Sludge Storage Tank. Most of the work involves replacing aged electrical and mechanical equipment in existing buildings.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$9,137,431	\$6,210,263
Financial:	FY Budget:	FY Spent:
	\$4,820,750	\$1,889,159
Reclamation Share:	Estimated at 2.7% of project cost.	
Other Entities:	Pebble Beach Community Services District, CAWD/PBCSD Reclamation Project	
Permits Required:	Coastal Commission Notification	
Challenges:	Electrical Equipment Supply Chains	
Schedule:	<ul style="list-style-type: none"> Construction anticipated for FY21/22 into FY22/23 	
Consultants:	Design: Kennedy/Jenks Consultants Construction Management: Currie Engineers	
Contractor:	Clark Bros. Inc.	



Photo: Eucalyptus trees on South Side of Treatment Plant

Project Number:	18-28	
Project Name:	Perimeter Tree Plan and Implementation	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	Planning Stakeholder Meeting	
Project Description:	Planning and landscaping around the treatment plant. This will include looking into possibly replacing the non-native eucalyptus trees around the perimeter of the treatment plant with native tree species. The project will start with a study and a plan to determine costs, sequencing schedule, and visual impacts. The Eucalyptus trees around the plant have ongoing maintenance costs, which may be offset in the long term with a different type of tree screening. The purpose is to improve security around plant perimeter.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$130,020	\$5,020
Financial:	FY Budget:	FY Spent:
	\$75,000	\$0
Reclamation:	N/A	
Other Entities:	N/A	
Permits Required:	Currently unknown (In Study Phase)	
Challenges:	Time it will take for new trees to grow up that will fully screen treatment plant from view	
Schedule:	<ul style="list-style-type: none"> Study moved to 2023; anticipate completion 06-30-26 	
Consultants:	Scott Hall Landscape Design	
Contractor:	TBD	

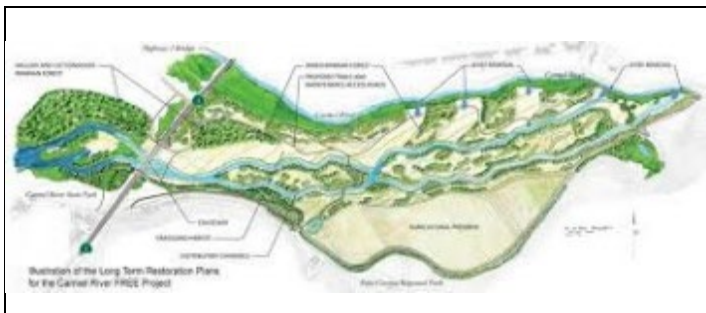


Photo: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE)

Project Number:	19-21	
Project Name:	Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Mitigation	
Project Location:	Carmel River Lagoon	
Project Manager:	Treanor	
Status:	Pending Funding	
Project Description:	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.	
Department:	Engineering	
Financial:	Coastal Conservancy Grant Budget: \$750,000	Cumulative Spent: \$618,569 FY Spent: \$0
** Project is being funded by CRFREE initiated grants		
Reclamation Share:	N/A	
Other Entities:	Monterey County	
Permits Required:	Coastal Commission, CA Fish and Wildlife, Army Corp of Engineers, Reginal Water Quality Control Board (RWQCB)	
Challenges:	Construction near environmentally sensitive habitat and obtaining new easement from State Parks	
Schedule:	<ul style="list-style-type: none"> Construction anticipated in 2024 	
Consultants:	Design: Kennedy Jenks and Staheli Trenchless CEQA: Johnson Marigot	
Contractor:	TBD	



Photo: Existing air diffuser system

Project Number:	19-19	
Project Name:	WWTP – Aeration Basin Improvements	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Waggoner	
Status:	On Hold Until Spring 2023	
Project Description:	The Aeration Basins 4A & 4B need to have additional diffusers installed to ensure the proper air (oxygen) transfer into the wastewater to support the aerobic microorganisms in the basins.	
Department:	Treatment	
Financial:	Cumulative Budget: \$17,332 FY Budget: \$0	Cumulative Spent: \$17,332 FY Spent: \$0
Reclamation Share:	N/A	
Other Entities:	N/A	
Permits Required:	N/A	
Challenges:	Weather conditions and Scheduling	
Schedule:	<ul style="list-style-type: none"> Design is complete Materials ordered and received Construction anticipated for Spring 2023 	
Consultants:	N/A	
Contractor:	N/A	



Photo: Existing Dilapidated Fence

Project Number:		19-18
Project Name:		Perimeter Fencing
Project Location:		Wastewater Treatment Plant
Project Manager:		Treanor
Status:		Design/CEQA
Project Description:		Install a new fence around the perimeter of the WWTP.
Department:		Treatment
Financial:	Cumulative Budget:	Cumulative Spent:
	\$275,000	\$31,020
Financial:	FY Budget:	FY Spent:
	\$275,000	\$31,020
Reclamation Share:	N/A	
Other Entities:	N/A	
Permits Required:	California Environmental Quality Act (CEQA) Mitigated Negative Declaration (MND), Coastal Developmental Permit (CDP) Notification	
Challenges:	Environmental Mitigations	
Schedule:	<ul style="list-style-type: none"> Design in FY22-23 Construction in FY23-24 	
Consultants:	Kennedy Jenks	
Contractor:	TBD	



Photo: Gas Meter on North Side of River

Project Number:		22-03
Project Name:		WWTP Gas and Water Main Replacement
Project Location:		Wastewater Treatment Plant
Project Manager:		Treanor
Status:		In Study Phase
Project Description:		The WWTP natural gas and water utility service exists on the opposite side of the Carmel River from the WWTP. CAWD owns the piping under the river for these utilities. The water line and gas line are PVC and identified as having a high risk of failure. The gas line is needed for plant operations to provide supplementary heating to the digesters for thermophilic digestion.
Department:		Treatment
Financial:	Cumulative Budget:	Cumulative Spent:
	\$300,000	\$43,444
Financial:	FY Budget:	FY Spent:
	\$100,000	\$43,444
Reclamation Share:	N/A	
Other Entities:	Cost Share w/ Collections @ 5.5%	
Permits Required:	TBD	
Challenges:	Underground work in riparian area	
Schedule:	<ul style="list-style-type: none"> Currently undergoing alternatives analysis study Design in FY22-23 Construction in FY23-24 	
Consultants:	Kennedy Jenks	
Contractor:	N/A	



Photo: Conceptual Rendering of Public Use and Bridge

Project Number:	22-04	
Project Name:	CAWD Bridge and Trail Project	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	Funding Strategy	
Project Description:	Construct a new bridge at the location of the existing CAWD bridge over the Carmel River. 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).	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$550	\$550
Financial:	FY Budget:	FY Spent:
	\$0	\$0
**No budget. Funding potential via Carmel River settlement grants.		
Reclamation Share:	N/A	
Other Entities:	State Parks, Diocese of Monterey, City of Carmel-by-the-Sea, Regional Parks District	
Permits Required:	TBD	
Challenges:	Obtaining Funding and Community Support	
Schedule:	Currently working on video and marketing outreach effort	
Consultants:	TBD	
Contractor:	TBD	



Photo: CAWD Vactor Truck

Project Number:	22-06	
Project Name:	Vactor Receiving Station	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	Design Phase	
Project Description:	Construct a new Vactor Receiving Station for the Collections Department and the disposal of waste collected in the vactor truck.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$354,950	\$11,996
Financial:	FY Budget:	FY Spent:
	\$104,950	\$11,996
Reclamation Share:	N/A	
Other Entities:	N/A	
Permits Required:	Coastal Developmental Permit (CDP) Notification	
Challenges:	Design for ultimate user satisfaction.	
Schedule:	Construction in FY23/24	
Consultants:	Kennedy Jenks	
Contractor:	TBD	

Reclamation Capital Project Summaries



Photo: Existing totes used for Sulfuric Acid storage and Feed

Project Number:	18-26	
Project Name:	Sulfuric Acid & Citric Acid Storage & Feed Systems Project	
Project Location:	Reclamation – Microfiltration (MF)/Reverse Osmosis (RO)	
Project Manager:	Treanor	
Status:	In Construction	
Project Description:	Code compliance upgrades for existing acid chemical storage and feed system used by Reclamation for enhancing RO recovery. Project includes code compliant secondary containment and separation of dissimilar chemicals.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$455,923	\$380,691
Financial:	FY Budget:	FY Spent:
	\$334,000	\$255,223
Reclamation Share:	100%	
Other Entities:	Reclamation Project	
Permits Required:	Coastal Commission Notification	
Challenges:	Hazardous Chemical Safety	
Schedule:	Anticipated Completion mid 2023	
Consultants:	Trussell Technologies, Inc	
Contractor:	Monterey Peninsula Engineering	



Photo: Exterior of Tertiary Building

Project Number:	22-05	
Project Name:	Reclamation MF/RO and Tertiary System 15-Year Capital Improvement Program (CIP) Master Plan	
Project Location:	Reclamation – Microfiltration (MF)/Reverse Osmosis (RO) and Tertiary Building	
Project Manager:	Treanor	
Status:	In Progress	
Project Description:	Asset management condition and risk evaluations, development of projections of capital expenditures, and preliminary engineering planning	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$300,000	\$0
Financial:	FY Budget:	FY Spent:
	\$300,000	\$0
Reclamation Share:	100%	
Other Entities:	Reclamation Project	
Permits Required:	None	
Challenges:	Complexity	
Schedule:	Planning Process will extend into FY 23/24	
Consultants:	Kennedy Jenks Trussell Technologies, Inc	
Contractor:	N/A	

Collections Capital Project Summaries



Photo: View gravity pipe in Carmel easement

Project Number: 19-03		
Project Name: Carmel Meadows Sewer Replacement		
Project Location: Collection System		
Project Manager: Lather		
Status: Permitting		
Project Description: The project will 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. This project is located on an easement parallel to Ribera Road and was originally installed in the early 1960's.		
Department: Collections		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$2,471,949	\$511,198
Financial:	FY Budget:	FY Spent:
	\$2,000,000	\$36,839
Permits Required: Coastal Permit and Environmental Review		
Challenges: Redirecting the sewer to the pump station without requiring booster pumps for individual houses.		
Schedule: Design and Environmental Review completed 6/28/22. Construction to begin FY22/23.		
Consultants: SRT Consultants, WRA Environmental		
Contractor: TBD		



Photo: Looking at Pump Station Exterior

Project Number: 20-07		
Project Name: Bay/Scenic Pump Station Rehabilitation		
Project Location: Collection System		
Project Manager: Lather		
Status: In Design		
Project Description: Remodel the interior of the pump station and update the SCADA panel to minimize areas prone to flooding.		
Department: Collections		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$680,892	\$63,520
Financial:	FY Budget:	FY Spent:
	\$650,000	\$32,628
Reclamation Share:		0%
Other Entities:		Carmel-by-the-Sea, Coastal Commission
Permits Required:		Exemptions from CEQA & Coastal Commission
Challenges:		Traffic Control
Schedule:		Design 2021, Construct 2022, completed by 06-2023
Consultants:		SRT Consultant
Contractor:		Pending



Photo: Pipe Bursting Limits on Scenic

Project Number:		20-08
Project Name:		Scenic Rd Pipe Bursting - Ocean to Bay
Project Location:		Collection System
Project Manager:		Lather
Status:		In Design / CEQA
Project Description:		Replace approximately 9,525 linear feet of existing 6-inch clay pipe with a new 8-inch High-Density Polyethylene (HDPE) and includes manhole rehabilitation.
Department:		Collections
Financial:	Cumulative Budget:	Cumulative Spent:
	\$3,731,786	\$248,220
Financial:	FY Budget:	FY Spent:
	\$3,500,000	\$16,434
Reclamation Share:		0%
Other Entities:		Carmel-by-the-Sea, Coastal Commission
Permits Required:		CEQA & Coastal Commission permit required.
Challenges:		Traffic control & poorly mapped underground utilities. Cultural Resources at southern end of project.
Schedule:		Design 2021-2022, Construct 2023, Completed 06-2023
Consultants:		MNS, Rincon
Contractor:		Pending

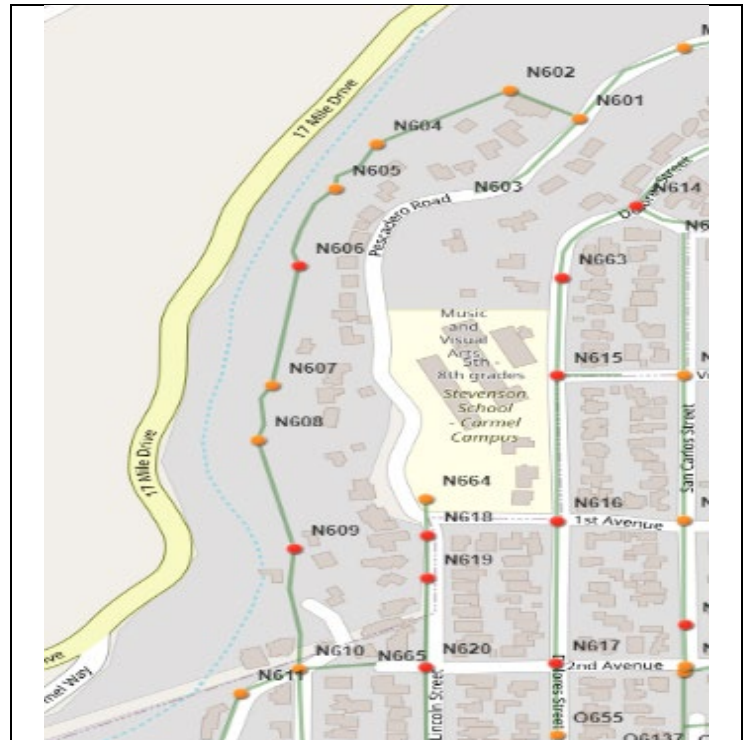


Photo: Sewer Line at Pescadero Creek

Project Number:		21-05
Project Name:		Pescadero Sewer Relocation
Project Location:		Collection System
Project Manager:		Lather
Status:		In Design
Project Description:		Relocate damaged pipe from creek slope to roadway
Department:		Collections
Financial:	Cumulative Budget:	Cumulative Spent:
	\$1,689,236	\$175,513
O&M	FY Budget:	FY Spent:
	\$100,000	\$86,277
Reclamation Share:		0%
Other Entities:		N/A
Permits Required:		Environmental Review
Challenges:		Narrow road, depth of manhole, houses to be placed on individual pumps
Schedule:		Start design, public outreach, & Environmental in Winter 2022/2023.
Consultants:		MNS, Denise Duffy, TBC Communication & Media
Contractor:		TBD

Collections Non-Capital Project Summaries



Photo: River Watch logo

Project Number:			20-05		
Project Name:			River Watch Agreement		
Project Location:			Collection System		
Project Manager:			Lather		
Status:			Work in Progress		
Project Description:			Work with Collections to provide data that is needed to satisfy the milestones in the agreement with River Watch. As of May 2022, staff completed all of the 1,478 District manholes for the Fiscal Year (FY).		
Department:			Collections		
Financial:	Cumulative Budget:		Cumulative Spent:		
	N/A		N/A		
Financial:	FY Budget:		FY Spent:		
	N/A		N/A		
Reclamation Share:		0%			
Other Entities:		River Watch			
Permits Required:		none			
Challenges:		Closed caption television (CCTV) scheduling deadlines. The Board agreed to increase staffing by one full time equivalent (FTE) to assist in meeting the required schedule. Received 1 yr. extension from River Watch due to COVID-19.			
Schedule:		Due date June 2023			
Consultants:					
Contractor:		N/A			

Assessment Districts/Annexations

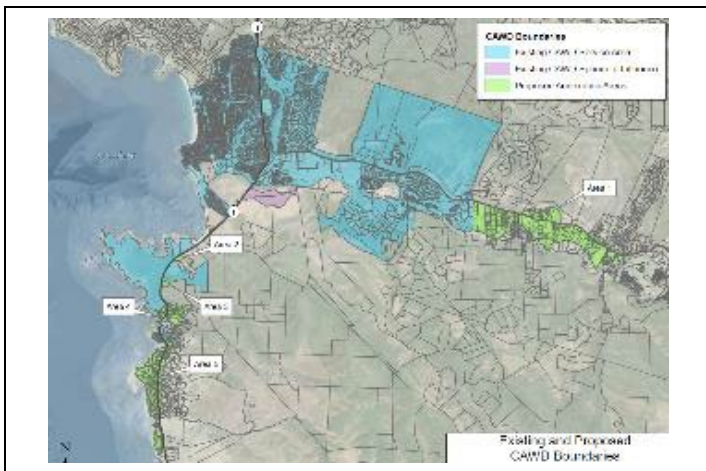


Photo: Areas of Potential Annexation

Project Number: 19-09		
Project Name: 2021 Sphere of Influence (SOI) Amendment & Annexation Proposal		
Project Location:	Collection System	
Project Manager:	Lather	
Status:	Complete	
Project Description:	The project will provide access for homes and businesses currently on septic systems and add 350 new connections to the District at build-out.	
Department:	Collections	
Financial:	Cumulative Budget: \$73,675	Cumulative Spent: \$73,675
	FY Budget: \$0	FY Spent: \$0
** No Budget included for Annexation b/c costs will be recouped through annexation fees.		
Permits Required:	Environmental Review, Local Agency Formation Commission (LAFCO) Annexation Approval	
Challenges:		
Schedule:	Waiting for State Board of Equalization	
Consultant:	Denise Duffy & Associates	

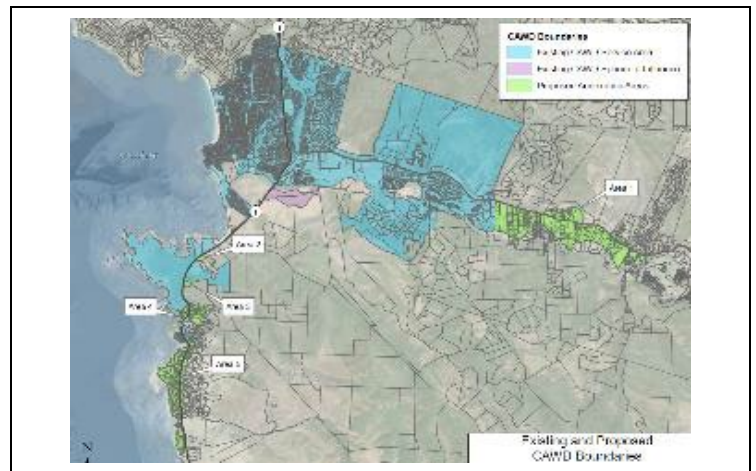


Photo: Areas of Potential Annexation

Project Number: 18-21		
Project Name: Corona Road Sewer Assessment District		
Project Location:	Collection System	
Project Manager:	Lather	
Status:	In design phase by Assessment Engineer. The application has been made for the Septic to Sewer grant. Also organizing efforts for Special Assessment District.	
Project Description:	The project will provide sewer facilities to the Corona Road neighborhood and parcels on the west side of Highway 1, across from Corona Road. #18-21 Corona Road (Deferred Revenue**)	
Department:	Collections	
Financial:	Cumulative Budget: \$0	Cumulative Spent: \$0
	FY Budget: \$0	FY Spent: \$0
** No Budget included for project because the initial costs were funded by Corona Road residents. District has agreed to fund a portion of environmental work \$56,200 (Res #22-62)		
Permits Required:	Coastal Permit, CalTrans Encroachment permit, Environmental Review	
Challenges:	Assessment District process/approval and obtaining easements for pump station. Funds from homeowners in the amount of \$67K have been received by CAWD.	
Schedule:	Complete studies July/August 2022, Assessment District proceeding along with Septic to Sewer Grant Funding	
Consultant:	Denise Duffy & Associates and Monterey Bay Engineers	

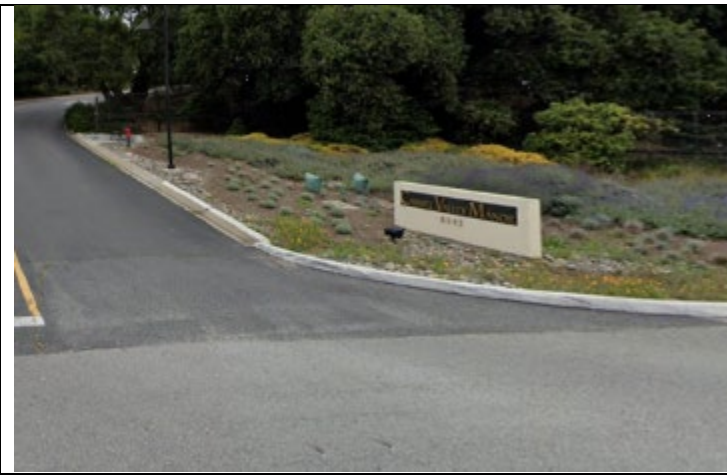


Photo: Entrance to Carmel Valley Manor

Project Number:	19-08	
Project Name:	Carmel Valley Manor Pipeline and Pump Station	
Project Location:	Collection System	
Project Manager:	Lather	
Status:	In Construction	
Project Description:	Sewer extension project to be completed by the owners of Carmel Valley Manor to connect to CAWD's sewer system. Riley Ranch, #19-08 Carmel Valley Manor (Deferred Revenue)	
Department:	Collections	
Financial: this is an unbudgeted item-under repayment agreement (no funds received)-	Cumulative Budget:	Cumulative Spent:
	FY Budget:	FY Spent:
Other Entities:	The prospect of a pipeline has given rise to a plethora of potential additional connections	
Permits Required:	County Encroachment Permit, Environmental Review completed.	
Challenges:	Funding, Repayment Agreement, easement agreements LAFCO annexation	
Schedule:	Approved without protest at 3/22/21 LAFCO hearing.	
Consultants:	MNS and Rincon are working for Carmel Valley Manor to permit and design the project.	
Contractor:	N/A	

Other Non-Capital Project Summaries



ADP Workforce Now

Photo: ADP Clip Art

Project Number:	N/A	
Project Name:	Workforce Now	
Project Location:	All Supervisor Locations	
Project Manager:	Foley	
Status:	Implementation	
Project Description:	Implementation of a comprehensive Human Resource (HR) software database for all supervisors and employees to utilize. Modules provide employee development tracking, benefits administration, custom performance review templates, and employee goal management.	
Department:	Administration	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$0	\$2,520 (annual fee)
Financial:	FY Budget:	FY Spent:
	\$0	\$2,520 (annual fee)
Challenges:	Technical issues need to be resolved & employee training. Implementation of advanced features for employee development and learning management.	
Schedule:	Anticipate implementation in Feb 2023. HCM Unlocked Consultant hired for specialized implementation services	
Consultants:	ADP	



Photo: Real Estate Clip Art

Project Number:	N/A	
Project Name:	Real Property Investigation	
Project Location:	Carmel Valley	
Project Manager:	Barbara Buikema	
Status:	Evaluation in Progress	
Project Description:	An investigation of a possible new treatment facility site in the mouth of the Carmel Valley, which is in response to the Coastal Commission requirement to move facilities within 30 years.	
Department:	Administration	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$75,000	\$0
Financial:	FY Budget:	FY Spent:
	\$75,000	\$0
Permits Required:	None – at this time	
Challenges:	Limited land possibilities, regulatory hurdles, and zoning	
Schedule:	24 months	
Consultants:	Mahoney & Associates	



Photo: Cyber Security Clip Art

Project Number:	N/A	
Project Name:	Cyber Security	
Project Location:	District-wide	
Project Manager:	Chris Foley	
Status:	Ongoing	
Project Description:	Internal Cyber Security Incident Response Team (CSIRT) formed, and they are working on a response plan & training. The upgrades to email filtering system have been completed. Stricter geofencing policies have been put in place, and a cold backup system that is sandboxed from the network were installed March 2022. Waiting on the receipt of the final report.	
Department:	All	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$17,000	\$0
Financial:	FY Budget:	FY Spent:
	\$17,000	\$0
Challenges:	Ongoing training & the need for continual upgrades as skills of hackers grow.	
Schedule:	Continually updating	
Consultant:	Exceedio	



Photo: Six Sigma Clip Art

Project Number:	N/A	
Project Name:	Source Control Six Sigma	
Project Location:	Management staff	
Project Manager:	Barbara Buikema	
Status:	Board Presentation	
Project Description:	A Six Sigma project to improve source control activities by focusing majority of inspection and compliance efforts on restaurants determined to be likely causes of grease in District lines..	
Department:	Administration	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$0	\$2,000
Financial:	FY Budget:	FY Spent:
	\$0	\$0
Permits Required:	None	
Challenges:	Implementation phase	
Schedule:	Ongoing	
Consultants:	Self-study online	



Photo: California coastline

Project Number:	22-01	
Project Name:	Long-Term Sea Level Rise Planning	
Project Location:	Treatment Plant	
Project Manager:	Barbara Buikema/Patrick Treanor	
Status:	In Progress	
Project Description:	As conditions of Coastal Permit #3-82-199-A8 - the District submitted its Long-Term Coastal Hazards Plan on 03-03-22. Board approved a Wastewater Treatment Plant Alternatives Planning Assistance on Sea Level Rise consultant services contract in May 2022.	
Department:	Administration	
Financial:	Cumulative Budget: \$1,400,00	Cumulative Spent: \$100,261.55
	FY Budget: \$260,000	FY Spent: \$100,261.55
Permits Required:	In response to California Coastal Commission	
Challenges:	Establishing focus on long term objectives and committing to follow through items.	
Schedule:	WWTP Relocation Planning Alternatives on Sea Level Rise presented in May 2022	
Consultants:	Greeley & Hansen	

STAFF REPORT



To: Board of Directors
From: Ed Waggoner, Operations Superintendent
Date: February 23, 2023
Subject: Monthly Operations Reports – January 2023

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Plant Operation

Treatment Plant:

- The treatment plant operations staff has continued finishing projects and concentrating on Preventative Maintenance Work Orders during the month of January. This included the implementation of the Operations Flood Preparation Standard Operating Procedures from the Plant Engineer.
- Univar Chemical site visit on January 31 for discussions on current and projected pricing on Sodium Hypochlorite and other supplied chemicals.

Reclamation:

- The Reclamation Facility shut down on January 23 due to the full Forest Lake Reservoir being at 115 million gallons.
- Staff continued preventative maintenance work on pumps, motors, and any equipment that needs maintenance for the Microfiltration (MF) and Reverse Osmosis Systems (ROS).
- Staff completed Clean-in-Place (CIP) cleans on Microfiltration (MF) Cells 1, 2, and 3. These cells were cleaned successfully with Trans Membrane Pressures (TMPs) pressures ranging between 1.8 to 5.5 pounds per square inch (psi).
- Clean-in-Place protocol on Reverse Osmosis Train A and B completed in January.
- (Project #21-09) Programmable Logic Controller/Supervisory Control and Data Acquisition (PLC/SCADA). Operations staff have been meeting and working with Maintenance and Frisch Engineering on the upgrades and programming of the PLC/SCADA System.

Training:

- Staff continued to complete online training at the treatment facility from Target Solutions as Carmel Area Wastewater District (CAWD) implements new safety policies.
- Staff participated in scheduled tailgate safety meetings in the digester building conference room.
- January 18, the Operations Superintendent attended an online class on “Operations Plans” PFAS in California.

Capital Improvement:

- Staff continues working with Plant Engineer, Patrick Treanor, on Project #18-01, the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Meetings Attended

- January 5, Zoom meeting with Trussell Technologies to review the past three months operational data on the Wastewater Reclamation Project.
- January 6, Zoom meeting with Trussell Technologies and Kennedy/Jenks Engineering to clarify questions on the asset evaluation program.
- January 12, Operations Superintendent attended a Zoom meeting with the Water Awareness Committee of Monterey County.
- (Project #18-01) Weekly Teams Meeting on the construction progress of the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Annual Reports

- Submitted the following Annual reports:
 - Annual Report for National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012, which included annual outfall inspection and Bio-solids disposal. To view the report click the link: [To view the Secondary NPDES Annual Report](#).
 - Annual Report for Reclamation Permit 93-72. To view the report click the link: [To view the Tertiary NPDES Annual Report 2022](#).
 - Environmental Protection Agency Sewage Sludge (Biosolids) Annual Report Permit CAL047996
 - CalRecycle Annual (Quarterly) Biosolids Report Permit RD10733
 - State of California Annual Volumetric Reporting of Wastewater and Recycle Water, WDR100029577

Discharge Permit Violations

- There were no violations of Reclamation Permit 93-72 for the month of December 2022.
- There was one violation of the National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012 within the month of December 2022.
- On December 15, 2022, Carmel Area Wastewater District, Monterey County exceeded Waste Discharge Requirements (WDR) Order No. R3-2014-0012 National Pollutant Discharge Elimination System (NPDES) Permit No. CA0047996. For the following constitution for ocean discharge as listed under Table 5 Effluent Limitations, pollutant “Instantaneous Maximum-Total Chlorine Residual” (this is located on page 6 of CAWD’s WDR permit).
 1. Instantaneous Maximum Chlorine Residual of 7300 micrograms per liter or 7.3 milligrams per liter (mg/L). Chlorine Residual at time of Supervisory Control and Data Acquisition alarm condition at 0851 hours by laboratory titration was 9.7 mg/L.

Note: see attached PDF for the full report filed to the Central Coast Regional Water Quality Control Board.

FUNDING-N/A-Informational item only

Attachment:

- Attachment 1-12-15-2022 Chlorine Violation



December 15 2022
Chlorine Violation fi



Carmel Area Wastewater District

P.O. Box 221428 Carmel California 93922 ❖ (831) 624-1248 ❖ FAX (831) 624-0811

Barbara Buikema
General Manager
Edward Waggoner
Operations Superintendent
Robert R. Wellington
Legal Counsel

Board of Directors
Gregory D'Ambrosio
Michael K. Rachel
Robert Siegfried
Kevan Urquhart
Ken White

Attention Peter VonLangen,

This is the follow up written report of the notification telephone call (Voice Mail) of the effluent permit violation from the Operations Superintendent of Carmel Area Wastewater District (CAWD) on December 15, 2022.

Permit Conditions/Violation:

On December 15, 2022, Carmel Area Wastewater District, Monterey County exceeded Waste Discharge Requirements (WDR) Order No. R3-2014-0012 National Pollutant Discharge Elimination System (NPDES) Permit No. CA0047996. For the following constitution for ocean discharge as listed under Table 5 Effluent Limitations, pollutant "Instantaneous Maximum-Total Chlorine Residual" this is located on page 6 of CAWD's WDR permit.

1. Instantaneous Maximum Chlorine Residual of 7300 micrograms per liter or 7.3 milligrams per liter (mg/L). Chlorine Residual at time of Supervisory Control and Data Acquisition alarm condition at 0851 hours by laboratory titration was 9.7 mg/L.

Permit Violation Events:

At 0851 hours on December 15, 2022, the plant SCADA system alarmed with a low Sodium Bisulfide alarm the for the effluent pump station wet well. The alarm set point is 1.5 mg/L of Sodium Bisulfide. Normal operation is to have a Sodium Bisulfide residual of at least 10 mg/L which assures neutralization of all the Sodium Hypochlorite used for disinfection. Operations staff immediately preformed a chlorine residual test and discovered that the residual chlorine in the plant effluent was 9.97 mg/L. This result of 9.97 mg/L exceeded the Instantaneous Maximum for ocean discharge of 7.3 mg/L.

Operations staff shut off plant flow and stored incoming wastewater in the equalization basins until the cause of the high chlorine residual was discovered and the systems repaired. At the same time the operations staff manually adjusted the Sodium Bisulfide pumping system to neutralize the chlorinated effluent still in the final effluent wet well pump station.

Upon review of the SCADA system and the DEOX/2000 Residual Analysers operations staff determined that Reverse Osmosis reject DEOX/2000 Residual Analyser chemical feed pump was rotating backwards. By the DEOX/2000 Residual Analyser chemical feed pump running backwards it was causing to not read correctly and transmitting false data to the Sodium Bisulfide neutralization feed pump which caused the pump to not dispense enough Sodium Bisulfide to

neutralize the Sodium Hypochlorite. By Reverse Osmosis reject DEOX/2000 Residual Analyser not reading correctly there was no alarm notification to alert the on-call operator of the failure.

The effluent pump station also has a DEOX/2000 Residual Analyser to allow a second chlorine neutralization system to dechlorinate if the Reverse Osmosis reject DEOX/2000 Residual Analyser fails. All the DEOX/2000 Residual Analyser are calibrated daily and records for December 14, 2022, indicated all units calibrated to within their limits. Operations staff is investigating why the effluent pump station DEOX/2000 Residual Analyser was so far off of calibration to the actual chlorine residual.

Operations staff corrected the Reverse Osmosis reject DEOX/2000 Residual Analyser pump by replacing the chemical feed pump. Then recalibrated the effluent pump station DEOX/2000 Residual Analyser.

Final Effluent discharge met the permit compliance for Chlorine Residual at 1020 hours and ocean discharge was resumed at that time.

Long Term Corrective Measures:

1. Operations staff contacted the vendor of the DEOX/2000 Residual Analyser (Borges & Mahoney) the vendor indicated there was a problem with some of the chemical feed pump motors for the analysers. (Causing the backwards pumping conditions) Borges & Mahoney's recommendation is to purchase new chemical feed pump motors. Which CAWD staff has done.
2. Review the Standard Operating Procedure (SOP) for the daily calibration of all DEOX/2000 Residual Analysers. In addition retrain the operation staff on calibration steps in the SOP.
3. Install a Wallace & Tiernan Micro/2000 Chlorine Analyzer in the effluent wet well pump station to detect chlorine residuals above 0.5 mg/L and send an alarm through the SCADA system.

Respectfully Submitted,



Edward Waggoner

Operations Superintendent
Carmel Area Wastewater District
Phone (831) 624-1249, ext. 291

waggoner@cawd.org

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: February 23, 2023

Subject: Monthly Maintenance Report – January 2023

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress/Completed

- Staff is working on Reclamation preventative maintenance and equipment upgrades.
 - A. Reverse Osmosis (RO) train B flow meters have been replaced with new units. The existing units have been placed in stock as used spares until the flow meters for train A and C are replaced.
 - B. The check valves for the microfiltration (MF) pumps have been rebuilt.
 - C. One RO motor will be sent out for recondition.
 - D. The turbidity meter annual maintenance has been completed. There are some gaskets for the automated cleaning head that need to be replaced. This cannot be completed in the field so the units will be sent to the manufacturer.
 - E. Electrical testing and inspection of the motors has been completed.
 - F. Upgraded blend pump check valves have been ordered and will be installed when they arrive.
 - G. A spare parts audit was performed on the MF pneumatic valves. Gaps in spare parts were identified and the order was replaced. A robust spare inventory is required due to the age of the valve components and long lead times for parts. This will ensure staff can quickly make any repairs during the irrigation season.
 - H. The piping tee that failed and was temporarily repaired will be replaced with a permanent repair. The permanent repair is an improved design.
 - I. Ammonia pumps will be rebuilt with new wear parts installed.

- The belt for the dewatering conveyer was replaced. The belt guide limit switches were also tested and required replacement. New switches have arrived and scheduled for installation.
- The dewatering screw press has been intermittently faulting. Staff is working with Fukoku Kogyo Company (FKC) the manufacturer to resolve the issue. The screw press will run for hours then trip. Staff added the amp reading to the Supervisory Control and Data Acquisition system so the trend can be analyzed.

