



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

November 21, 2019
Thursday
9:00AM



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES October 31st, 2019

CALL TO ORDER - ROLL CALL - The meeting was called to order at 9:05 a.m.

Present: Directors: Robert Siegfried, Charlotte Townsend, Michael Rachel, And President White

Absent: Greg D'Ambrosio

Others:

Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Kristina Pacheco, Administrative Assistant/Board Clerk, CAWD
Rob Wellington, Wellington Law Offices, CAWD Legal Counsel
Leo Laska, Pebble Beach Community Service District (PBCSD)
Mike Niccum, General Manager, PBCSD
Margaret Robbins, Public Participant
Dick Stott, Carmel Valley Association
Charles Hayes, Arroyo Carmel HOA

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

Note: If you believe you possess any disability that would require special accommodations in order to attend this meeting, please call Carmel Area Wastewater District at 624-1248.

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

Two agenda item changes:

- Item #14 on the Agenda at page 69 - a replacement of the page to address a status change for The Microfiltration/Reverse Osmosis (MF/RO) Sound Barriers Project No. 19-12.
- Item #21 on the Agenda - an addition of a memorandum staff report inserted as page 169A.

ACTION ITEMS BEFORE THE BOARD

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

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

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

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously approved the Regular Meeting Minutes of September 26th, 2019, and enacted the following Consent Calendar items:

- 3.** Approve Regular Board Meeting Minutes on September 26, 2019
- 4.** Receive and Accept Bank Statement Review by Hayashi Wayland–September 2019
- 5.** Receive and Accept Schedule of Cash Receipts and Disbursements – September 2019
- 6.** Approve Register of Disbursements - Carmel Area Wastewater District –September 2019
- 7.** Approve Register of Disbursements – CAWD/PBCSD Reclamation Project –September 2019
- 8.** Receive and Accept Financial Statements and Supplementary Schedules – September 2019

**9. Receive and Accept Collection System Superintendent's Report
September, August & July 2019**

Director Siegfried asked if follow up was done on a service call, to locate a cleanout, that CAWD advised be referred to a plumber. Daryl Lauer, Collections Superintendent, advised follow up will be done.

10. Receive and Accept Safety and Regulatory Compliance Report – September 2019

**11. Receive and Accept Treatment Facility Operations Report
September, August & July 2019 (August amended)**

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

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

Director Rachel requested that for all upcoming resolutions the project number be included in order to connect the project summaries with the resolutions and Barbara Buikema noted, going forward, this will be done.

14. Receive and Accept Project Summaries

Director Siegfried requested change of language on page 62 for Project Number 19-04, -05, -08, -09 & -18-21. Under Project Description - change the following language: "The project will remove existing homes and businesses from using septic tanks and add..." to: "The project will provide the opportunity for homes and businesses to get off the septic system and ..."

15. Receive and Accept Plant Operations Report – September 2019

16. Receive and Accept Maintenance Projects Report – September 2019

17. Receive Principal Engineer Monthly Report General Engineering – September 2019

ACTION ITEMS BEFORE THE BOARD

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

RESOLUTIONS

18. Resolution No. 2019-51; A Resolution Approving Posting A Notice Of Intent To Adopt Mitigated Negative Declaration For Eucalyptus Pruning – *Report by Plant Engineer, Patrick Treanor*

Board Action

Following a motion made by President White and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-51.

19. Resolution No. 2019-52; A Resolution Authorizing An Amount Not To Exceed \$20,000 To Fund Change Orders For The Construction Of The Hatton Canyon Access Road Grading Project For A Total Project Cost Not To Exceed \$218,477 – *Written Report by Principal Engineer, Rachél Lather; Oral Report by Collections Superintendent, Daryl Lauer*

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-52.

20. Resolution No. 2019-53; A Resolution Authorizing The General Manager To Enter Into A Contract Amendment With MNS Engineers To Increase The Contract Award From \$35,000.00 To An Amount Not To Exceed \$42,993.00 For MNS Engineers To Provide Engineering Support Services For The Construction Of The Hatton Canyon Access Road Project– *Written Report by Principal Engineer, Rachél Lather; Oral Report by Collections Superintendent, Daryl Lauer*

Board Action

Following a motion made by Director Townsend and seconded by Director Siegfried, the Board unanimously adopted Resolution No. 2019-53.

ACTION ITEMS BEFORE THE BOARD

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

OTHER ITEMS BEFORE THE BOARD

21. November/December 2019 Regular Board Meeting Date – Report by General Manager, Barbara Buikema

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously agreed to have the next Board Meetings on November 21, 2019 and December 19, 2019.

INFORMATION/DISCUSSION ITEMS

22. Pebble Beach Community Services District (PBCSD) 09-27-19 Regular Board Meeting – Report by General Manager, Barbara Buikema
Informational Only – No Action Required

23. Review of Government Code § 4525-2529.5 – Report by General Manager, Barbara Buikema
Informational Only – No Action Required

Board Counsel, Robert Wellington, noted the need for a change of language in the Staff Report submitted by Barbara Buikema at page 173. The report will be amended.

24. Update on the Mr. Larsen Connection In Carmel Highlands – Oral Report by Collections Superintendent, Daryl Lauer
Informational Only – No Action Required

STAFF & BOARD MEMBER REPORTS

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

COMMUNICATIONS

25. General Manager’s Report

- Coastal Commission Update - Oral Report by Barbara Buikema

26. 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.

Minutes of the CAWD Regular Board meeting held October 31, 2019 – 9:00 a.m.

PBCSD Board Public Meeting Notice & Agenda – The next PBCSD meetings are scheduled for:
Friday, October 25, 2019 at 9:30 a.m. *Director Rachel is scheduled to attend.*
Friday, December 13, 2019 at 9:30 a.m. *Director Rachel is scheduled to attend.*

Special Districts Association of Monterey County – The next SDA meeting is scheduled for:
Tuesday, January 21, 2020 at 6:00 pm. *Director Townsend is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for:
Wednesday, November 6, 2019 at 9:30 a.m. *Director Townsend and Director White are scheduled to attend.*

27. CLOSED SESSION: *A closed session of the Board is not planned, but may be held if necessary for certain limited purposes authorized pursuant to California Government Code.*

28. ADJOURNMENT

*There being no further business to come before the Board, the President adjourned the meeting at 10:05 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, **November 21, 2019** or an alternate acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923. NOTE: Staff reports and materials regarding these agenda items are available for public review Monday through Wednesday of the week immediately prior to the Board Meeting at the District Office or at www.cawd.org. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District Office during normal business hours. Documents distributed at the meeting will be made available in the same manner.*

Respectfully submitted:

Domine Barringer, Secretary to the Board

APPROVED:

Ken White, President



CARMEL AREA WASTEWATER DISTRICT (CAWD)
SPECIAL BOARD MEETING MINUTES -Pension Plan
November 7, 2019

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

Present: Director Michael Rachel, Pension Committee member
 Robert Wellington, Wellington Law Offices, CAW District Legal Counsel, Pension Committee member

Absent: none

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
 William Hastie, Managing Partner, Hastie Financial Group

1. OPENING SESSION AT:

- a. There was a review of the 3rd Quarter 2019 Strategic Asset Management Pension Plan performance along with a summary of the 4th Quarter Action Plan. The report was accepted, no further action was required.
- b. There was a review of the 2019 Actuarial Report. It was agreed to forward the document to the full board, no further action was required.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting was adjourned at 10:40 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, November 21, 2019 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.*

As Reported To:

Domine Barringer, Secretary to the Board

APPROVED:

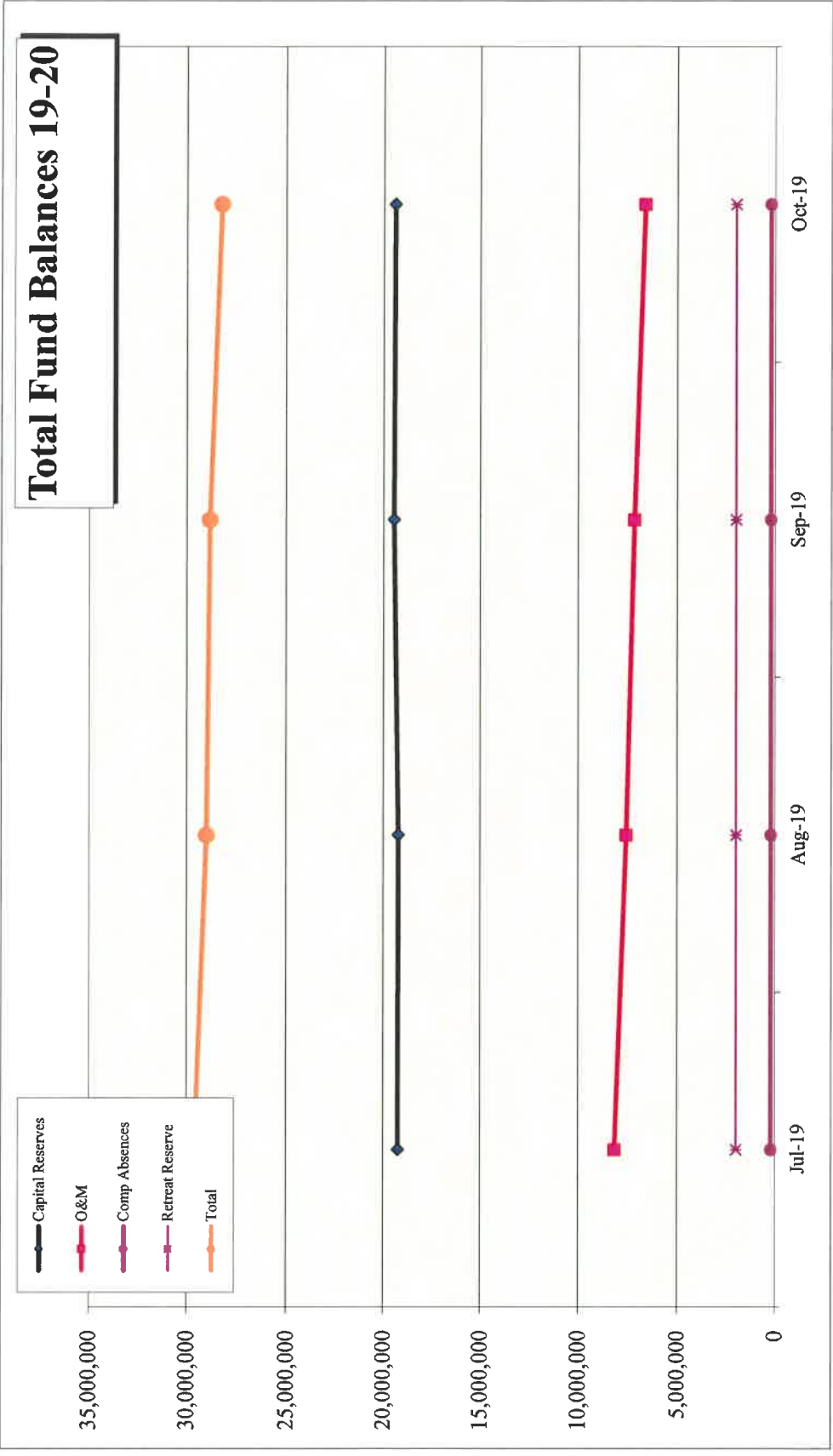
Ken White, President

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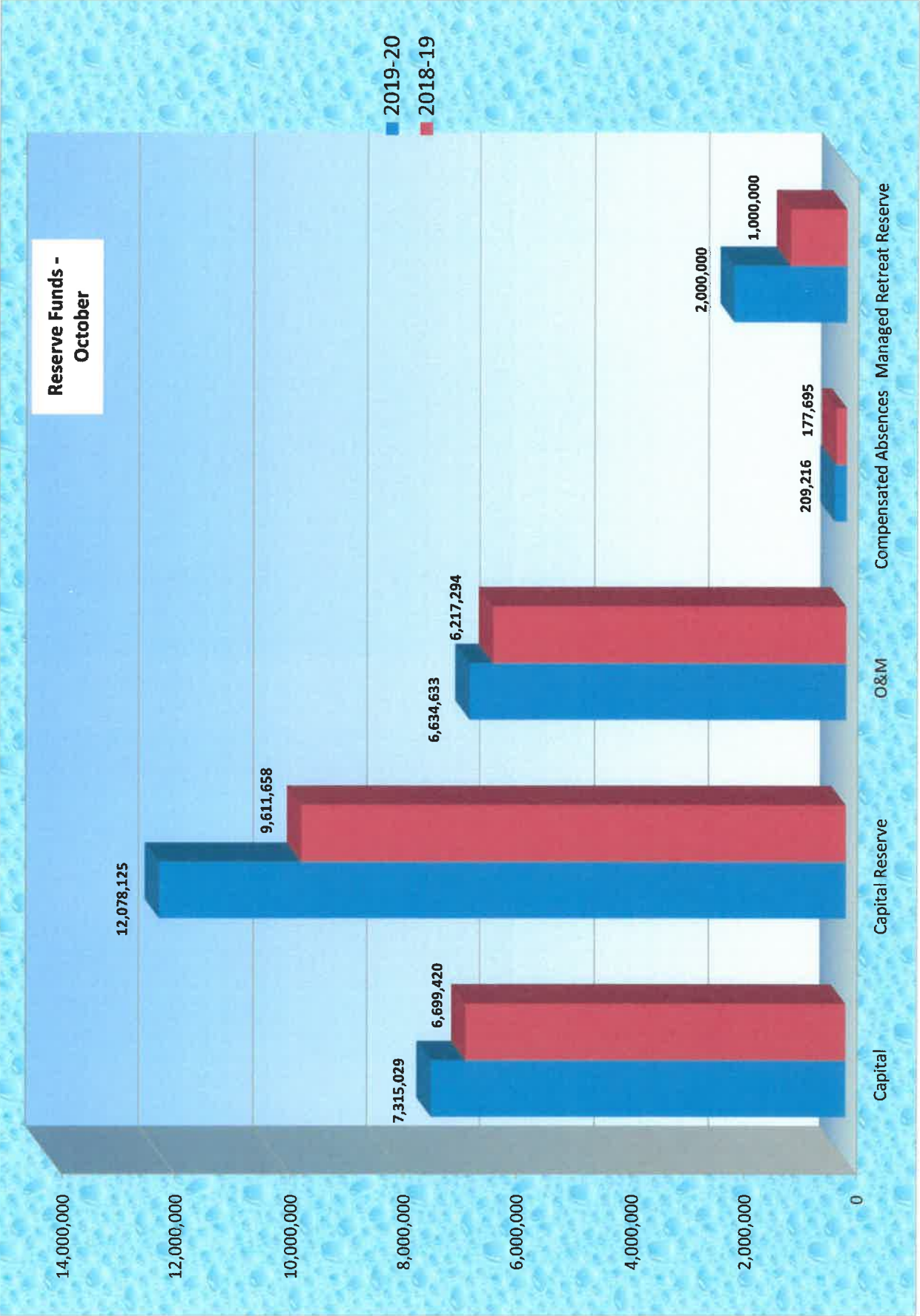
Pending receipt of H&W Independent Accountants' Report – not received at time of Board packet build.

**Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - OCTOBER 2019**

	Capital Fund		Capital Improvement Reserve		General O & M Fund		Compensated Accruals Reserve		Defend or Managed Retreat Reserve		COUNTY Total Fund Balance		Union Bank Bank O & M Balance		Union Bank Bank PR Balance		L.A.I.F. Balance			
		\$7,380,673	\$12,078,125	\$7,168,989	\$209,216	\$2,000,000	\$28,837,003	\$259,244	\$111,411	\$1,165,012										
Receipts:																				
User Fees																				
Property Taxes																				
PBCSD Treatment Fees																				
Reclamation O & M reimbursement																				
Reclamation capital billing																				
Permits																				
PBCSD capital billing																				
Other misc. revenue																				
Interest income																				
Connection Fees																				
Plan Review																				
W/C audit refund																				
CCLEAN receipts																				
Pooled liability dividend																				
September Ranch deposits																				
Total Receipts	0	0	0	0	0	0	0	0	0	0	0	0	138,367	1	7,176					
Fund Transfers:																				
Transfers to Union Bank O&M	(65,645)				(534,355)															
Transfers to Union Bank PR																				
Transfer to Defend or Managed Retreat Fund																				
Intra-fund transfers for capital expenditures																				
Rebalance Capital and O&M Reserves																				
Total Transfers	(65,645)	0	0	0	(534,355)	0	0	0	0	0	0	(600,000)	375,000	225,000	0					
Disbursements:																				
Operations and capital																				
Payroll & payroll taxes																				
Employee Dental reimbursements																				
CALPERS EFT																				
CAWD SAM pension EFT																				
CAWD pension loans EFT																				
Home Depot EFT																				
US Bank EFT																				
Deferred comp contributions EFT																				
PEHP contributions EFT																				
Bank/ADP fees																				
Highlands Bond Debt Service Payment																				
Annual County admin billing fee																				
Unfunded CALPERS liability																				
Void deposit check-NSF																				
Total Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	433,005	218,604	0					
BALANCE END OF MONTH	7,315,029	12,078,125	6,634,633	209,216	2,000,000	28,237,003	339,606	117,809	1,172,188											