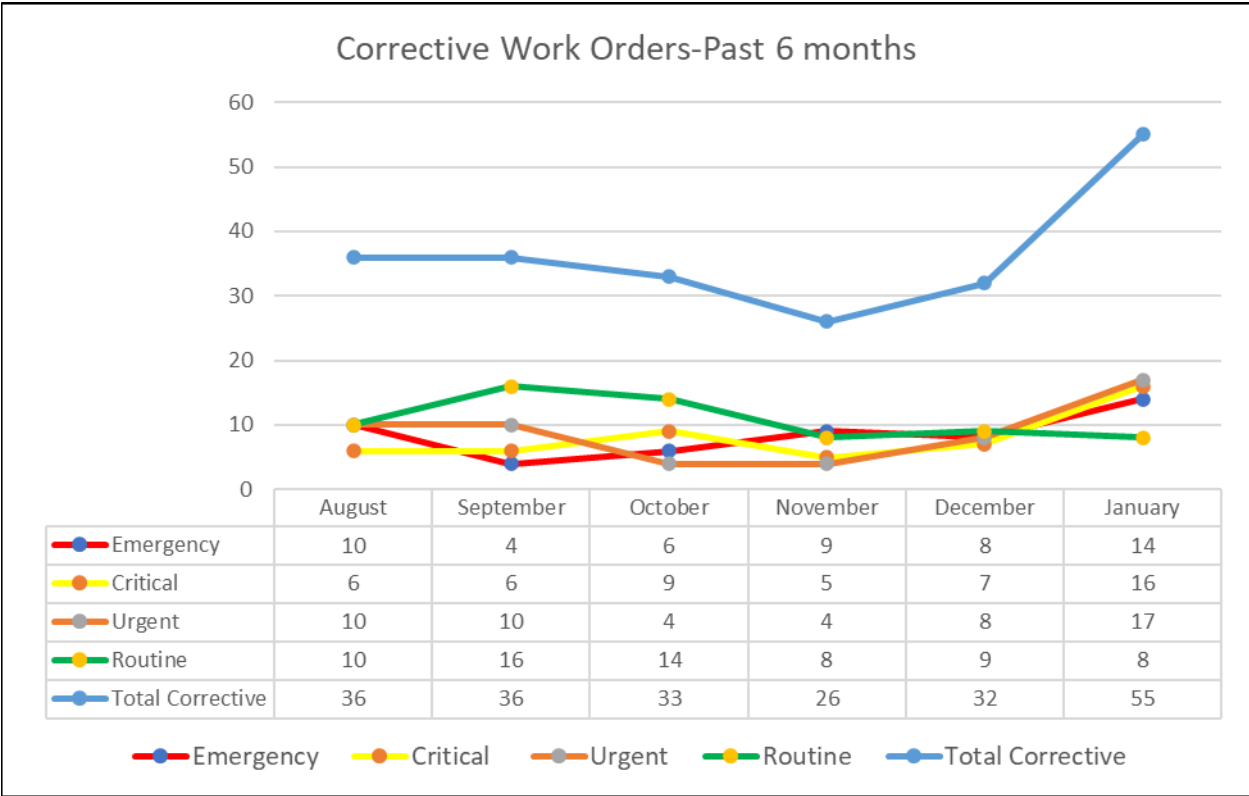
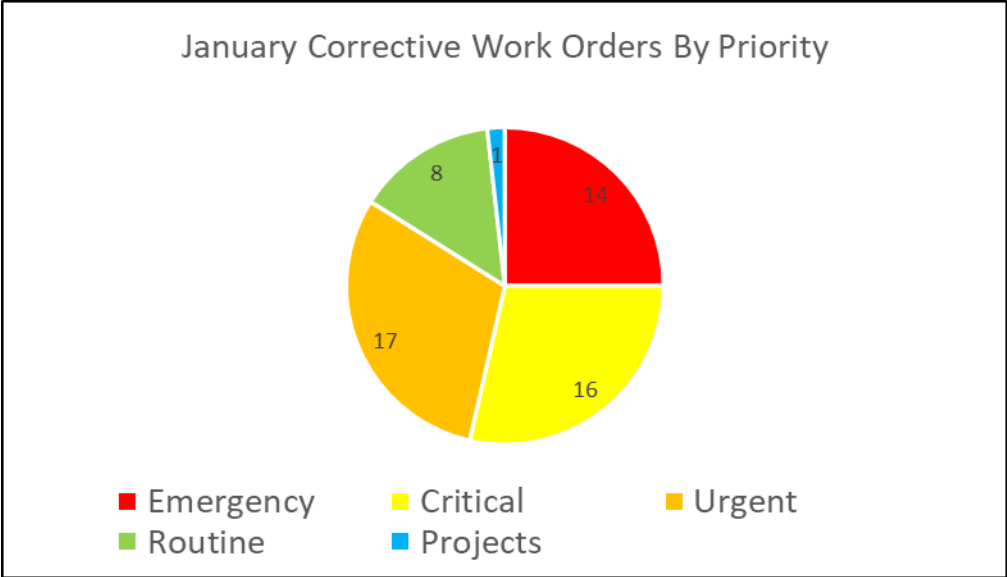
Upcoming Maintenance Projects

- Update 2: (Waiting on parts) Automatic drain valves are on order for the low-pressure methane gas. Currently staff has to drain the manual valves multiple times per day to prevent moisture buildup to the flare and microturbine. The automatic valves will be on a timer.
- (Project 18-01) Staff is preparing for influent pump replacement. Carmel Area Wastewater District is responsible for coordinating the Programmable Logic Controller (PLC) programming for the new pumps. Staff audited the PLC wiring connection points to ensure there are no conflicts between new and existing equipment and working with Frisch engineering on the PLC programming.
- Staff is working with DKF Solutions on Risk Survey improvements. This includes equipment specific lock out tag out procedures, emergency response planning and qualified electrical worker policy documentation.

Work Order Metrics

Preventive Maintenance (January)

Total Work Orders Generated	335
Total Work Orders Closed/Done	293
Total Work Orders Still Open	42
Percentage of Work Orders Completed	87.46%



FUNDING-N/A- Informational item only

STAFF REPORT

To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: February 23, 2023
Subject: General Engineering



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

This report is provided to update the Board of the Carmel Area Wastewater District (District) on current engineering activities during the month of January.

General Engineering

The Principal Engineer continues to work on projects related to the 2021 Annexation, including Yankee Point, Carmel Valley Manor and Corona Road.

The Corona Road project environmental work is being finalized and will be circulated in time to meet the April 1, 2023 deadline to submit the State Revolving Fund (SRF) funding full application. The SRF engineers have indicated that they plan to fund the project with 50% grant and 50% low interest rate loan for a total amount of \$6 million. In order for the parcels that are benefitting from the SRF loan to pay off the loan over 30 years, the District will have to set up a special assessment zone that will be established through a Proposition 218 process. The Principal Engineer will be working with our attorney to follow the correct procedures to do that prior to acceptance of the financing from the SRF program.

Carmel Valley Manor (CVM) have commenced construction at the end of January. They have not broken ground but have completed pot holing of utilities along the pipeline alignment and submitted specifications for materials to be approved and requests for information. They plan to break ground in early spring 2023, weather and groundwater levels permitting.

FUNDING

N/A- Informational item only

Resolutions

STAFF REPORT

To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: February 23, 2023
Subject: Acceptance of Sewer Installation Agreement, Easements Agreement, and Approval for General Manager to Enter into Contract with MNS Engineers for Construction Inspection Services for the September Ranch Sewer Project #18-29



RECOMMENDATION

The Board takes the following actions:

- Adopt Resolution 2023-10 approving the sewer installation agreement with CARMEL RESERVE LLC, a Delaware Limited liability company (CARMEL RESERVE) to construct sewer improvements and connect to the District's sewer system;
- Adopt Resolution 2023-11 approving easement agreements with CARMEL RESERVE for the sewer improvements to be constructed and authorizing the General Manager to sign the agreements in substantially the form presented, subject to such modifications as are necessary, and as are approved by the General Manger, the District Engineer and the District's legal counsel.
- Adopt Resolution 2023-12 authorizing the General Manager to Enter into a contract with MNS Engineers to Provide Construction Inspection Services for the September Ranch Sewer Project #18-29 in an amount not to exceed \$299,662.

DISCUSSION

CARMEL RESERVE has completed permitting and design of the Sewer Extension Project. The District's Principal Engineer has reviewed and approved the project plans and Don Chapin is in the process of being awarded the construction contract. In order to move forward with construction of facilities that will be accepted in the future by the District, CARMEL RESERVE needs to provide easements for the facilities to the District, provide a deposit of \$361,252 to pay for engineering inspection and District staff costs and sign a sewer installation agreement with the District.

The Principal Engineer, General Manager and the District's attorney have been working with CARMEL RESERVE for the past few years in order to provide the easement and sewer installation agreements needed for the sewer facilities to ultimately be accepted for operation and maintenance by the District. Attachment 1 is a drawing of the facilities to be constructed and later accepted by the District.

The Sewer Installation Agreement (Attachment 2) summarizes the work to be done, insurance requirements and what is required for the District to accept the constructed sewer improvements. As part of this agreement, any District costs due to construction inspections and meetings with District staff are required to be reimbursed and a deposit of \$20,000 will be provided by CARMEL RESERVE for this.

In addition, CARMEL RESERVE has agreed to pay for construction inspection services by MNS Engineers, Inc. in the amount of \$299,662 for a total deposit of \$319,662 be provided to the District to pay for these services on a time and materials basis. (see Attachments 6 for MNS proposal dated October 7, 2022). Easement deeds and the agreement by CARMEL RESERVE for the pump station site and pipeline alignments are Exhibits to the Sewer Installation agreement. (Attachment 3).

In order to move forward with the construction of the CARMEL RESERVE sewer improvements, it is required that the Board adopt resolutions 2023-10, 2023-11 and 2023-12 approving the sewer installation agreement, the pump lot and pipeline easement agreement and the consulting services agreement (Attachment 7) with MNS Engineers. The attached agreements will be signed after the Board approval of the basic form of the agreements and all deposits and easements have been received by the District.

FUNDING: CARMEL RESERVE is funding the project and the District's costs for inspections of the construction with total deposit of \$319,662 to the District

ATTACHMENTS:

1. Plans showing future CAWD Facilities and Pipelines
2. Sewer Installation Agreement between CARMEL RESERVE and Carmel Area Wastewater District
3. Pump Lot and Pipeline Easement deed Agreement by CARMEL RESERVE
4. Resolution 2023-10 Approving Sewer Installation Agreement with CARMEL RESERVE
5. Resolution 2023-11 Approving the Easement Agreement with CARMEL RESERVE
6. MNS Construction Inspection Services Proposal dated 10-7-2022
7. MNS Consulting Services Agreement Inspection Services
8. Resolution 2023-12 Authorizing the General Manager to Sign Consulting Services Agreement with MNS Engineers

**Attachment 1 - Plans showing future CAWD
Facilities & Pipelines**

HOA-OWNED GRAVITY SEWER
MAIN AND MANHOLES
SSMH-23 TO SSMH-29

PARCEL G
FUTURE DEVELOPMENT
350.5 AC

HOA-OWNED SS LIFT
STATION & SS FORCE MAIN

SSMH (CAWD)
SSMH-22

CAWD-OWNED LIFT STATION

PARCEL E
EQUESTRIAN CENTER
19.38 AC

PARCEL H
WELL PARCEL
0.46 AC

PARCEL F
INCLUSIONARY
4.5 AC

PARCEL A
OPEN SPACE

PARCEL B
COMMON OPEN SPACE A

PARCEL A
OPEN SPACE

SSMH (CAWD)
SSMH-46

SSMH (CAWD)
SSMH-47

TEHAMA
SUBDIVISION

NOTES/LEGEND:

- 1. HOA - OWNED SANITARY SEWER FACILITIES
- 2. CAWD - OWNED GRAVITY SANITARY SEWER
- - - 3. PRIVATELY OWNED AND MAINTAINED FORCED LATERALS

EXHIBIT 6 - SANITARY SEWER SYSTEM

ONE CARMEL

CARMEL VALLEY, CALIFORNIA

01/04/2023
Project No.: 595.01



T:\Monterey Projects\595 CIVIL\EXHIBITS\595-CMP.dwg rmsierra Jun 04, 2023 3:52pm

**Attachment 2 - Sewer Installation
Agreement between Carmel Reserve and
Carmel Area Wastewater District**

SEWER INSTALLATION AGREEMENT

Between

CARMEL RESERVE LLC AND CARMEL AREA WASTEWATER DISTRICT

February 23, 2023

THIS AGREEMENT, by and between CARMEL RESERVE LLC, a Delaware limited liability company (“CARMEL RESERVE”); and the CARMEL AREA WASTEWATER DISTRICT, a California sanitary district (“DISTRICT”), is made with reference to the following:

- A. CARMEL RESERVE desires to connect to the District’s wastewater treatment facility in Carmel, California;
- B. The proposed connection will require the installation of an extension of the existing sewer line to CARMEL RESERVE’s property in Carmel Valley, California, known as the Carmel Reserve Sewer Extension (“the Extension”), described and depicted in Exhibit A, attached hereto and incorporated herein by this reference;
- C. CARMEL RESERVE is willing to construct and pay the cost of installation of the Extension, in consideration of the District accepting title to the Extension, and agreeing to pay all the costs of maintenance, repair and replacement of the Extension;
- E. CARMEL RESERVE, through its independent contractor Whitson Engineers (“Whitson”) has submitted construction plans and specifications for the installation of the Extension, which plans and specifications have been approved by the District’s Engineer;
- F. CARMEL RESERVE is in the process of engaging the services of a construction manager (“CONSTRUCTION MANAGER”) to act as construction manager and provide inspection services in connection with the construction of the Extension;
- G. Upon DISTRICT and CARMEL RESERVE obtaining all necessary permits for the construction of the Extension, CARMEL RESERVE shall commence construction of the Extension, and will have entered into an agreement with a general contractor (“GENERAL CONTRACTOR”) for the construction of the Extension;
- H. It is anticipated by the parties hereto that the Extension will be built and completed in accordance with the plans and specifications for the Extension which have been approved by the District’s Engineer.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, and with the acknowledgement and agreement that all recitals A-H above shall be and are incorporated in this Agreement as part of its terms, it is agreed as follows:

1. CONSTRUCTION OF IMPROVEMENTS. CARMEL RESERVE, through GENERAL CONTRACTOR, shall at its own expense, construct the Extension in accordance with the plans and specifications approved by DISTRICT.

2. INDEMNIFICATION. CARMEL RESERVE shall to the full extent permitted by law exonerate, indemnify, and immediately defend (with independent counsel reasonably acceptable to the DISTRICT), and hold harmless DISTRICT, including without limitation, the DISTRICT's officers, agents, employees and volunteers (collectively "Indemnified Parties" or in the singular "Indemnified Party") from and against any and all claims, demands, losses, damages, penalties, fines, judgments, associated investigations and administrative expense, and defense costs, including without limitation reasonable attorney's fees, court costs, expert witness fees and costs of alternate dispute resolution, or liability of any kind or nature which DISTRICT may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property where same arise out of or are in any manner connected with performance (including without limitation the CONSTRUCTION described at Section 1 hereof) of this Agreement by CARMEL RESERVE, its officers, agents, employees, contractors, subcontractors, or volunteers. The duty to defend is a separate and distinct obligation from CARMEL RESERVE's duty to indemnify and CARMEL RESERVE shall be obligated to defend in all legal, equitable, administrative or special proceedings upon tender to CARMEL RESERVE of any claim in any form or at any stage of an action or proceeding, whether or not liability is established, and the obligation extends through final judgment including the exhaustion of any appeals. CARMEL RESERVE's obligation to indemnify applies unless it is finally determined that the liability was caused by the negligence or misconduct of an Indemnified Party, wherein the obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

(a) The provisions of this Section are not limited by the provisions herein relating to insurance, including without limitation, the provisions of any workers' compensation act or similar act. CARMEL RESERVE waives its statutory immunity under such statutes or laws as to the DISTRICT, its employees and officials. An allegation or determination of negligence or willful misconduct by an Indemnified Party does not relieve CARMEL RESERVE from its separate and distinct obligation to defend the DISTRICT, subject, however, to the right to offset or reduce such duty to defend or indemnify as herein provided.

(b) CARMEL RESERVE shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every contractor, subcontractor, sub-tier contractor or any other person or entity involved by, for, with or on behalf of CARMEL RESERVE in the performance (including without limitation the CONSTRUCTION described as Section 1 hereof) or subject matter of this Agreement. In the event CARMEL RESERVE fails to obtain such indemnity obligations from others as required here, CARMEL RESERVE agrees to be fully responsible according to the terms of this section irrespective of the identity of the party, person, or entity at fault.

(c) Failure of the DISTRICT to monitor compliance with any of the requirements of this Section 2 imposes no additional obligations on the DISTRICT and in no way acts as a waiver of any rights hereunder.

3. INSURANCE. For the full term of this Agreement (and any extensions thereof) CARMEL RESERVE shall obtain for itself, and shall require of GENERAL

CONTRACTOR and every other contractor, subcontractor, sub-tier contractor or any other person or entity involved by, for, with or on behalf of CARMEL RESERVE in the performance of the subject matter of this Agreement, to obtain and maintain, all without cost or expense to DISTRICT, at a minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects DISTRICT, and any insurance or self-insurance maintained by DISTRICT shall be considered in excess of insurance coverage maintained by GENERAL CONTRACTOR and shall not contribute to it. If any person or entity required hereby to obtain and maintain insurance carries insurance with coverage limits in an amount greater than the minimum amount required by the DISTRICT for this Agreement, that greater amount shall become the minimum required coverage limit for purposes of this Agreement. Therefore, CARMEL RESERVE hereby acknowledges and agrees, and shall require that all persons and entities required hereby to obtain and maintain insurance, that any and all insurance required hereunder shall be deemed liability coverage for any and all actions it performs in connection with this Agreement.

CARMEL RESERVE shall for itself and all persons and entities required hereby to obtain and maintain insurance, provide to DISTRICT or cause to be provided to DISTRICT on or before the commencement of performance of this Agreement, proof of insurance in a form acceptable to DISTRICT for all required coverages. All such proof shall be delivered or sent to:

CARMEL AREA WASTEWATER DISTRICT
ATTENTION: DISTRICT ENGINEER
3945 RIO ROAD
CARMEL, CA 93922

(a) Types of Insurance and Minimum Limits

(i) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall be required.

(ii) Vehicles used in the performance of this Agreement by CARMEL RESERVE or any persons or entities required above in this Section to obtain and maintain insurance, including owned, non-owned (e.g., owned by CARMEL RESERVE or said persons' or entities' employees), leased or hired vehicles, in the minimum amount of \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage.

(iii) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$3,000,000.00 combined single limit, including coverage for: bodily injury, personal injury, broad form property damage, contractual liability, and cross-liability.

(b) Other Insurance Provisions

If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, the required coverage shall be maintained for a period of three (3) years after this Agreement has been fully performed (hereinafter "post Agreement coverage"). Required post Agreement coverage may be maintained by renewal or purchase of prior acts or tail coverage.

This provision is contingent upon post Agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding one hundred percent (100%) of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post Agreement coverage shall be deemed to be reasonable.

(i) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

“The Carmel Area Wastewater District, its officials, employees, agents, and volunteers are added as an additional insured as respects the operations and activities of, and on behalf of, the named insured’s performance under its agreement with the Carmel Area Wastewater District. No insurance Coverages described herein shall exclude claims against CARMEL RESERVE or any other above-described persons or entities required to obtain and maintain insurance, by the DISTRICT on grounds that DISTRICT is named an additional insured.”

(ii) All required insurance policies shall be endorsed to contain the following clause: “This insurance shall not be cancelled, reduced or modified until and unless thirty (30) days prior written notice has been given to:

**“CARMEL AREA WASTEWATER DISTRICT
ATTENTION: DISTRICT ENGINEER
3945 RIO ROAD
CARMEL, CA 93922”**

4. EQUAL EMPLOYMENT OPPORTUNITY. CARMEL RESERVE, unless excused in writing by DISTRICT, shall require for itself, and shall obtain promises by written agreements that GENERAL CONTRACTOR and every other contractor, subcontractor, sub-tier contractor, or any other person or entity involved by, for with or on behalf of CARMEL RESERVE in the performance of the subject matter of this Agreement agrees as follows that:

(a) They shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical handicap or disability, medical condition (cancer related), marital status, sex, sexual preference, age (over 40), veteran status, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to the following: recruitment; advertising; (including apprenticeship), employment, upgrading, demotion, or transfer. They shall post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

(b) If they employ fifteen (15) or more employees, the following requirements shall be included in their agreements.

(c) They shall, in all solicitations or advertisements for employees placed, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical handicap or disability, medical condition (cancer related), marital status, sex, sexual preference, age (over 40), veteran

status, or any other non-merit factor unrelated to job duties. In addition, they shall make a good faith effort to consider Minority/Women/Disabled-Owned Business Enterprises in solicitation of goods and services.

(i) They shall furnish CARMEL RESERVE and District's Affirmative Action Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, handicap or disability, and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority/Women/Disabled- Owned Business Enterprises.

5. FEES. CARMEL RESERVE will deposit \$319,662 in a trust fund with the DISTRICT for District's engineering reviews and inspection costs. Only actual costs will be billed to this account. The costs include \$ 299,662 for inspection services by MNS Engineering as summarize in the attached proposal dated October 7, 2022 and \$20,000 for District costs. If any funds remain in the account after construction is completed, those funds shall be returned to CARMEL RESERVE.

6. TIME OF COMPLETION. The construction work shall be completed within Two thousand (2,000) working days from date work begins and shall be completed no later than 4 years from date of execution. This Agreement shall be void unless work is initiated within ninety (90) days of the District's issuance of its permit to start work. The timelines in this Paragraph 6 may be extended from time to time by District upon request of CARMEL RESERVE. Approval of any such extension(s) shall not be unreasonably withheld by District.

7. EASEMENTS. CARMEL RESERVE agrees to provide or has provided DISTRICT with all necessary easements for the purposes of installing, maintaining, repairing or replacing the two pump stations and sewer lines leading to and from the pump stations, all in accordance with the approved plans for the Extension and on the improvement plans for the Carmel Reserve Subdivision.

8. CONSENT TO ACCESS. During the course of construction of the Extension, District consents to CARMEL RESERVE, GENERAL CONTRACTOR, CONSTRUCTION MANAGER and any of said entities' duly authorized representatives, including, but not limited to, any subcontractor or independent contractor which is engaged in the installation of the Extension, having access to any property owned or controlled by DISTRICT, including any easements and rights of way in order to carry out the purposes of this Agreement and for the installation of the Extension.

9. ACCEPTANCE OF SEWERS. DISTRICT, for and in consideration of the execution of this Agreement and fulfillment by CARMEL RESERVE of the terms set forth herein, agrees to accept full ownership and possession of and to undertake all maintenance, upkeep, repair and replacement of, the sewer system, including all underground piping, pump stations and other facilities constituting or encompassed in the Extension excepting sewer laterals. Acceptance of full ownership and possession is contingent on DISTRICT, by and through its Engineer, approving the Project as built.

10. NOTICES. All notices to the parties, provided for or permitted under this Agreement or by law, must be in writing and shall be deemed duly served when personally delivered to the other party.

In lieu of personal service, notices shall be deemed duly served on a party when deposited in the United States mail, certified postage prepaid, addressed to such party as set forth below or at such other place as may from time to time be specified in a notice given pursuant to this paragraph as the address for service of notice on such party:

If to CARMEL RESERVE: Carmel Reserve, LLC
Attn: Wei Huang, Authorized Signatory
920 Hillview Ct.
Suite 180
Milpitas, CA 95035
E-mail: wei Huang@onecarmel.com

With a copy to: Anthony L. Lombardo, Esq.
Anthony Lombardo & Associates
144 West Gabilan St
Salinas, CA 93901
Telephone: (831) 751-2330
Facsimile: (831) 751-2331
E-mail: tony@alombardolaw.com

If to DISTRICT: Carmel Area Wastewater District
Barbara Buikema, General Manager
P.O. Box 221428
Carmel, CA 93922
Telephone: (831) 624-1248
E-mail: buikema@cawd.org

With a copy to: Rachél Lather, Principal Engineer
E-mail: lather@cawd.org

11. BINDING EFFECT. This Agreement shall be binding upon each party and their respective successors in interest and assigns.

12. CONTROLLING LAW. This Agreement has been negotiated, drafted and executed in Monterey County, California. The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey with respect to any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

13. COUNTERPARTS. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

14. COMPLETE AGREEMENT. This instrument, any attached exhibits, and the documents expressly described or referred to in the Agreement constitute all of the understandings and agreements existing between the parties concerning this Agreement and the rights, interest, understandings, agreements and obligations created by this Agreement. Any prior discussions or documents relating to this Agreement and the subject matter hereof are fully and completely integrated herein, and no such prior discussion or document outside of this Agreement shall be considered or used in any way to interpret any provision of this Agreement.

15. SEVERABILITY. If any one or more of the provisions contained in this Agreement is held by a court of competent jurisdiction (or by an arbitrator who adjudicates any dispute or interprets this Agreement) for any reason to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability of any such provision shall not affect any other provisions hereof, and this Agreement shall be construed as if it did not contain any invalid, illegal or unenforceable provision.

16. AMENDMENTS. The exclusive method to change or modify this Agreement shall be by a written amendment to this Agreement, signed by the parties, and shall be effective from the date specified in such amendment unless the parties agree to another effective date of amendment in such writing. No oral agreement conflicting in any manner with the terms hereof shall be effective, whether or not partially performed, unless and until embodied in such an amendment to this Agreement and signed by the parties to this Agreement.

17. NUMBER; GENDER. Whenever appropriate in this Agreement, terms in the singular form shall include the plural (and vice versa) and any gender form shall include all others.

18. HEADINGS. Section headings in this Agreement are for the convenience of the parties only and do not form a part of this Agreement, nor should such headings be used to interpret any provision of this Agreement.

19. REMEDIES. All rights and remedies of any party under this Agreement or under applicable law shall be separate and cumulative, and no right or remedy, whether or not exercised, shall preclude a party from exercising any other right or remedy.

20. PREPARATION OF AGREEMENT. The parties acknowledge that the law offices of Anthony Lombardo & Associates, a professional corporation ("Lombardo"), has prepared this Agreement on behalf of CARMEL RESERVE; and that Lombardo has not provided legal representation or given legal advice to the District in connection with negotiating, drafting or executing this Agreement. Each party to this Agreement acknowledges that it has been given a reasonable opportunity to obtain independent legal advice in connection with its negotiation, drafting and executing of this Agreement.

21. TIME OF THE ESSENCE. Time is of the essence of this Agreement and failure to comply strictly with this provision and the time periods specified herein (unless waived or extended by written agreement) shall be a material breach of this Agreement.

22. CUMULATIVE RIGHTS. All rights and remedies of any party under this Agreement or under applicable law shall be separate and cumulative, and no right or remedy, whether or not exercised, shall preclude a party from exercising any other right or remedy it may have.

23. INTERPRETATION/CONSTRUCTION OF AGREEMENT. The parties acknowledge that this Agreement was drafted after negotiations between the parties. The parties agree that any ambiguities or uncertainties shall be resolved by giving effect to the ascertained intent of the parties pursuant to California Civil Code section 1654 without any presumption against either party.

24. AUTHORITY. The individuals signing the Agreement on behalf of the District and CARMEL RESERVE represent, covenant and warrant that they have the full and absolute authority and ability to bind the respective organizations on whose behalf they are signing and that no other parties must execute this Agreement to make it effective as to those parties. Each party that is a corporation, limited liability company, limited partnership, partnership, association or similar type entity, represents and warrants to the other party that it is in good standing in its State of incorporation or organization, and that it is qualified to conduct business in the State of California.

25. ATTORNEYS' FEES AND COSTS. Each party shall bear its own attorneys' fees and costs incurred through the Effective Date, as well as all costs of preparing, negotiating and executing this Agreement. If any action is necessary to enforce or interpret the provisions of this Agreement, the judge hearing such action shall be empowered to award attorneys' fees, including expert witness fees and costs, to the prevailing party. For purposes of this Agreement, "costs" shall not be defined as narrowly as they are in Code of Civil Procedure section 1033.5, but shall include all reasonable expenditures necessary to this action.

26. ALTERNATE DISPUTE RESOLUTION. Any dispute arising out of or relating to this Agreement, or the making, performance or interpretation thereof, shall first be submitted to mediation in Monterey County, California, before a neutral mediator to be selected by the parties. If the parties cannot agree on a mediator, then counsel for the parties shall select a mediator from the panel maintained by the Judicial Arbitration and Mediation Service ("JAMS") in San Jose, California. If counsel cannot agree on a mediator, then the mediator shall be selected by JAMS in accordance with the JAMS Rules then in effect.

The mediation fee shall be divided equally between the parties involved. Mediation shall be commenced not later than sixty (60) business days after one party gives the other party written demand to mediate.

If any party to this Agreement refuses to submit a dispute to mediation after written demand having been given by the other party, then the failure or refusal to submit to mediation shall be taken into consideration by the arbitrator hereafter designated in determining whether the party failing or refusing to mediate should be awarded any costs or attorneys' fees by the arbitrator, it being agreed by the parties that a party's failure or refusal to participate in mediation would cause both parties unnecessarily to incur costs and attorneys' fees in the resolution of any dispute.

In the event the dispute is not resolved by mediation, or in the event that a party fails or refuses to participate in mediation, the dispute shall be referred to neutral, binding arbitration before a single arbitrator as provided in this paragraph. In the event a dispute is referred to arbitration, the parties shall select a mutually agreeable arbitrator.

If the parties do not agree on an arbitrator within twenty (20) business days after a request to arbitrate is given by a party, then the arbitrator shall be a retired appellate justice, or a retired Federal Court or retired California Appellate Court or Superior Court judge or a licensed attorney having not less than ten (10) years' practice in business or commercial law selected from the JAMS San Jose Office in accordance with the JAMS Rules then in effect. All arbitration proceedings shall be conducted in Monterey County, California, unless otherwise agreed by the parties in writing. The arbitrator must follow California law in reaching their decision, and the failure to do so is grounds for setting aside any arbitration award.

The decision of the arbitrator shall be binding upon the parties and shall include a written statement of facts and the legal basis for the arbitrator's decision. The decision shall not be final until the written decision is delivered to the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Except as expressly provided herein, the arbitration shall be conducted in accordance with California Code of Civil Procedure sections 1280, et seq. Notwithstanding anything in this paragraph to the contrary, either party may seek from a court any provisional or interim relief that is necessary or appropriate to protect the rights or property of that party, pending the establishment of the arbitrator's final determination and shall not thereby waive the right to require any dispute hereunder to be resolved by binding arbitration.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures this _____ day of _____, 2023.

CARMEL RESERVE, a Delaware limited liability company

By: _____
Wei Huang, Authorized Signatory
[print name and title]

CARMEL AREA WASTEWATER DISTRICT

By: _____
Barbara Buikema, General Manager
[print name and title]

APPROVED AS TO FORM:

District Counsel

**Attachment 4 - Resolution 2023-10
Installation Agreement**

RESOLUTION NO. 2023-10

RESOLUTION TO APPROVE THE SEPTEMBER RANCH SEWER EXTENSION PIPELINE INSTALLATION AGREEMENT WITH CARMEL RESERVE, PROJECT

#18-29

-oOo-

WHEREAS, CARMEL RESERVE, Inc., (CARMEL RESERVE) is willing to grant an easement to the District to provide access to real property (“the Property”) owned by CARMEL RESERVE, for the purposes of maintaining and operating an underground pump station contained within an underground wet well and an above ground enclosed control panel and generator (“the Pump Station Facility”); the installation of a gravity sewer line on and adjacent to the Property and a sewer line within Carmel Valley Road; and

WHEREAS, construction of the Pump Station Facility on the Property for and on behalf of the District is necessary for the development of the September Ranch Subdivision; and

WHEREAS, an Access Pump Lot and Pipeline Easement Agreement (see Resolution 2023-11) is needed to be signed by CARMEL RESERVE and the District to summarize the understanding and the agreements associated with the facilities within the easement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Carmel Area Wastewater District, hereby authorizes the General Manager to sign the Sewer Extension Pipeline Installation Agreement in substantially the form presented, subject to such modifications as are necessary, and as are approved by the General Manager, the District Engineer and the District’s legal counsel.

PASSED AND ADOPTED by the Board of Directors of the Carmel Area Wastewater District on February 23, 2023 by the following vote:

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

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

**Attachment 3 - Pump Lot and Pipeline
Easement Deed Agreement by Carmel Reserve**

ASSESSOR PARCEL NO.: *(will be confirmed at later date)*

PROJECT: September Ranch Sewer Extension and Pump Station Project

OWNER: CARMEL RESERVE, LLC

PUMP FACILITY AND PIPELINE EASEMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between CARMEL RESERVE LLC, a Delaware limited liability company (“CARMEL RESERVE”) and Carmel Area Wastewater District, a California public agency duly organized and existing under the laws of the State of California (“the District”). The effective date of this Agreement is _____ 2023.

RECITALS

1. CARMEL RESERVE intends to construct on its property located in Carmel Valley (“the Property”) an underground pump station contained within an underground wet well and an above ground enclosed control panel and generator (“the Pump Station Facility”) for the September Ranch Sewer Extension (“the Project”) and related purposes. The Project includes the installation of a sewer line on and adjacent to the Property. The course of the sewer line is more particularly described in Exhibit A.
2. CARMEL RESERVE’s construction of the Pump Station Facility on their Property for the District is necessary for the Project to connect to the District’s public sewer system.
3. CARMEL RESERVE is willing to grant an easement over a portion of the Property (“Pump Station Facility and gravity sewer”), a copy of which easement is attached hereto as Exhibit A and incorporated by this reference (“the Easement Deed”) to the District in exchange for the connection of the Property to the District’s system.
4. The Project will be designed and constructed by CARMEL RESERVE in accordance with plans and specifications approved by the District.

NOW THEREFORE, for good and valuable consideration, including but not limited to the mutual promises of the parties to each other as herein set forth, receipt of which is hereby acknowledged, it is mutually agreed as follows:

1. INCORPORATION OF RECITALS. The foregoing Recitals are incorporated in this Agreement and made a part hereof by this reference.

2. CARMEL RESERVE SHALL:

A. DEED APPROVAL - Obtain the District’s approval of a grant of easement deed (“the Deed”) by which CARMEL RESERVE grants a non-exclusive easement in the form attached as set forth in Exhibit B.

B. RECORDATION OF THE DEED - Deliver the Deed when executed to the District and cause the same to be recorded in the office of the Monterey County Recorder.

C. CONSTRUCTION SCHEDULE – CARMEL RESERVE contemplates the construction work on the Property contemplated by this Agreement begin on or around March 1, 2023 and conclude within four (4) years of the commencement of the work.

D. PERMISSION TO ENTER - Grants to the District, and their respective officers, directors, employees, agents, and contractors, permission to enter the Property as necessary and as described in the Deed to maintain, repair and/or replace the Pump Station Facility and the sewer line extension, and to carry out any necessary surface restoration and revegetation on the Property, subject to all applicable terms and conditions contained in this Agreement and the Deed.