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



Carmel Area Wastewater District
Disbursements
Oct-19

Date	Check	Vendor	Description	Amount
10/01/19	34186	Keenan & Associates	Health insurance	24,949.70
10/01/19	34187	MetLife-Group Benefits	Life insurance	1,027.74
10/01/19	34188	Patelco Credit Union	Health savings account contributions	4,893.29
10/01/19	34189	Unum Life Ins.	Long-term disability insurance	1,972.25
10/01/19	34190	Vision Service Plan	Vision insurance	573.30
10/09/19	34191	Airtec Service	Service lab rooftop unit	1,333.80
10/09/19	34192	Alliant Insurance Services	Annual fiduciary liability policy	2,399.00
10/09/19	34193	American Fidelity Assurance Company	Flex accounts	106.92
10/09/19	34194	AT&T CALNET 3	Various phone lines for devices	1,402.32
10/09/19	34195	Brain-Based Strategies Consulting	Teambuilding workshop	4,275.00
10/09/19	34196	Bryan Mailey Electric	Various electrical projects around the Plant	7,277.50
10/09/19	34197	Carmel Marina Corporation	Plant rollofs and admin garbage	749.75
10/09/19	34198	Carmel Pine Cone	Legal notices for bids on the Hatton Canyon project (CAPITAL)	156.00
10/09/19	34199	Cintas Corporation	Laundry service	1,328.79
10/09/19	34200	C S C of Salinas	O-rings	20.71
10/09/19	34201	Culligan Water	C&I exchange service for the lab	17.35
10/09/19	34202	CWEA	Employee certificate renewal	89.00
10/09/19	34203	Edges Electrical	Electrical parts	219.28
10/09/19	34204	Edward Waggoner	Dental	1,639.00
10/09/19	34205	EJ USA, Inc.	Access hatch at Monte Verde and aluminum ductile retrofit	5,167.86
10/09/19	34206	Exoedio	Warranty extension on server	944.75
10/09/19	34207	Fastenal Company	Operating supplies	1,391.12
10/09/19	34208	First Alarm	Quarterly alarm service at admin	417.39
10/09/19	34209	Fisher Scientific	Lab supplies	514.80
10/09/19	34210	Gavilan/Salinas Crane & Rigging	Hoist rental	855.00
10/09/19	34211	Glen Hudgens, MD	Employee exam	120.00
10/09/19	34212	Grainger	Operating supplies	155.07
10/09/19	34213	Hayashi & Wayland Accounting	Bank reconciliations oversight	300.00
10/09/19	34214	Jack Doherty Companies	Labor and parts to repair lighting problem at the Plant	8,618.14
10/09/19	34215	Kennedy/Jenks Consultants	Lagoon project (CAPITAL)	2,679.75
10/09/19	34216	Lemos Service	Propane	213.84
10/09/19	34217	Liberty Composting	Sludge hauling	7,473.44
10/09/19	34218	McCabe & Company	Coastal Commission consulting	8,000.00
10/09/19	34219	McMaster-Carr	Operating supplies	633.25
10/09/19	34220	MNS Engineers	Carmel Valley Sewer System Expansion Study	2,055.00
10/09/19	34221	Monterey Bay Analytical Services	Testing final effluent samples and Biowin Modeling study	4,684.00
10/09/19	34222	Monterey County Tax Collector	Annual charge for CSA #50 and MPWMD water supply charge	362.98
10/09/19	34223	Peninsula Welding & Medical Supply	Rental of non-liquid cylinders	90.30
10/09/19	34224	Pure Water	Monthly service	137.00
10/09/19	34225	R&B Company	Operating supplies	459.65
10/09/19	34226	Rachel Lather	Dental	504.76
10/09/19	34227	RedZone Robotics	Annual ICOMM maintenance renewal	4,200.00

Carmel Area Wastewater District
Disbursements
Oct-19

Date	Check	Vendor	Description	Amount
10/09/19	34228	Scarborough Lumber (Ace Hardware)	Snap bolts	31.92
10/09/19	34229	Seepex, Inc.	Holding bands	177.55
10/09/19	34230	Shape Incorporated	Mini cast for flygt pumps	2,241.20
10/09/19	34231	Smitty's Janitorial	Monthly service	1,110.00
10/09/19	34232	Toro Petroleum	Diesel	3,646.91
10/09/19	34233	Town & Country Gardening	Monthly service	610.00
10/09/19	34234	Toyota Matrcial Handling	Forklift and pallet jack maintenance	302.41
10/09/19	34235	Trevor Weidner-Holland	Dental	190.00
10/09/19	34236	Univar USA	Sodium bisulfate and hypochlorite	10,661.20
10/09/19	34237	The UPS Store	Shipping of samples for NPDES analysis	132.48
10/09/19	34238	Weco Industries	Plug domehead and dura-lift rope and inflation hose	2,665.42
10/09/19	34239	Wellington Law Offices	Legal services	10,299.00
10/30/19	34240	3T Equipment Company	Black composite manhole cover and frame	3,767.63
10/30/19	34241	American Fidelity Assurance Company	Flex accounts	213.84
10/30/19	34242	American Fidelity Assurance	Monthly employee Sec 125 plan insurance billing	587.76
10/30/19	34243	Ann Muraski	Newsletter design	6,300.00
10/30/19	34244	Applied Industrial Technologies	Fan motor	737.74
10/30/19	34245	Armbruster Goldsmith & Delvac	Legal services - Coastal Commission re: Sea Level Rise	418.95
10/30/19	34246	AT&T Mobility	Cell service	607.22
10/30/19	34247	AT&T	Admin alarm line	184.05
10/30/19	34248	AutomationDirect, Inc	120 VAC slim relays	134.69
10/30/19	34249	Beecher Engineering	CIP-Standby Power Reliability Project pre-design site meeting (CAPITAL)	800.00
10/30/19	34250	Boot Barn	Employee work boots	609.58
10/30/19	34251	Bryan Mailey Electric	Various projects (CAPITAL \$210.00)	7,315.00
10/30/19	34252	BTJ Enterprises	Newsletter postage and processing	2,774.07
10/30/19	34253	Buckles-Smith Electric	Electrical parts (CAPITAL \$1,061.47)	1,561.37
10/30/19	34254	Cal-Am Water	Monthly service	659.15
10/30/19	34255	California Health & Rescue Training	Confined space training	3,150.00
10/30/19	34256	Carlton's Fire Extinguisher	Annual service	3,180.74
10/30/19	34257	Causey Consulting	Updating the Sanitary Sewer Maintenance Plan (SSMP)	7,037.47
10/30/19	34258	CAWD\BPCSD Reclamation Project	Reimbursement for tertiary lab PG&E	666.06
10/30/19	34259	Central Coast Audiology	Employee testing	90.00
10/30/19	34260	Charles DayEngel	Dental	365.00
10/30/19	34261	C.H. Bull Company	Case of flood sacks	1,567.80
10/30/19	34262	Christopher Foley	Dental (\$189.70), Special Dist. Dinner meeting and reimbursement for neurocolor meeting food	318.18
10/30/19	34263	Cintas Corporation	Laundry service	1,440.49
10/30/19	34264	Clark Pest Control	Plant service	273.00
10/30/19	34265	Community Printers	Newsletter printing	1,312.67
10/30/19	34266	Comcast	Pump station broadband internet	107.47
10/30/19	34267	CSI HR Group LLC	HR services	5,475.00
10/30/19	34268	Del Monte Gardeners	Clear around the bridge and fence	2,000.00
10/30/19	34269	Denise Duffy & Associates	CAWD annexation	1,712.50

Carmel Area Wastewater District
Disbursements
Oct-19

Date	Check	Vendor	Description	Amount
10/30/19	34270	Direct TV	Monthly service	80.99
10/30/19	34271	Evantec Corporation	Lab supplies	371.30
10/30/19	34272	Fastenal Company	Operating supplies	689.87
10/30/19	34273	Fast Response On-Site Testing	Fit, hearing and capacity testing of the employees	2,850.00
10/30/19	34274	Fisher Scientific	Lab supplies	568.61
10/30/19	34275	Frisch Engineering	Sewer pump station PLC programming (CAPITAL)	2,327.50
10/30/19	34276	Gavilan/Salinas Crane & Rigging	Hoist rental (CAPITAL \$253.36)	380.02
10/30/19	34277	Got.Net	Dialup and domain parking	24.20
10/30/19	34278	Grainger	Warning strobe light	386.21
10/30/19	34279	Green Rubber Kennedy Ag	Rubber for water dam	185.30
10/30/19	34280	Greely and Hansen	Develop water pollution control Plant process	10,483.65
10/30/19	34281	ICON Cloud Solutions	Monthly telephone service	582.03
10/30/19	34282	Inductive Automation	SCADA programming (CAPITAL)	240.00
10/30/19	34283	Inorganic Ventures Inc.	Lab supplies	511.95
10/30/19	34284	JWC Environmental Inc.	Screen, Segment 6mm PRF and brush kit	9,786.33
10/30/19	34285	Karla Cristi	Dental	515.00
10/30/19	34286	Kemira Water Solutions	Ferric chloride	3,625.80
10/30/19	34287	Kennedy/Jenks Consultants	WWTP Phase II Design (CAPITAL)	51,011.25
10/30/19	34288	Ken Grady Company	Residual chlorine analyzer	3,389.91
10/30/19	34289	Lemos Service	Vehicle smog tests	240.00
10/30/19	34290	Manco	Eaton 2hp VFD and remote display	598.75
10/30/19	34291	Marcello & Company	Audit fee	14,100.00
10/30/19	34292	Michael Rachel	Dental	182.00
10/30/19	34293	MNS Engineers	Hatton Canyon Project and Rancho Canada Pipe Relocation Project (CAPITAL)	6,155.25
10/30/19	34294	Monterey Auto Supply	Battery	287.11
10/30/19	34295	Ovivo USA, LLC	Rotary valve with outlets	3,735.39
10/30/19	34296	Pacific EcoRisk	Sample testing	5,035.42
10/30/19	34297	Patrick Treanor	Dental	155.00
10/30/19	34298	Peninsula Welding & Medical Supply	Nitrogen and supplies	112.39
10/30/19	34299	Petty Cash	Reimburse petty cash-board meeting food	168.25
10/30/19	34300	Pacific Gas & Electric	OVERFLOW STUB	0.00
10/30/19	34301	Pacific Gas & Electric	Monthly service	41,208.08
10/30/19	34302	Quill Corporation	Plant and admin office supplies	617.56
10/30/19	34303	Safety Center	First aid and CPR training	1,400.00
10/30/19	34304	Soil Surveys Group	Hatton Canyon Access Road Project site inspection and sample (CAPITAL)	750.00
10/30/19	34305	Solenis LLC	Praestol K 144 polymer	12,894.13
10/30/19	34306	Streamline	Website maintenance	400.00
10/30/19	34307	TITUS	30 composite manhole covers and frames	23,405.53
10/30/19	34308	Univar USA	Sodium hypochlorite	3,858.51
10/30/19	34309	USA Blue Book	Chart recorder motor	1,935.39
10/30/19	34310	Wecco Industries	Inflation hose, rope with gauge and flow through plug	515.93
				397,608.93

CAWD/PBCSD Reclamation Project

Disbursements

Oct-19

Date	Check	Vendor	Description	Amount
10/09/19	8580	Accurate Air Engineering	Sutorbilt overhaul kit	676.55
10/09/19	8581	Beecher Engineering	Site visit for MF/RO & Tertiary Standby Power Pre-Design	2,600.00
10/09/19	8582	Brenntag Pacific	Ammonium hydroxide and citric acid	12,298.25
10/09/19	8583	Bryan Mailey Electric	Install VFD and spare pump, fix reject wet well bubbler line and relays on the sand filter system	2,310.00
10/09/19	8584	Fastenal Company	Operating supplies	445.47
10/09/19	8585	Ferguson Enterprises	Water regulator	154.32
10/09/19	8586	Fisher Scientific	Lab supplies	260.70
10/09/19	8587	Harrington Industrial Plastics	PVC flanges and bushings	169.18
10/09/19	8588	Kaeser Compressors	FEB compressor service	1,583.55
10/09/19	8589	McCabe & Company	Coastal Commission consulting	2,000.00
10/09/19	8590	Thatcher Company	Sulfuric acid and container returns	4,793.63
10/09/19	8591	Toyota Material Handling	Pallet jack service	139.00
10/09/19	8592	Trussell Technologies	MF/RO ops support-water quality data review	4,283.75
10/09/19	8593	USA Blue Book	Freight on returned parts	32.16
10/31/19	8594	Armbruster Goldsmith & Delvac LLP	Legal fees for Coastal Commission re: Sea Level Rise	104.74
10/31/19	8595	Bryan Mailey Electric	Various electrical projects-(CAPITAL \$840.00)	1,505.00
10/31/19	8596	Cal-Am Water	Monthly service	1,533.17
10/31/19	8597	CAWD	Reimbursement for O&M, aeration and secondary PG&E and chemicals	93,056.78
10/31/19	8598	Evantec Corporation	Lab supplies	404.00
10/31/19	8599	Fisher Scientific	Lab supplies	300.69
10/31/19	8600	Gavilan/Salinas Crane & Rigging	Crane to lift and install pumps-(CAPITAL)	2,679.98
10/31/19	8601	Hach Company	Lab supplies	160.51
10/31/19	8602	Harrington Industrial Plastics	PVC rings and bushings	120.29
10/31/19	8603	Pebble Beach Company	Bond principal and interest, letter of credit fees current and past and project rep costs	275,312.51
10/31/19	8604	PBCSD	O&M and capital billings (CAPITAL \$10,823.76)	93,889.33
10/31/19	8605	Pacific Gas & Electric	Tertiary and MF/RO	54,251.84
10/31/19	8606	Professional Water Technologies	Micron filters, RO membranes and chemicals	67,122.66
10/31/19	8607	Rain for Rent	Operating supplies	418.28
10/31/19	8608	Salinas Pump Company	Grundfos pump end	8,682.04
10/31/19	8609	Stifel Nicolaus & Company	Quarterly remarketing fees for the COP's	1,890.41
10/31/19	8610	Thermo Electron North America	Lab supplies	4,043.78
10/31/19	8611	Trussell Technologies	MF/RO operations support service and recommendations	10,086.25
				647,308.82



**Financial Statements
and
Supplementary Schedules**

October 2019

November 30, 2019

Carmel Area Wastewater District

Balance Sheet

October 2019

ASSETS		
Current Assets		
Cash		
Cash	29,866,604.85	
TOTAL Cash	29,866,604.85	
Other Current Assets		
Other Current Assets	1,438,822.22	
TOTAL Other Current Assets	1,438,822.22	
TOTAL Current Assets		31,305,427.07
Fixed Assets		
Land		
Land	308,059.76	
TOTAL Land	308,059.76	
Treatment Structures		
Treatment Structures	70,224,270.56	
TOTAL Treatment Structures	70,224,270.56	
Treatment Equipment		
Treatment Equipment	7,706,138.61	
TOTAL Treatment Equipment	7,706,138.61	
Collection Structures		
Collection Structures	1,040,749.41	
TOTAL Collection Structures	1,040,749.41	
Collection Equipment		
Collection Equipment	929,723.28	
TOTAL Collection Equipment	929,723.28	
Sewers		
Sewers		11,018,760.70
Disposal Facilities		
Disposal Facilities	1,352,472.64	
TOTAL Disposal Facilities	1,352,472.64	
Other Fixed Assets		
Other Fixed Assets	4,247,247.37	
TOTAL Other Fixed Assets	4,247,247.37	
Capital Improvement Projects		
Capital Improvement Projects	2,229,729.81	
TOTAL Capital Improvement Projects	2,229,729.81	
Accumulated depreciation		
		(48,564,803.31)
TOTAL Fixed Assets		50,492,348.83
Other Assets		
Other Assets		615,708.00
TOTAL Other Assets		615,708.00
TOTAL ASSETS		82,413,483.90

Carmel Area Wastewater District

Balance Sheet

October 2019

LIABILITIES

Current Liabilities		
Current Liabilities	664,037.98	
TOTAL Current Liabilities	664,037.98	664,037.98
Long-Term Liabilities		
Long Term Liabilities	1,147,476.07	
TOTAL Long-Term Liabilities	1,147,476.07	1,147,476.07
TOTAL LIABILITIES		1,811,514.05
NET POSITION		
Net Assets	82,222,714.86	
Year-to-Date Earnings	(1,620,745.01)	
TOTAL NET POSITION	80,601,969.85	80,601,969.85
TOTAL LIABILITIES & NET POSITION		82,413,483.90

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, October 2019 - current month, Consolidated by account

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	697,753.02	566,645.64	131,107.38	23.1 %
TOTAL Income	<u>697,753.02</u>	<u>566,645.64</u>	<u>131,107.38</u>	23.1 %
Adjustments				
Discounts	678.84	0.00	678.84	
TOTAL Adjustments	<u>678.84</u>	<u>0.00</u>	<u>678.84</u>	
*****	<u>698,431.86</u>	<u>566,645.64</u>	<u>131,786.22</u>	23.3 %
***** OPERATING INCOME	<u>698,431.86</u>	<u>566,645.64</u>	<u>131,786.22</u>	23.3 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,119,323.46	1,103,146.84	(16,176.62)	-1.5 %
Payroll taxes	99.24	33.32	(65.92)	-197.8 %
TOTAL Salaries and Payroll Taxes	<u>1,119,422.70</u>	<u>1,103,180.16</u>	<u>(16,242.54)</u>	-1.5 %
Employee Benefits				
Employee Benefits	250,275.59	359,508.24	109,232.65	30.4 %
TOTAL Employee Benefits	<u>250,275.59</u>	<u>359,508.24</u>	<u>109,232.65</u>	30.4 %
Director's Expenses				
Director's Expenses	8,061.09	10,249.96	2,188.87	21.4 %
Medical exam/flu shots	77.33	0.00	(77.33)	
TOTAL Director's Expenses	<u>8,138.42</u>	<u>10,249.96</u>	<u>2,111.54</u>	20.6 %
Truck and Auto Expenses				
Truck and Auto Expenses	17,945.39	29,011.76	11,066.37	38.1 %
TOTAL Truck and Auto Expenses	<u>17,945.39</u>	<u>29,011.76</u>	<u>11,066.37</u>	38.1 %
General and Administrative				
General and Administrative	144,322.76	306,800.00	162,477.24	53.0 %
Public outreach & promotion	1,792.81	0.00	(1,792.81)	
TOTAL General and Administrative	<u>146,115.57</u>	<u>306,800.00</u>	<u>160,684.43</u>	52.4 %
Office Expense				
Office Expense	28,212.99	16,850.08	(11,362.91)	-67.4 %
TOTAL Office Expense	<u>28,212.99</u>	<u>16,850.08</u>	<u>(11,362.91)</u>	-67.4 %
Operating Supplies				
Operating Supplies	102,647.44	127,551.60	24,904.16	19.5 %
TOTAL Operating Supplies	<u>102,647.44</u>	<u>127,551.60</u>	<u>24,904.16</u>	19.5 %
Contract Services				