E. TITLE INDEMNITY AND WARRANTY - Represents and warrants that it is the sole vested owner of the Property, holding all ownership and possessory rights, and the signatories for CARMEL RESERVE are the authorized signatories to grant the rights referenced in this Agreement without conflict or claims from other parties.

F. HAZARDOUS SUBSTANCES - Represents and warrants, to the best of CARMEL RESERVE's knowledge, and after reasonable inquiry, the following:

i) During CARMEL RESERVE's ownership of the Property, CARMEL RESERVE knows of no disposal, releases, or threatened releases of hazardous substances on, from, or under the Property or CARMEL RESERVE's remaining adjacent property. CARMEL RESERVE further represents and warrants that CARMEL RESERVE has no knowledge of disposal, release, or threatened release of hazardous substances on, from, or under the Property, or CARMEL RESERVE's remaining adjacent property, which may have occurred prior to CARMEL RESERVE's ownership.

ii) There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on or within the Property or CARMEL RESERVE's remaining adjacent property.

3. THE DISTRICT:

A. MAINTENANCE OF PUMP STATION AND SEWER LINES. The District agrees that, upon completion of the Project and dedication of the Pump Station Facility and sewer line extension to the District, it shall be solely responsible for the maintenance and repair of the Pump Station Facility and sewer line on the Property so long as they remain operational. If, pursuant to this Agreement, additional soundproofing or odor proofing is installed after completion and dedication of the Pump Station Facility to the District, the District shall repair and replace such soundproofing and odor proofing. District shall maintain any visual landscape screening installed as part of the Pump Station Facility.

B. SEWER LINE EXTENSIONS. The District agrees that it shall be solely responsible for those portions of the sewer line extensions and manholes constructed pursuant to this Agreement located in the public right of way and within the pipeline easement from the public road to the pump station.

C. FENCING. The District agrees that the maintenance, repair and replacement of any fencing installed around the perimeter of the Pump Station Facility shall be the sole responsibility of the District. The District's acceptance of the Deed shall be deemed District's acceptance of this obligation.

D. INDEMNIFICATION. The District agrees to indemnify and hold harmless CARMEL RESERVE, its shareholders, directors, officers, employees, agents and contractors, consultants or CARMEL RESERVE's tenants or invitees on CARMEL RESERVE's lands described herein against any and all claims, liability, losses and damages for the District's exercise of its rights under this Agreement and the Deed, as further described in the Deed.

5. THE PARTIES AGREE:

A. MISCELLANEOUS PROVISIONS

1. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

2. COMPLETE AGREEMENT - This instrument, any attached exhibits, and the documents expressly described or referred to in the Agreement constitute all of the understandings and agreements existing between and among the parties concerning this Agreement and the rights, interest, understandings, agreements and obligations created by this Agreement. Any prior discussions or documents relating to this Agreement and the subject matter hereof are fully and completely integrated herein, and no such prior discussion or document outside of this Agreement shall be considered or used in any way to interpret any provision of this Agreement.

3. APPROVAL - This transaction is subject to and conditioned upon approval of the Deed by the District and the delivery of a conformed copy of a Resolution of Acceptance of the Pump Station Facility by the District.

4. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same document.

5. ELECTRONIC AND FACSIMILE SIGNATURES - In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures if documents bearing original signatures are provided following transmittal of the electronic or facsimile signature. Documents for recordation by the Monterey County Recorder must contain original signatures.

6. BINDING EFFECT - This Agreement shall be binding upon each party and their respective successors in interest and assigns.

7. CONTROLLING LAW - This Agreement has been negotiated, drafted and executed in Monterey County, California. The parties agree that this Agreement and the rights and remedies of the parties hereunder shall be governed by California law. Each party consents to the exclusive jurisdiction of the Superior Court of California in and for the County of Monterey for the resolution of any dispute which is not otherwise resolved as herein provided and for the enforcement hereof.

8. SEVERABILITY - If any one or more of the provisions contained in this Agreement is held by a court of competent jurisdiction (or by an arbitrator who adjudicates any dispute or interprets this Agreement) for any reason to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability of any such provision shall not affect any other provisions hereof, and this Agreement shall be construed as if it did not contain such invalid, illegal or unenforceable provision.

9. AMENDMENTS - The exclusive method to change or modify this Agreement shall be by a written amendment to this Agreement, signed by the parties, and shall be effective from the date specified in such written amendment unless the parties agree to another effective date of amendment in such writing. No oral agreement shall be effective, whether or not partially performed, unless and until embodied in such an amendment to this Agreement and signed by the parties to this Agreement.

10. NUMBER; GENDER - Whenever appropriate in this Agreement, terms in the singular form shall include the plural (and vice versa) and any gender form shall include all others.

11. REMEDIES - All rights and remedies of any party under this Agreement or under applicable law shall be separate and cumulative, and no right or remedy, whether or not exercised, shall preclude a party from exercising any other right or remedy.

12. TIME OF THE ESSENCE - Time is of the essence of this Agreement and failure to comply strictly with this provision and the time periods specified herein (unless waived or extended by written agreement) shall be a material breach of this Agreement.

13. INTERPRETATION/CONSTRUCTION OF AGREEMENT - The parties acknowledge that this Agreement was drafted after negotiations between the parties. The parties agree that any ambiguities or uncertainties shall be resolved by giving effect to the ascertained intent of the parties pursuant to California Civil Code section 1654 without any presumption against any party.

14. AUTHORITY – Each of the individuals signing the Agreement on behalf of the parties hereto represents, covenants and warrants to the other parties that he or she has the full and absolute authority and ability to bind the entities on whose behalf they are signing and that no other parties must execute this Agreement to make it effective as to such party. Each party that is a corporation, limited liability company, limited partnership, partnership, association or similar type entity, represents and warrants to the other parties that it is in good standing in its state of incorporation or organization, and that it is qualified to conduct business in the State of California.

15. ATTORNEYS' FEES AND COSTS - Each party shall bear its own attorneys' fees and costs incurred through the Effective Date, as well as all costs of preparing, negotiating and executing this Agreement. If any action or arbitration is necessary to enforce or interpret the provisions of this Agreement, the judge or arbitrator hearing such proceeding shall be empowered to award reasonable attorneys' fees, including expert witness fees and costs, to the prevailing party or parties. The said judge or arbitrator shall have the authority to determine which party is the prevailing party, if any. For purposes of this Agreement, "costs" shall not be defined as narrowly as they are in Code of Civil Procedure section 1033.5, but shall include all reasonable expenditures necessary to this action.

16. ALTERNATE DISPUTE RESOLUTION - Any dispute arising out of or relating to this Agreement, or the making, performance or interpretation thereof, shall first be submitted to mediation in Monterey County, California, before a neutral mediator to be selected by the Parties. If the Parties cannot agree on a mediator, then counsel for the Parties shall select a mediator from the panel maintained by the Judicial Arbitration and Mediation Service ("JAMS") in San Jose, California. If counsel cannot agree on a mediator, then the mediator shall be selected by JAMS in accordance with the JAMS Rules then in effect.

The mediation fee shall be divided equally between or among the Parties involved as the case may be. Mediation shall be commenced not later than sixty (60) business days after one Party gives the other Party written demand to mediate.

If any Party to this Agreement refuses to submit a dispute to mediation after written demand having been given by another Party, then the failure or refusal to submit to mediation shall be taken into consideration by the arbitrator (or any judge as the case may be) hereafter designated in determining whether the Party failing or refusing to mediate should be awarded any costs or attorneys' fees by the arbitrator, it being agreed by the Parties that a Party's failure or refusal to participate in mediation would cause the Parties unnecessarily to incur costs and attorneys' fees in the resolution of any dispute.

In the event the dispute is not resolved by mediation, or in the event that a Party fails or refuses to participate in mediation, the dispute shall be referred to neutral, binding arbitration before a single arbitrator as provided in this Paragraph. In the event a dispute is referred to arbitration, the Parties shall select a mutually agreeable arbitrator. If the Parties do not agree on an arbitrator within twenty (20) business days after a request to arbitrate is given by a Party, then the arbitrator shall be a retired justice of the Federal or California appellate court, or a retired judge of the Federal District Court or California Superior Court, or a licensed attorney having not less than ten (10) years' practice in business or commercial law selected from the JAMS San Jose Office in accordance with the JAMS Rules then in effect. All arbitration proceedings shall be conducted in Monterey County, California, unless otherwise agreed by the Parties in writing. The arbitrator must follow California law in reaching his or her decision, and the failure to do so is grounds for setting aside any arbitration award.

The decision of the arbitrator shall be binding upon the Parties and shall include a written statement of facts and the legal basis for the arbitrator's decision. The decision shall not be final until the written decision is delivered to the Parties. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Except as expressly provided herein, the arbitration shall be conducted in accordance with California Code of Civil Procedure sections 1280, et seq.

Notwithstanding anything in this Paragraph to the contrary, either Party may request from a court any provisional or interim relief that is necessary or appropriate to protect the rights or property of that Party, pending the establishment of the arbitrator's final determination and any such request shall not thereby waive the right to require any dispute hereunder to be resolved by binding arbitration.

17. NOTICES - All notices to the parties, provided for or permitted under this Agreement or by law, must be in writing and shall be deemed duly served when personally delivered to the other party. In lieu of personal service, notices shall be deemed duly served on a party when deposited in the United States mail, certified postage prepaid, addressed to such party as set forth below or at such other place as may from time to time be specified in a notice given pursuant to this paragraph as the address for service of notice on such party:

If to CARMEL RESERVE:

CARMEL RESERVE LLC
c/o Anthony Lombardo, Esq.
Cody Phillips, Esq.
ANTHONY LOMBARDO & ASSOCIATES
144 W. Gabilan Street
Salinas, CA 93901
Telephone: (831) 751-2330
E-mail: tony@lombardolaw.com

If to Carmel Area Wastewater District:

Barbara Buikema
3945 Rio Road
Carmel, CA 93922
Telephone: (831) 624-1248
E-mail: buikema@cawd.org

GRANTOR:

CARMEL RESERVE LLC, a Delaware limited liability company.

By: _____

(Print Name)

Its: _____

CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE SECTION 27281

This is to certify that the CARMEL AREA WASTEWATER DISTRICT, Grantee herein, hereby accepts for public purposes the real property, or interest therein, described in the foregoing Easement Deed dated _____, 2023, from CARMEL RESERVE LLC, a Delaware limited liability company, Grantor therein, and consents to the recordation thereof.

In witness whereof, I have hereunto set my hand this ____ day of _____, 2023

CARMEL AREA WASTEWATER DISTRICT

By: _____

Name: Barbara Buikema

Title: General Manager

ATTEST:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF MONTEREY

On _____, 2023, before me _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (Seal)

CARMEL RESERVE:

CARMEL RESERVE LLC, a Delaware limited liability company

By: _____ Date: _____

Name: _____

Title: _____

By: _____ Date: _____

Name: _____

Title: _____

CARMEL RESERVE'S MAILING ADDRESS:

CARMEL RESERVE LLC
c/o Anthony Lombardo, Esq.
Cody Phillips, Esq.
Anthony Lombardo & Associates
144 W. Gabilan Street
Salinas, CA 93901
Phone: [\(831\) 751-2330](tel:8317512330)
tony@alombardolaw.com

CAWD:

CARMEL AREA WASTEWATER DISTRICT

By: _____

Date: _____

Name: Barbara Buikema

Title: General Manager

MAILING ADDRESS OF CAWD:

3945 Rio Road
Carmel, California 93922

CAWD'S AGENT CONTACT INFO:

Rachél Lather
3945 Rio Road
Carmel, California 93922
Phone: Office 831-624-1248 / Cell (831)917-1423
email: lather@cawd.org

**EX A – Sewer Line Extension Map AND Pump Station
Facility**

EX C – Form of Grant Deed

(Attachments to be inserted when received)

(Attachments to be inserted when received)

EXHIBIT A

PUMP STATION EASEMENT LEGAL DESCRIPTION

EXHIBIT B

PIPELINE EASEMENT LEGAL DESCRIPTION

EXHIBIT C

CARMEL RESERVE PROPERTY DESCRIPTION

**Attachment 5 - Resolution 2023-11
Easement Deed Agreement**

RESOLUTION NO. 2023-11

RESOLUTION TO
APPROVE THE SEPTEMBER RANCH SEWER EXTENSION PROJECT EASEMENT
AGREEMENT FOR SEWER IMPROVEMENTS, PROJECT #18-29

-oOo-

WHEREAS, the CARMEL RESERVE, LLC., (CARMEL RESERVE) is required to provide easements to the Carmel Area Wastewater District (“District”) for the purposes of operating and maintaining an underground pump station contained within an underground wet well and an above ground enclosed control panel and generator (“the Pump Station Facility”) for the September Ranch Sewer Extension (“the Project”) and the sewer line on the property, including beneath private roads within the subdivision; and

WHEREAS, construction of the Pump Station Facility and pipelines on the Property for and on behalf of the District is necessary; and

WHEREAS, a Pump Lot and Pipeline Easement Agreement is needed to be signed by CARMEL RESERVE and the District to summarize the understanding and the agreements associated with the facilities within the easement on the property.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Carmel Area Wastewater District, hereby authorizes the General Manager to sign the Pump Lot and Pipeline Easement Agreement.

PASSED AND ADOPTED by the Board of Directors of the Carmel Area Wastewater District on February 23, 2023 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

**Attachment 6 - MNS Construction
Inspection Service Proposal**

October 7, 2022

Ms. Rachél Lather, M.S., P.E.
Carmel Area Wastewater District
3945 Rio Road
Carmel-By-The-Sea CA 93923

SUBJECT: September Ranch Development – Proposal for Engineering Support During Construction and Construction Inspection

Dear Ms. Lather,

MNS Engineers, Inc. (MNS) appreciates the opportunity to submit this proposal to provide engineering support and construction inspection services during construction for the wastewater collection expansion for the September Ranch Development (Project) for the Carmel Area Wastewater District (District) We offer our highly qualified team to provide services for this Project.

Project Understanding

The September Ranch development is a planned residential community in the Carmel Valley, west of Carmel Valley Road.

As part of the Project, new wastewater infrastructure will be installed, which, upon completion, will be owned and operated by the District. The proposed wastewater infrastructure is divided into on-site and offsite improvements. The off-site improvements include:

- Wastewater lift station
- Approximately 400 linear feet of 8-inch gravity sewer in Carmel Valley Road
- Approximately 4,250 linear feet of 4" HDPE sanitary sewer force main in Carmel Valley Road

The on-site improvements include:

- Approximately 9,900 linear feet of 8-inch gravity sewer.

The District is interested in obtaining construction phase services to verify the wastewater infrastructure is installed in accordance with District standards, and the contract documents.

MNS proposes to provide engineering support services during construction to review contractor submittals, respond to RFIs, and other as needed engineering support services during construction. MNS also proposes to provide inspection services during construction to verify the installation is in accordance to District requirements.

MNS DETAILS

LEGAL NAME

MNS Engineers, Inc.

FIRM OWNERSHIP TYPE

C-Corporation

YEAR FIRM ESTABLISHED

1962

CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

DIR No. 1000003564

CORPORATE OFFICE

201 N. Calle Cesar Chavez,
Suite 300

Santa Barbara, CA 93103

805.692.6921 Office/Fax

mnsengineers.com

LOCAL OFFICE

811 El Capitan Way, Suite 130

San Luis Obispo, CA 93401

(805) 692-6921

PROJECT CONTACT

Nick Panofsky, PE

Lead Engineer

(805) 592-2074

Npanofsky@MNSengineers.com

AUTHORIZED SIGNATURE

James Salvito

President and CEO

(805) 692-6921

Jsalvito@MNSengineers.com

Scope of Work

MNS will provide the following scope of work for the Project.

Task 1 – Engineering Support Services During Construction

Our staff will support the District through the construction process as described in the following subtasks.

Subtask 1.1 Construction Meetings: MNS' Project Manager and the Senior Construction Manager will attend the pre-construction meeting, which is anticipated to be completed virtually. We have also budgeted for the MNS Project Manager to attend up to ten additional video conference meetings during construction. We assume these meetings will be led by others, and MNS will not be responsible for meeting agendas or minutes.

Subtask 1.2 Submittal Review: MNS will review the Contractor's shop drawings and submittals for conformance with the Project drawings and specifications, as well as District standards. We will be supported by our subconsultant, IRJ Engineers, Inc. (IRJ), to review electrical submittals. For the purpose of budgeting, we have assumed 28 submittals with 14 requiring re-submittal. We will prepare a Shop Drawing Review Letter (SDRL) for each submittal and maintain a Submittal Log. We have assumed all submittals and SDRLs will be transmitted electronically.

Subtask 1.3 Respond to RFIs/RFCs: MNS will prepare responses to requests for information/clarification (RFI/RFCs) forwarded by the District from the Contractor, or develop recommendations based on changed field conditions. We have assumed responses will be prepared for a total of eight RFIs/RFCs.

Task 2 – Construction Inspection

MNS will provide construction inspection services for the Project as described in the following subtasks.

Subtask 2.1 – Project Construction Meetings: MNS staff will participate in bi-weekly construction meetings to monitor the progress of the Construction, discuss field issues, and to coordinate on the construction schedule. The Construction Inspector and Senior Construction Manager will attend each meeting. We assume the Senior Construction Manager will attend remotely. For the purposes of this proposal, it is assumed the Construction Manager and the MNS Construction Inspector will attend 20 meetings.

Subtask 2.2 – Construction Inspection: MNS will provide on-site inspection of the construction. The inspector's primary duties will be to inspect and verify work in place meets the requirements of the contract plans and specifications. Responsibilities include:

- Daily Inspection Reports
- Photo record maintenance
- Record drawing maintenance
- Verification of material and equipment
- Quality Assurance
- Verification of Contractor's acceptance/performance testing

We have scheduled full-time inspection in 8-hour shifts for a 7.5-month estimated construction duration (1260 total hours for a civil Inspector) for this Project starting on or around November 1, 2022 for both the on-site and off-site project components. We have also budgeted 32 hours for an electrical inspector. We assume the on-site and off-site work will be constructed concurrently, and one inspector will inspect both portions of the project. Additional work hours beyond 8 hours per day will be billed at the stated hourly rate. Weekend and holiday work will be billed at 1.5 times the stated hourly rate.

Daily Inspection Reports will detail weather conditions, status of work, and the location and type of work performed by the Contractor. Inspection reports will include documentation of the craft labor, equipment, and other relevant observations of the work.

We assume any required special inspections such as backfill compaction or pipe pressure tests and materials testing will be the responsibility a special inspection firm obtained and paid for by the Contractor.

Subtask 2.3 – Project Closeout:

MNS will support project closeout. The MNS' Construction Inspector will attend a final job walk in the presence of the District prior to the completion of construction. The Senior Construction Manager and the Construction Inspector will collaborate with the District to develop a deficiency list (Punch List) for the work performed, and re-inspect the completed work. We assume the District will notify the Contractor of deficiencies.

Based on the results of the Punch List, MNS will make a written recommendation to the District to accept the completed work following the completion of Punch List items in a Letter of Project Completion.

It is assumed the Contractor will be responsible for documenting all variations from the contract documents and will provide that information to MNS on a single, official, Project redlined plan set, which is maintained by the District and the Contractor during project construction. The MNS Construction Inspector will review the Contractor's redlined drawings to confirm variations to the design are reflected on the redlined drawings.

Deliverables:

- Daily Construction Inspection Reports including photos
- Punch List
- Letter of Project Completion

Project Team

Our highly qualified project team is available to provide the District with a professional engineering and inspection services. Engineering Support Services during Construction will be lead by Nick Panofsky, PE, with support from staff as appropriate. Construction inspection oversight will be provided by Ryuun Ernst, PE. The Construction Inspector will be Art Chance. Additional MNS staff will support the Project on an as-needed basis. Resumes for all team members are available upon request.

Schedule

MNS will coordinate with the District on construction schedules. We assume work on this Project will occur concurrently with other work in the area, allowing for part time inspection.

Compensation

MNS proposes to perform the services described herein for a not-to-exceed fee estimate of **\$299,662**. A detailed fee proposal spreadsheet is provided as an attachment. All fees are in accordance with the MNS 2022 Standard Fee Schedule, also included as an attachment.

Closing

Thank you for the opportunity to submit this proposal. We are excited and look forward to working with the District. Please feel free to contact me with any questions you may have at 805.592.2074 or npanofsky@mnsengineers.com. Thank you for your consideration.

Sincerely,

MNS Engineers, Inc.



Nick Panofsky, PE
Lead Engineer

Attachments: Fee Spreadsheet
MNS Standard Fee Schedule

2022 STANDARD SCHEDULE OF FEES

PROJECT/PROGRAM MANAGEMENT

Principal-In-Charge.....	\$320
Senior Project/Program Manager.....	295
Project/Program Manager.....	255
Assistant Project/Program Manager.....	215
Senior Project Coordinator.....	175
Project Coordinator.....	145

ENGINEERING

Principal Engineer.....	\$280
Lead Engineer.....	245
Supervising Engineer.....	235
Senior Project Engineer.....	220
Project Engineer.....	200
Associate Engineer.....	180
Assistant Engineer.....	165

SURVEYING

Principal Surveyor.....	\$260
Lead Surveyor.....	250
Supervising Surveyor.....	215
Senior Project Surveyor.....	195
Project Surveyor.....	170
Senior Land Title Analyst.....	165
Associate Project Surveyor.....	160
Assistant Project Surveyor.....	145
Party Chief (PW).....	170
Chainperson (PW).....	150
One-Person Survey Crew (PW).....	210

CONSTRUCTION MANAGEMENT

Principal Construction Manager.....	\$305
Senior Construction Manager.....	275
Senior Resident Engineer.....	265
Resident Engineer.....	240
Structure Representative.....	235
Construction Manager.....	210
Assistant Resident Engineer.....	195
Sr. Construction Inspector (PW).....	177
Construction Inspector (PW).....	168
Office Administrator.....	130

TECHNICAL SUPPORT

CADD Manager.....	\$195
Supervising Technician.....	165
Senior Technician.....	155
Engineering Technician.....	125

ADMINISTRATIVE SUPPORT

Senior Management Analyst.....	\$180
Management Analyst.....	155
IT Technician.....	135
Graphics/Visualization Specialist.....	120
Administrative Assistant.....	95

GOVERNMENT SERVICES

City Engineer.....	\$240
Deputy City Engineer.....	215
Assistant City Engineer.....	205
Plan Check Engineer.....	190
Permit Engineer.....	180
City Inspector.....	150
Senior City Inspector (PW).....	177
City Inspector (PW).....	168
Principal Stormwater Specialist.....	175
Senior Stormwater Specialist.....	165
Stormwater Specialist.....	155
Stormwater Technician.....	140
Building Official.....	215
Senior Building Inspector.....	190
Building Inspector.....	160
Planning Director.....	215
Senior City Planner.....	190
Assistant Planner.....	160
Senior Grant Writer.....	175
Grant Writer.....	165
Grant Associate.....	145
Grant Assistant.....	125

DIRECT EXPENSES

Use of outside consultants as well as copies, blueprints, survey stakes, monuments, computer plots, telephone, travel (out of area) and all similar charges directly connected with the work will be charged at cost plus fifteen percent (15%). Mileage will be charged at the current federal mileage reimbursement rate. Expert Witness services will be charged at three (3) times listed rate.

PREVAILING WAGE RATES

Rates shown with Prevailing Wage "(PW)" annotation are used for field work on projects subject to federal or state prevailing wage law and are subject to increases per DIR.

ANNUAL ESCALATION

Standard fee rates provided for each classification are subject to an annual escalation increase of 3.5% starting January 1, 2023.

OVERTIME

Overtime for non-exempt employees will be charged at 1.5 x hourly rate; overtime for exempt employees and other classification will be charged at 1 x hourly rate.

Carmel Area Wastewater District
 September Ranch Construction Support and Inspection



		ENGINEERING		SUPPORT			Total Resource Hours	Total Hours*Rates	SUBCONSULTANTS						
		Lead Engineer - NEP	Project Engineer	Senior Construction Manager	Senior Electrical Inspector	Senior Construction Inspector			Subconsultant Participation	IRJ Engineers	Subconsultants Total				
	2022 Rates	\$245	\$200	\$275	\$177	\$177									
1 – Engineering Support Services During Construction	Task 1								Task 1			Task 1			
1.1 Construction Meetings (11)	Task 1.1	12		2			14	\$3,490	Task 1.1	\$0	\$0	Task 1.1	\$3,490	\$0	\$3,490
1.2 Submittal Review (42)	Task 1.2	20	40				60	\$12,900	Task 1.2	\$4,250	\$4,250	Task 1.2	\$12,900	\$4,250	\$17,150
1.3 Respond to RFIs/RFCs (8)	Task 1.3	12	12				24	\$5,340	Task 1.3	\$0	\$0	Task 1.3	\$5,340	\$0	\$5,340
	Task 1 Subtotal	44	52	2	0	0	98	\$21,730		\$4,250	\$4,250		Task 1 Subtotal		\$25,980
2 – Construction Inspection	Task 2								Task 2			Task 2			
2.1 Project Construction Meetings (20)	Task 2.1			20		20	40	\$9,040	Task 2.1	\$0	\$0	Task 2.1	\$9,040	\$0	\$9,040
2.2 Construction Inspection	Task 2.2			80	32	1,290	1402	\$255,994	Task 2.2	\$0	\$0	Task 2.2	\$255,994	\$0	\$255,994
2.3 Project Closeout	Task 2.3			16	8	16	40	\$8,648	Task 2.3	\$0	\$0	Task 2.3	\$8,648	\$0	\$8,648
	Task 2 Subtotal	0	0	116	40	1,326	1482	273,682		\$0	\$0		Task 2 Subtotal		\$273,682
Sub-Total	Hours	44	52	118	40	1,326	1,580	\$ 295,412	Sub-Total	\$4,250	\$4,250	Grand Total	\$295,412	\$4,250	\$299,662
	Cost	\$10,780	\$10,400	\$32,450	\$7,080	\$234,702									

**Attachment 7 - MNS Consulting Services
Agreement Inspection Services**

AGREEMENT FOR CONSULTATION AND/OR OTHER SERVICES

THIS AGREEMENT dated _____, 2023, is by and between the **Carmel Area Wastewater District** (hereinafter referred to as the "District") and **MNS ENGINEERS, INC.** (hereinafter referred to as "Consultant"), for a project generally described as **September Ranch Sewer Extension Project #18-29**.

1. GENERAL

The District engages the Consultant to furnish the services as defined in this agreement, at the compensation and upon the terms set forth herein and the Consultant accepts the engagement based upon the stated terms.

2. DUTIES OF THE CONSULTANT; SERVICES TO BE PERFORMED BY THE CONSULTANT

- A. The Consultant shall perform such duties and services as are listed on Exhibit "A". The services shall be completed according to the time schedule contained in Exhibit "A".
- B. Standard of Care: The standard of care applicable to the Consultant's services will be the degree of skill and diligence normally employed by professional engineers or consultants performing the same or similar services. The Consultant will re-perform any services not meeting this standard without additional compensation.
- C. Consultant Professional Team: The Consultant shall provide and maintain the professional team to perform the services and furnish the materials in connection with this Agreement whose names and capacities are set forth on Exhibit "B". In the event that any member of that team shall leave the employ of the Consultant or be transferred to another office of the Consultant, the Consultant shall so advise the District and replace them with a new member who is competent to perform the required work and who shall be satisfactory to the District. Such other agents or employee contractors or subcontractors not listed on Exhibit "B" as may be required to perform any portion of this Agreement shall be competent and shall be suitably experienced in the function which they perform.

3. SERVICES OR MATERIALS TO BE PERFORMED OR FURNISHED BY District

- A. The District shall perform such services or furnish such materials to Consultant in connection with this Agreement as are set forth on Exhibit "C". If there are no entries on Exhibit "C", the District shall not be required to provide any services or furnish any materials to the Consultant. Unless otherwise provided on Exhibit "C", all services and material to be furnished by the District will be without cost to Consultant.
- B. The District will authorize the Consultant in writing to proceed prior to the Consultant starting work on any of the services listed in Exhibit "A".
- C. The District will make its facilities accessible to Consultant as required for Consultant's performance of its services. The District will be responsible for all acts of District's personnel performed within the scope of their employment.
- D. Unless otherwise agreed to in the Scope of Services, the District will obtain, arrange, and pay for all advertisements for bids, permits, and licenses required by local, state or federal authorities; and land, easements, rights-of-way, and access necessary for the Consultant's services or project construction.

4. PAYMENT BY THE DISTRICT: TIME AND MANNER OF PAYMENT

The District shall pay the Consultant, for all required services and materials furnished to fulfill this Agreement, the amount or amounts **on a time and materials basis billed monthly**, not to exceed **\$299,662** (Exhibit "A") . Consultant agrees to accept the stated sums as full compensation for all required services due under this Agreement.

5. ADDITIONAL WORK

The Consultant shall be entitled to extra compensation for services or materials not otherwise required under this Agreement, provided that the District shall first have identified the service or materials as extra, and specifically requested extra services or materials in writing, and in no event shall the District be liable for payment unless the amount of extra compensation shall first have been agreed to in writing by the District.

6. EQUAL EMPLOYMENT OPPORTUNITY

The Consultant shall not discriminate against any employee or applicant for employment because of age, race, religious creed, color, national origin, physical handicap, medical condition, marital status or sex.

7. COMPLIANCE WITH LAWS

The Consultant shall at all times exercise standard of care to comply with all federal, state and local laws, statutes, ordinances, rules, and regulations affecting the performance of its services under this Agreement.

8. INDEPENDENT CONTRACTOR

The Consultant is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant, or employee of the District.

9. PROJECT REPRESENTATIVES; NOTICES

The District and the Consultant each designate the following persons to act as authorized representatives of the District and the Consultant in matters and decisions pertinent to the timely performance of this Agreement, and each authorized representative will have full powers to bind the District or the Consultant, including, but not limited to, transmitting instructions, receiving information, making project-related decisions not requiring official District approval, processing Consultant payment requests and other matters. All notices or other official correspondence relating to work under this Agreement may be given by being personally delivered, by being placed in the United States mail, first-class postage prepaid, or by being sent by overnight prepaid air freight, addressed to the party to whom notice is to be given. Each notice shall be deemed to be effective upon receipt, if personally delivered or sent by air freight, or five days after being so mailed. Any notice may also be given by facsimile. Notices shall be provided to the following names and addresses:

For the Carmel Area Wastewater District:

Rachél Lather, Principal Engineer
P. O. Box 221428
Carmel, CA 93922

For the Consultant:

Murat Bozkurt, Senior Construction Manager
401 Grand Ave #200,
Oakland, CA 94610

10. INSURANCE:

Prior to the commencement of services hereunder, the Consultant shall certify and provide evidence of coverage from responsible insurance carriers of the following insurance. Such insurance policy or policies shall be stated to be primary and noncontributing with any insurance which may be carried by the District. Consultant shall deliver to District certificates of insurance which shall provide that thirty days' notice will be given to District in the event of a reduction, modification or cancellation.

- a) Workers' Compensation and Employer's Liability Insurance. Workers' Compensation in compliance with the applicable state and federal laws. Employer's Liability limit \$1,000,000.
- b) Commercial General Liability Insurance, including Blanket Contractual, Broad Form Property Damage, Completed Operations and Independent Contractor's Liability, all applicable to Personal Injury, Bodily Injury and Property Damage to limit of \$1,000,000 per each occurrence/claim, subject to \$2,000,000 annual aggregate for Completed Operations and Personal Injury other than Bodily Injury.
- c) Comprehensive Automobile Liability Insurance including owned, hired and non-owned automobiles, Bodily Injury and Property Damage to a combined single limit of \$1,000,000.
- d) Professional Liability Insurance affording professional liability coverage to a combined single limit of \$1,000,000 per /claim subject to a \$2,000,000 annual aggregate.
- e) Excess Liability Insurance following employers' liability afforded by item a) and other coverages afforded by items b), and c) set forth above, subject to a limit of liability of \$2,000,000 for each occurrence/ claim/aggregate.
- f) Additional Insured. District shall be included as an additional insured (but not as a named insured) on the Commercial General Liability, Comprehensive Automobile Liability and Excess Liability insurance policies described in parts b), c) and e) above; and as evidenced by filing with District the ISO (Insurance Service Office) CG 2010 endorsement form or equivalent.
- g) No Exclusion. No insurance coverages described herein shall exclude coverage for claims against the Consultant by the District because the District is named as an additional insured.

11. INDEMNITY

(a) Other than in the performance of design professional services by a design professional, which shall be as addressed by subsection (b) below, and to the full extent permitted by law, Consultant shall indemnify, immediately defend (with independent counsel reasonably acceptable to the District) and hold harmless the District, its board of directors, employees, officials and agents (collectively "Indemnified Parties" or in the singular "Indemnified Party") from and against any claims, losses, damages, penalties, fines and judgments, associated investigation and administrative expenses, and defense costs including but not limited to reasonable attorney's fees, court costs, expert witness fees and costs of alternate dispute resolution (collectively "Liabilities"), where same arise out of the performance of this Agreement by Consultant, its officers, employees, agents and sub-contractors. The duty to defend is a separate and distinct obligation from the Consultant's duty to indemnify and Consultant shall be obligated to defend in all legal, equitable, administrative or special proceedings upon tender to the Consultant of any claim in any form or at any stage of an action or proceeding, whether or not liability is established and the obligation extends through final judgment including exhaustion of any appeals.. The Consultant's obligation to indemnify applies unless it is finally determined that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally determined that liability is caused by the comparative active negligence or willful misconduct of an Indemnified Party, the Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) To the fullest extent permitted by law (including without limitation California Civil Code Sections 2782.8) as amended effective 1/1/2018), when the services to be provided under this Agreement are design professional services to be performed by a design professional, as that term is identified by said section 2782.8(c)(1-4) ("Design Professional") Design Professional shall indemnify, protect and hold harmless any Indemnified Party for all Liabilities that to the extent arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Design Professional, or such acts or omissions of an officer, employee, agent or subcontractor of the Design Professional. Design Professional shall not have an immediate duty to defend an Indemnified Party, however, Design Professional's obligation to indemnify (including reimbursing the cost to defend) and hold the Indemnified Parties harmless applies unless it is finally determined that the liability was caused by the sole active negligence or sole willful misconduct of an Indemnified Party. If it is finally determined that liability was caused by the comparative active negligence or willful misconduct of an Indemnified Party the Design Professional's indemnification obligation shall be reduced in proportion to the established comparative liability. Within 30 days following Design Professional's receipt of a properly presented written invoice Design Professional shall reimburse the Indemnified Party for the cost of reasonable attorney's fees and defense costs incurred by the Indemnified Party to the same extent of Design Professional's indemnity obligation herein. In no event shall the cost to defend and/or liabilities charged to the Design Professional exceed the Design Professional's adjudicated proportionate percentage of fault.

(c) The provisions of this Section are not limited by the provisions of sections relating to insurance including provisions of any worker's compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to District, its employees and officials. An allegation or determination of comparative active negligence or willful misconduct by an Indemnified Party unrelated to design professional services does not relieve Consultant from its separate and distinct obligation to defend District. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, sub tier contractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance or subject matter of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder.

(d) If any action or proceeding is brought against any Indemnified Party by reason of any of the matters against which the Consultant has agreed to provide an immediate defense to any Indemnified Party, as provided above, Consultant, upon notice from the District, shall defend the Indemnified Party at Consultant's expense by independent counsel reasonably acceptable to the District. Unless otherwise provided above, an Indemnified Party need not have first paid for any of the matters to which it is entitled to indemnification in order to be so defended. Consultant may submit a claim to the District for reasonable defense costs (including attorney's and expert fees) incurred in providing a defense of any Indemnified Party to the extent such defense costs arise under principals of comparative fault from the Indemnified Party's active negligence, recklessness or willful misconduct.

(e) This obligation to indemnify and defend, as set forth herein, is binding on the successors, assigns, or heirs of Consultant and shall survive the termination of this Agreement or this Section.

12. FORCE MAJEURE

The Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the Consultant.

13. TITLE TO DOCUMENTS

All original calculations, photographs, maps, drawings, plans, design notes and other material or documents developed or used in connection with the performance of this Agreement shall be the property of the District, provided, however, that the Consultant may provide the District with legible photostatic copies in lieu of the originals. Any plans and specifications shall bear the name of the Consultant together with the Consultant's certification number, if any. If the Consultant's working papers or product includes computer generated statistical material, the Consultant shall provide the material to the District in a mutually agreed upon computer machine-readable format and media.

14. ASSIGNMENT

The Consultant shall not assign or sublet any portion of this Agreement without the express prior written consent of the District, which may be withheld by the District in its discretion.

15. TERMINATION

Without limitation to such rights or remedies as the District shall otherwise have by law, the District shall also have the right to terminate this Agreement for any reason upon seven (7) days' written notice to the consultant. This Agreement may also be terminated by either party upon seven (7) days' written notice should the other party fail substantially to perform in accordance with this Agreement through no fault of the other or if the project is stopped for a period of 60 days by conditions beyond the control of the District.

16. ADDITIONAL PROVISIONS, EXHIBITS

Additional provisions of this Agreement are set forth on Exhibits "A" - "C". All Exhibits shall be attached to this Agreement and are incorporated and made a part by reference.

17. AMENDMENT OR MODIFICATION

This Agreement may be amended, altered or modified only by written agreement executed by both parties.

18. 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.

19. 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.

20. 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 their 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.

21. ATTORNEYS FEES

Should either party to this Agreement bring legal action against the other, (formal judicial proceeding, mediation or arbitration), the case shall be handled in Monterey County, California, and the party prevailing in such action shall be entitled to a reasonable attorney's fee which shall be fixed by the judge, mediator or arbitrator hearing the case and such fee shall be included in the judgment, together with all costs.

22. 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.

23. 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.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate by the duly authorized officers of each of the parties effective the date first shown above.

FOR THE DISTRICT

By _____

General Manager

Approved as to Form:

District Legal Counsel

FOR THE CONSULTANT

By _____

Printed Name: Darren Riegler, PE

Title: President & CEO

By _____

Printed Name: Miranda Patton

Title: Assistant Secretary/Vice President

- Exhibit "A": Consultant Scope of Services and Schedule
- Exhibit "B": Consultant Team/Rate Sheet
- Exhibit "C": Not applicable

**Attachment 8 - Resolution 2023-12 General
Manager to enter into contract MNS**

RESOLUTION 2023-12

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH MNS ENGINEERS TO PROVIDE CONSTRUCTION INSPECTION SERVICES FOR THE SEPTEMBER RANCH SEWER PROJECT #18-29, IN AN AMOUNT NOT TO EXCEED \$299,662

WHEREAS, the District has received funding from CARMEL RESERVE to fund the costs of inspection services by MNS Engineering for the September Ranch Sewer Project (Project);

WHEREAS, the District received a proposal from MNS Engineers for professional engineering services to provide construction inspection services for the Project;

WHEREAS, in order to proceed with construction of the Project, the District must execute a contract with MNS Engineers to provide construction inspection services for the project as summarized in their proposal dated October 7, 2022 in the amount of \$299,662.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Carmel Area Wastewater District, hereby authorizes the General Manager to enter into a contract with MNS Engineers to provide construction inspection services of a sewer pipeline and pump station as part of the September Ranch Sewer Project.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: February 23, 2023
Subject: Corona Road-Clean Water State Revolving Fund Program

RECOMMENDATION

It is recommended that the Board of Directors adopt two resolutions authorizing the District to participate in the Clean Water State Revolving Fund Program (CWSRRF)

DISCUSSION

The District has received verbal assurances that the Corona Road Project will be funded with a combination of grant and state revolving fund monies.

These two programs require the following resolutions:

Reimbursement Resolution 2023-13: all loan applicants that are publicly-owned entities are required to submit an adopted Reimbursement Resolution. The Reimbursement Resolution should be a stand-alone resolution. Note that we are requesting a maximum principal amount of \$6,000,000 with the intent of covering both grant and loan proceeds, or project total.

Authorizing Resolution 2023-14: this resolution designates the Authorized Representative(s) for the project, who will have the authority to sign and submit CWSRF application materials, certify compliance with applicable state and federal laws, execute the financial assistance agreement and amendments, and certify disbursement requests.

FINANCIAL

None at this time.

REIMBURSEMENT RESOLUTION

WHEREAS, the Carmel Area Wastewater District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$6,000,000.00.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type property chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as the official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES:

NOES:

ABSENT

ABSTAIN:

Ken White, President of the Board

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS: ABSENT:

BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a

meeting of the _____ held on _____
(Governing Board of the Agency) *(Date)*

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

Financial Assistance
Application
(Rev. 12/2019)

Page 12 of 14

Financial Security Package
(Construction) Clean Water
State Revolving Fund Water
Recycling Funding Program

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: N o . 2023-14

WHEREAS the residents of the area in the Highlands commonly known as “Corona Road” have banded together in an effort to replace their septic tanks and to install sewer facilities to their neighborhood; and

WHEREAS said neighborhood has engaged an engineering firm (Monterey Bay Engineers) and Environmental/Permitting firm (Denise Duffy) to prepare and present such reports as necessary to make an application to the State Water Resources Control Board; and,

WHEREAS, said neighborhood has indicated its desire to apply for grant funds and a State Revolving Loan to finance their Septic to Sewer Project;

Corona Road Septic to Sewer Project (the “Project”)

RESOLVED BY THE Board of Directors OF THE Carmel Area Wastewater District (the "Entity"), AS FOLLOWS:

The General Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Corona Road Septic to Sewer Project (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023, by the following vote:

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

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted
at a meeting of the Carmel Area Wastewater District Board of Directors held
on February 23, 2023

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

Financial Assistance
Application
(Rev. 12/2019)

Financial Security Package
(Construction) Clean Water State
Revolving Fund Water Recycling
Funding Program

STAFF REPORT



To: Board of Directors

From: Rachél Lather, Principal Engineer

Subject: Carmel Area Wastewater District (CAWD) Installed Ejector Pump Policy

Date: February 23, 2023

RECOMMENDATION

After consideration of the proposed CAWD Installed Ejector Pump Policy, staff recommends that the Board of Directors:

- Approve Resolution 2023-15 adopting the policy.
- Find that the Policy is not a “project” within the meaning of the California Environmental Quality Act (“CEQA”)

DISCUSSION

The District is committed to addressing serious collections system pipeline failures and this may require installation of ejector pump systems by CAWD due to a relocation of a CAWD owned sewer system requiring a homeowner to use an ejector pump to lift their sewage into the new CAWD sewer main requiring relocation.

After hearing public comment on December 8, 2022 regarding ejector pumps, your Board accepted the creation of the Ejector Pump Policy Ad Hoc Committee and assigned Directors Urquhart and Rachel to the committee to develop a District wide policy regarding issues related to cost and maintenance of CAWD installed ejector pumps that are installed on private property.

The Ejector Pump Policy Ad Hoc Committee met several times between December 2022 and February 2023 to review and provide input on a draft policy prepared by the Principal Engineer.

The attached Draft CAWD Installed Ejector Pump Policy has been approved by the

committee and is provided for the Board's review, comment, and approval.

FUNDING

Not applicable.

Staff has determined that the Policy and its adoption is not a "project" within the meaning of CEQA. CEQA Guidelines section 15378(b) states that the term "project" does not include "general policy and procedure making." The Policy is of general applicability to any ejector pump installation as defined in the Policy.



CARMEL AREA WASTEWATER DISTRICT (CAWD)

CAWD INSTALLED EJECTOR PUMP POLICY

Origination Date: February 23, 2023

CAWD INSTALLED EJECTOR PUMP POLICY

1. DEFINITIONS

- a. CONTRACTOR- plumbing contractor employed to provide installation of the ejector pump system and lateral to the sewer main.
- b. CAWD- Carmel Area Wastewater District
- c. DISTRICT – Carmel Area Wastewater District
- d. EJECTOR PUMP- a pump that grinds and ejects wastewater from a lower level up to the sewer main in specific locations where gravity alone cannot do the job due to site specific circumstances. It is part of a private lateral system as defined below.
- e. GRINDER PUMP- same as ejector pump in the context of this policy.
- f. PRIVATE LATERAL – Private Lateral (Building Lateral, House Lateral) is that portion of a sewer lateral beginning 2 feet from the perimeter walls at the plumbing outlet of any building or industrial facility and running to and including the connection to the Sewer Main.
- g. UNIFORM PLUMBING ORDINANCE- A Carmel Area Wastewater District ordinance regulating the use of public and private sewers, the installation and connection of building laterals, the installation of sewer laterals and public sewer main extensions, providing permits and fees for the installation and connection of sanitary sewers, establishing charges, and providing penalties for the violation of the ordinance.
- h. SEWAGE - Water-carried wastes from residences, business buildings, institutions and industrial establishments.
- i. SEWER MAIN- A pipe or conduit for carrying sewage.

2. GENERAL

- a. This policy does not pertain to any particular identified project. It is of general applicability to any installation of ejector pump systems by CAWD (at CAWD's expense) due to a relocation of a CAWD owned sewer system requiring a homeowner to use an ejector pump to lift their sewage into the new CAWD sewer main ("Installation").
- b. For Installations meeting the requirements of subdivision 2(a), CAWD will pay for and provide the residence with a high quality sewer ejection pump system equivalent to the Environment One (E-One) low pressure pump system during the construction of the relocation of the CAWD sewer system. This is contingent on the property owner signing an agreement providing a construction and access easement for their property.
- c. The only substances allowed in the sewer system are human waste and toilet paper. No substances or materials may be placed into the ejector pump that would damage the pump or sewage system per CAWD Ordinance 2022-02, Pretreatment Ordinance, Section 2.4 Specific Prohibited Substances or Characteristics.

These materials include anything that could cause sewer line blockages or create hazardous conditions in the home. The materials include but are not limited to solid food waste, glass, metal, wood, shells, diapers, wipes, kitty litter, socks, rags, needles, plastic objects, chemicals, gasoline, kerosene, fuel, oil, grease and degreasing solvents. For more information, review the CAWD Uniform Plumbing Ordinance (Section 3.0 Use of Sewers) and the Pretreatment Ordinance.

- d. Access to the ejector pump shall not be covered by permanent structures that would impede inspections, service, replacement or the use of the pump system (e.g. landscaping, structures, and fencing). Pets shall not be allowed in the access area during the time when a CAWD employee is accessing the pump system.

3. TERMS AND CONDITIONS FOR CAWD MAINTENANCE OF EJECTOR PUMP SYSTEM

- a. CAWD shall provide maintenance services for the ejector pumps installed under the terms identified in Section 2(a) for 10 years from the date of original installation and utilize remote monitoring services. A third-party inspection of the ejector pump system will be provided prior to cessation of maintenance by CAWD and any required repairs or replacements will be completed at that time at CAWD's expense
- b. Providing maintenance for the 10 year period identified in Section 3(a) is contingent on the property owner providing an access easement. . In addition, all pets are required to be removed from the area during maintenance activities for the safety of CAWD employees and representative contractors.
- c. Maintenance will include inspection of the pump system as recommended by the manufacturer, replacement of pumps or other items if required, and response to emergency calls.
- d. The ejector pump system includes adequate holding time but in the event of a sustained power outage CAWD crews will utilize a portable generator that connects directly to the ejector pump station to pump down the sewage.
- e. CAWD crews will make every effort to contact the occupant of the residence prior to completing routine inspections, maintenance, repairs and/or replacement of the ejector pump system. However, in the case of an emergency, CAWD reserves the right to access the pump system and complete necessary repairs and/or replacement.
- f. The property owner is responsible for providing safe access to the ejector pump system. CAWD staff will contact the property owner at least 48 hours prior to accessing the ejector pump on their property, except in an emergency.
- g. The property owner is responsible for the electrical cost needed to run the pump and the pump system is for their sole use and ownership.

- h. The property owner is responsible for following the Pretreatment Ordinance requirements regarding materials that may be placed in the sewer (See item 2.c. of this policy). If the ejector pump system is mis-used, any repairs or replacement to the system will be the financial responsibility of the property owner.

RESOLUTION NO. 2023-15

A RESOLUTION APPROVING THE CARMEL AREA WASTEWATER DISTRICT
INSTALLED EJECTOR PUMP POLICY

-oOo-

WHEREAS, the District is committed to addressing serious collections system pipeline failures and this may require installation of ejector pump systems by CAWD (at CAWD's expense) due to a relocation of a CAWD owned sewer system requiring a homeowner to use an ejector pump to lift their sewage into the new CAWD sewer main require relocation; and

WHEREAS, the District has an interest in establishing a written policy regarding the installation and maintenance of District installed ejector pump systems; and

WHEREAS, the attached Installed Ejector Pump Policy ("Policy") is intended to ensure that the District installs and maintains an ejector pump system for the use and ownership of a private residence for a period of 10 years under the terms identified in the Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Carmel Area Wastewater District (CAWD) does hereby adopt and approve the Policy.

BE IT FURTHER RESOLVED that the Board of Directors finds, in the exercise of its independent judgment and based on substantial evidence in the record, that the Policy is not a project within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(2). Section 15378(b)(2) states that general policy and procedure making activities, such as the Policy and its adoption, is not a project within CEQA's meaning. The Policy is of general applicability to any installation identified in the Policy.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the CarmelArea Wastewater District duly held on February 23, 2023, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Patrick Treanor, Plant Engineer

Date: February 23, 2023

Subject: Project #22-03 – Design Services for Wastewater Treatment Plant (WWTP)
Water and Gas Service Replacement – Kennedy Jenks

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the General Manager to execute a Professional Services Agreement with Kennedy Jenks for developing design and construction bid documents for new water and gas service pipelines to the WWTP. The design documents would be prepared for a not to exceed price of \$291,208.

DISCUSSION

The existing gas and water lines serving the WWTP originate on the North side of the Carmel River and were installed 50 years ago. Carmel Area Wastewater District (CAWD) owns the lines which cross through the riparian habitat along the riverbanks and under the river to the WWTP. The gas line is a critical asset for the WWTP sludge digestion heating system and prolonged loss of gas service could cause issues meeting sludge stabilization permit requirements. The water line is less critical than the gas line, however having potable water at the plant for washing hands is a necessity for the health of workers. Repairing failures of these pipelines is difficult in the riparian corridor which is overgrown with willows and poison oak. If the pipes fail under the river a repair would most likely not be feasible.

An alternative analysis for replacing the water and gas service pipelines was completed by Kennedy Jenks in 2022. The analysis determined that the best alternative for replacing the lines was to locate them under the treatment plant access road off Hwy 1. Most of the access road is a thick concrete slab built to withstand flooding events and so traditional open trench installation is not a desirable construction method.

Therefore, the new lines are planned to be installed using horizontal directional drilling under the concrete slabs.

The proposal from Kennedy Jenks to develop the design and construction documents to install a new gas and water main under the treatment plant access road is attached.

FUNDING

The CAWD Treatment Plant Long Term Capital Budget includes budget for the design of the Water and Gas Main Replacement (\$100,000 in FY22/23, and \$300,000 in the Draft FY23/24 Budget).

Attachment:

1. Proposal – Kennedy Jenks

11 January 2023

Patrick Treanor, P.E.
Plant Engineer
Carmel Area Wastewater District (CAWD)
3945 Rio Road
Carmel, CA 93922

Subject: Proposal for Professional Engineering Services
WWTP Water and Gas Service Pipelines
KJ Proposal No. 22680XX.XX

Dear Patrick Treanor,

Kennedy Jenks (KJ) is pleased to submit this proposal to provide design and bidding services for the relocation and replacement of the WWTP water and gas service pipelines.

Project Overview

CAWD, KJ, and Bennett Trenchless Engineers recently completed the predesign Trenchless Alignment Alternatives Analysis technical memorandum (TM), which evaluated two potential alignments for new water and gas service pipelines – under the Carmel River or along the existing access road. After the TM, CAWD decided that the alignment along the access road is preferred for the new water and gas service pipelines. The alignments extend from Hwy 1 to the operations building, with most of the alignment outside the WWTP to be installed via horizontal directional drilling (HDD). The plan is to complete the access road installation with an open cut segment from Hwy 1, followed by two HDD segments under the concrete portions of the access road.

Scope of Work

Task 1 – 50% Design

This task includes the 50% drawings, specification table of contents, Opinion of Probable Construction Cost (OPCC), geotechnical evaluation, topographical survey of the access road, and 50% deliverable QA/QC. The geotechnical evaluation includes two days of drilling for 3 borings down to 50-foot depth along the trenchless portion of the alignment, laboratory tests, and Geotech Report. The laboratory tests will include moisture content and unit weight testing, grain-size analysis on granular soils, Atterberg limits on any plastic soils, unconfined compressive strength testing on any cohesive soils that would allow testing, and a few direct shear tests on granular soils. The access road topo will be provided on same datum (i.e. NAD 83, NAVD 88) and be stitched together with the existing WWTP topo for ease of use. The surveyor's proposal is attached for reference.

Deliverables

- Geotechnical Report, draft and final
- Access Road Survey
- Class 2 estimate, per Association for the Advancement of Costing Engineering (AACE)
- 11x17, electronic PDF drawing package per the drawing list below

- Electronic PDF Specification Table of Contents

Task 2 – 90% Design

This task includes the 90% drawings, specifications, Opinion of Probable Construction Cost (OPCC), and 90% deliverable QA/QC.

Deliverables

- Class 1 estimate, per Association for the Advancement of Costing Engineering (AACE)
- 11x17, electronic PDF drawing package per the drawing list below
- Electronic PDF Specifications, both front end and technical specifications

Task 3 – Final Design

This task includes the final stamped drawings, specifications, Opinion of Probable Construction Cost (OPCC), and final deliverable QA/QC.

Deliverables

- Class 1 estimate, per Association for the Advancement of Costing Engineering (AACE)
- 11x17 and 22x34, electronic PDF drawing package per the drawing list below
- Electronic PDF Specifications, both front end and technical specifications

Task 4 – Coordination and Permitting Support

This task includes coordination and permitting support with PG&E, California American Water, and Caltrans. This task includes submitting a Caltrans encroachment permit on behalf of CAWD.

Task 5 – Bidding Services

KJ will attend an in-person Pre-bid Conference for prospective bidders, led by CAWD. KJ will prepare the meeting agenda and notes. During the bidding phase, KJ will respond to up to ten (10) enquiries from bidders regarding the proposed project. KJ has assumed that CAWD will distribute responses to potential bidders. KJ will prepare up to two (2) addenda resulting from question asked at the Pre-Bid conference or questions sent by bidders to CAWD directly during the bid phase of the project. Each written addendum is anticipated to be no more than five (5) pages. KJ will review construction bids received and prepare a brief email recommendation to CAWD regarding bid responsiveness, bidder capabilities, and contract award. KJ will prepare conformed drawings and specifications incorporating changes to the contract documents by addenda.

Deliverables

- Electronic addenda
- 11x17 and 22x34, electronic conformed PDF drawing package
- Two hardcopy conformed 11x17 drawings and specifications

Task 6 – Project Management

KJ will provide project management services to manage project costs, meet the project schedule requirements, collaborate with the CAWD on project progress, and maintain effective communication. KJ will provide monthly invoices to the CAWD that include hourly expenditures separated into each budget task. A project file will be maintained, including copies of correspondence, reports, minutes of meetings, and memoranda. Budget includes 8 months of project management and an internal combined kickoff and concept and criteria review meeting.

Deliverables

- Electronic copies of meeting minutes
- Monthly invoices and cover letter

Assumptions

The scope, schedule, and budget are based on the following assumptions.

- KJ to prepare all specification sections, including Division 0 and 1
- CAWD will review and provide comments on deliverables within 2 weeks
- Two site visits by two KJ staff (one during 50% design and one during 90% design)
- All meetings excluding the Pre-Bid Conference and site visits will be virtual
- CAWD will advertise and distribute project documents to prospective bidders and bid the project only once.
- CAWD will contact references if required to evaluate the apparent low bidder.
- Existing water and gas services lines to be abandoned in-place
- Removal and replacement of concrete access road portions not required
- Permits are not required for borings
- CAWD will complete any environmental tasks (e.g. CEQA, biologist recommendations for native species, etc.)
- No piezometer
- CAWD will pay any application or permitting fees.

Expected Drawing List

Drawing Number	Drawing Name	50% Design	90% Design	Final Design
G0001	Title Sheet, Location Map, and Vicinity Map	X	X	X
G0002	Drawing Index, Standard Abbreviations, and Pipe Schedule	X	X	X
G0003	Design Criteria and Symbols Legend	X	X	X
C0001	Civil General Notes and Key Map	X	X	X
C0002	Civil Details		X	X
C0003	Civil Partial Plans and Section		X	X
C0004	Plan and Profile from STA XX+XX to STA XX+XX	X	X	X
C0005	Plan and Profile from STA XX+XX to STA XX+XX	X	X	X
C0006	Plan and Profile from STA XX+XX to STA XX+XX	X	X	X
C0007	Plan and Profile from STA XX+XX to STA XX+XX	X	X	X
C0008	Plan and Profile from STA XX+XX to STA XX+XX	X	X	X
C0009	Civil Paving Plan		X	X
M0001	Building Mechanical Details		X	X

Expected Specification List

Section Number	Section Name
00010	Invitation to Bid
00100	Instructions to Bidders
00200	Information Available to Bidders
00300	Bid Form
00410	Bid Security
00414	Security for Compensation Certificate
00416	Bidders References
00420	Bidder's Qualifications
00430	Subcontractor List
00480	Noncollusion Affidavit
00500	Agreement

00610	Performance Bond
00700	General Conditions
00800	Supplementary Conditions
01010	Summary of the Work and Contract Considerations
01040	Coordination and Project Requirements
01140	Environmental Protection Procedures
01300	Submittals
01311	CPM Construction Schedule
01500	Construction Facilities and Temporary Controls
01700	Contract Closeout
02050	Demolition
02200	Site Preparation
02300	Earthwork
02351	Fusible HDPE
02400	Horizontal Directional Drilling
02510	Water System Piping and Accessories
02700	Paving and Surfacing
15400	Plumbing

Estimated Schedule

It is anticipated that the task order will be completed in 8 months from notice to proceed.

Milestone	Completion Date	Duration (Months)
Notice to Proceed	1/13/2023	-
50% Design	5/12/2023	4
90% Design	7/14/2023	2
Final Design	9/15/2023	2

Compensation for Consulting Services

Task	Budget
Task 1 – 50% Design	\$140,019
Task 2 – 90% Design	\$58,260
Task 3 – Final Design	\$44,191
Task 4 – Coordination and Permitting Support	\$6,500
Task 5 – Bidding Services	\$18,968
Task 6 – Project Management	\$23,270
Total	\$291,208

In accordance with the attached Schedule of Charges dated January 1, 2022, we propose a budget of \$291,208. A breakdown of our proposed project budget and line-item descriptions of the project deliverables is provided in Attachment A. It is acknowledged the individual task budget breakdowns are an estimate and may be transferred among each work element depending on specific interim work needs, as long as the total budget is not exceeded.

Contact Information

CONTACT

Nick Lazarakis, PE
nicklazarakis@kennedyjenks.com

ADDRESS

2350 Mission College Boulevard
Suite 700, Santa Clara, CA 95054

Client/Address: Carmel Area Wastewater District
3945 Rio Road
Carmel, CA 93922

Contract/Proposal Date: January 2023

Custom Schedule of Charges

Date: January 1, 2022

PERSONNEL COMPENSATION

Classification	Hourly Rate
Engineer-Scientist-Specialist 1.....	\$140
Engineer-Scientist-Specialist 2.....	\$170
Engineer-Scientist-Specialist 3.....	\$190
Engineer-Scientist-Specialist 4.....	\$205
Engineer-Scientist-Specialist 5.....	\$225
Engineer-Scientist-Specialist 6.....	\$250
Engineer-Scientist-Specialist 7.....	\$275
Engineer-Scientist-Specialist 8.....	\$295
Engineer-Scientist-Specialist 9.....	\$310
CAD-Technician	\$130
Senior CAD-Technician	\$145
CAD-Designer	\$160
Senior CAD-Designer	\$175
Project Assistant.....	\$135
Administrative Assistant.....	\$115
Aide.....	\$90

No Associated Project Cost charge will be added to the Personnel Compensation.

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

If prevailing wage rates apply, the above billing rates will be adjusted as appropriate.

Overtime for non-exempt employees will be billed at one and a half times the Hourly Rates specified above.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective January 1, 2022 through December 31, 2023. After December 31, 2023, invoices will reflect the January 1, 2023 Schedule of Charges.

Proposal Fee Estimate (Assoc. Proj. Costs or Comm Charges as ODC)

CLIENT Name: Carmel Area Wastewater District
 PROJECT Description: WWTP Water and Gas Service Pipelines
 Proposal/Job Number: 2680XX.XX Date: 1/10/2023

January 1, 2022 Rates (Special)	Al Shewey	Mechanical Engineer	Zac Harris	Project Engineer	James Bowland	Deputy PM	Rachelle Thompson	Cost Estimator	Janet Hoffman	PM	Nick Lazarakis	Engineer	IE4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Sr. CAD-Design	CAD-Design	Sr. CAD-Tech	CAD-Tech	Project Assistant	Admin. Assist.	Aide	Total	KJ	Sub	Sub	Sub	KJ	KJ	KJ	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses	
Classification:	\$310	\$275	\$275	\$250	\$250	\$225	\$205	\$190	\$170	\$140	\$175	\$160	\$145	\$130	\$135	\$115	\$90	Hours	Fees	Fees	Fees	Fees	10%	Fees	10%											
Task 1 - 50% Design																																				
Specs				1								2													3	\$685	\$6,560			\$656		\$0	\$685	\$7,216	\$0	\$7,901
Drawings	6		24	8		4	50										30							122	\$26,860	\$16,430			\$1,643	\$500	\$50	\$26,860	\$18,073	\$550	\$45,483	
Geotech				4								4												8	\$1,920		\$50,000		\$0		\$0	\$1,920	\$50,000	\$0	\$51,920	
Survey				4								4												8	\$1,920			\$24,000	\$2,400		\$0	\$1,920	\$26,400	\$0	\$28,320	
Cost Estimate								8			4													12	\$2,820	\$3,250			\$325		\$0	\$2,820	\$3,575	\$0	\$6,395	
Task 1 - Subtotal	6	0	33	8	8	4	64	0	0	0	0	30	0	0	0	0	0	0	0	0	0	0	0	153	\$34,205	\$26,240	\$50,000	\$24,000	\$5,024	\$500	\$50	\$34,205	\$105,264	\$550	\$140,019	
Task 2 - 90% Design																																				
Specs	4	16	24	8								54												112	\$26,120				\$0		\$0	\$26,120	\$0	\$0	\$26,120	
Drawings	6	16	24	8		4	32										40							130	\$29,320				\$0		\$0	\$29,320	\$0	\$0	\$29,320	
Cost Estimate								8			4													12	\$2,820				\$0		\$0	\$2,820	\$0	\$0	\$2,820	
Task 2 - Subtotal	10	32	48	16	8	4	90	0	0	0	0	40	0	0	0	40	0	0	0	6	0	0	0	254	\$58,260	\$0	\$0	\$0	\$0	\$0	\$0	\$58,260	\$0	\$0	\$58,260	
Task 3 - Final Design																																				
Specs	4		24									32												66	\$15,210	\$3,280			\$328		\$0	\$15,210	\$3,608	\$0	\$18,818	
Drawings	6		18	8		4	16										40							92	\$19,990	\$2,330			\$233		\$0	\$19,990	\$2,563	\$0	\$22,553	
Cost Estimate								8			4													12	\$2,820				\$0		\$0	\$2,820	\$0	\$0	\$2,820	
Task 3 - Subtotal	10	0	42	8	8	4	52	0	0	0	0	40	0	0	0	40	0	0	6	0	0	0	170	\$38,020	\$5,610	\$0	\$0	\$561	\$0	\$0	\$38,020	\$6,171	\$0	\$44,191		
Task 4 - Coordination and Permitting Support																																				
Coordination and Permitting Support				20	4																				24	\$6,500				\$0		\$0	\$6,500	\$0	\$0	\$6,500
Task 4 - Subtotal	0	0	20	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24	\$6,500	\$0	\$0	\$0	\$0	\$0	\$6,500	\$0	\$0	\$6,500		
Task 5 - Bidding Services																																				
Pre-Bid Meeting					8																				8	\$2,000	\$2,174			\$217	\$100	\$10	\$2,000	\$2,391	\$110	\$4,501
Addenda				8							16													24	\$5,480	\$1,870			\$187		\$0	\$5,480	\$2,057	\$0	\$7,537	
Conformed Documents				4			4	6									18							32	\$6,380				\$0	\$500	\$50	\$6,380	\$0	\$550	\$6,930	
Task 5 - Subtotal	0	0	12	8	0	4	22	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	0	64	\$13,860	\$4,044	\$0	\$0	\$404	\$600	\$60	\$13,860	\$4,448	\$660	\$18,968	
Task 6 - Project Management																																				
Kickoff and CCR Meeting	3		2	2		4	2																	13	\$3,290				\$0		\$0	\$3,290	\$0	\$0	\$3,290	
Project Management				54		24																		86	\$19,980				\$0		\$0	\$19,980	\$0	\$0	\$19,980	
Task 6 - Subtotal	3	0	2	56	0	28	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89	\$23,270	\$0	\$0	\$0	\$0	\$0	\$0	\$23,270	\$0	\$0	\$23,270		
All Phases Total	29	32	157	100	24	44	230	0	0	0	0	128	0	0	0	0	0	0	0	0	0	0	0	764	\$174,115	\$35,894	\$50,000	\$24,000	\$5,989	\$1,100	\$110	\$174,115	\$115,883	\$1,210	\$291,208	

**Proposed Scope and Estimated Fee for Bennett Trenchless Engineers
Design and Bid Period Services
Carmel Area Wastewater District - 3" Gas and 2" Water Utility Replacements**

Task Description and Deliverables		Senior Project Manager \$245/hr	Senior Project Engineer \$230/hr	Subtotal
1	50% Design (Deliver 6 weeks after receipt of Geotech report)			
1.1	Geotechnical and Pipe Material Review Review geotechnical data provided by others. Review pipe material requirements for proposed utilities and provide summary of recommendations and limitations for pipe to be used for HDD installation.	8	16	\$5,640
1.2	Calculations Provide calculations for Pullback Load, Pipe Stress Analysis, Hydrofracture Analysis for each of the four (4) proposed HDD bores.	12	24	\$8,460
1.3	Drawings Refine bore geometry based on calculations described above and survey data provided by others. Provide red-line edits to drawings by others for HDD bore alignments and profiles. Backcheck drafted drawings and coordinate edits as needed.	2	8	\$2,330
1.4	Specifications Provide Draft Technical Specifications for trenchless components of the work (HDD, Pipe Material, Contact Grouting).	8	20	\$6,560
1.5	Cost Estimate Provide cost and schedule estimate for recommended HDD bore alignments.	2	12	\$3,250
	<i>Subtotal Task 1 - Preliminary Design</i>	32	80	\$26,240
2	90% and Final Design (Deliver 4 weeks after receipt of review comments)			
2.1	Calculations and Drawings Revise Calculations as needed for changes in alignment or profile. Provide red-line edits to drawings by others. General review of overall 90% design drawings for coordination with HDD drawings. Provide stamp for Final Drawings covering HDD work, if required.	2	8	\$2,330
2.2	Specifications Incorporate Comments into Final Technical Specifications for Trenchless Components of the Work (HDD, Pipe Material, Contact Grouting). General review of 90% specifications prepared by KJ for coordination with HDD sections. Provide stamp for Final Technical Specifications covering HDD work.	4	10	\$3,280
	<i>Subtotal Task 2 - Final Design</i>	6	18	\$5,610
3	Bid Period Services			
3.1	Pre-Bid Meeting BTE will attend the pre-bid meeting and site walk to provide input regarding the trenchless construction and risk mitigation efforts. One staff member will travel to Carmel for the meeting.	6		\$1,470
3.2	RFIs and Addenda BTE will respond to contractor questions regarding the trenchless crossing during bidding. Assume up to 3 RFIs will be addressed. Any resulting modifications to the design documents will be compiled into a single Addendum.	2	6	\$1,870
	<i>Subtotal Task 3 - Final Design</i>	8	6	\$3,340
	Subtotal, Labor All Tasks	46	104	\$35,190
	<i>ODCs (Estimated at 2% Labor)</i>			\$704
	TOTAL			\$35,894



December 2, 2022



December 1, 2022
Promo No. 722138

Nick Lazarakis
Kennedy/Jenks Consultants
2350 Mission College Boulevard, Suite 700
Santa Clara, CA 95054
T: 925.953.1521
E: NickLazarakis@kennedyjenks.com

**RE: CAWD ACCESS ROAD
CARMEL, CA**

Dear Nick,

Thank you for the opportunity to submit our proposal to provide surveying services for the above referenced project. Our proposal is based on the request for proposal email dated November 28, 2022 from Bestor and recent email correspondence.

We propose to provide the following scope of services:



SURVEYING SERVICES

TOPOGRAPHIC SURVEY AND BASE MAP

\$24,000

- Provide field work, office calculations and drafting to produce a topographic survey at an appropriate scale to fit on a 24x36 or 30x42 sheet layout for the area outlined in yellow on the attached exhibit including the 3 turnout areas. Approximate length of roadway 2,200 linear feet from Highway 1 to entrance of Wastewater Treatment Plant.
- This survey will show the location and sizes of existing trees 6 inches and larger (Driplines are not included), structures, existing grade elevations, walkways, hardscape, fences, adjacent roadways, and visible above ground utilities within the project area(s). Field measurement of inverts of accessible and unobstructed visible catch basins, area drains, storm drain manholes and sanitary sewer manholes will be shown. Mechanical detection of existing utilities is specifically excluded and can be provided at an additional cost, if needed.
- Road survey will be limited to 4-5 feet past the edge of the existing pavement where accessible. Where not accessible the survey will be limited to the edge of the existing pavement.
- Elevation spot grades and or the combination of contours will be shown at one (1) foot intervals or as appropriate to clearly define the slopes. Elevations collected by ground surveys will be shown to an accuracy of 0.01' (one hundredth) of a foot. Heavily brushed areas will be defined at the perimeter. Brush clearing will be the responsibility of the client if ground elevations need to be collected in those areas.
- Survey will be tied into the same coordinate system and integrated with the existing work for the treatment plant.
- Provide a record boundary survey to determine the location of existing parcel lines based upon available maps and deeds on file in the County and BLM records, together with found monuments as surveyed and available parcel GIS records.
- Prepare a drawing showing boundary lines and plottable easements within the project areas. This is not a boundary determination and no monumentation will be set.