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, October 2019 - current month, Consolidated by account

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
<i>Contract Services</i>	322,851.44	474,681.76	151,830.32	32.0 %
TOTAL Contract Services	322,851.44	474,681.76	151,830.32	32.0 %
<i>Repairs and Maintenance</i>				
<i>Repairs and Maintenance</i>	111,631.05	292,099.92	180,468.87	61.8 %
TOTAL Repairs and Maintenance	111,631.05	292,099.92	180,468.87	61.8 %
<i>Utilities</i>				
<i>Utilities</i>	122,704.96	152,401.68	29,696.72	19.5 %
TOTAL Utilities	122,704.96	152,401.68	29,696.72	19.5 %
<i>Travel and Meetings</i>				
<i>Travel and Meetings</i>	35,710.33	30,730.32	(4,980.01)	-16.2 %
TOTAL Travel and Meetings	35,710.33	30,730.32	(4,980.01)	-16.2 %
<i>Permits and Fees</i>				
<i>Permits and Fees</i>	30,268.25	31,142.00	873.75	2.8 %
TOTAL Permits and Fees	30,268.25	31,142.00	873.75	2.8 %
<i>Memberships and Subscriptions</i>				
<i>Memberships and Subscriptions</i>	1,988.00	5,020.04	3,032.04	60.4 %
TOTAL Memberships and Subscriptions	1,988.00	5,020.04	3,032.04	60.4 %
<i>Safety</i>				
<i>Safety</i>	25,712.35	22,218.36	(3,493.99)	-15.7 %
TOTAL Safety	25,712.35	22,218.36	(3,493.99)	-15.7 %
<i>Other Expenses</i>				
<i>Other Expense</i>	10,711.74	17,338.36	6,626.62	38.2 %
TOTAL Other Expenses	10,711.74	17,338.36	6,626.62	38.2 %
TOTAL Operating Expenses	2,334,336.22	2,978,784.24	644,448.02	21.6 %
***** OPERATING INCOME (LOSS)	(1,635,904.36)	(2,412,138.60)	776,234.24	32.2 %
<i>Non-op Income, Expense, Gain or Loss</i>				
<i>Other Income or Gain</i>				
<i>Other Income, Gain, Expense and Loss</i>	15,159.35	108,094.00	(92,934.65)	-86.0 %
TOTAL Other Income or Gain	15,159.35	108,094.00	(92,934.65)	-86.0 %
TOTAL Non-op Income, Expense, Gain or Loss	15,159.35	108,094.00	(92,934.65)	-86.0 %
***** NET INCOME (LOSS)	(1,620,745.01)	(2,304,044.60)	683,299.59	29.7 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 4

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	154,605.42	188,557.25	33,951.83	18.0 %
TOTAL Salaries and Payroll Taxes	154,605.42	188,557.25	33,951.83	18.0 %
Employee Benefits				
<i>Employee Benefits</i>	47,333.25	62,005.04	14,671.79	23.7 %
TOTAL Employee Benefits	47,333.25	62,005.04	14,671.79	23.7 %
Truck and Auto Expenses				
<i>Truck and Auto Expenses</i>	541.23	4,246.72	3,705.49	87.3 %
TOTAL Truck and Auto Expenses	541.23	4,246.72	3,705.49	87.3 %
General and Administrative				
<i>General and Administrative</i>	720.95	0.00	(720.95)	
TOTAL General and Administrative	720.95	0.00	(720.95)	
Office Expense				
<i>Office Expense</i>	5,171.51	1,233.32	(3,938.19)	-319.3 %
TOTAL Office Expense	5,171.51	1,233.32	(3,938.19)	-319.3 %
Operating Supplies				
<i>Operating Supplies</i>	13,389.52	21,999.96	8,610.44	39.1 %
TOTAL Operating Supplies	13,389.52	21,999.96	8,610.44	39.1 %
Contract Services				
<i>Contract Services</i>	47,634.14	164,533.32	116,899.18	71.0 %
TOTAL Contract Services	47,634.14	164,533.32	116,899.18	71.0 %
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	55,571.71	132,666.64	77,094.93	58.1 %
TOTAL Repairs and Maintenance	55,571.71	132,666.64	77,094.93	58.1 %
Utilities				
<i>Utilities</i>	1,322.07	700.00	(622.07)	-88.9 %
TOTAL Utilities	1,322.07	700.00	(622.07)	-88.9 %
Travel and Meetings				
<i>Travel and Meetings</i>	4,088.81	5,466.64	1,377.83	25.2 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 4

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	4,088.81	5,466.64	1,377.83	25.2 %
Permits and Fees				
<i>Permits and Fees</i>	4,695.25	0.00	(4,695.25)	
TOTAL Permits and Fees	4,695.25	0.00	(4,695.25)	
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	484.00	786.68	302.68	38.5 %
TOTAL Memberships and Subscriptions	484.00	786.68	302.68	38.5 %
Safety				
<i>Safety</i>	16,791.11	17,000.04	208.93	1.2 %
TOTAL Safety	16,791.11	17,000.04	208.93	1.2 %
TOTAL Operating Expenses	352,348.97	599,195.61	246,846.64	41.2 %
***** OPERATING INCOME (LOSS)	(352,348.97)	(599,195.61)	246,846.64	41.2 %
***** NET INCOME (LOSS)	(352,348.97)	(599,195.61)	246,846.64	41.2 %
***** NET INCOME (LOSS)	(352,348.97)	(599,195.61)	246,846.64	41.2 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
*Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 5*

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	187,150.27	178,232.90	(8,917.37)	-5.0 %
TOTAL Salaries and Payroll Taxes	187,150.27	178,232.90	(8,917.37)	-5.0 %
Employee Benefits				
Employee Benefits	63,791.74	74,620.39	10,828.65	14.5 %
TOTAL Employee Benefits	63,791.74	74,620.39	10,828.65	14.5 %
Truck and Auto Expenses				
Truck and Auto Expenses	15,699.85	22,106.68	6,406.83	29.0 %
TOTAL Truck and Auto Expenses	15,699.85	22,106.68	6,406.83	29.0 %
General and Administrative				
General and Administrative	28,037.70	81,000.00	52,962.30	65.4 %
TOTAL General and Administrative	28,037.70	81,000.00	52,962.30	65.4 %
Office Expense				
Office Expense	889.93	3,933.40	3,043.47	77.4 %
TOTAL Office Expense	889.93	3,933.40	3,043.47	77.4 %
Operating Supplies				
Operating Supplies	16,246.83	7,000.00	(9,246.83)	-132.1 %
TOTAL Operating Supplies	16,246.83	7,000.00	(9,246.83)	-132.1 %
Contract Services				
Contract Services	96,058.34	119,495.86	23,437.52	19.6 %
TOTAL Contract Services	96,058.34	119,495.86	23,437.52	19.6 %
Repairs and Maintenance				
Repairs and Maintenance	39,564.53	128,833.32	89,268.79	69.3 %
TOTAL Repairs and Maintenance	39,564.53	128,833.32	89,268.79	69.3 %
Utilities				
Utilities	13,568.80	12,876.68	(692.12)	-5.4 %
TOTAL Utilities	13,568.80	12,876.68	(692.12)	-5.4 %
Travel and Meetings				
Travel and Meetings	11,394.06	6,301.64	(5,092.42)	-80.8 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
*Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 5*

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	11,394.06	6,301.64	(5,092.42)	-80.8 %
Permits and Fees				
<i>Permits and Fees</i>	3,191.00	3,250.00	59.00	1.8 %
TOTAL Permits and Fees	3,191.00	3,250.00	59.00	1.8 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	684.00	583.32	(100.68)	-17.3 %
TOTAL Memberships and Subscriptions	684.00	583.32	(100.68)	-17.3 %
Safety				
<i>Safety</i>	6,657.16	4,651.64	(2,005.52)	-43.1 %
TOTAL Safety	6,657.16	4,651.64	(2,005.52)	-43.1 %
Other Expenses				
<i>Other Expense</i>	0.00	66.68	66.68	100.0 %
TOTAL Other Expenses	0.00	66.68	66.68	100.0 %
TOTAL Operating Expenses	482,934.21	642,952.51	160,018.30	24.9 %
***** OPERATING INCOME (LOSS)	(482,934.21)	(642,952.51)	160,018.30	24.9 %
***** NET INCOME (LOSS)	(482,934.21)	(642,952.51)	160,018.30	24.9 %
***** NET INCOME (LOSS)	(482,934.21)	(642,952.51)	160,018.30	24.9 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
*Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 6*

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	361,495.25	352,616.90	(8,878.35)	-2.5 %
TOTAL Salaries and Payroll Taxes	361,495.25	352,616.90	(8,878.35)	-2.5 %
Employee Benefits				
<i>Employee Benefits</i>	90,578.79	129,871.78	39,292.99	30.3 %
TOTAL Employee Benefits	90,578.79	129,871.78	39,292.99	30.3 %
Truck and Auto Expenses				
<i>Truck and Auto Expenses</i>	240.03	1,800.00	1,559.97	86.7 %
TOTAL Truck and Auto Expenses	240.03	1,800.00	1,559.97	86.7 %
General and Administrative				
<i>General and Administrative</i>	37,223.30	81,666.68	44,443.38	54.4 %
TOTAL General and Administrative	37,223.30	81,666.68	44,443.38	54.4 %
Office Expense				
<i>Office Expense</i>	6,163.88	5,666.68	(497.20)	-8.8 %
TOTAL Office Expense	6,163.88	5,666.68	(497.20)	-8.8 %
Operating Supplies				
<i>Operating Supplies</i>	71,819.75	93,718.32	21,898.57	23.4 %
TOTAL Operating Supplies	71,819.75	93,718.32	21,898.57	23.4 %
Contract Services				
<i>Contract Services</i>	151,433.28	145,146.68	(6,286.60)	-4.3 %
TOTAL Contract Services	151,433.28	145,146.68	(6,286.60)	-4.3 %
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	10,177.38	27,666.64	17,489.26	63.2 %
TOTAL Repairs and Maintenance	10,177.38	27,666.64	17,489.26	63.2 %
Utilities				
<i>Utilities</i>	103,047.53	131,586.68	28,539.15	21.7 %
TOTAL Utilities	103,047.53	131,586.68	28,539.15	21.7 %
Travel and Meetings				
<i>Travel and Meetings</i>	14,355.78	10,212.04	(4,143.74)	-40.6 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 6

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	14,355.78	10,212.04	(4,143.74)	-40.6 %
Permits and Fees				
<i>Permits and Fees</i>	2,990.00	8,500.00	5,510.00	64.8 %
TOTAL Permits and Fees	2,990.00	8,500.00	5,510.00	64.8 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	765.00	1,833.36	1,068.36	58.3 %
TOTAL Memberships and Subscriptions	765.00	1,833.36	1,068.36	58.3 %
Safety				
<i>Safety</i>	1,574.00	0.00	(1,574.00)	
TOTAL Safety	1,574.00	0.00	(1,574.00)	
Other Expenses				
<i>Other Expense</i>	70.00	666.68	596.68	89.5 %
TOTAL Other Expenses	70.00	666.68	596.68	89.5 %
TOTAL Operating Expenses	851,933.97	990,952.44	139,018.47	14.0 %
***** OPERATING INCOME (LOSS)	(851,933.97)	(990,952.44)	139,018.47	14.0 %
***** NET INCOME (LOSS)	(851,933.97)	(990,952.44)	139,018.47	14.0 %
***** NET INCOME (LOSS)	(851,933.97)	(990,952.44)	139,018.47	14.0 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
*Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 7*

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	205,422.81	225,192.11	19,769.30	8.8 %
TOTAL Salaries and Payroll Taxes	205,422.81	225,192.11	19,769.30	8.8 %
Employee Benefits				
<i>Employee Benefits</i>	48,571.81	93,011.03	44,439.22	47.8 %
TOTAL Employee Benefits	48,571.81	93,011.03	44,439.22	47.8 %
Director's Expenses				
<i>Director's Expenses</i>	8,061.09	10,249.96	2,188.87	21.4 %
Medical exam/flu shots	77.33	0.00	(77.33)	
TOTAL Director's Expenses	8,138.42	10,249.96	2,111.54	20.6 %
Truck and Auto Expenses				
<i>Truck and Auto Expenses</i>	1,464.28	858.36	(605.92)	-70.6 %
TOTAL Truck and Auto Expenses	1,464.28	858.36	(605.92)	-70.6 %
General and Administrative				
<i>General and Administrative</i>	66,127.30	144,133.32	78,006.02	54.1 %
Public outreach & promotion	1,792.81	0.00	(1,792.81)	
TOTAL General and Administrative	67,920.11	144,133.32	76,213.21	52.9 %
Office Expense				
<i>Office Expense</i>	15,987.67	6,016.68	(9,970.99)	-165.7 %
TOTAL Office Expense	15,987.67	6,016.68	(9,970.99)	-165.7 %
Operating Supplies				
<i>Operating Supplies</i>	280.88	500.00	219.12	43.8 %
TOTAL Operating Supplies	280.88	500.00	219.12	43.8 %
Contract Services				
<i>Contract Services</i>	23,707.68	44,839.22	21,131.54	47.1 %
TOTAL Contract Services	23,707.68	44,839.22	21,131.54	47.1 %
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	5,087.89	833.32	(4,254.57)	-510.6 %
TOTAL Repairs and Maintenance	5,087.89	833.32	(4,254.57)	-510.6 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 7

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Utilities				
Utilities	4,755.76	7,238.32	2,482.56	34.3 %
TOTAL Utilities	4,755.76	7,238.32	2,482.56	34.3 %
Travel and Meetings				
Travel and Meetings	5,871.68	8,750.00	2,878.32	32.9 %
TOTAL Travel and Meetings	5,871.68	8,750.00	2,878.32	32.9 %
Permits and Fees				
Permits and Fees	19,392.00	19,392.00	0.00	
TOTAL Permits and Fees	19,392.00	19,392.00	0.00	
Memberships and Subscriptions				
Memberships and Subscriptions	55.00	1,816.68	1,761.68	97.0 %
TOTAL Memberships and Subscriptions	55.00	1,816.68	1,761.68	97.0 %
Safety				
Safety	484.90	66.68	(418.22)	-627.2 %
TOTAL Safety	484.90	66.68	(418.22)	-627.2 %
Other Expenses				
Other Expense	10,641.74	16,605.00	5,963.26	35.9 %
TOTAL Other Expenses	10,641.74	16,605.00	5,963.26	35.9 %
TOTAL Operating Expenses	417,782.63	579,502.68	161,720.05	27.9 %
***** OPERATING INCOME (LOSS)	(417,782.63)	(579,502.68)	161,720.05	27.9 %
***** NET INCOME (LOSS)	(417,782.63)	(579,502.68)	161,720.05	27.9 %
***** NET INCOME (LOSS)	(417,782.63)	(579,502.68)	161,720.05	27.9 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Reclamation
*Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 8*

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	207,243.10	158,067.00	(49,176.10)	-31.1 %
TOTAL Salaries and Payroll Taxes	207,243.10	158,067.00	(49,176.10)	-31.1 %
General and Administrative				
<i>General and Administrative</i>	12,213.51	0.00	(12,213.51)	
TOTAL General and Administrative	12,213.51	0.00	(12,213.51)	
Operating Supplies				
<i>Operating Supplies</i>	318.56	2,833.32	2,514.76	88.8 %
TOTAL Operating Supplies	318.56	2,833.32	2,514.76	88.8 %
Contract Services				
<i>Contract Services</i>	378.00	0.00	(378.00)	
TOTAL Contract Services	378.00	0.00	(378.00)	
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	607.13	1,433.32	826.19	57.6 %
TOTAL Repairs and Maintenance	607.13	1,433.32	826.19	57.6 %
Utilities				
<i>Utilities</i>	10.80	0.00	(10.80)	
TOTAL Utilities	10.80	0.00	(10.80)	
Safety				
<i>Safety</i>	205.18	500.00	294.82	59.0 %
TOTAL Safety	205.18	500.00	294.82	59.0 %
TOTAL Operating Expenses	220,976.28	162,833.64	(58,142.64)	-35.7 %
***** OPERATING INCOME (LOSS)	(220,976.28)	(162,833.64)	(58,142.64)	-35.7 %
***** NET INCOME (LOSS)	(220,976.28)	(162,833.64)	(58,142.64)	-35.7 %