- A Preliminary Title Report with referenced documents shall be provided by the owner's title company, or one can be ordered at the clients request as a reimbursable expense.

SCOPE OF WORK ASSUMPTIONS

- Our work will be performed using AutoCAD and AutoCAD Civil 3D, MS Word, MS Excel, and Bluebeam. If software is required by the client that is not a part of our standard suite of software including engineering, drafting or accounting software (Textura, MicroStation, etc.), licensing or purchase fees will be charged as a reimbursable.
- We assume that our plans will be constructed in accordance with industry standards, utilizing a licensed land surveyor for construction layout and staking.
- The cost of utility research and maps, if needed from utility companies such as PG&E, AT&T, Comcast, EBMUD, etc. will be charged at cost to the client. Recent experience indicates that a typical project will require between \$500 and \$1,000 for copies of utility block maps.

TERMS AND CONDITIONS

- This proposal and the agreement provided by client will become our contract for services upon execution.
- Our services will be provided in a manner consistent with the degree and skill ordinarily exercised by a member of the civil engineering and survey profession practicing in the State of California.
- All reports, plans, specifications, field data, notes and other documents (either electronic or hardcopy) prepared by our office as instruments of service shall remain the property of SANDIS.
- The client acknowledges the instruments of service of SANDIS shall become the property of the client when the documents are complete and when compensation for services is paid in full. The client is prohibited from making any alterations to the instruments of service without the written consent of SANDIS.
- Neither SANDIS nor the client shall be liable to the other for consequential damages incurred due to the fault of the other party, regardless of the nature of this fault or whether it was committed by the client, SANDIS, their employees, agents, subconsultants or vendors.
- The scope of work included in the proposal is limited to the specific scope included and specified only. Any exclusions listed are for clarity only and do not represent a complete list of exclusions to the scope. Any additional scope proposed or done other than that listed in the proposal as included shall be done as an additional service.
- Agency review and permit fees will not be paid by SANDIS and are not included in this proposal.
- This proposal is firm for thirty (30) days from the date of this letter.

Our services will be provided for the amount listed above and will be performed under the provisions of the agreement provided by client.

Pursuant to state law, no work can proceed on this project without written acceptance. If a formal agreement is not finalized prior to payment on any invoice, by submitting payment it is understood that you agree to the scope, fee, and terms and conditions presented above.



December 1, 2022
Nick Lazarakis
Promo No. 722138

If this proposal meets with your approval, please return one signed copy of this proposal and your agreement to our office as our authorization to proceed.

Regards

Approved

SANDIS

KENNEDY/JENKS CONSULTANTS

Chris Cintean, PLS
Project Manager

By: _____

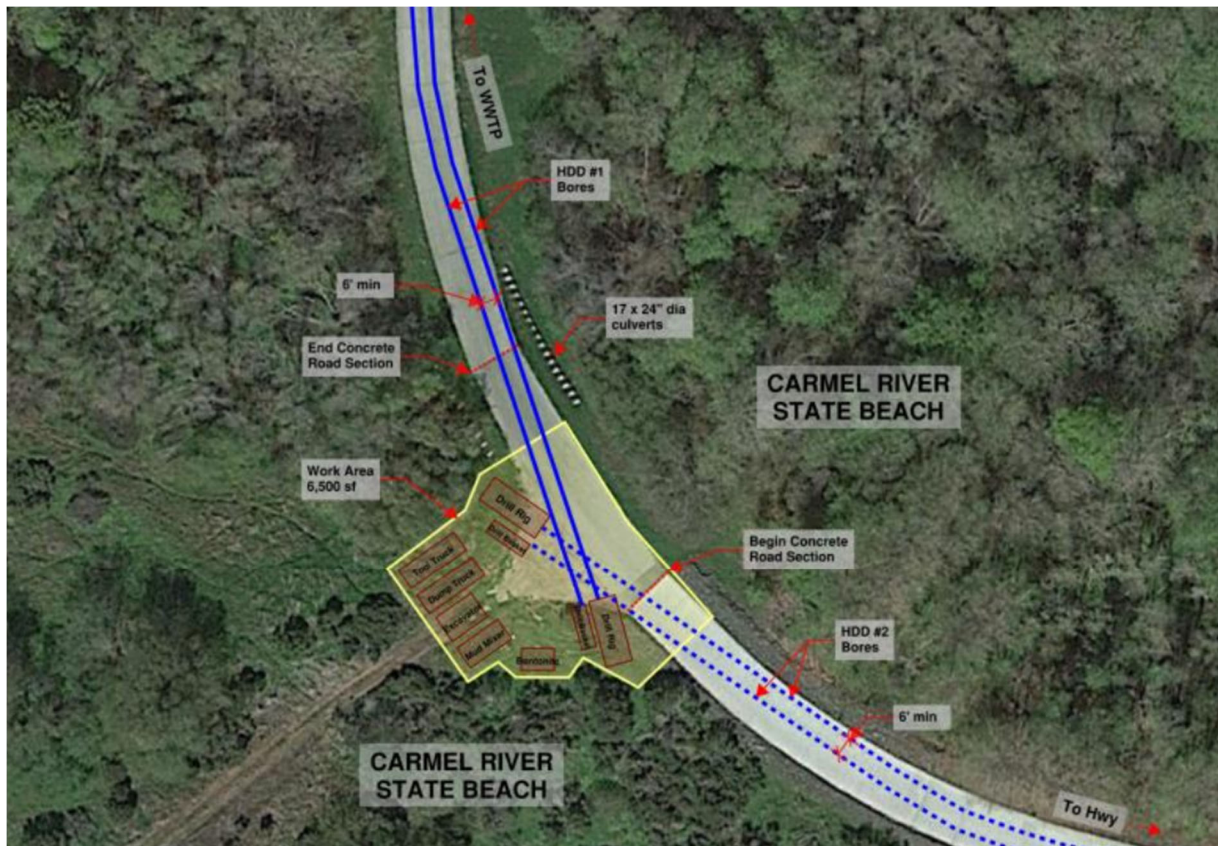
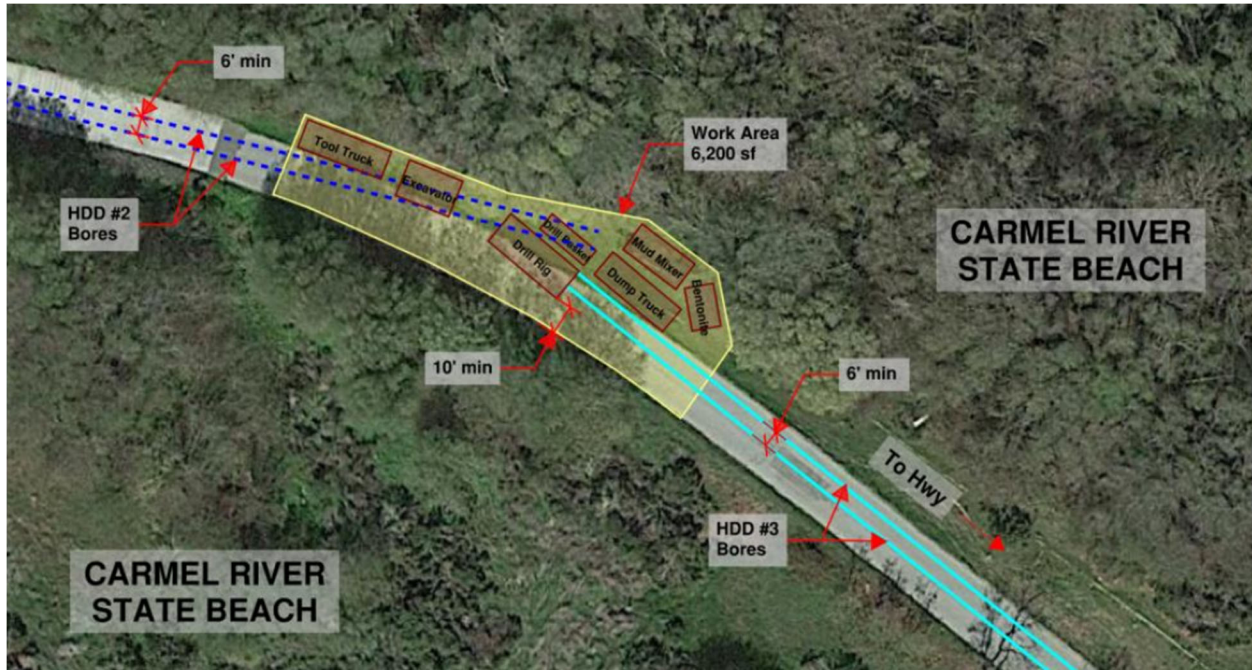
Title: _____

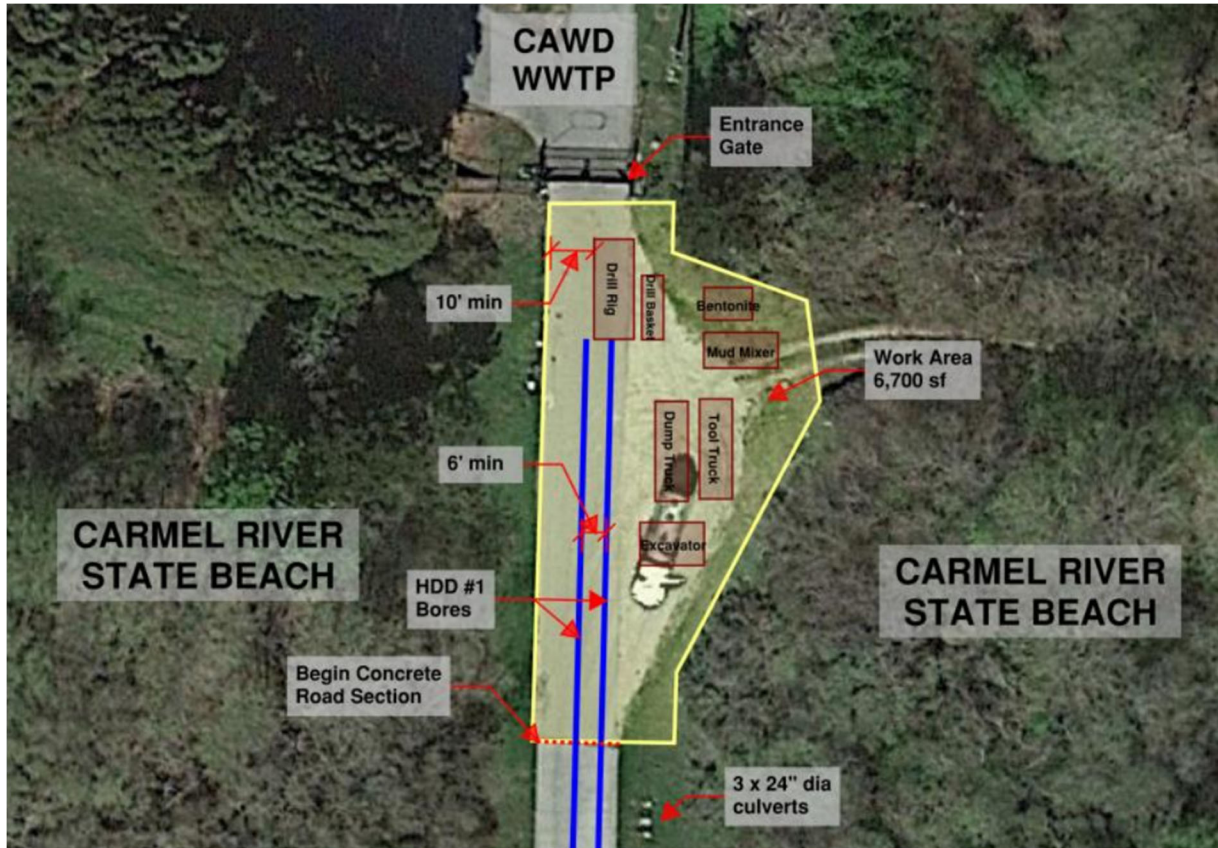
Laura Cabral, PLS
Vice President

Date: _____

Attachment: Exhibit







RESOLUTION NO. 2023-16

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KENNEDY JENKS CONSULTANTS IN AN AMOUNT NOT TO EXCEED \$291,208 FOR WASTEWATER TREATMENT PLANT (WWTP) WATER AND GAS SERVICE REPLACEMENT (PROJECT #22-03)

-oOo-

WHEREAS, the existing Carmel Area Wastewater District (CAWD) WWTP Water and Gas service pipelines are critical to WWTP operations; and

WHEREAS, the Water and Gas service pipelines currently cross through riparian habitat which makes them difficult to maintain; and

WHEREAS, Kennedy Jenks has submitted an acceptable design proposal and is well qualified to provide necessary design services at a competitive rate;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby authorize the General Manager to enter into a professional services agreement, with a not to exceed amount of \$291,208, with Kennedy Jenks Consultants for WWTP Water and Gas Service Replacement Design.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: Adjust Salary Classification Tables

RECOMMENDATION

It is recommended the Board authorize an amendment to the salary classification table for the Administrative Assistant/Board Clerk effective January 29, 2023 from Range 16 to Range 17.

DISCUSSION

The Salary/Benefits Committee met February 9th to discuss the salary classification table in relation to the Administrative Assistant/Board Clerk position. The committee agreed with the reclassification because:

- The position has been changed from part time (3 days/week) to full time.
- The position has expanded beyond what was originally contemplated with the addition of purchase order processing for the administration group, managing grant funding draws, improvements to plumbing permit process, initiation of the online payment platform, remote meeting management, source control billing management, real estate sales for compliance tracking under Ordinance 2019, codification project, and for the conversion of old website to Streamline and continued maintenance of the website. These changes have all contributed to making the Administrative Assistant position of great importance to the District.
- This position was also classified as a “Confidential” position.
- Moving the position up one range improves its competitiveness with the added responsibilities to the position it is no longer accurate to compare it solely to other Administrative Assistant positions. The position is Administrative Assistant/Board Clerk plus purchasing, source control, real estate tracking, codification, web site

maintenance, etc.

The position became full time with the start of the pay period beginning January 29, 2023 and the departure of one of the prior Admin Assistants, Kristina Pacheco, on January 15th.

The July 1, 2022 Classification Titles was last approved by Resolution 2023-08.

FUNDING

Change in 2022-23 Budget

	Current Step E	Recommended Step E	% Inc	5 months 2023
Administrative Assistant/Board Clerk	\$8,180.76	\$8,385.28	2.5%	\$1,022.60

RESOLUTION NO. 2023-17
DESIGNATING CLASSIFICATION TITLES IN THE
CARMEL AREA WASTEWATER DISTRICT
AND PROVIDING FOR THE NUMBER OF POSITIONS AND
MONTHLY SALARY RANGES

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 positions of employment in the Carmel Area Wastewater District:

Positions	Range	Classification Titles	SALARY STEPS				
			A	B	C	D	E
Administration							
1	n/a	General Manager	<i>Negotiated with Board of Directors</i>				
1	26	Principal Accountant	8,615.40	9,046.17	9,498.48	9,973.40	10,472.07
1	17	Administrative Assistant/Board Clerk	6,898.59	7,243.52	7,605.69	7,985.98	8,385.28
Engineering							
1	37	Principal Engineer	12,173.34	12,782.01	13,421.11	14,092.16	14,796.77
1	37	Plant Engineer	12,173.34	12,782.01	13,421.11	14,092.16	14,796.77
Treatment Plant Operations							
1	32	Operations Superintendent	9,991.22	10,490.78	11,015.32	11,566.08	12,144.39
1	32	Maintenance Superintendent	9,991.22	10,490.78	11,015.32	11,566.08	12,144.39
0	31	Associate Engineer	9,747.53	10,234.90	10,746.65	11,283.98	11,848.18
1	26	Operations Supervisor	8,615.40	9,046.17	9,498.48	9,973.40	10,472.07
1	24	Laboratory Supervisor	8,200.26	8,610.28	9,040.79	9,492.83	9,967.47
3	20	Senior Operator	7,429.03	7,800.49	8,190.51	8,600.04	9,030.04
1	19	Safety/Regulatory Compliance Administrator I	7,247.82	7,610.21	7,990.72	8,390.25	8,809.77
2	19	Laboratory Analyst II/Environmental Inspector	7,429.03	7,800.47	8,190.50	8,600.02	9,030.03
1	18	Maintenance Mechanic III	7,247.82	7,610.21	7,990.72	8,390.26	8,809.77
3	17	Plant Operator II	6,898.59	7,243.52	7,605.69	7,985.98	8,385.28
1	17	Purchaser Plant Asset Coordinator	6,898.59	7,243.53	7,605.70	7,985.98	8,385.27
0	16	Laboratory Analyst I/Environmental Inspector	6,730.33	7,066.86	7,420.19	7,791.20	8,180.75
1	15	Maintenance Mechanic II	6,566.18	6,894.49	7,239.21	7,601.17	7,981.22
0	14	Maintenance Worker II	6,406.03	6,726.33	7,062.65	7,415.78	7,786.57
1	12	Plant Operator I	6,097.35	6,402.21	6,722.33	7,058.44	7,411.36
0	12	Maintenance Mechanic I	6,097.35	6,402.21	6,722.33	7,058.44	7,411.36
0	9	Maintenance Worker I	5,662.00	5,945.10	6,242.35	6,554.47	6,882.20
Collection Maintenance							
1	32	Collection System Superintendent	9,991.22	10,490.78	11,015.32	11,566.08	12,144.39
4	18	Collection Worker III	7,247.84	7,610.23	7,990.74	8,390.28	8,809.79
0	11	Collection Worker II	5,948.62	6,246.06	6,558.37	6,886.28	7,230.59
0	6	Collection Worker I	5,257.73	5,520.61	5,796.64	6,086.48	6,390.80
1	6	Collection/Maintenance Utility Worker I	5,257.73	5,520.61	5,796.64	6,086.48	6,390.80
28.0	Total Positions authorized						

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 January 29, 2023

Section 4. That this resolution supercedes 23-08 in its entirety.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Wastewater District duly held on February 23, 2023, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: February 23, 2023

Subject: Workplace Electric Vehicle Charging Policy

RECOMMENDATION

It is recommended that the Board of Directors adopt a Workplace Electric Vehicle Charging Policy and authorize the General Manager to approve the policy.

DISCUSSION

Carmel Area Wastewater District (CAWD) installed Electric Vehicle (EV) Chargers for employees at the administrative site and treatment site. The goal is to demonstrate CAWD's commitment to sustainability and environmental leadership.

This is consistent with many other public agencies and businesses. The two EV chargers that were installed are a pilot program to develop EV charging infrastructure and policies to prepare for the EV future.

Both EV chargers have energy meters that track usage and will be billed to employees who choose to charge at work on a quarterly basis. The expected cost that will be billed is \$20-\$30 per vehicle per month.

The policy is intended to allow equitable access to electric vehicle charging at work by limiting the charging time. The policy will be reviewed on an annual basis as the number of electric vehicles increases to ensure that all employees have equal access to EV charges and that the costs are monitored.

FUNDING-N/A- Policy item only



CARMEL AREA WASTEWATER DISTRICT

Date Written: 2/9/2023	Work Place Electric Vehicle Charging Policy	Author: Chris Foley
Policy No. EV-01		Approved By:
Date Revised/Approved: MM/DD/YY		

Work Place Electric Vehicle Charging Policy

Parking Spaces with Electric Vehicle (EV) charging stations for plug in EVs are available on a first come, first served basis for all employees in accordance with the following Use Policy.

Use Policy:

- Employees who utilize the EV charging stations must limit charging to no more than 4 hours per day for level 2 charging stations.
- When your charge is complete, move your vehicle so other employees can use the charging station.
- By using the EV charging stations, the EV owner consents for the vehicle to be unplugged when the EV charging station indicates that the vehicle is fully charged. This will enable vehicles parked in adjacent parking spots to have the opportunity to charge.
- Energy consumption for the EV charging will be tracked and billed to the employee on a quarterly basis for the energy consumed at the cost of electricity.
- Employees who utilize the EV charging system must register their vehicle with the District.
- The District EV chargers are limited to use by employees and not available to vendors or contractors or the general public.

RESOLUTION NO. 2023-18

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ADOPT
A WORKPLACE ELECTRIC VEHICLE CHARGING POLICY

-oOo-

WHEREAS, the District requires an electric vehicle charging policy to communicate guidelines for employee usage; and

WHEREAS, the District has provided a fair and equitable method to provide access to electric vehicle charging at work with no cost to the District; and

WHEREAS, the District encourages the use of electric vehicles as a sustainable commuting option; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District, which is convinced by the staff report on February 23, 2023, that this policy has merit and hereby authorizes the General Manager to approve the electric vehicle charging policy.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: Designation of Applicant's Agent Resolution for Non-State Agencies for Cal OES

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the General Manager to act as the District's Authorized Agent to provide the Governor's Office of Emergency Services applications for financial assistance.

DISCUSSION

On January 14, 2023, the President declared a major disaster exists in the State of California and made federal disaster aid available for local recovery efforts due to storm damage. Monterey County was added to the list of eligible California counties on January 17, 2023. District staff is in the process of applying for Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (Cal OES) financial assistance for the Scenic Road emergency.

One of the requirements to be eligible to receive funding is a resolution designating the applicant's agent. Rather than specify the agent's name, staff recommends title only to make it more flexible. The resolution stays in effect for three years from the date of approval. The District went through this process in April 2020

FINANCIAL

None at this time.



Cal OES ID No: _____

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE Board of Directors OF THE Carmel Area Wastewater District
 (Governing Body) (Name of Applicant)

THAT General Manager, OR
 (Title of Authorized Agent)

_____, OR
 (Title of Authorized Agent)

 (Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Carmel Area Wastewater District,
 (Name of Applicant)

a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- **Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM)**, under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- **Flood Mitigation Assistance Program (FMA)**, under Section 1366 of the National Flood Insurance Act of 1968.
- **National Earthquake Hazards Reduction Program (NEHRP)** 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- **California Early Earthquake Warning (CEEW)** under CA Gov Code – Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the Carmel Area Wastewater District, a public entity established under the
 (Name of Applicant)

laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.



Please check the appropriate box below

- This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.
- This is a disaster/grant specific resolution and is effective for only disaster/grant number(s): _____

Passed and approved this 23 day of February, 2023

Ken White, Board President

(Name and Title of Governing Body Representative)

Robert Siegfried, Director

(Name and Title of Governing Body Representative)

 (Name and Title of Governing Body Representative)

CERTIFICATION

I, **Domine Barringer**, duly appointed and **Secretary to the Baord** of

 (Name) (Title)

Carmel Area Wastewater District, do hereby certify that the above is a true and

 (Name of Applicant)

correct copy of a resolution passed and approved by the **Board of Directors**

 (Governing Body)

of the **Carmel Area Wastewater District** on the 23 day of February, 2023.

 (Name of Applicant)

Secretary to the Baord

 (Signature)

 (Title)

RESOLUTION NO. 2023 – 19

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ACT AS THE DISTRICT'S
AUTHORIZED AGENT TO PROVIDE THE GOVERNOR'S OFFICE OF EMERGENCY
SERVICES APPLICATION FOR FINANCIAL ASSISTANCE

-oOo-

WHEREAS, The District has applied to the Federal Emergency Management Agency (FEMA) and California office of Emergency Services (Cal OES) for disaster assistance for California Severe Winter Storms, Flooding, Landslides, and Mudslides that started in January 2023, and

WHEREAS, the District has determined that it is a requirement of Cal OES that the District execute Form Cal OES 130 "Designation of Applicant's Agent Resolution for Non-State Agencies" in order to apply for financial assistance; and

WHEREAS, the District agrees that it is justified in applying for financial assistance and in the best interest of the rate payers of the District to participate in financial assistance programs; and

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

- The Board authorizes the General Manager to execute for and on behalf of the District any application for assistance with FEMA or Cal OES and to file with said agencies for relief.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023 by the following vote:

AYES: BOARD MEMBERS

NOES: BOARD MEMBERS

ABSENT: BOARD MEMBERS

ABSTAIN: BOARD MEMBERS

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: Selecting and Appointing Trustees to the District Employees' Pension Plan ("Plan")

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing Execution of an Amendment to the Carmel Area Wastewater District Employees' Trust (aka "Plan") to change the membership of the Plan Committee as agreed upon 02-23-23.

DISCUSSION

At the District's January 2023 meeting a request was made to remove Director Rachel and add Director Urquhart to the District Employees' Pension Plan.

According to the plan document, established in 1969 by Resolution No. 843 and last restated in 2003 by Resolution 2003-29, the Board has authority to appoint and remove the Trustee and the Administrator from time to time as it deems necessary for the proper administration of the plan under Section 2.1(a) of the plan document. The Employer may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Employer deems necessary or desirable in connection with the exercise of its fiduciary duties under the Plan.

The Plan requires that the District enter into an agreement between itself and the Plan to appoint trustees. The attached Plan Amendment names all current trustees (Robert Wellington, Barbara Buikema, Robert Siegfried and Michael Rachel) and amends the plan to make the changes recommended by the Board. At this time, to formalize said action, we request the Board adopt a resolution officially authorizing the change in trustees to satisfy our plan requirements.

FISCAL IMPACT

N/A

AMENDMENT TO THE CARMEL AREA WASTEWATER DISTRICT EMPLOYEES' PENSION TRUST (THE "PLAN")

THIS AGREEMENT is entered into by and between the Carmel Area Wastewater District (the "Employer") and Director Michael Rachel, General Manager Barbara Buikema, and Legal Counsel Robert R. Wellington (the "Trustees"), as follows:

WITNESSETH THAT:

WHEREAS, the Employer created a Pension Plan for the exclusive benefit of its Employees effective July 1, 1969; and

WHEREAS, Section 8.01 of Article VIII of said Plan provides that same may be amended by the District; and

WHEREAS, it is deemed advisable by the District to amend the Pension Plan effective February 23, 2023, as hereinafter set forth:

NOW, THEREFORE, the parties hereto agree that the Carmel Area Wastewater District Employees' Pension Plan is hereby amended as follows:

Director Michael Rachel is hereby removed as trustee, and

Director Kevan Urquhart is hereby added as a trustee hereto.

IN WITNESS WHEREOF, the parties hereto affix their signatures this 23rd day of February, 2023.

CARMEL AREA WASTEWATER DISTRICT

_____	By: _____
Witness	Ken White, President of the Board
_____	By: _____
Witness	Director Mike Rachel, Trustee
_____	By: _____
Witness	Director Robert Siegfried, Trustee
_____	By: _____
Witness	General Manager & Trustee, Barbara Buikema
_____	By: _____
Witness	Legal Counsel & Trustee, Rob Wellington
_____	By: _____
Witness	Domine Barringer, Secretary of the Board

RESOLUTION NO. 2023-20

A RESOLUTION AUTHORIZING EXECUTION OF AN
AMENDMENT TO THE CARMEL AREA WASTEWATER DISTRICT
EMPLOYEES' PENSION TRUST ("PLAN")

-oOo-

WHEREAS, on June 10, 1969, by its Resolution No. 843, the District did approve and establish a pension plan for the exclusive financial benefit of its employees; and

WHEREAS, amendments to said pension plan must be, and have been heretofore approved in agreements between the Employer (Carmel Area Wastewater District) and the Trustees under the pension plan.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors and current TRUSTEES (Director Rachel, Director Siegfried, General Manager Barbara Buikema, & Legal Counsel Robert Wellington) be, and they are hereby authorized and directed to execute the Amendment to the Carmel Area Wastewater District Pension Trust, effective February 23, 2023, which is attached hereto and marked "Exhibit A."

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on February 23, 2023 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary of the Board

General Manager's Report

Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: February 23, 2023

SUBJECT: Summary of General Manager Goals

RECOMMENDATION

This is in response to the Board's request in Closed Session on January 26, 2023 to summarize my understanding of the goals they have set forth. This recap was reviewed by the Salary & Benefits Committee on February 9, 2023.

DISCUSSION

1. Take two 2-week break periods. All or portions of the sessions can be spent in the extra office with a "do not disturb" sign working on projects (i.e. Employee Handbook, Codification, etc.,) or with additional continuing education
2. Continuing Education – may be an online course
3. Turn in Committee reports to Committee members first, before placing in board packet
4. Update Retention Policy
5. Distribute Committee materials at least 48 hours in advance
6. The Board has consensus on 3.8% COLA for the period July 22 – June 23

FINANCIAL

None at this time

28 January 2023

Mary Adams
District 5 Supervisor
Monterey Courthouse
1200 Aquajito Rd. Suite 1
Monterey, CA 93940

Brent Marshall
California Dept of Parks and Recreation
2211 Garden Road
Monterey, CA 93940

Sonia M. De La Rosa
Monterey County Administrative Officer
168 West Alisai St, 3rd Floor
Salinas, CA 9390

**Scenic Road
Carmel, CA 93923**

Dear Ms. Adams, Ms. De La Rosa and Mr. Marshall,

We write to express our deep concern about the current deteriorating conditions of Scenic Road at Carmel Point-River Beach, and its closure, and the need for immediate emergency repair, and a more permanent solution to this lingering problem. The issues at hand: PUBLIC ACCESS and PUBLIC SAFETY.

This is an iconic and important road to the community and certainly to visitors. Some consider the two-mile portion in Carmel to be the “no toll” portion of “Nineteen” Mile Drive.

The issues here are not new and are very well known; however, they have not been effectively addressed. The road collapse was predicted and inevitable. The files are over a decade old (17 years) and replete with meetings, discussions, studies, debates, pictures, engineering reports and even EIRs. The significant amounts of money expended and time consumed have not translated into a focused and accountable course of action.

We attach the 19 January 2017 Haro, Kasunich and Associates report which we found to be the most authoritative and comprehensive assessment of the situation. The conclusions imbedded in this document should be given prompt and thoughtful consideration.

By contrast to the County’s response, we give high compliments to the Carmel Area Wastewater District for the organization’s professionalism in every respect. When the road failed the evening of 6 January, taking the sewer line with it, the District acted promptly and did the exact right thing by capping the line. Not a drop of effluent entered the ocean. Close call.

The written communications were timely and clear, and we appreciated the active and ongoing dialogue with General Manager, Barbara Buikema, the Project Engineer and Field Engineer. The team quickly assessed the situation and formulated a temporary fix that was logical and well executed. Two permanent potential solutions were promptly evaluated, decisions made, contractors engaged, and the project launched. Some were “homeless” without sewer and water for only four days until an emergency pump and line could be installed. On 26 January the permanent line was commissioned and the temporary equipment removed. Mission accomplished. Textbook perfect.

Importantly, a natural gas line (PG&E) and water line (Cal Am) are also embedded in the road. The new sewer line is now located in the middle of the road. These public utilities have been at risk and continue to be at risk.

There are other consequential impacts: a resident now in a cast with a broken hand resulting from a fall down stairs because of the lack of sewer and water, interrupted garbage service (one 85 year old resident with cancer has gone three weeks without a pick up), mail delivery interrupted for some with the local Postmaster visiting today to formulate a solution and packages being returned to senders or delivery centers. And, of course, vehicular access to some homes. Impact on real estate values also becomes an important question.

Just last week a County official stated “time is of the essence” and “the situation is dangerous” and “water and sewer lines are at risk.” We couldn’t agree more. To our knowledge no repair work has been accomplished. Delay only increases cost and liability.

We understand the responsibility for this road resides solely with the County, but we also understand the immediate and full cooperation with State Parks for any permitting or access to the beach is necessary. We ask State Parks to provide the County with the required support and assistance.

Our requests:

1. LEADERSHIP AND ACCOUNTABILITY

To take advantage of available emergency funds and to avoid past mistakes the immediate appointment of a senior Project Manager with the requisite stature, experience, knowledge, respect, and authority to drive both the emergency repair and implement the Scenic Road Protection Structure.

2. EMERGENCY REPAIR

An expeditious emergency road repair compatible with the future Scenic Road Protection Structure, which results in the reopening of Scenic Road above the bluffs.

3. SCENIC ROAD PROTECTION STRUCTURE

The implementation of a viable plan for a robust structure with clear accountabilities and aggressive timetable.

4. COMMUNICATION

Timely updates to residents with progress to the agreed plans and timeline.


There is no time for finger pointing or criticisms of individuals or organizations. We are where we are. The only question: What will be done to solve this known hazard and avoid further damages? Time is of the essence.

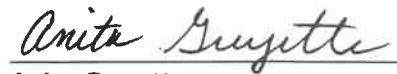
FOCUS and FIRM RESOLVE are required.

We desire to be helpful and constructive in the turning of this crisis into an opportunity for the final resolution of this long-standing PUBLIC SAFETY and PUBLIC ACCESS problem. We look forward to hearing from you.

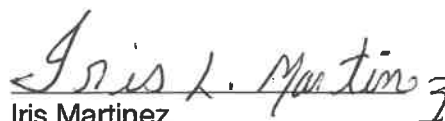
Sincerely,


Annette Thorn
26435 Scenic Road

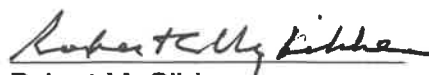

James Guyette
26443 Scenic Road

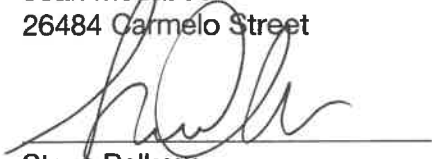

Anita Guyette
26443 Scenic Road



Victor Martinez
26495 Scenic Road

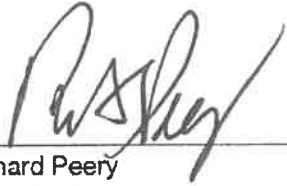

Iris Martinez
26495 Scenic Road


Joan McGibben
26484 Carmelo Street

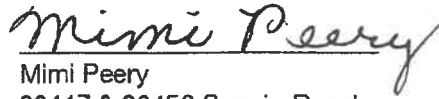

Robert McGibben
26484 Carmelo Street


Steve Polkow
26478 Carmelo Street

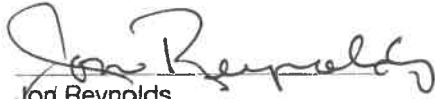

Mara Hook
26478 Carmelo Street



Richard Peery
26447 & 26453 Scenic Road



Mimi Peery
26447 & 26453 Scenic Road



Jon Reynolds
26454 Carmelo Street

Attachment: Haro, Kasunich and Associates 19 January 2017 Report

cc: State Senator John Laird

Assemblymember Dawn Addis

Congressman Jimmy Panetta

Armando Quintero
Director
CA Dept of Parks and Recreation

Dave Potter
Mayor
Carmel

Barbara Buikema
General Manager
Carmel Area Wastewater District

Kevin Tilden
President
California American Water

Patricia K Poppe
Chief Executive Officer
PG&E

Other Items Before the Board

STAFF REPORT

To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: Summary of Monterey County Treasurer
Report dated December 31, 2022



RECOMMENDATION

Action required – requesting acceptance of report.

DISCUSSION

The U.S. economy during this period was characterized by strong labor market conditions as well as growth in consumer spending and business investments, which were primary contributing factors to mitigate the impacts of a possible recession. Inflation remained elevated during the quarter; however, Consumer Price Index (CPI) has moderated for five consecutive months from the June peak of 9.1% to the November reading of 7.1%. Interest rates on securities with maturities under 2 years saw the biggest increases during the quarter, while 3 to 5 year maturities fell slightly, and longer maturities rose modestly. The yield curve remained near historically negative levels of inversion at year end.

On December 14, 2022, the Federal Open Market Committee (FOMC) voted to raise the Federal Funds target rate by 50 basis points (0.50%) to a new range of 4.25% to 4.50%, which was a modest down shift following four consecutive 75 basis point (0.75%) increases. Rapid decreases in personal consumption may have caused the Federal Reserve to ratchet back its tightening plans.

On December 31, 2022, the Monterey County investment portfolio contained an amortized book value of \$2,927,536,012 spread among 297 separate securities and funds. The par value of those funds was \$2,951,545,544 with a market value of \$2,847,146,415 or 97% of amortized book value. The portfolio's net earned income for the period was 1.78%. The portfolio produced an estimated quarterly income of \$11,952,629 that will be distributed proportionally to all agencies participating in the investment pool.

The investment portfolio had a weighted average maturity of 441 days. The County Treasury continues to utilize shorter term debt to provide portfolio liquidity and enhanced investment opportunities in the current market environment.

PORTFOLIO CHARACTERISTICS			
	06-30-22	09-30-22	12-31-22
Total Assets	\$2,713,566,160	\$2,479,457,264	\$2,951,545,544
Market Value	\$2,638,757,893	\$2,382,359,729	\$2,847,146,415
Days to Maturity	482	450	441
Yield	0.71%	1.06%	1.78%
Estimated Earnings	\$4,603,441	\$6,528,970	\$11,952,629

The Monterey County Treasurer’s portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code §53601.

PORTFOLIO ASSET COMPOSITION 12-31-22	
Corporate Notes	16.6%
Overnight Liquid Assets	22.6%
US Treasuries	36.2%
Federal Agencies	16.1%
Commercial Paper	2.8%
Negotiable CDs	3.5%
Supranationals	2.0%
Municipal Bonds	<0.1%
Asset Backed Securities	<0.1%

Future Strategy: The Treasury continues to strategically invest matured assets while accounting for potential liquidity needs. As market conditions continue to evolve, the portfolio will be actively managed under the established tenets of safety and liquidity while seeking to maximize the total rate of return.

The investment portfolio was in compliance with all applicable provisions of state law and the adopted Investment Policy contained sufficient liquidity to meet all projected outflows over the next six months.

Note: the Monterey County Treasurer Report is available on the Monterey County Treasury [website](#).

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: California public Employee Retirement System (CalPERS) Actuarial Report – July 1, 2021

RECOMMENDATION

It is recommended that the Board of Directors make a motion to accept the Classic and Public Employees’ Pension Reform Act (PEPRA) Actuarial reports. The report is informational only.

DISCUSSION

The actuarial reports for the Classic and PEPRA were reviewed by the Pension Committee on February 13, 2023. In the latest CalPERS actuarial valuation reports, as of June 30, 2021 the District retirement plan funding ratio is as follows:

	<u>Classic (Miscellaneous)</u>		<u>PEPRA Miscellaneous</u>	
	<u>06-30-20</u>	<u>06-30-21</u>	<u>06-30-20</u>	<u>06-30-21</u>
Entry Age Accrued Liability	\$7,353,724	\$8,258,096	\$788,000	\$1,151,254
Market Value of Assets	\$6,395,122	\$9,006,224	\$707,343	\$1,267,478
UAL (Unfunded Liability)	\$958,602	<\$748,128>	\$80,657	<\$116,224>
Funded Ratio	87.0%	109.1%	89.8%	110.1%

The District started participation in CalPERS on October 29, 2005. Currently there are 15 employees under the Classic Plan. The CalPERS membership date for those employees was effective October 29, 2005. Those who were at CAWD prior to membership in CalPERS maintained their pension in the SAM plan, but on a “frozen” status.

The Classic Plan’s employer annual required contribution (ARC) rate is currently 8.63% of

salaries and the employee contribution is 7% of salaries.

The California Public Employees' Pension Reform Act (PEPRA) became effective on July 1, 2013 is an effort to reduce financial liability of public agencies and improve long-term sustainability of pension plans. PEPRA lowered pension benefits, removed some benefit items, and increased mandatory employee contributions. There are 13 District employees under the PEPRA plan. The PEPRA plan's employer ARC rate is currently 7.470% of salaries and the employee contribution rate is 6.75% of salaries.

The primary difference between the Classic and the PEPRA plan is that the benefit formula for the Classic Plan is 2.0% at 60 or up to 2.418% for age 63 or older. The PEPRA plan is 2% of final compensation at age 62. Both plans calculate compensation as the highest average annual compensation over 36 consecutive months.

The liabilities and required contributions of CalPERS member agencies fluctuate from one year to the next based on assumed and realized economic and demographic variables including rate of return on investments, payroll growth rate, inflation, and retirement, disability, and mortality rates of employees. The unfunded accrued liability (UAL) is the difference between the market value of assets and the discounted valued of future liabilities.

For the 2023-24FY the UAL is \$0 for the PEPRA Plan.

For the 2023-24FY the UAL is \$0 for the Classic Plan.

FUNDING

No additional funding beyond normal CalPERS contributions required at this time.



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or **888-225-7377**) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2022

**Miscellaneous Plan of the Carmel Area Wastewater District (CalPERS ID: 7018407272)
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	10.10%	\$0
<i>Projected Results</i>		
2024-25	10.1%	\$0

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



**Actuarial Valuation
as of June 30, 2021**

**for the
Miscellaneous Plan
of the
Carmel Area Wastewater District
(CalPERS ID: 7018407272)**

**Required Contributions
for Fiscal Year
July 1, 2023 - June 30, 2024**

Table of Contents

Section 1 – Plan Specific Information

Section 2 – Risk Pool Actuarial Valuation Information

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the Miscellaneous Plan of the Carmel Area Wastewater District

(CalPERS ID: 7018407272)

(Rate Plan ID: 5923)

Table of Contents

Actuarial Certification	1
Highlights and Executive Summary	
Introduction	3
Purpose of Section 1	3
Required Contributions	4
Additional Discretionary Employer Contributions	5
Plan's Funded Status	6
Projected Employer Contributions	6
Other Pooled Miscellaneous Risk Pool Rate Plans	7
Cost	8
Changes Since the Prior Year's Valuation	9
Subsequent Events	9
Assets and Liabilities	
Breakdown of Entry Age Accrued Liability	11
Allocation of Plan's Share of Pool's Experience/Assumption Change	11
Development of Plan's Share of Pool's Market Value of Assets	11
Schedule of Plan's Amortization Bases	12
Amortization Schedule and Alternatives	13
Employer Contribution History	15
Funding History	15
Risk Analysis	
Future Investment Return Scenarios	17
Discount Rate Sensitivity	18
Mortality Rate Sensitivity	18
Maturity Measures	19
Maturity Measures History	20
Hypothetical Termination Liability	21
Participant Data	22
List of Class 1 Benefit Provisions	22
Plan's Major Benefit Options	23

Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Carmel Area Wastewater District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Carmel Area Wastewater District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



ALEX GRUNDER, ASA, MAAA
Associate Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the Miscellaneous Plan of the Carmel Area Wastewater District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Carmel Area Wastewater District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

Required Employer Contributions	Fiscal Year 2023-24
Employer Normal Cost Rate	10.10%
Plus	
Required Payment on Amortization Bases¹	\$0
<i>Paid either as</i>	
1) Monthly Payment	\$0.00
<i>Or</i>	
2) Annual Prepayment Option*	\$0
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i>	

	Fiscal Year 2022-23	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	15.56%	17.03%
Surcharge for Class 1 Benefits ²		
None	0.00%	0.00%
Phase out of Normal Cost Difference ³	0.00%	0.00%
Plan's Total Normal Cost	15.56%	17.03%
Formula's Expected Employee Contribution Rate	6.93%	6.93%
Employer Normal Cost Rate	8.63%	10.10%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$191,039	\$0	\$0	\$0	\$191,039

Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP ¹	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$9,102,785	\$10,715,656
2. Entry Age Accrued Liability (AL)	7,353,724	8,258,096
3. Plan's Market Value of Assets (MVA)	6,395,122	9,006,224
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	958,602	(748,128)
5. Funded Ratio [(3) / (2)]	87.0%	109.1%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Rate Plan 5923 Results					
Normal Cost %	10.10%	10.1%	10.1%	10.1%	10.1%	10.1%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 5923. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	Fiscal Year	Fiscal Year
	2022-23	2023-24
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	\$2,924,586	\$3,157,551
Estimated Employer Normal Cost	\$239,298	\$288,274
Required Payment on Amortization Bases	\$9,982	\$0
Estimated Total Employer Contributions	\$249,280	\$288,274
Estimated Total Employer Contribution Rate (illustrative only)	8.52%	9.13%

Cost

Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	\$4,654,162
Transferred Members	429,044
Terminated Members	626,446
Members and Beneficiaries Receiving Payments	<u>2,548,444</u>
Total	\$8,258,096

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$8,258,096
2. Projected UAL balance at 6/30/2021	224,380
3. Pool's Accrued Liability ¹	20,794,529,023
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2021 ¹	4,597,734,264
5. Pool's 2020/21 Investment (Gain)/Loss ¹	(2,338,185,055)
6. Pool's 2020/21 Non-Investment (Gain)/Loss ¹	(84,077,623)
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	(1,159,755)
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	(33,390)
9. Plan's New (Gain)/Loss as of 6/30/2021: $(7) + (8)$	(1,193,145)
10. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	60,407,898
11. Plan's Share of Pool's Change in Assumptions: $(1) \div (3) \times (10)$	23,990
12. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	495,172,731
13. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (3) \times (12)$	196,647
14. Offset due to Funding Risk Mitigation	(222,150)
15. Plan's Net Investment (Gain): $(7) - (14)$	(937,605)

¹ Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

16. Plan's UAL: $(2) + (9) + (11) + (13)$	(\$748,128)
17. Plan's Share of Pool's MVA: $(1) - (16)$	\$9,006,224

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	(748,128)	(23,740)	(774,467)	(18,120)	(808,405)	0
Total						(748,128)	(23,740)	(774,467)	(18,120)	(808,405)	0

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
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6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
Total		N/A		N/A		N/A
Interest Paid		N/A		N/A		N/A
Estimated Savings				N/A		N/A

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	7.159%	\$0	N/A
2017 - 18	7.200%	7,110	N/A
2018 - 19	7.634%	13,511	N/A
2019 - 20	8.081%	19,893	0
2020 - 21	8.794%	30,706	725,000
2021 - 22	8.65%	45,884	
2022 - 23	8.63%	9,274	
2023 - 24	10.10%	0	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2012	\$2,549,434	\$2,034,807	\$514,627	79.8%	\$1,852,453
06/30/2013	3,359,049	2,832,203	526,846	84.3%	1,599,299
06/30/2014	3,872,495	3,444,687	427,808	89.0%	1,627,751
06/30/2015	4,382,102	4,287,596	94,506	97.8%	1,689,374
06/30/2016	4,830,671	4,369,389	461,282	90.5%	1,468,922
06/30/2017	5,525,619	5,115,345	410,274	92.6%	1,568,613
06/30/2018	6,285,834	5,657,871	627,963	90.0%	1,734,679
06/30/2019	6,760,977	6,021,439	739,538	89.1%	1,593,438
06/30/2020	7,353,724	6,395,122	958,602	87.0%	1,655,395
06/30/2021	8,258,096	9,006,224	(748,128)	109.1%	1,741,086

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	2025-26	2026-27	2027-28	2028-29
3.0% (5th percentile)					
Normal Cost Rate	10.1%	10.1%	10.1%	10.1%	10.1%
UAL Contribution	\$0	\$0	\$6,500	\$22,000	\$47,000
10.8% (95th percentile)					
Normal Cost Rate	10.3%	10.5%	10.7%	11.0%	11.2%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	2024-25
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	10.10%	10.1%
UAL Contribution	\$0	\$35,000
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	10.10%	10.1%
UAL Contribution	\$0	\$8,000

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	21.31%	17.03%	13.75%
b) Accrued Liability	\$9,510,987	\$8,258,096	\$7,227,584
c) Market Value of Assets	\$9,006,224	\$9,006,224	\$9,006,224
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$504,763	(\$748,128)	(\$1,778,640)
e) Funded Ratio	94.7%	109.1%	124.6%

Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	17.90%	17.03%	15.49%
b) Accrued Liability	\$8,585,251	\$8,258,096	\$7,570,186
c) Market Value of Assets	\$9,006,224	\$9,006,224	\$9,006,224
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$420,973)	(\$748,128)	(\$1,436,038)
e) Funded Ratio	104.9%	109.1%	119.0%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	17.35%	17.03%	16.73%
b) Accrued Liability	\$8,435,133	\$8,258,096	\$8,095,040
c) Market Value of Assets	\$9,006,224	\$9,006,224	\$9,006,224
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$571,091)	(\$748,128)	(\$911,184)
e) Funded Ratio	106.8%	109.1%	111.3%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2020	June 30, 2021
1. Retired Accrued Liability	\$2,436,226	\$2,548,444
2. Total Accrued Liability	7,353,724	8,258,096
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.33	0.31

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2020	June 30, 2021
1. Number of Actives	15	15
2. Number of Retirees	11	12
3. Support Ratio [(1) / (2)]	1.36	1.25

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	\$6,395,122	\$9,006,224
2. Payroll	1,655,395	1,741,086
3. Asset Volatility Ratio (AVR) [(1) / (2)]	3.9	5.2
4. Accrued Liability	\$7,353,724	\$8,258,096
5. Liability Volatility Ratio (LVR) [(4) / (2)]	4.4	4.7

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.40	1.60	3.3	3.5
06/30/2018	0.37	1.70	3.3	3.6
06/30/2019	0.34	1.50	3.8	4.2
06/30/2020	0.33	1.36	3.9	4.4
06/30/2021	0.31	1.25	5.2	4.7

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan’s ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19 -month period from 12 months before the valuation date to seven months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} at 1.00%	Funded Ratio	Unfunded Termination Liability at 1.00%	Hypothetical Termination Liability^{1,2} at 2.25%	Funded Ratio	Unfunded Termination Liability at 2.25%
\$9,006,224	\$18,874,418	47.7%	\$9,868,194	\$15,338,999	58.7%	\$6,332,775

¹ The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

² The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

Participant Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
Active Members		
Counts	15	15
Average Attained Age	51.68	52.68
Average Entry Age to Rate Plan	41.27	41.27
Average Years of Credited Service	10.48	11.48
Average Annual Covered Pay	\$110,360	\$116,072
Annual Covered Payroll	\$1,655,395	\$1,741,086
Present Value of Future Payroll	\$11,291,387	\$14,306,356
Transferred Members		
	7	6
Separated Members		
	7	7
Retired Members and Beneficiaries		
Counts*	11	12
Average Annual Benefits*	\$16,023	\$15,422

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	Yes	
Benefit Provision		
Benefit Formula	2% @ 60	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	7.00%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2022

**PEPRA Miscellaneous Plan of the Carmel Area Wastewater District (CalPERS ID: 7018407272)
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	7.68%	\$0	7.75%
<i>Projected Results</i>			
2024-25	7.7%	\$0	TBD

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



**Actuarial Valuation
as of June 30, 2021**

**for the
PEPRA Miscellaneous Plan
of the
Carmel Area Wastewater District
(CalPERS ID: 7018407272)**

**Required Contributions
for Fiscal Year
July 1, 2023 - June 30, 2024**

Table of Contents

Section 1 – Plan Specific Information

Section 2 – Risk Pool Actuarial Valuation Information

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Carmel Area Wastewater District**

**(CalPERS ID: 7018407272)
(Rate Plan ID: 26996)**

Table of Contents

Actuarial Certification	1
Highlights and Executive Summary	
Introduction	3
Purpose of Section 1	3
Required Contributions	4
Additional Discretionary Employer Contributions	5
Plan's Funded Status	6
Projected Employer Contributions	6
Other Pooled Miscellaneous Risk Pool Rate Plans	7
Cost	8
Changes Since the Prior Year's Valuation	9
Subsequent Events	9
Assets and Liabilities	
Breakdown of Entry Age Accrued Liability	11
Allocation of Plan's Share of Pool's Experience/Assumption Change	11
Development of Plan's Share of Pool's Market Value of Assets	11
Schedule of Plan's Amortization Bases	12
Amortization Schedule and Alternatives	13
Employer Contribution History	15
Funding History	15
Risk Analysis	
Future Investment Return Scenarios	17
Discount Rate Sensitivity	18
Mortality Rate Sensitivity	18
Maturity Measures	19
Maturity Measures History	20
Hypothetical Termination Liability	21
Participant Data	22
List of Class 1 Benefit Provisions	22
Plan's Major Benefit Options	23
PEPRA Member Contribution Rates	24

Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Carmel Area Wastewater District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Carmel Area Wastewater District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



ALEX GRUNDER, ASA, MAAA
Associate Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the PEPRA Miscellaneous Plan of the Carmel Area Wastewater District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Carmel Area Wastewater District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

	Fiscal Year 2023-24
Required Employer Contributions	
Employer Normal Cost Rate	7.68%
<i>Plus</i>	
Required Payment on Amortization Bases¹	\$0
<i>Paid either as</i>	
1) Monthly Payment	\$0.00
<i>Or</i>	
2) Annual Prepayment Option*	\$0
Required PEPRA Member Contribution Rate	7.75%
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i></p> <p><i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i></p> <p><i>For additional detail regarding the determination of the required PEPRA member contribution rate see section on PEPRA Member Contribution Rates.</i></p>	

	Fiscal Year 2022-23	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	14.22%	15.43%
Surcharge for Class 1 Benefits ²		
None	0.00%	0.00%
Phase out of Normal Cost Difference ³	0.00%	0.00%
Plan's Total Normal Cost	14.22%	15.43%
Plan's Employee Contribution Rate	6.75%	7.75%
Employer Normal Cost Rate	7.47%	7.68%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$97,235	\$0	\$0	\$0	\$97,235

Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP ¹	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$2,237,668	\$2,969,401
2. Entry Age Accrued Liability (AL)	788,000	1,151,254
3. Plan's Market Value of Assets (MVA)	707,343	1,267,478
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	80,657	(116,224)
5. Funded Ratio [(3) / (2)]	89.8%	110.1%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Rate Plan 26996 Results					
Normal Cost %	7.68%	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 26996. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	Fiscal Year	Fiscal Year
	2022-23	2023-24
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	\$2,924,586	\$3,157,551
Estimated Employer Normal Cost	\$239,298	\$288,274
Required Payment on Amortization Bases	\$9,982	\$0
Estimated Total Employer Contributions	\$249,280	\$288,274
Estimated Total Employer Contribution Rate (illustrative only)	8.52%	9.13%

Cost

Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	\$1,140,535
Transferred Members	0
Terminated Members	10,719
Members and Beneficiaries Receiving Payments	0
Total	\$1,151,254

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$1,151,254
2. Projected UAL balance at 6/30/2021	20,858
3. Pool's Accrued Liability ¹	20,794,529,023
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2021 ¹	4,597,734,264
5. Pool's 2020/21 Investment (Gain)/Loss ¹	(2,338,185,055)
6. Pool's 2020/21 Non-Investment (Gain)/Loss ¹	(84,077,623)
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	(163,185)
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	(4,655)
9. Plan's New (Gain)/Loss as of 6/30/2021: $(7) + (8)$	(167,840)
10. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	60,407,898
11. Plan's Share of Pool's Change in Assumptions: $(1) \div (3) \times (10)$	3,344
12. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	495,172,731
13. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (3) \times (12)$	27,414
14. Offset due to Funding Risk Mitigation	(44,485)
15. Plan's Net Investment (Gain): $(7) - (14)$	(118,700)

¹ Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

16. Plan's UAL: $(2) + (9) + (11) + (13)$	(\$116,224)
17. Plan's Share of Pool's MVA: $(1) - (16)$	\$1,267,478

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	(116,224)	(17,805)	(105,727)	(17,629)	(94,698)	0
Total						(116,224)	(17,805)	(105,727)	(17,629)	(94,698)	0

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternate Schedules			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
6/30/2027						
6/30/2028						
6/30/2029						
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6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
Total		N/A		N/A		N/A
Interest Paid		N/A		N/A		N/A
Estimated Savings				N/A		N/A

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	6.555%	\$143	N/A
2017 - 18	6.533%	219	N/A
2018 - 19	6.842%	614	N/A
2019 - 20	6.985%	1,178	0
2020 - 21	7.732%	5,112	56,674
2021 - 22	7.59%	5,531	
2022 - 23	7.47%	708	
2023 - 24	7.68%	0	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2013	\$883	\$1,185	(\$302)	134.2%	\$214,323
06/30/2014	35,509	37,442	(1,933)	105.4%	314,659
06/30/2015	90,858	86,903	3,955	95.6%	407,015
06/30/2016	183,618	164,479	19,139	89.6%	494,928
06/30/2017	251,645	233,143	18,502	92.6%	615,694
06/30/2018	356,676	319,942	36,734	89.7%	691,717
06/30/2019	543,548	490,107	53,441	90.2%	993,040
06/30/2020	788,000	707,343	80,657	89.8%	1,040,599
06/30/2021	1,151,254	1,267,478	(116,224)	110.1%	1,165,419

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	2025-26	2026-27	2027-28	2028-29
3.0% (5th percentile)					
Normal Cost Rate	7.7%	7.7%	7.7%	7.7%	7.7%
UAL Contribution	\$0	\$160	\$1,600	\$4,300	\$8,300
10.8% (95th percentile)					
Normal Cost Rate	7.9%	8.1%	8.3%	8.5%	8.7%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	2024-25
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	7.68%	7.7%
UAL Contribution	\$0	\$5,300
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	7.68%	7.7%
UAL Contribution	\$0	\$1,600

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	19.32%	15.43%	12.47%
b) Accrued Liability	\$1,395,862	\$1,151,254	\$956,143
c) Market Value of Assets	\$1,267,478	\$1,267,478	\$1,267,478
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$128,384	(\$116,224)	(\$311,335)
e) Funded Ratio	90.8%	110.1%	132.6%

Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.27%	15.43%	14.03%
b) Accrued Liability	\$1,204,585	\$1,151,254	\$1,048,236
c) Market Value of Assets	\$1,267,478	\$1,267,478	\$1,267,478
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$62,893)	(\$116,224)	(\$219,242)
e) Funded Ratio	105.2%	110.1%	120.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.71%	15.43%	15.18%
b) Accrued Liability	\$1,175,277	\$1,151,254	\$1,129,105
c) Market Value of Assets	\$1,267,478	\$1,267,478	\$1,267,478
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$92,201)	(\$116,224)	(\$138,373)
e) Funded Ratio	107.8%	110.1%	112.3%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2020	June 30, 2021
1. Retired Accrued Liability	\$0	\$0
2. Total Accrued Liability	788,000	1,151,254
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2020	June 30, 2021
1. Number of Actives	12	13
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	\$707,343	\$1,267,478
2. Payroll	1,040,599	1,165,419
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.7	1.1
4. Accrued Liability	\$788,000	\$1,151,254
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.8	1.0

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.4	0.4
06/30/2018	0.00	N/A	0.5	0.5
06/30/2019	0.00	N/A	0.5	0.5
06/30/2020	0.00	N/A	0.7	0.8
06/30/2021	0.00	N/A	1.1	1.0

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan’s ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19 -month period from 12 months before the valuation date to seven months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} at 1.00%	Funded Ratio	Unfunded Termination Liability at 1.00%	Hypothetical Termination Liability^{1,2} at 2.25%	Funded Ratio	Unfunded Termination Liability at 2.25%
\$1,267,478	\$2,725,607	46.5%	\$1,458,129	\$2,019,356	62.8%	\$751,878

¹ The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

² The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

Participant Data

The table below shows a summary of the plan’s member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
Active Members		
Counts	12	13
Average Attained Age	46.15	46.20
Average Entry Age to Rate Plan	41.95	41.35
Average Years of Credited Service	4.13	4.76
Average Annual Covered Pay	\$86,717	\$89,648
Annual Covered Payroll	\$1,040,599	\$1,165,419
Present Value of Future Payroll	\$9,724,565	\$11,414,747
Transferred Members	0	0
Separated Members	3	3
Retired Members and Beneficiaries		
Counts*	0	0
Average Annual Benefits*	\$0	\$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	6.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

PEPRA Member Contribution Rates

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for “new” employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), “new members ... shall have an initial contribution rate of at least 50% of the normal cost rate.” The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions, and demographics of the risk pool, particularly members’ entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2023, based on 50% of the total normal cost rate as of the June 30, 2021 valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2023			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26996	Miscellaneous PEPRA Level	13.735%	6.75%	15.43%	1.695%	Yes	7.75%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: CAWD Pension Plan – Actuarial Review July 1, 2022

RECOMMENDATION

It is recommended that the Board of Directors make a motion to accept the Carmel Area Wastewater District 2022 Actuary Report, with a valuation date of July 1, 2022 prepared by Nicolay Consulting.

DISCUSSION

Nicolay Consulting, the District’s actuary, has completed the July 1, 2022 report for the Strategic Asset Management Plan (SAM). The plan was reviewed by the Pension Committee on February 13, 2022.

Actuarial Report Highlights:

Employer Contribution for plan year ending June 30, 2023:	
Annual Contribution to fully amortize the Unfunded Actuarial Accrued Liability in five years (adjusted for monthly contributions)	\$-0-
Market Value of Asset on July 1, 2022	\$5,608,182
Actuarial Asset Value on July 1, 2022	\$6,053,791
Present Value of all Accrued Plan Benefits on July 1, 2022	\$5,500,816
Number of Participants on July 1, 2022	
Retired participants receiving benefits	4
Vested Terminated participants entitled to future benefits	3
Active participants	6
Total participants	13

The plan’s funded status on an All Expected Future Benefits basis (represents the present value of all expected future benefits under the plan including benefits expected to be

earned for future service based on future salary increases) as follows:

June 30:	2016	2017	2018	2019	2020	2021	2022
Expected Future Benefit	97%	96%	100%	103%	102%	108%	110%

The unfunded actuarial accrued liability (UAL) as of July 1, 2022 is (\$552,975). Note: The negative value represents the UAL as an asset.

FUNDING

The 2022 Actuary Report recommended minimum required contribution for the 2022-23 Plan Year is \$-0-.

The Pension committee recommended budgeting \$100,000 to the Budget committee for FY23-24 for future UAL since there is a 6-month lag on the actuarial report.

Nicolay Consulting Services charges to prepare the actuarial report and employee statement was \$9,260.00. This included preparation of Government Accounting Standards Board (GASB) 68 work for financial statements. The budget was \$10,000.

**Carmel Area
Wastewater District
Pension plan**

2022 Actuary's Report

Actuarially Determined Contribution for Plan Year 2022/23

Valuation Date: July 1, 2022
Plan Year Ending: June 30, 2023
Tax Year Ending: June 30, 2023



December 14, 2022

Ms. Barbara Buikema
Carmel Area Wastewater District
PO Box 221428
Carmel, CA 93922

Dear Ms. Buikema:

Re: Carmel Area Wastewater District Pension Plan - July 1, 2022 Actuary's Report

We have performed an actuarial valuation of the Carmel Area Wastewater District Pension Plan (the “Plan”) for the purpose of determining the plan’s funding status as of July 1, 2022 and Actuarially Determined Contribution (ADC) for the 2022/23 Plan Year. This report is provided solely for this purpose and should not be used or relied upon for other purposes. It also should not be disclosed or distributed to a third party, unless we provide written permission.

This report is based on actual experience through June 30, 2022 and plan provisions in effect on July 1, 2022. The valuation and cost calculations for the 2022/23 Plan Year, as summarized in this report, are based on participant data and un-audited Plan financial information provided by Carmel Area Wastewater District (the “District”) as of July 1, 2022.

All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. Actuarial assumptions were selected by the plan sponsor. Nicolay Consulting Group has reviewed the assumptions and believe them to be reasonable and suitable for the purposes of this measurement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

Due to the limited scope of this assignment, we did not perform an analysis of the potential range of possible future measurements.

The valuation was based on results generated in ProVal, a third-party valuation system. Use of this software required us to code the plan provisions, assumptions, and methods outlined in this report. We reviewed the outputs for reasonableness at a high level and also reviewed sample calculations in detail. We are not aware of any material weaknesses or limitations in the software or its parameterization. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions stated herein.

PENSION CONSULTANTS AND ACTUARIES
231 SANSOME STREET, SUITE 300
SAN FRANCISCO, CALIFORNIA 94104
TEL: 415-512-5300
FAX: 415-512-5314

The actuarial calculations were completed under the supervision of Earlene L. Young and Malcolm Merrill. They have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. There is no relationship between the plan sponsor and our employer that would impair our objectivity in preparing this report.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

Respectfully submitted,

Nicolay Consulting Group

A handwritten signature in cursive script that reads "Earlene L. Young".

Earlene L. Young, MAAA, FCA, EA
Senior Actuary

A handwritten signature in cursive script that reads "Malcolm Merrill".

Malcolm Merrill, FSA, EA, FCA
Senior Consulting Actuary

Contents

	<u>Page</u>
SECTION I Summary	1
SECTION II Valuation Funding Information	5
SECTION III Asset Information	8
SECTION IV Census Data	11
SECTION V Assumptions and Methods	12
SECTION VI Plan Provisions	15

SECTION I Summary

A. Highlights

Actuarially Determined Contribution for plan year ending June 30, 2023:		
Annual Contribution to fully amortize the Unfunded Actuarial Accrued Liability in five years (adjusted for monthly contributions)	\$	0
Market Value of Asset on July 1, 2022	\$	5,608,182
Actuarial Asset Value on July 1, 2022	\$	6,053,791
Present Value of all Accrued Plan Benefits on July 1, 2022	\$	5,500,816
Number of Participants at July 1, 2022:		
Retired participants receiving benefits		4
Terminated vested participants entitled to future benefits		3
Active participants		<u>6</u>
Total participants		13

B. Valuation Summary

The Carmel Area Wastewater District Pension Plan was established effective July 1, 1969 and has been amended from time to time since that date. The October 29, 2005 Plan amendment froze benefit service as of October 29, 2005, credited an additional 3 years of service for active employees and reduced normal retirement age from 65 to 62.

This section presents a summary of the valuation results and the funding status of the Plan at July 1, 2022:

1. Annual Cost

Based on funding the initial unfunded actuarial accrued liability over a period of five years from July 1, 2014 and each Gain/Loss over a 5 year period, the Actuarially Determined Contribution for the 2022/23 Plan Year is \$0.

2. Change in Annual Cost

The Actuarially Determined Contribution remained at \$0 for the 2022/23 Plan Year.

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>
(1) Actuarially Determined Contribution (ADC)	\$0	\$0	\$0
(2) Covered Compensation (less than age 65)	\$804,534	\$784,366	\$747,631
(3) ADC as a Percentage of Covered Compensation	0%	0%	0%

B. Valuation Summary, continued

3. Funded Status

A plan's "funded status" is measured by comparing the Plan's assets with the Plan's actuarial liability. A ratio in excess of 100% means that the Plan's assets exceed the actuarial liability.

The Plan's actuarial liability may be measured in a variety of ways. Some of the alternatives are described below:

- **Hard Frozen/Terminated Plan Basis:**

This actuarial liability represents the actuarial present value of all benefits accrued as of the valuation date, based on service and salary at that date.

- **On-going Plan Basis:**

This actuarial liability represents the actuarial present value of all benefits allocated to plan years prior to the valuation date based on a particular actuarial cost method (i.e., Projected Unit Credit cost method). These calculations would include a projection of salary to the anticipated date of retirement/termination, based on the salary scale used for determining Plan cost.

- **All Expected Future Plan Benefits:**

This actuarial liability represents the actuarial present value of all expected future benefits under the Plan as of the valuation date including benefits expected to be earned for future service based on future salary increases. Since service was frozen on October 29, 2005 this is equal to the On-going plan basis.

The Plan's funded status is described below, based on each of these measures of actuarial liability for the current year and the past two years.

	June 30, <u>2022</u>	June 30, <u>2021</u>	June 30, <u>2020</u>
Actuarial Value of Assets	\$6,053,791	\$5,957,082	\$5,496,670
Actuarial Liabilities:			
Frozen Plan Basis	\$5,060,297	\$5,003,436	\$4,871,182
On-Going Plan/All Expected Future Plan Benefits	\$5,500,816	\$5,512,764	\$5,400,812
Funded Status:			
Frozen Plan Basis	120%	119%	113%
All Expected Future Plan Benefits	110%	108%	102%

C. Historical Summary

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>2019/2020</u>	<u>2018/2019</u>
Annual Costs					
Actuarially Determined Contribution	\$0	\$0	\$0	\$0	\$0
Employer Contribution Made	Not Available	\$0	\$0	\$0	\$34,600
ASSETS AT BEGINNING OF PLAN YEAR					
Market Value of Assets	\$5,608,182	\$6,705,582	\$5,532,152	\$5,432,101	\$5,263,465
Actuarial Value of Assets	\$6,053,791	\$5,957,082	\$5,496,670	\$5,368,290	\$5,126,285
ACTUARIAL LIABILITIES AT BEZGINNING OF PLAN YEAR					
Actuarial Accrued Liability	\$5,500,816	\$5,512,764	\$5,400,812	\$5,211,326	\$5,112,788
Unfunded Actuarial Accrued Liability (Asset)	(\$552,975)	(\$444,318)	(\$95,858)	(\$156,964)	(\$13,497)
NUMBER OF PARTICIPANTS					
Retired	4	4	4	3	3
Disabled	0	0	0	0	0
Vested Termination	3	3	3	4	4
Active	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total	13	13	13	13	13

Valuation Funding Information

A. Development of the 2022/2023 Employer Contribution

Contribution required to amortize the July 1, 2022 unfunded actuarial accrued liability over a closed 5-year period plus gains and losses over 5 years.

(a) Normal cost at July 1, 2022	\$	0
(b) Amortization of Unfunded Actuarial Accrued liability since July 1, 2022 over 5 years, payable as of beginning of year [see Section II(C)]		0
(c) Interest adjustment for monthly payments at 4.50%		<u>0</u>
(d) Actuarially Determined Contribution for 2022/2023 plan year, payable monthly	\$	<u><u>0</u></u>

B. Development of the Unfunded Actuarial Accrued Liability

1. Projected Unit Credit actuarial accrued liability as of July 1, 2022		
(a) Active Participants		\$2,584,650
(b) Retired Participants		2,518,026
(c) Disabled Participants		0
(d) Terminated Vested Participants		<u>398,140</u>
		\$5,500,816
2. Actuarial Value of Assets as of July 1, 2022		<u>\$6,053,791</u>
3. Unfunded Actuarial Accrued Liability (asset) as of July 1, 2022 (1) – (2)		<u>(\$ 552,975)</u>

C. Summary of Amortization Bases Used in Development of 2022/2023 Employer Contribution Range

Amortization bases for the District have been fully amortized as of June 30, 2022. Future actuarial gains and losses on/after July 1, 2022 will be amortized over a 5-year period beginning on the date established. Since the Plan is fully funded, the amortization payment is zero.