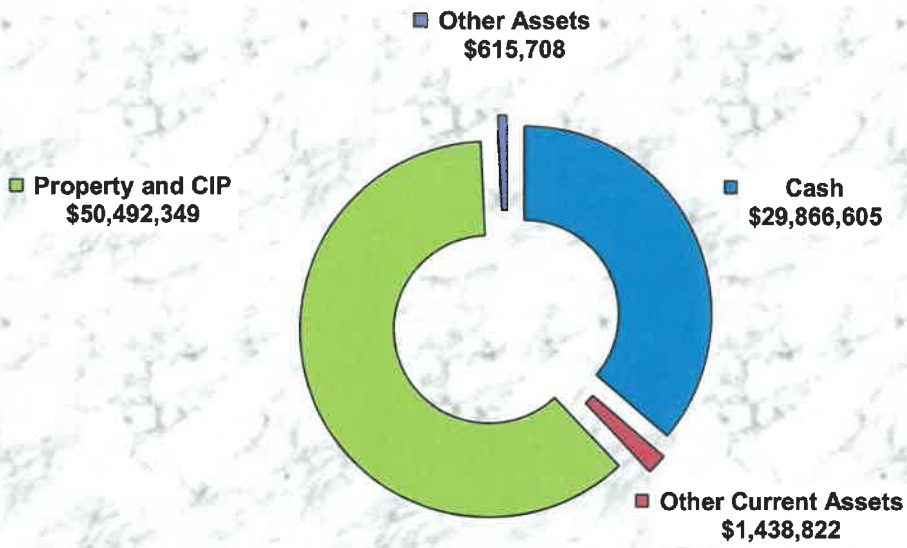
Carmel Area Wastewater District
Budgeted Income Stmt.-Waste to Energy
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 9

	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	4,017.60	333.32	3,684.28	1105.3 %
TOTAL Income	4,017.60	333.32	3,684.28	1105.3 %
*****	4,017.60	333.32	3,684.28	1105.3 %
***** OPERATING INCOME	4,017.60	333.32	3,684.28	1105.3 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	2,114.20	44.00	(2,070.20)	-4705.0 %
TOTAL Salaries and Payroll Taxes	2,114.20	44.00	(2,070.20)	-4705.0 %
Operating Supplies				
Operating Supplies	534.59	666.68	132.09	19.8 %
TOTAL Operating Supplies	534.59	666.68	132.09	19.8 %
Contract Services				
Contract Services	2,100.00	0.00	(2,100.00)	
TOTAL Contract Services	2,100.00	0.00	(2,100.00)	
Repairs and Maintenance				
Repairs and Maintenance	324.12	0.00	(324.12)	
TOTAL Repairs and Maintenance	324.12	0.00	(324.12)	
TOTAL Operating Expenses	5,072.91	710.68	(4,362.23)	-613.8 %
***** OPERATING INCOME (LOSS)	(1,055.31)	(377.36)	(677.95)	-179.7 %
***** NET INCOME (LOSS)	(1,055.31)	(377.36)	(677.95)	-179.7 %
***** NET INCOME (LOSS)	(1,055.31)	(377.36)	(677.95)	-179.7 %

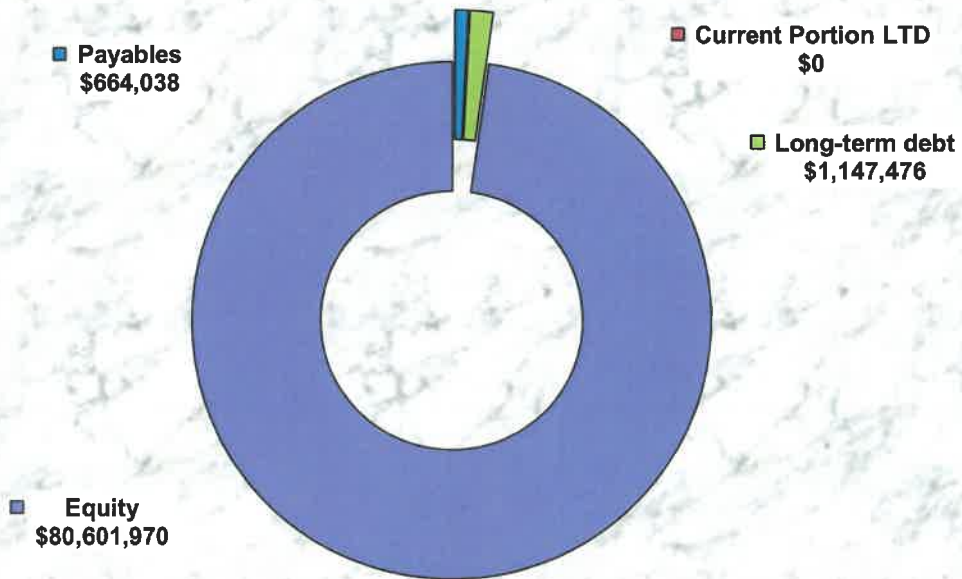
Carmel Area Wastewater District
Budgeted Income Stmt.-Brine Disposal
Year-to-Date Variance, October 2019 - current month, Consolidated by
account, Department 10