<u>Item</u>	<u>Initial Amount</u>	<u>Date Estab- lished</u>	<u>Initial Period (Years)</u>	<u>Remaining Balance on 7/1/2022</u>	<u>Annual Amortization Payment (Payable Monthly)</u>
Total				<u>N/A</u>	<u>0</u>

SECTION III
Asset Information

A. Statement of Plan Assets at June 30, 2022

The assets of the Carmel Area Wastewater District Pension Plan are invested with Commonwealth Financial Network

Investments:	
Cash and Cash Equivalents	\$ 69,777
Pooled Mutual Fund-Equity	4,099,945
Pooled Mutual Fund-Fixed Income	1,372,916
Participant Loans	<u>2,594</u>
Cash value at June 30, 2022	\$ 5,545,232
Receivable from disbursement account	\$62,950
Loan payment receivable	<u>0</u>
Market Value assets at June 30, 2022	<u>\$ 5,608,182</u>

B. Changes in Assets during the 2021/2022 Plan Year

1. Market Value assets at July 1, 2021		\$ <u>6,705,582</u>
2. Changes during year		
(a) Credits		
(i) Employer contributions	\$ 0	
(ii) Participant contributions	0	
(iii) Earned income	116,446	
(iv) Investment gain (unrealized and realized)	<u>(992,571)</u>	
(v) Total credits		(876,125)
(b) Charges		
(i) Investment Expenses	\$ 46,245	
(ii) Retirement and Disability benefits	173,066	
(iii) Lump sum benefits	0	
(iv) Loan defaulted	0	
(v) Administrative fees	<u>1,964</u>	
(vi) Total charges		<u>221,275</u>
3. Market Value assets at June 30, 2022 = 1 + 2(a)(v) - 2(b)(v)		\$ <u>5,608,182</u>

C. ACTUARIAL VALUE OF ASSETS – ASSET AVERAGING

(1) July 1, 2022 Market Value			\$ 5,608,182
(2) Previous Asset Gains and Losses			
	(i)	(ii)	(iii)
	<u>Amount</u>	<u>Weighting</u>	<u>(i) x (ii)</u>
(a) 2021/22 Gain	\$ (1,220,183)	2/3	\$(813,455)
(b) 2020/21 Gain	1,103,538	1/3	<u>367,846</u>
(c) Total Asset Adjustment			\$(445,609)
(3) Adjusted Assets [(1) – (2)(e)(iii)]			\$6,053,791
(4) Minimum Actuarial Value of Assets [85% x (1)]			4,766,955
(5) Maximum Actuarial Value of Assets [115% x (1)]			6,449,409
(6) Actuarial Value of Assets [(3); not less than (4) or more than (5)]			\$6,053,791

SECTION IV
Census Data

A. Classification of Participants

	<u>July 1, 2022</u>	<u>July 1, 2021</u>
1. Active participants accruing benefits:		
(a) Under normal retirement age	5	5
(b) Over normal retirement age	<u>1</u>	<u>1</u>
(c) Total	6	6
2. Terminated participants with deferred vested benefits	3	3
3. Retired and disabled participants presently receiving benefit payments	<u>4</u>	<u>4</u>
4. Total = (1c) + (2) + (3)	<u><u>13</u></u>	<u><u>13</u></u>

B. Age and Service Profile of Active Participants

<u>Age</u>	<u>Completed Years of Accrual Service July 1, 2022</u>						<u>Total</u>
	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-30</u>	<u>30+</u>	
0-24	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-
45-49	-	-	-	1	2	-	3
50-54	-	-	-	-	1	-	1
55-59	-	-	-	-	1	-	1
60-64	-	-	-	-	-	-	-
65-69	-	-	-	-	1	-	1
70+	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>5</u>	<u>-</u>	<u>6</u>

Active Participants

	<u>July 1, 2022</u>	<u>July 1, 2021</u>
Average Age	53.93	52.93
Average Service Plan Participation:	23.97	22.97
Average Annual Salary:	\$134,089	\$130,728

A summary of the actuarial methods and assumptions used in the July 1, 2022 actuarial valuation of the Plan follows:

Actuarial Methods:

Actuarial Cost Method: Projected Unit Credit Actuarial Cost Method.

Valuation of Assets: Effective July 1, 2014, the Actuarial Value of Assets are determined based on the smoothed market value (without phasing). Under this method, a gain or loss for a year is determined by calculating the difference between the expected value of the assets for the year and the fair market value of assets at the valuation date. The actuarial value of assets is equal to the market value of plan's assets with gains subtracted or losses added at the rates described as follows:

- (1) 2/3 of the prior year's gain or loss, plus
- (2) 1/3 of the second preceding year's gain or loss

The asset value determined under this method will be adjusted to be no greater than 115% and no less than 85% of the fair market value.

Before July 1, 2014, assets are valued at fair market value on June 30 as reported by the District.

Actuarial Assumptions:

Investment Yield (CO): 4.50% per annum, net of investment expenses

The investment return assumption is based on a blending of historical asset returns for a benchmark portfolio and a forward looking expected return based on the 2022 JP Morgan capital market assumptions. Both returns are based on the plan's investment policy of 60% equities, 38% fixed income and 2% cash. The single effective investment yield assumption is found by discounting projected cashflows during the first 10 years at the forward looking rate, and cashflows after 20 years using the historical asset returns. Between years 10 and 20, cashflows are discounted based on an interpolation of the two rates.

Salary Scale (FE): 3.5% per annum.

The salary scale assumption is based on actual salary increases during the 5 year period ending June 30, 2022.

Rate of Retirement (FE): Participants are expected to retire on their Normal Retirement Date.

Assumptions and Methods

As the plan does not provide for early retirement, and late retirement benefits are actuarially equivalent to the Normal Retirement Benefit, assuming retirement at Normal Retirement Age is reasonable.

Rate of Employee Turnover (FE):

None

Based on prior experience, and to be conservative, it is assumed that all participants will continue in employment until Normal Retirement Age.

Rate of Disability (FE):

None

Based on prior experience, and to be conservative, it is assumed that all participants will continue in employment until Normal Retirement Age.

Rate of Mortality (FE):

(1) Pre-retirement: None

(2) Post-retirement:

For 2022 Valuation: PubG(A)-2010 Healthy Annuitant Mortality table with Generational Improvements based on Scale MP-2021

For 2021 Valuation: PubG(A)-2010 Healthy Annuitant Mortality table with Generational Improvements based on Scale MP-2020

Mortality rates are set in accordance with recent mortality studies completed by the SOA. Based on employee compensation, the above median mortality rates were selected. No pre-retirement mortality is selected to approximate the value of the death benefit under the plan.

Expenses:

It is assumed that expenses will be paid by investment returns greater than the assumed investment yield (i.e., investment return is net of expenses).

Payment Form (FE):

It is assumed that :

- (a) 50% participants elect lump sums,
- (b) 50% participants elect annuity payments.

Amortization Period of Unfunded Liabilities

The unfunded actuarial accrued liabilities are fully amortized as of July, 1 2022. Gains and losses arising on/after July 1, 2022 will be amortized over a 5-year period.

FE: Indicates an assumption is an estimate of future experience.

MD: Indicates an assumption is an estimate inherent in market data.

CO: Indicates an assumption is based on a combination of estimated future experience and estimates inherent in market data.

SECTION VI Plan Provisions

Effective Date:	July 1, 1969
Most Recent Restatement Date:	July 1, 2003
Most Recent Amendment Date:	Effective July 1, 2009
Plan Year:	July 1 to June 30
Eligibility for Coverage:	All employees hired prior to October 29, 2005.
Employee Contribution:	None required.
District Contribution:	Full cost of Plan.
Normal Retirement Date:	July 1 after reaching age 62 and completing five years of Plan participation.
Delayed Retirement Date:	First of any month following actual retirement after attaining age 62 and completion of five years of Plan participation. An employee can work beyond his normal retirement date and continue to earn pension benefits.
Early Retirement Date:	None
Disability	Total and permanent disability which lasts at least six months resulting in termination of employment.
Normal Form of Retirement Benefit:	The amount of annual retirement income determined by the benefit formula is payable monthly for life with 120 payments guaranteed.
Automatic Form of Distribution of Retirement Benefit:	Unless otherwise elected by the participant, the normal retirement benefit will be automatically paid to a married participant in the form of a reduced actuarial equivalent joint and 50% to survivor annuity.

Optional Forms of Distribution of Retirement Benefit:	<p>If elected by the participant, his benefit, in an actuarial equivalent amount, may be paid in the form of:</p> <ul style="list-style-type: none">(a) a joint and survivor annuity with the reduced survivor annuity payable as 50%, 66-2/3% or 100% of the monthly benefit payable during the lifetime of the participant;(b) a straight life annuity;(c) a life only annuity;(d) a lump sum payment.
Formula for Annual, Normal Retirement Benefit:	2.5% of the average earnings paid to the employee during the highest one plan year, multiplied by the number of years of accrual service.
Accrual Service:	Total number of Years in which an employee is credited with at least 1,000 hours of service. No accrual service shall be credited after October 29, 2005. Participants employed on October 29, 2005 shall be credited with an additional 3 years plus 0.333 years for the period July 1, 2005 through October 31, 2005.
Early Retirement Benefit:	None
Benefit at Deferred Retirement:	Greater of the accrued benefit, based on accrual service and compensation to late retirement date and the actuarially increased Normal Retirement Benefit.
Disability Benefit:	Immediate payment of actuarial equivalence of the accrued benefit calculated the same as a retirement benefit, based on average earnings and accrual service as of the disability retirement date.
Death Benefit:	
Prior to Retirement:	The greater of the actuarial equivalent of the Vested Accrued Benefit (applicable to married or unmarried participants), or the benefit the participant's spouse would have received if the participant had terminated on his date of death and elected to begin receiving his benefit under the automatic joint and 50% to surviving spouse pension option commencing on his earliest retirement date
After Retirement:	In accordance with the annuity payment form in effect.

Plan Provisions

Vesting:

Years of Vesting Service	Vested Percent
0-2	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

Vesting Service

Total number of Years in which an employee is credited with at least 1,000 hours of service. For participants employed on October 29, 2005, an additional three years is credited.

Benefit:

Vested Accrued Benefit as of date of termination, payable as of Normal Retirement date. Immediate lump sum option available.

Plan Factors for Actuarial
Equivalence

Interest: 6.25%
Pre-Retirement Mortality: None
Post Retirement Mortality: 94 GAR (50% male 50% female)

Termination of Plan:

In the event of termination of the Plan, funds are to be distributed, to the extent available, in the following order:

- (a) benefits of participants who had retired prior to plan termination;
- (b) benefits of participants who had reached Normal Retirement Age at termination, but had not yet retired;
- (c) all other benefits;

Administration:

The District is the Plan Administrator.

Funding of Plan:

Through a Trust, assets are held at Commonwealth Financial Network.

Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: February 23, 2023

SUBJECT: Double Time Pay Issue

RECOMMENDATION

It is recommended that the Board of Directors make a motion concurring with the decision of the Salary & Benefits Committee to uphold the Superintendent's double time offer, but for one time only. Salary & Benefits recommended no change to current District policy on double time.

DISCUSSION

During the January storms the District had staff members that worked in excess of 24 hours continuously. We had workers who stayed at the plant and workers who remained on duty for the collections system. Staff was told by the three operational superintendents that because the hours were worked consecutively in one shift that that the time after 12 hours would be paid as double time. This is neither District policy nor is it California State law.

District policy for the payment of hours is the same as the state. The District sets the workweek from Monday through Sunday, and the workday start time at 12:01 a.m. to midnight. The first 8 hours is regular pay, hours over 8 up to 12 is paid at overtime, and any time over 12 is paid at double time. The concept of "pyramiding" or paying double time on hours that overlap into a new workday is not in District policy or state law. The District could make a decision to pay this way; however, it potentially creates problems when computing the next day and the week in total.

The Salary & Benefits Committee determined that the District should pay double time for the period the Superintendents promised. However, any time after that would revert to the District policy and state laws.

Further, the District makes no concessions for any future negotiations.

Our Human Resources consultant was asked to contact other Districts and see if there was anyone who paid more generously than California wage and hour law. She contacted five districts that all agreed the District was paying in accordance with state law, and that their agency did not pay in excess of state law. One agency has an "emergency" stipend. And one other agency indicated that it would be a management decision in an emergency.

This episode has also resulted in a recognition that we need to obtain some training in California labor law for all managerial staff. At a minimum they all need to be able to speak accurately to staff regarding wage issues.

FINANCIAL

There are four people who worked through the night during the atmospheric storm event. If the average rate of pay is assumed at \$53/hr., The District would end up with 10 hours of time paid at regular pay that would convert to double time. That computes to \$2,120 plus appropriate payroll taxes of \$162 for a total of \$2,282. There are no additional benefit charges to double time.

DRAFT

BOARD TELECONFERENCING RULES EFFECTIVE AS OF MARCH 1, 2023

With the recent announcement that the COVID-19 State of Emergency will be lifted by the Governor in California effective February 28, 2023, local public agencies are considering their next steps for returning to their boardrooms in the coming year.

Back on September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which incorporated into California state law some aspects of the teleconferencing rules that had applied by Executive Order to local public agencies during the COVID-19 pandemic. However, AB 361 provides that it sunsets on January 1, 2024.

Benefits of operating under AB 361 during the COVID-19 pandemic, as opposed to under the normal open meeting laws, included the following:

- Agendas did not need to be posted at all remote teleconference locations;
- Each teleconference location did not need to be identified in the notice and agenda of the meeting;
- Each remote teleconference location did not need to be accessible to the public; and
- A quorum of the members of the Board did not need to participate in the meeting from locations within the boundaries of the territory over which the board exercised jurisdiction.

[Note: The above four “normal” pre-Covid-19 teleconference requirements under the Brown Act have remained in effect and will continue to be available to board members under appropriate circumstances.]

With the COVID-19 State of Emergency in fact ending on February 28, 2023, AB 361 may only continue to be invoked if:

- State of local officials have imposed or recommended measures to promote social distancing; and
- The Board has continuously made the 30-day renewal findings and continues to do so going forward.

In the interim, Assembly Bill 2449 (AB 2449) was signed by the Governor on September 16, 2022, and it amends the Brown Act further, effective from January 1, 2023 through the end of 2025 (when its special teleconferencing rules will expire).

AB 2449 authorizes local public agencies to use teleconferencing under more rigorous requirements than under AB 361, but the rules are still more flexible than those in effect prior to the COVID-19 pandemic. For example, under AB 2449, members of a public agency board may continue to use teleconferencing without complying with the standard requirements that (a) the agency notice each remote teleconference location of each member who will be participating in the meeting; (2) each remote teleconference location be accessible to the public; and (3) members of the public be allowed to address the board at each remote teleconference location.

However, to use the AB 2449 teleconferencing rules, at least a quorum of the board members must be present together physically within the jurisdiction of the board. Also, a board member may participate by teleconference only if there is “just cause” or an “emergency circumstance,” both of which are defined by law and are further outlined below. Further, unlike with “just cause,” the board must by majority vote affirm that an “emergency circumstance” situation does exist.

AB 2449 defines “just cause” as restricted to only the following situations:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person.
- A need related to a physical or mental disability, as defined; or
- Travel while on official business of the board’s agency or another state or local agency.

In addition to meeting the statutorily required criteria, a board member who intends to participate via teleconference must notify the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of the need to participate remotely for just cause and provide a general description of the circumstances relating to their need to appear remotely at the given meeting. AB 2449 prohibits a board member from participating via teleconference for “just cause” for more than two meetings in a calendar year.

AB 2449 defines an “emergency circumstance” as “a physical or family medical emergency that prevents a member from attending in person.” To invoke the “emergency circumstance” situation, the following procedural requirements must also be satisfied:

1. “The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability or any personal medical information that is already exempt under existing law. . . .”
2. A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.
3. The board must take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place the proposed action to such a request on the posted agenda for the meeting for which the request is made, the board may take action at the beginning of the meeting.

In addition, two other conditions apply under AB 2449 if a board member is permitted to teleconference for either “just cause” or “emergency circumstances”:

1. “The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member’s relationship with any such individuals.”
2. “The member shall participate through both audio and visual technology.” That is, a board member who attends by teleconference must be both audible and visible to those attending.

Additionally, AB 2449 does not permit its teleconferencing rules to be invoked by any board member for more than three consecutive months or 20 percent of the regular meetings of the board within a calendar year if the board meets at least 10 times per calendar year (in addition to the limitation on “just cause” exceptions invoked by a board member to no more than two meetings per calendar year).

Finally, to invoke AB 2449 teleconferencing rules, the agency must:

1. Provide at least one of the following means by which the public may remotely hear and visually observe the meeting and remotely address the board;
 - A two-way audiovisual platform
 - A two-way telephonic service and a live webcasting of the meeting.

2. In the agenda, identify how to provide public comment and identify and include an opportunity for all persons to attend and address the board directly “via a call-in option, via an internet-based service option and at the in-person location of the meeting”;
3. Pause the meeting when there is a teleconference disruption; and
4. Implement a procedure for receiving and swiftly resolving requests for reasonable accommodations for individuals with disabilities and provide notice of this procedure in notifications and agendas for the meeting.

As noted above, the State of Emergency due to the COVID-19 pandemic is scheduled to end on February 28, 2023. This will significantly impact the ability for boards to continue to meet under the authorization and procedures established by AB 361 before it sunsets at the end of 2023. As such, board members of local public agencies should prepare to return to their boardrooms and should also evaluate their ability and set up procedures to comply with the new AB 2449 requirements should a board member need to participate via teleconference because there is “just cause” or an “emergency circumstance.”

STAFF REPORT



To: Board of Directors

From: Domine Barringer
Secretary of the Board

Date: February 23, 2022

Subject: Form 700 Statement of Economic Interest FY2022-2023
Reminder and Timeline Submission

RECOMMENDATION

It is recommended that the Board of Directors and all principal officers who are filing Form 700 submit the final documents into the administration office on or before Monday, March 16, 2023.

DISCUSSION

The filing deadline, for Form 700, into Clerk of the Board for Monterey County is April 3rd, 2023. Having the submission completed in advance allows time for any corrections that are needed prior to the April 3rd deadline.

Copies of the prior year Form 700 and the current Form 700 have been provided under separate cover.

Information/Discussion Items

Carmel Area Wastewater District

WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project

Construction Progress Report

February 8th, 2023

Prepared by: Patrick Treanor, Plant Engineer

Contractor: Clark Bros Inc (CBI)



Section 1: Project Summary

Project Summary			
General Contractor		Clark Bros Inc	
Contract Value			
Contract Bid Amount		\$7,291,500	
Change Orders Issued to Date		1	
Value Added Change Order Cost ⁽¹⁾	% of Bid Amount	\$43,899.09	0.60%
Non Value Added Change Order Cost ⁽²⁾	% of Bid Amount	\$71,838.19	0.99%
Total Change Order Cost	% of Bid Amount	\$115,737.28	1.6%
Current Contract Value		\$7,407,237.28	
Open/Pending Potential Change Orders (PCO)		2	
Contract Time			
Notice To Proceed		September 7 th , 2021	
Original Contract Time		550 Calendar Days	
Calendar Days Elapsed		520 Days	
Weather Days: Accepted to Date		3 Days	
Contract Change Order(s) Time Extension		0 Days	
Current Contract Completion Date		March 11 th , 2023	
Contract Progress Summary			
Total Project Time Expended		95%	
Total Project Construction Cost Expended		60% (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

Section 2: Work Performed This Month

2.1 General

Work this month was influenced by wet weather which slowed work for about a week and a half. Minor mechanical work at the Influent Pump Station, Headworks, and Chlorination Building was conducted. Electricians worked on conduit rough in anticipation for the delayed Motor Control Center (MCC) equipment to start arriving in February. Work continued on the old sludge tanks removal and backfill.

2.1.1 Submittals

Submittals reviewed this month included the revised critical path schedule to reflect current progress and plan forward amongst delays in MCC procurement. Also, an access hatch submittal was received and a seismic calculation submittal for the Headworks mechanical bar screen.

2.1.2 PLC Programming

PLC programming by Frisch Engineering is in progress.

2.2 Site Work

2.2.1 Potholing/Locating Existing Utilities

None.

2.3 Sludge Holding Tank Replacement

Work included demolition of the old sludge tanks underground piping and now that the structures are completely removed backfill activities have begun. The new tank and mixing pump have been operating continually without issue since late November. The new hose bibs at the sludge tank were installed and piping was leak tested.

2.4 Influent Pump Station Rehab

Clark Bros demolished an old grease pump from the influent dry well and installed new pipe supports on new Influent Pump #4. A new stair rail height extension was installed. Some corrective work was done on electrical boxes supports that were installed a few months ago to make them plumb. Commissioning of the first new Influent Pump is pending delivery and installation of the new Influent MCC.

2.5 Headworks Rehab

Clark Bros conducted additional mechanical piping work for grit channel flushing piping and electricians roughed in conduits for the mechanical bar screens. Commissioning of the new screens is pending delivery and installation of the new Headworks MCC.

2.6 Chlorination Building Rehab/3W System Improvements

Clark Bros grouted tank supports for the new #3 Water (3W) bladder tank.

2.7 Effluent Pump Station Rehab

No work observed.

Section 3: Project Issues

In March 2022, Clark Bros informed CAWD of delays in procurement of the Motor Control Center (MCC) equipment. The Clark Bros schedule provided soon after this notice showed MCC equipment arriving in mid-September, which had only a minor impact on the overall project completion schedule.

On September 1st, 2022, Clark Bros notified CAWD that the MCC were experiencing further delays beyond what was previously anticipated and the MCC may not be onsite until June of 2023. This procurement schedule would have significant impacts on the project schedule. CAWD sent a notice to Clark Bros on September 7th, 2022 stating that CAWD will incur financial loss if the work is not completed in the Contract Time, and reaffirming that there hasn't been a change to the Contract Time stipulated in the Agreement.

Clark Bros has been working diligently with the supplier in getting the MCC onsite without significant delays. The latest revised estimate for delivery of MCC is early February 2023 for Influent and Headworks MCCs and April 2023 for Chlorination and Effluent MCCs.

Section 4: RFI and Submittals Review Summary

The following table contains a summary of RFI/Clarifications and Submittals to date:

	Total Number Processed	Number Received in Current Month
RFI/Clarifications	42	1
Submittals	159	2

Section 5: Change Order Summary

Potential change orders (PCOs) are being generated for differing site conditions, owner requested changes, and design issues.

	Total Number Processed to Date	Open PCO Pending Quote/Approval	Number Generated in Current Month	Total Cost Approved to Date
Potential Change Orders (PCO)	11	2	2	NA
Change Orders	3	0	0	\$115,737.28

Section 6: Project Schedule and Budget

6.1 Schedule

MCC deliveries have been a moving target and have already delayed the project by about 3 months. Clark Bros submitted a revised schedule in December and again in January that reflects the delays to project completion. Once MCC are delivered the project completion date will become more certain.

6.2 Budget

At this time the approved change orders amount to 1.6% of the project cost. The project management team is continually monitoring the costs of potential changes to manage costs.

Currently the amount to be paid to CBI is 60% (not including retention) of the total approved budget (66% with retention).

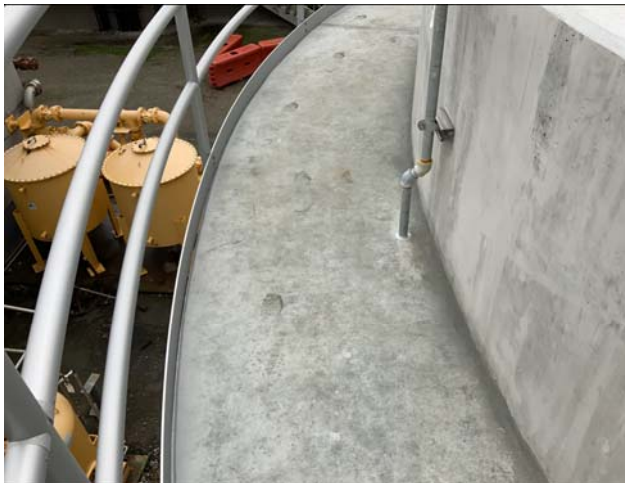
Section 7: Photos

- Sludge Holding Tank Replacement
- Influent Pump Station Rehab
- Headworks Rehab
- Chlorination Building/3W System Improvements

Photos:
Sludge Holding Tank
Replacement











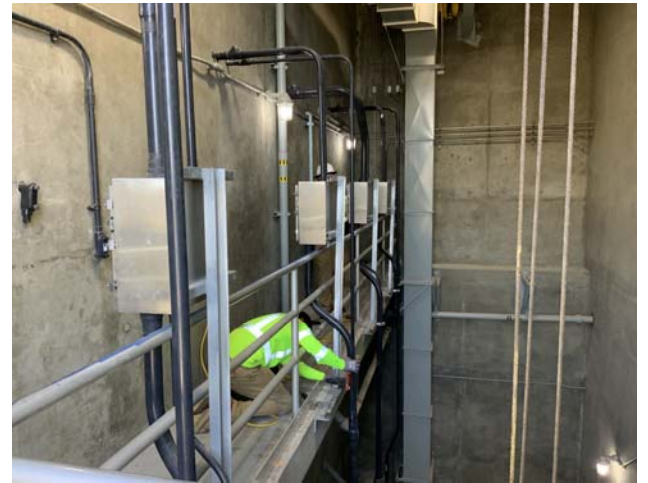
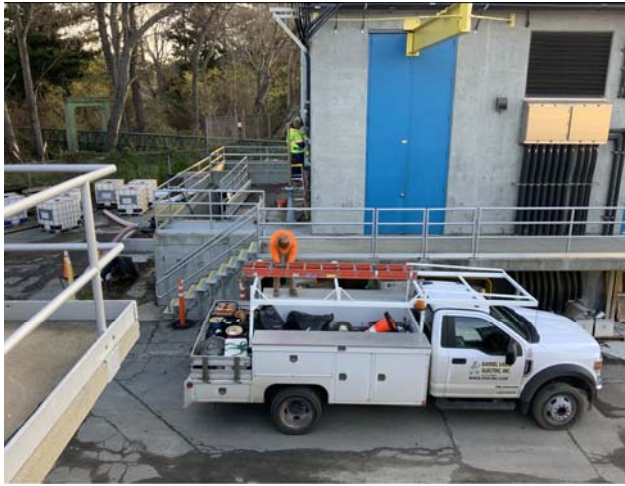


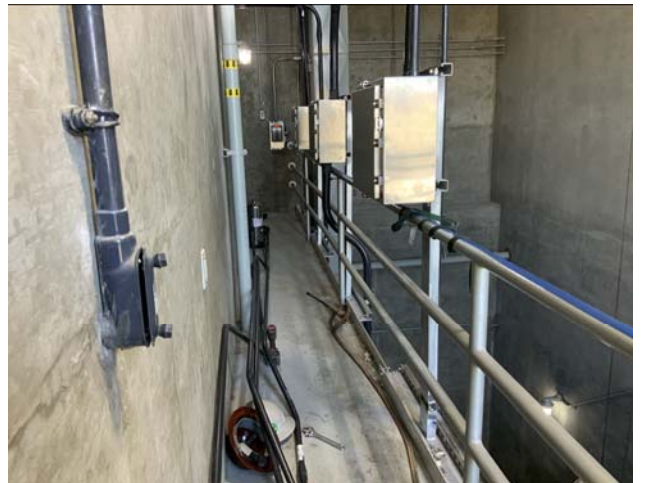
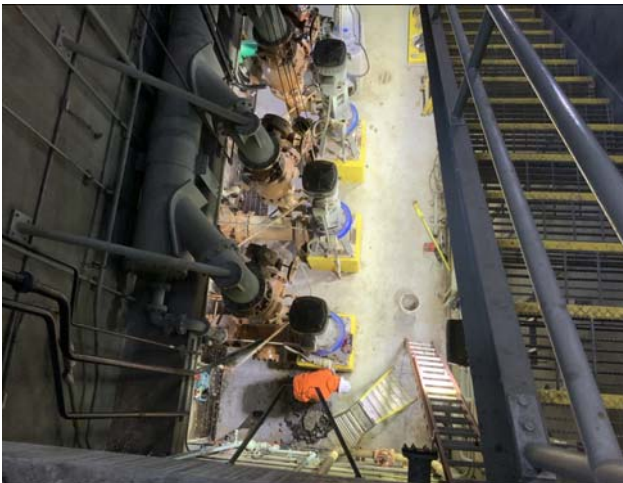


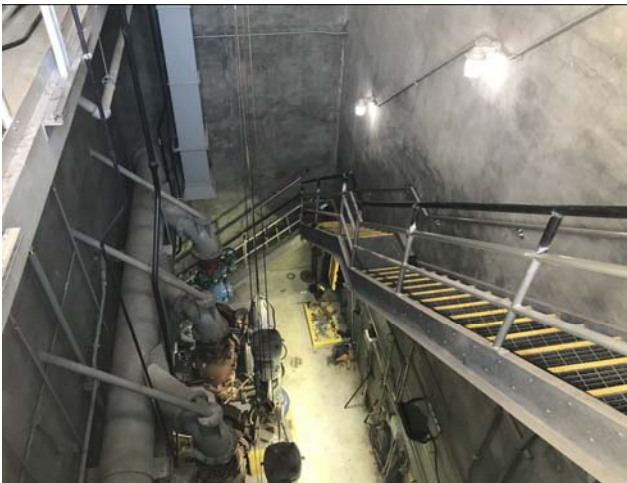
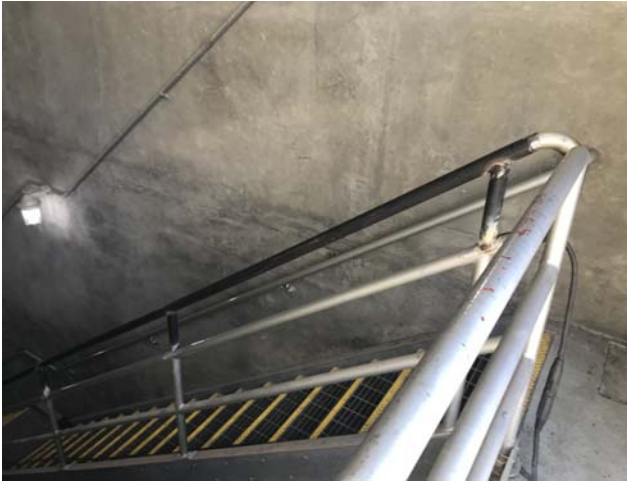




Photos:
Influent Pump Station Rehab



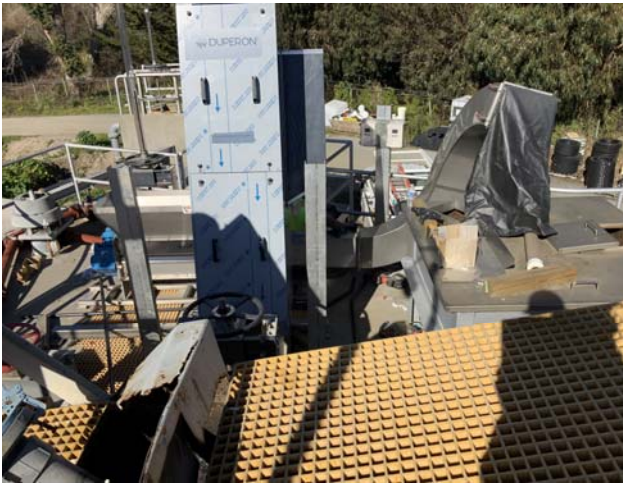
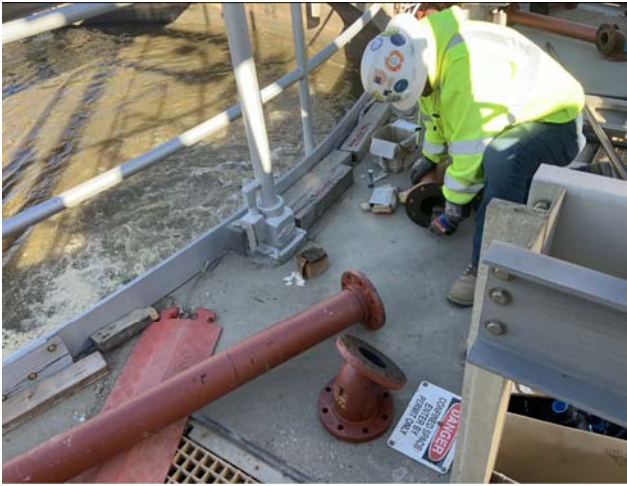




Photos:
Headworks Rehab









Photos:
Chlorination Building/3W System
Improvements



STAFF REPORT



To: Board of Directors

From: Patrick Treanor, Plant Engineer

Date: February 23, 2023

Subject: Project #18-01 - Wastewater Treatment Plant (WWTP) Rehab Paving
Repairs Change Order

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

There have been discussions at recent Construction Committee and Budget Committee meetings regarding a possible change order to the current WWTP Elec/Mech Rehab and Sludge Holding Tank Project to expand the paving scope of work to include all paved areas of the WWTP. The existing asphalt paving throughout the plant is in poor condition and needs major repair.

Certain areas of the paving are more damaged than others. Some areas will require complete removal of the existing surface to allow placement of new pavement; other areas can be repaired by grinding and repaving a thin section of the paving or resurfaced by means of slurry seal. Paving costs rule of thumb is around \$3 to \$4 per square foot, but the total cost increases when damaged material and subbase needs to be removed prior to placing the new paving section. The square footage of pavement at the plant is about 125,000 square feet. Therefore, estimated cost to return the paving to good condition is on the order of \$500,000.

CAWD staff has been developing plans on how to approach the various paving issues throughout the facility and initial conversations have been had with the contractor (Clark Bros). Staff intends to develop a cost effective approach and request a price quote from Clark Bros. If a reasonable price can be negotiated staff intends to bring a resolution for a contract change order to the full board for a decision in March.

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: February 23, 2023

Subject: Pebble Beach Community Services District (PBCSD) – Regular Board Meeting on January 27, 2023

DISCUSSION

Agenda items from the January 27, 2023, meeting that are of specific interest to this District:

- Total cash balance at the end of December 2022 was \$33.3M; of that amount \$17.2M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 80% of PBCSD revenues with user fees making up 22% of total actual cost of wastewater operations.
- Total revenues through December 2022 in the cash-based budget were \$13.5M of budget. Total expenditures were \$4.5M or 15% of budget.
- PBCSD presented their Annual Comprehensive Financial Report for the year ended June 30, 2022. Their audit firm, Eide Bailly, gave a “clean opinion” on the financials.
- Approximately 115 million gallons (MG) or 353 AF of recycled water is stored in Forest Lake which represents 100% of permitted capacity. Forest Lake Reservoir reached its full storage capacity on January 23, 2023. The storage volume is 28% above the historic average of 90 MG.
- Average daily wastewater flow of 780,000 gallons per day (GPD) was measured in December at the PBCSD-Carmel gate. This represents 42% of the total flow at the Carmel Area Wastewater District (CAWD) treatment facility.

The measured PBCSD flow was 74% above the five-year average of 446,000 GPD for the month of December. The CAWD total flows were 40% above the five-year average of 1,334,000 GPD for December.

- Total irrigation water demand for the 2022 calendar year through December was 1,073-acre feet (AF). Total demand for the calendar year is 11% above the 5-year average of 969 AF through December. The 2022 irrigation demand to-date through December is 12% above last year’s end of December of 961 AF. The month of December reflected a net storage increase of approximately 39MG.
- All six alternative source water projects are offline and will remain offline until after the winter wet season. Total production for the 2022 calendar year through December was approximately 16.5 MG.
- The Reclamation Distribution Main Cathodic Protection Project is currently coordinating with CAWD staff on finalizing the design and installation of deep anode well at the CAWD treatment plant. The design revision is anticipated to mitigate CAWD’s concerns for potential impacts to adjacent underground utilities at the treatment plant.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July – 22	36.043	24.579	11.464	31.806%
Aug – 22	35.881	24.412	11.469	31.964%
Sept – 22	33.941	23.173	10.768	31.726%
Oct - 22	31.961	22.411	9.550	29.880%
Nov – 22	34.002	22.641	11.361	33.413%
Dec - 22	57.963	33.771	24.192	41.737%
Total	229.791	150.987	78.804	34.293%

Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: February 23, 2023

SUBJECT: Reclamation Management Committee 02-07-23

RECOMMENDATION

This is informational for discussion purposes only.

DISCUSSION

This was a fairly routine meeting inasmuch as there were no unusual items or items that had not already been brought up either during budget or earlier meetings. Discussion as follows:

- Mr. Grover reviewed the preliminary Reclamation financial statements for the six months ended December 31, 2022. Results to date are very close to what they were one year ago. Water sales up 18% due to higher price per acre foot (AF). Total waster sold is 486 AF down from 489 AF prior year. Operating income \$112K or 5% under budget.
- Mr. Waggoner gave a presentation on Micro Filtration/Reverse Osmosis Operations and Maintenance. Staff continues to work with Trussell Technologies to maximize efficiency and lifespan of the filters. Staff is planning on completing maintenance during a shutdown when the reservoir is full. The Project is now nearly completely off the legacy RSVIEW32 platform and working on the Ignition platform as with the rest of the plant.
- Mr. Becker provided an update on the Distribution System capital and O&M and on Forest Lake water storage status. A well permit has been issued for Bird Rock Well No. 02 and will mobilize dependent on weather and ground conditions. Pebble Beach Community Special District is coordinating with Carmel Area Wastewater District on finalizing the design and installation of anode well at the treatment plant. Forest Lake is full at 115 million gallons.

FINANCIAL-None



H F G Hastie Financial Group

For confidence in your future

2022 MARKET REVIEW

4TH QUARTER 2022 PERFORMANCE REVIEW

1ST QUARTER 2023 ACTION PLAN

Agenda



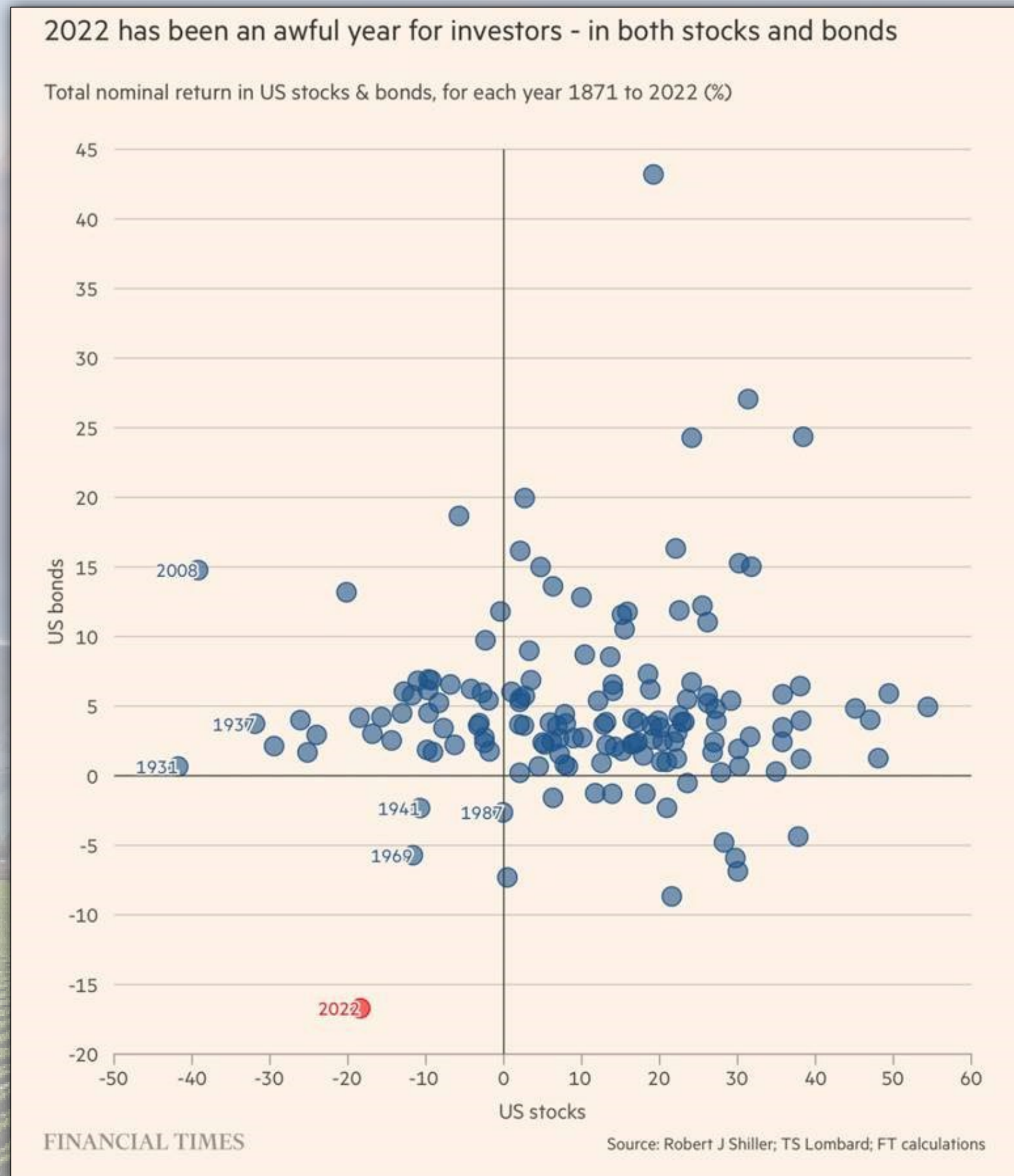
2022 Review



4Q 2022 Review

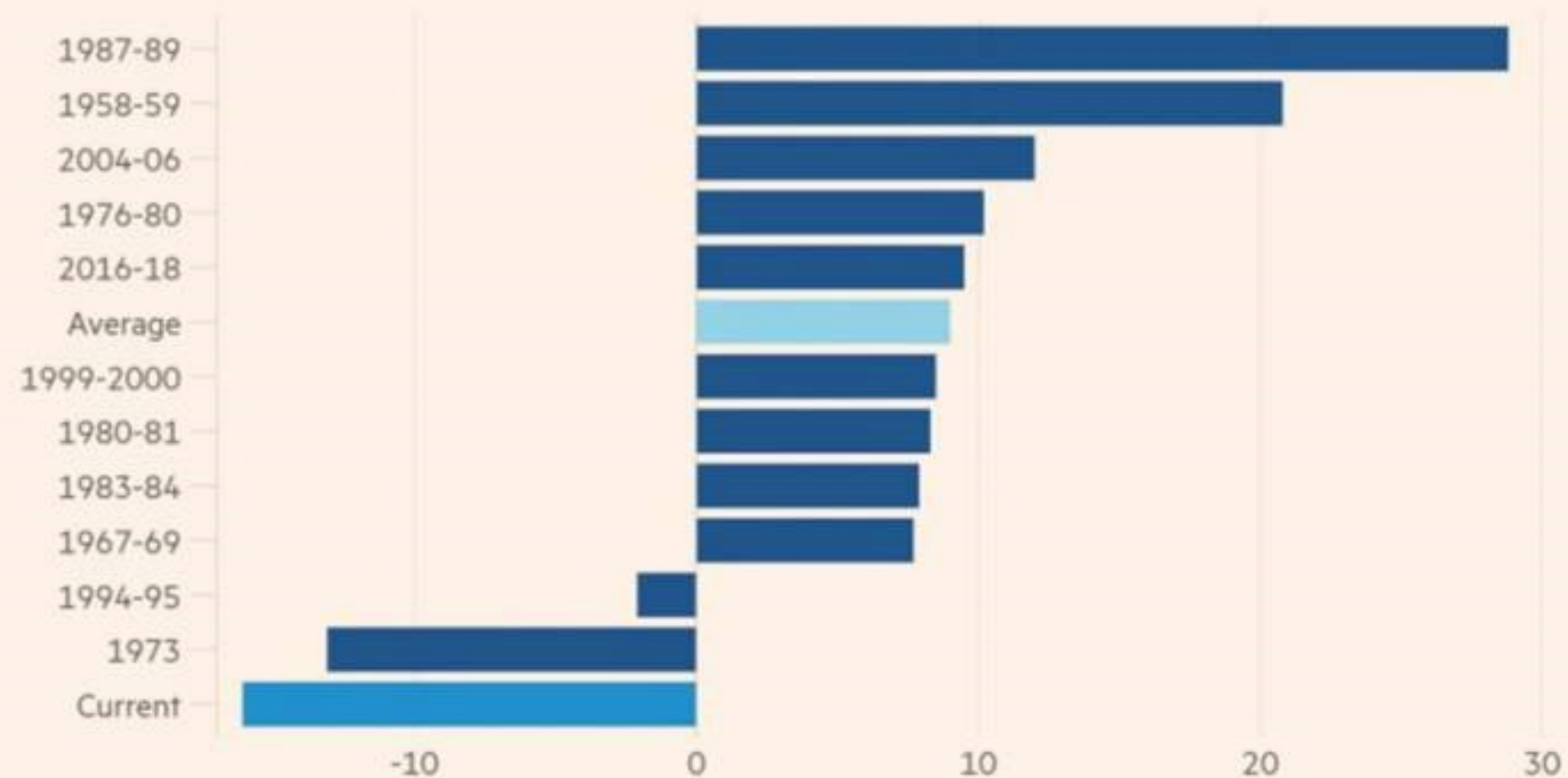


Q1 2023 Action Plan



This cycle of US rate rises has been particularly bad for stocks

US equity returns (S&P) during periods of Federal Reserve tightening (%)



Source: Deutsche Bank
© FT

	Value	Blend	Growth
Large	<u>Russell 1000 Value</u> 4Q: 12.42% 2022: -7.54%	<u>Russell 1000 Total Return</u> 4Q: 7.24% 2022: -19.13%	<u>Russell 1000 Growth</u> 4Q: 2.20% 2022: -29.14%
Mid	<u>Russell Mid Cap Value</u> 4Q: 10.45% 2022: -12.03%	<u>Russell Mid Cap Total Return</u> 4Q: 9.18% 2022: -17.32%	<u>Russell Mid Cap Growth</u> 4Q: 6.90% 2022: -26.72%
Small	<u>Russell 2000 Value</u> 4Q: 8.42% 2022: -14.48%	<u>Russell 2000 Total Return</u> 4Q: 6.23% 2022: -20.44%	<u>Russell 2000 Growth</u> 4Q: 4.13% 2022: -26.36%

Market Environment

- Interest rate increases
 - Oct (75 bps), Nov (75 bps), Dec (50 bps)
- Q4 GDP: 2.9% (“advance estimate)
- CPI
 - Oct: 7.7% (core 6.3%)
 - Nov: 7.1% (core 6.0%)
 - Dec: 6.5% (core 5.7%)

Major Market Indices (4Q / 2022)

- Dow: 16.01% / **-6.86%**
- S&P 500: 7.56% / **-19.44%**
- Nasdaq: **-1.03%** / **-33.10%**
- MSCI EAFE: 17.34% / **-14.45%**

US bond returns are in their worst spell for over a century

Nominal annual return on US bonds (%)



2022 year to date
Sources: Robert J Shiller, FT calculations
© FT

Index	1Q 2022	2Q 2022	3Q 2022	4Q 2022	YTD to 12/31/22
Bloomberg U.S. Agg Bond	-5.93%	-4.69%	-4.75%	1.87%	-13.01%
Bloomberg U.S. Corporate Bond	-7.69%	-7.26%	-0.65%	3.63%	-15.76%
Bloomberg U.S. Government 1 – 3 Yr	-2.50%	-0.52%	-1.54%	0.73%	-3.81%
Bloomberg U.S. Intermediate Bond	-4.19%	-1.65%	-3.11%	2.52%	-9.10%
Bloomberg U.S. Government/Credit Long-Term	-10.95%	-12.27%	-9.03%	2.61%	-27.09%

Market Environment

- Rising interest rates vs. bond prices
 - Interest rate increases forecasted into 2023

Actions Taken

- Sold intermediate and short-term duration bond holdings
- Purchased ultra-short duration
- Purchased 3- and 6-month U.S. Treasury bills

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate Range
December 14, 2022	50	4.25% to 4.50%
November 2, 2022	75	3.75% to 4.00%
September 21, 2022	75	3.00% to 3.25%
July 27, 2022	75	2.25% to 2.50%
June 16, 2022	75	1.50% to 1.75%
May 5, 2022	50	0.75% to 1.00%
March 17, 2022	25	0.25% to 0.50%

Change in Market Value Register

From 10/1/2022 to 12/31/2022

Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)

Account Name	Performance Start Date	Beginning Value with Accrued Interest (\$)	Net Contributions/ Withdrawals (\$)	Total Gains/Losses (\$)	Net Income (\$)	Ending Balance with Accrued Interest (\$)	Net Change (\$)	Performance Stop Date	TWR (%)	TWR Ann. (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	10/01/2022	5,211,937.48	(46,825.28)	47,058.67	188,527.31	5,391,577.29	226,465.09	12/31/2022	4.35	
Total	10/1/2022	\$5,211,937.48	(\$46,825.28)	\$47,058.67	\$188,527.31	\$5,391,577.29	\$226,465.09	12/31/2022		

Change in Market Value Register

From 1/1/2022 to 12/31/2022

Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)

Account Name	Performance Start Date	Beginning Value with Accrued Interest (\$)	Net Contributions/ Withdrawals (\$)	Total Gains/Losses (\$)	Net Income (\$)	Ending Balance with Accrued Interest (\$)	Net Change (\$)	Performance Stop Date	TWR (%)	TWR Ann. (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	01/01/2022	6,814,177.69	(184,868.91)	(1,451,161.22)	255,353.06	5,391,577.29	(1,237,731.48)	12/31/2022	-18.29	
Total	1/1/2022	\$6,814,177.69	(\$184,868.91)	(\$1,451,161.22)	\$255,353.06	\$5,391,577.29	(\$1,237,731.48)	12/31/2022		

Performance Attribution

From 10/1/2022 To 12/31/2022

Carmel Area Wastewater

Holdings By Security

Description	Symbol	Start Date	End Date	Beginning Market Value (\$)	Ending Market Value (\$)	Portfolio Avg. Weight (%)	Return % (IRR Gross of Fees)	Est. Return Contribution (%)
Bank of New York Mellon Dynamic Value CI I	DRGVX	10/11/2022	12/31/2022	0.00	817,852.12	12.48	12.25	1.53
iShares Currency Hedged MSCI EAFE ETF	HEFA	10/01/2022	12/31/2022	310,616.88	341,382.87	5.97	9.90	0.59
iShares Core S&P 500 ETF	IVV	10/01/2022	12/31/2022	303,752.88	690,749.26	10.99	4.21	0.46
Columbia Contrarian Core Fund Advisor CI	CORRX	10/01/2022	12/31/2022	346,189.51	368,206.75	6.65	6.36	0.42
Oberweis Small-Cap Opportunities Fund	OBSOX	10/01/2022	12/31/2022	153,946.19	169,279.73	2.95	9.96	0.29
First Trust Merger Arbitrage Fund CI I	VARBX	10/01/2022	12/31/2022	510,500.50	519,820.38	9.81	1.83	0.18
Forester Value Fund CI I	FVILX	10/01/2022	12/31/2022	359,686.02	366,861.87	6.91	2.00	0.14
United States Treas Bills Zero Coupon 0.00000% 03/16/2023	912796YL7	10/01/2022	12/31/2022	754,099.06	760,641.57	14.49	0.87	0.13
PGIM Ultra Short Bond ETF	PULS	10/01/2022	12/31/2022	510,284.76	515,118.61	9.80	0.95	0.09
iShares Treasury Floating Rate Bond ETF	TFLO	10/01/2022	12/31/2022	408,444.00	412,407.23	7.85	0.97	0.08
Vanguard Value Index Fund ETF Shares	VTV	10/01/2022	10/13/2022	711,438.42	0.00	1.47	2.98	0.04
United States Treas Bills Zero Coupon 0.00000% 12/15/2022	912796X79	10/01/2022	12/15/2022	344,024.34	0.00	5.39	0.57	0.03
Fidelity Govt Money Market Capital Reserves CI	FZAXX	10/01/2022	12/31/2022	136,680.43	429,256.90	3.42	0.73	0.02
AQR Macro Opportunities Fund CI I	QGMIX	10/01/2022	10/25/2022	359,819.15	0.00	1.80	0.43	0.01
Schwab U.S. Aggregate Bond ETF	SCHZ	10/01/2022	12/31/2022	0.00	0.00	0.00	0.00	0.00
Cash Credit (Debit) Balance	CASH	10/01/2022	12/30/2022	2,455.35	0.00	-0.04	0.00	0.00
Grand Total				\$5,211,937.48	\$5,391,577.29		4.54	

Performance by Asset Class (Primary)

From 10/1/2022 to 12/31/2022

Carmel Area Wastewater

	Domestic Equity (\$)	International Equity (\$)	Balanced (\$)	Alternative (\$)	Domestic Bond (\$)
Beginning Balance (10/01/2022)	1,515,327.00	310,616.88	.00	1,230,005.67	918,728.76
Purchases / Contributions	1,199,918.42	62,640.25	.00	7,012.19	9,301.90
Sales / Withdrawals	(837,281.10)	(62,640.25)	.00	(368,374.30)	(9,301.90)
Gain / Loss	59,821.19	(31,874.26)	.00	11,026.50	(504.82)
Interest	.00	.00	.00	.00	.00
Dividend / Cap Gains	108,302.35	62,640.25	.00	7,012.19	9,301.90
Management Fees	.00	.00	.00	.00	.00
12B1 Credits	.00	.00	.00	.00	.00
Ending Balance (12/31/2022)	2,046,087.86	341,382.87	.00	886,682.25	927,525.84
Total Gain / Loss After Fees	168,123.54	30,765.99	.00	18,038.69	8,797.08
IRR (Net of Management Fees) for 10/01/2022 to 12/31/2022	9.45	9.90		1.87	.96
IRR (Net of Management Fees) (annualized)					

Performance by Asset Class (Primary)

From 10/1/2022 to 12/31/2022

International Bond (\$)	Other (\$)	Cash and Equivalents (\$)	Total Portfolio (\$)
.00	.00	1,237,259.18	5,211,937.48
.00	.00	1,278,918.68	2,557,791.44
.00	.00	(1,327,019.17)	(2,604,616.72)
.00	.00	8,590.05	47,058.67
.00	.00	.00	.00
.00	.00	1,270.62	188,527.31
.00	.00	9,120.89	9,120.89
.00	.00	.00	.00
.00	.00	1,189,898.47	5,391,577.29
.00	.00	739.78	226,465.09
		.05	4.36

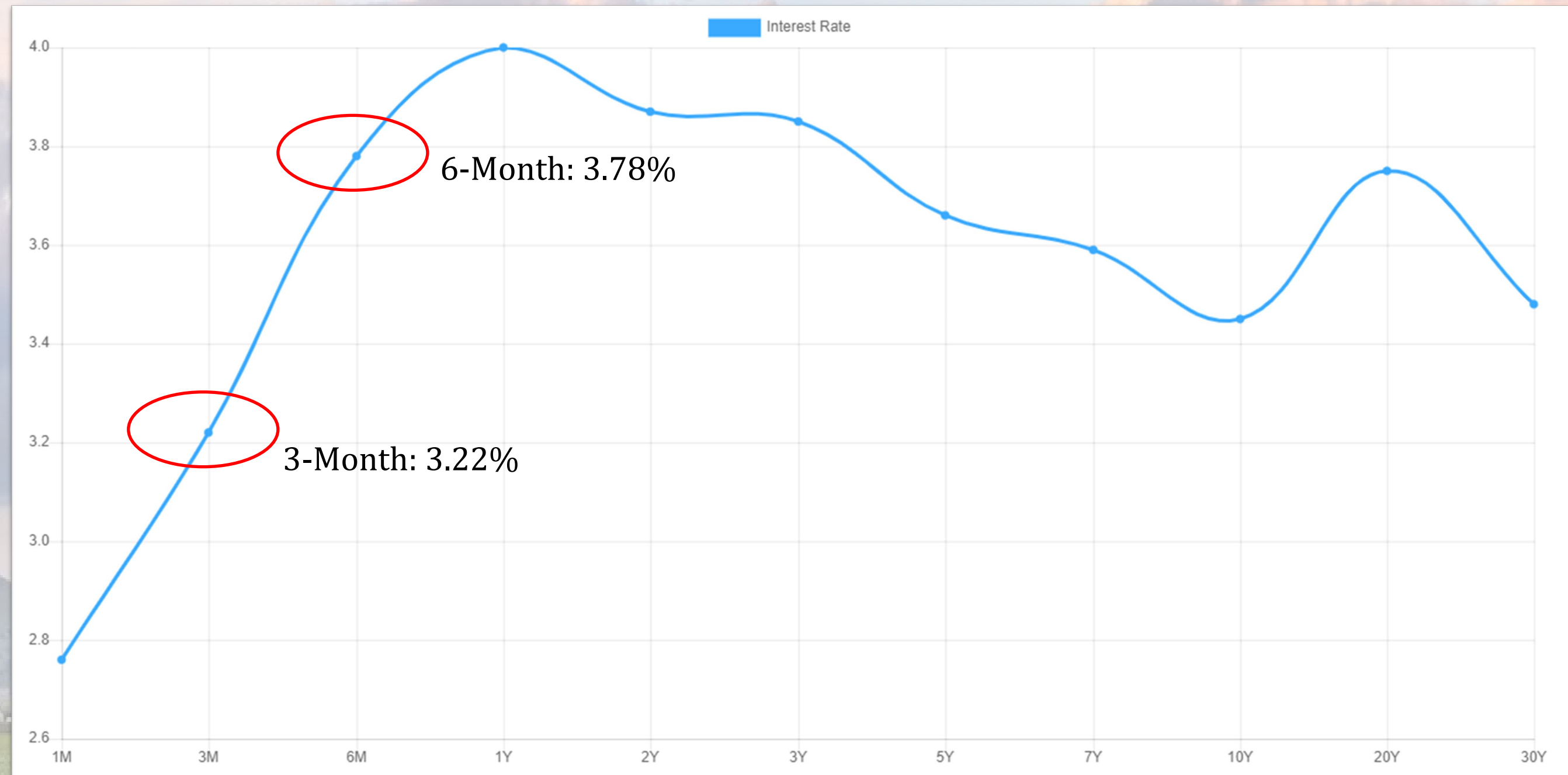
☐ Sell:

- Columbia Contrarian Core
- iShares Currency Hedged EAFE ETF
- Forester Value Fund
- First Trust Merger Arbitrage
- iShares Treasury Floating Rate ETF
- PGIM Ultra Short Bond ETF

☐ Buy:

- Vanguard Dividend Growth Fund
- Vanguard High Dividend Yield
- Vanguard S&P Mid-Cap 400 Value
- Janus Henderson European Focus
- Schwab International Equity
- Federated Hermes Intl Small-Mid
- Schwab U.S. Aggregate Bond ETF
- Vanguard Short-Term Corporate Bond
- Dodge & Cox Income Fund

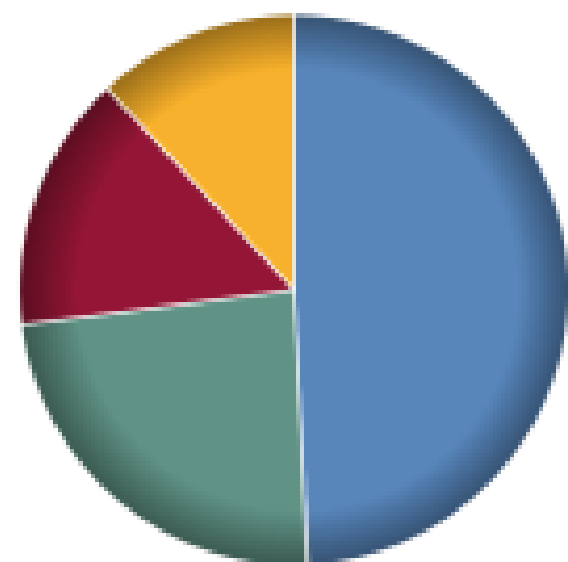
☐ Rebalance the rest of the portfolio



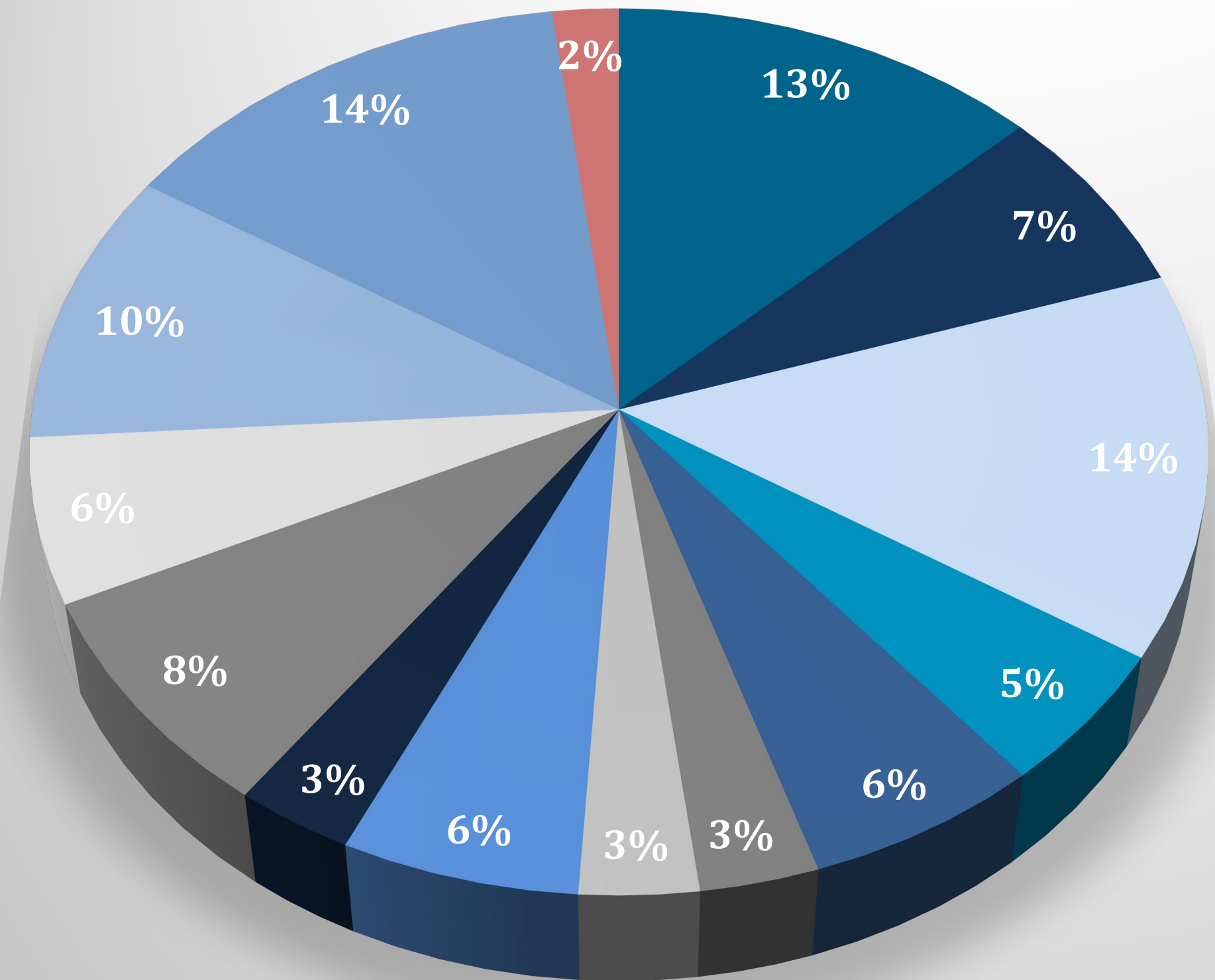
3-Month Treasury Bill matured 12/15/2022

6-Month Treasury Bill matures 3/16/2023

Asset Class (Primary) Allocation



Asset Class (Primary)	Value (\$)	(%)
Domestic Equity	2,729,921.57	49.22
Fixed Income	1,317,724.61	23.76
Cash and Equivalents	837,601.55	15.10
International Equity	661,319.13	11.92
Total	\$5,546,566.85	100%



- iShares Core S&P 500 ETF - 13%
- Vanguard Dividend Growth Fund - 7%
- BNY Mellon Dynamic Value Fund - 14%
- Vanguard High Dividend Yield - 5%
- Vanguard S&P Mid-Cap 400 Value - 6%
- Oberweis Small-Cap Growth - 3%
- Janus Henderson European Focus - 3%
- Schwab International Equity ETF - 6%
- Federated Hermes Intl Small/Mid - 3%
- Schwab U.S. Aggregate Bond ETF - 8%
- Vanguard Short-Term Corporate Bond - 6%
- Dodge & Cox Income Fund - 10%
- 6-Month U.S. Treasury Bill - 14%
- Cash - 2%

BETA:

A measure of volatility (risk) relative to the Standard & Poor's 500 Index. Beta of 1.0 indicates risk equal to that of the Standard & Poor's 500 Index over a given period of time, usually 3, 5 and 10 years. Beta of less than 1.0 indicates risk less than that of the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	0.62	0.62	0.62

Mutual Fund/ETF	3-Year Beta	Net Expense Ratio
iShares Core S&P 500 ETF	1.00	0.03
Vanguard Dividend Growth Fund	0.79	0.27
BNY Mellon Dynamic Value Fund	0.98	0.68
Vanguard High Dividend Yield	0.84	0.08
Vanguard S&P Mid-Cap 400 Value ETF	1.15	0.15
Oberweis Small-Cap Opportunities	1.10	1.25
Janus Henderson European Focus	1.06	1.03
Schwab International Equity ETF	1.04	0.06
Federated Hermes International Small-Mid	1.13	0.99
Schwab U.S. Aggregate Bond ETF	1.00	0.03
Vanguard Short-Term Corporate Bond ETF	0.56	0.04
Dodge & Cox Income Fund	1.02	0.41

STANDARD DEVIATION:

Another measure of volatility (risk). A higher Standard Deviation indicates a higher degree of volatility (risk) over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	13.74	11.92	9.38
Standard & Poor's 500 Index	21.39	18.72	14.81

MEAN:

Mean return over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	7.32	6.17	7.44
Standard & Poor's 500 Index	9.88	9.54	12.68

ALPHA:

A measure of risk-adjusted returns. An Alpha of 0 indicates a return proportionate to the degree of risk taken. A positive Alpha indicates a return generated in excess of the degree of risk taken.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	0.36	-0.58	-0.78

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Staff Report



TO: Board of Directors

FROM: Barbara Buikema, General Manager

DATE: February 23, 2023

SUBJECT: Annexation Cost Recovery

RECOMMENDATION

This is informational for discussion purposes only.

DISCUSSION

Annexation fees are imposed as a condition of incorporating areas outside present District boundaries to pay for costs of adding the property to the District. Such costs include, but are not limited to, professional fees (engineering, legal, accounting, financial consultants, etc.) and the District's administrative costs.

The 2016 & 2021 "Mass" Annexation projects were a result of the District's interest in taking a more proactive and comprehensive approach to updating its Sphere of Influence (SOI) and service area boundaries to meet current and future needs. Proactive mass expansion of the District's SOI and boundaries greatly reduced the need for the inefficient, "parcel-by-parcel" approach. The piecemeal approach resulted in boundary growth that was not always contiguous to the existing District boundaries. Taking a proactive mass approach allows the District to reserve capacity for those developed and existing legal lots which are currently either served by septic systems or undeveloped legal lots of record in a more cost effective approach for constituents and allows for a more uniform neighborhood approach.

Sphere of Influence amendments and annexations historically have occurred as service needs arose over time. In contrast, initiating "mass" annexations will help to gradually reduce the number of individual septic systems in the area by reducing the regulatory hurdle presented. Reducing the number of septic systems in the Carmel River watershed is a public health benefit that has been a long-standing objective of the County Environmental Health Department and would align with the District's mission statement.

In Ordinance 85-02 the District refers to “Special Asset Fee” as one paid for by specially serving only a limited or designated area with the District and each equivalent residential unit being charged a fee of \$450 (specifically for the Carmel Valley Trunk Line). Over time, except for properties that were individually annexed and costs could be collected for that property, the District has maintained the \$450 dollar fee without any adjustment. In 2016 and again in 2020 we entered into “Mass” Annexations in order to make it easier for those willing to convert from septic to sewer to join the District.

While we have maintained the 1985 charge of \$450 the reality is that we do not know when and if people will connect to the District. We believe by proactively annexing these parcels it will encourage connection. However, we also have studies in the District library from the 1970s that predicted all of Carmel Valley, out to the village, would be on sewer service by now. So much for predictions.

2016 Annexation					
Total Cost	\$70,514.81		Starting Amount	\$168.70	\$168.70
# ERU	418		Number of Periods	10	20
Individual cost	\$168.70		Interest Rate	6%	6%
			Future Value	\$302.12	\$541.12

2020 Annexation					
Total Cost	\$66,620.14		Starting Amount	\$93.83	\$93.83
# ERU	710		Number of Periods	10	20
Individual cost	\$93.83		Interest Rate	6%	6%
			Future Value	\$168.04	\$300.93

ERU = Equivalent Residential Unit

The question asked at the January 2023 Board meeting was “are we getting our return on money” with annexation fees? The answer, as seen above, is maybe. The unknown variable is how long the District will have to front its money before repayment. We simply do not know the answer to that question. And rather than recalculate the fee each year we have maintained it at \$450 because it can almost be called “de minimis” inasmuch as the parcels involved benefit greatly by being part of the “mass annexation” but the District must wait to be repaid. Parcels that proceed on their own end up paying anywhere from \$6,000 - \$15,000 to complete the legal/environmental requirements.

FINANCIAL

Undetermined at this time. However, in general, if parcel connect to the District in a short period of time the \$450 fee will be more than adequate to cover our costs. If the District has to wait in excess of 20 years then there is the chance that we will not completely cover all costs. Please note that the numbers above do not include staff labor – including labor would increase the per unit charge and thereby decrease the number of years it would take to recover the value of \$450.

Announcements Before the Board

CLOSED SESSION

Adjournment