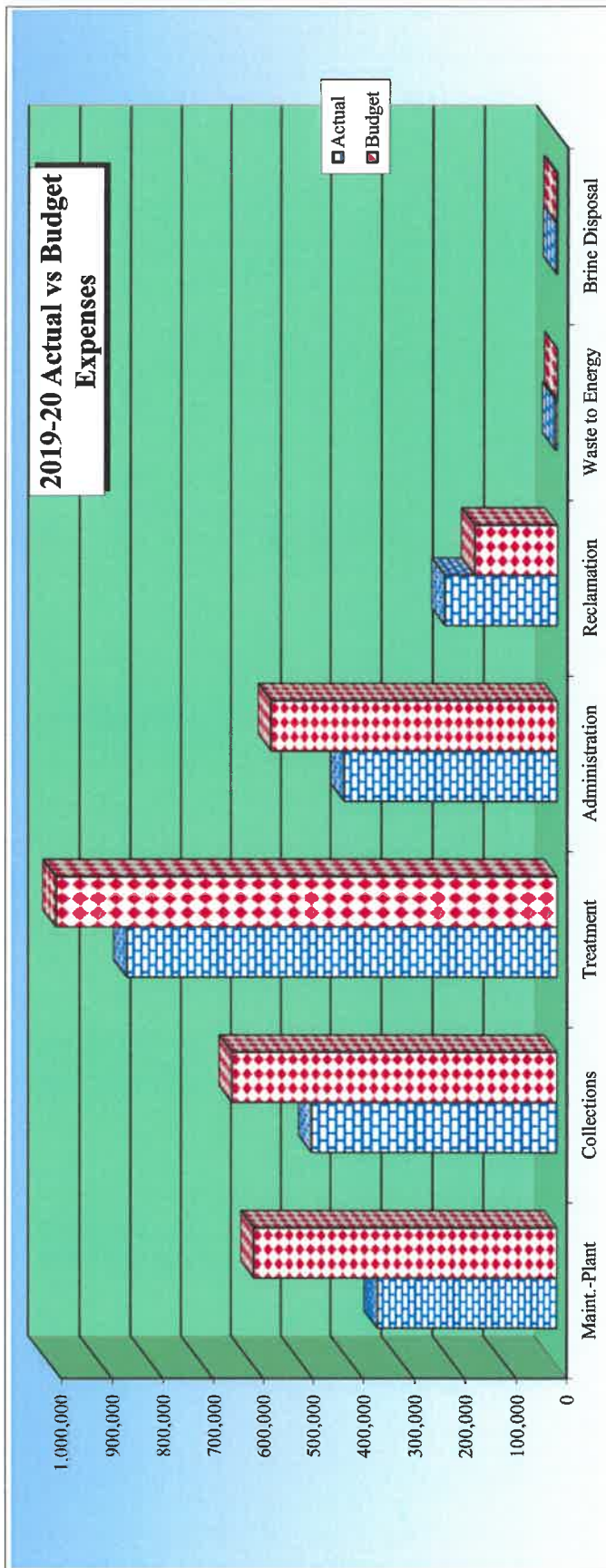
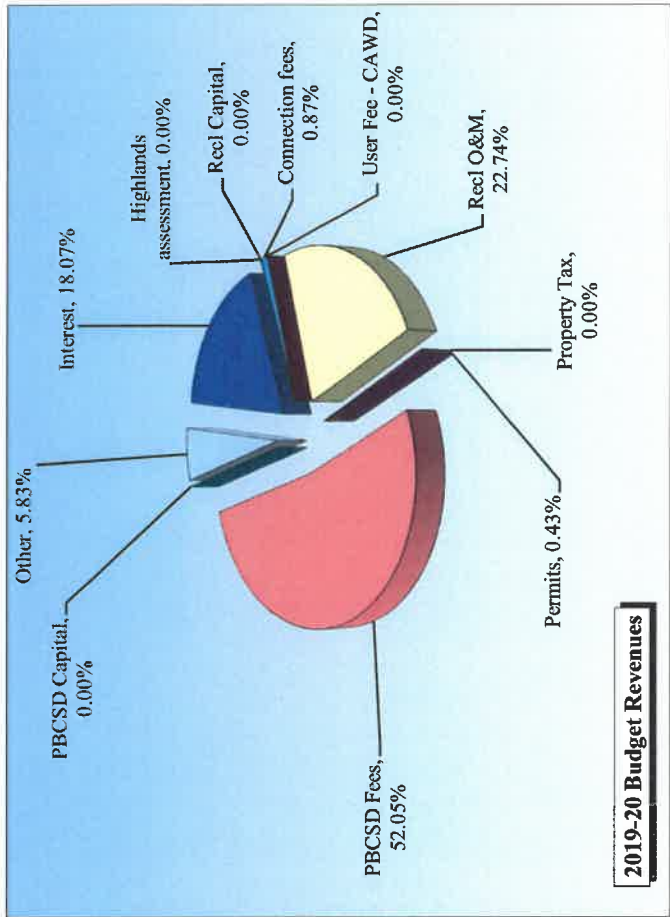
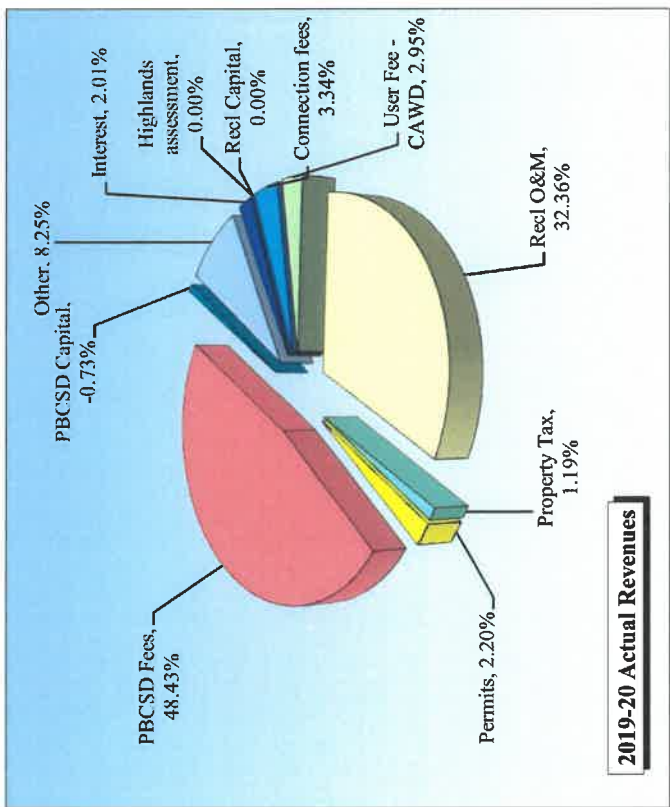
	<i>4 Months Ended October 31, 2019</i>	<i>4 Months Ended October 31, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	42,081.95	40,000.00	2,081.95	5.2 %
TOTAL Income	42,081.95	40,000.00	2,081.95	5.2 %
*****	42,081.95	40,000.00	2,081.95	5.2 %
***** OPERATING INCOME	42,081.95	40,000.00	2,081.95	5.2 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,292.41	436.68	(855.73)	-196.0 %
Payroll taxes	99.24	33.32	(65.92)	-197.8 %
TOTAL Salaries and Payroll Taxes	1,391.65	470.00	(921.65)	-196.1 %
Operating Supplies				
Operating Supplies	57.31	833.32	776.01	93.1 %
TOTAL Operating Supplies	57.31	833.32	776.01	93.1 %
Contract Services				
Contract Services	1,540.00	666.68	(873.32)	-131.0 %
TOTAL Contract Services	1,540.00	666.68	(873.32)	-131.0 %
Repairs and Maintenance				
Repairs and Maintenance	298.29	666.68	368.39	55.3 %
TOTAL Repairs and Maintenance	298.29	666.68	368.39	55.3 %
TOTAL Operating Expenses	3,287.25	2,636.68	(650.57)	-24.7 %
***** OPERATING INCOME (LOSS)	38,794.70	37,363.32	1,431.38	3.8 %
***** NET INCOME (LOSS)	38,794.70	37,363.32	1,431.38	3.8 %
***** NET INCOME (LOSS)	38,794.70	37,363.32	1,431.38	3.8 %

Assets - October 31, 2019

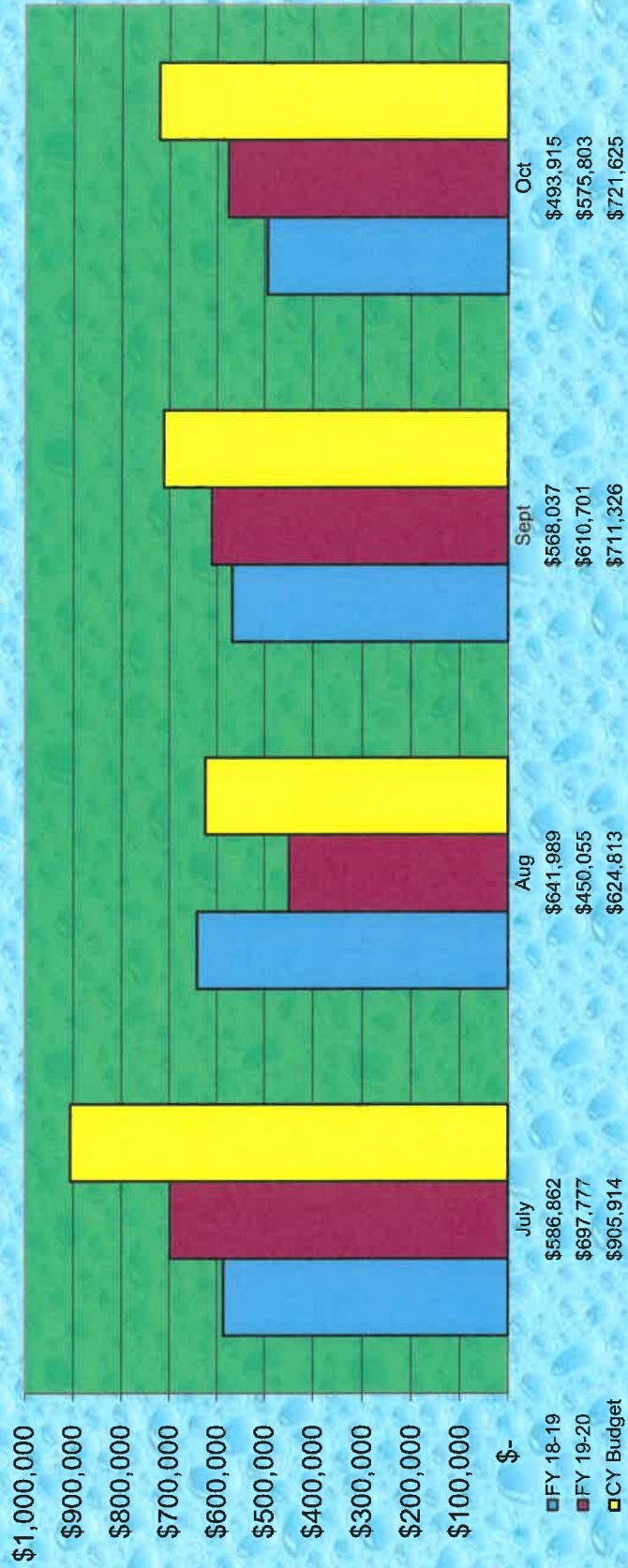


Liabilities - October 31, 2019





Operating Expenses



**Carmel Area Wastewater District
Capital Expenditures
2019-20**

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
	0	0	0	0	0	NA
	0	0	0	0	0	NA
<u>Collections</u>						
New Vac-Con Truck	408,907	408,907	408,907	408,907	410,000	99.73%
	0	0	0	0	0	NA
<u>Treatment</u>						
Paving at the Plant-umbudgeted	0	12,457	12,457	12,457	0	NA
	0	0	0	0	0	NA
RECL share	0	0	0	0	0	NA
PBCSD share (1/3 of cost)	0	(4,152)	(4,152)	(4,152)	0	NA
	408,907	417,211	417,211	417,211	410,000	NA

Total Capital Purchases 19-20

**Carmel Area Wastewater District
Capital Expenditures
2019-20**

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CIP PROJECTS</u>						
<u>Collections</u>						
Design and construction plans for Calle La Cruz force main	197,558	0	536	198,094	0	NA
Construction of new Gravity Sewer Line-Carmel Meadows	152,880	0	0	152,880	160,000	NA
Hatton Canyon Trail	233,858	0	15,164	249,022	0	NA
Pump Stations-SCADA	65,943	7,000	7,000	72,943	450,000	1.56%
Hatton Canyon Access Road-unbudgeted	0	750	3,364	3,364	0	NA
Upper Rancho Canada Pipe Relocation	0	2,746	2,746	2,746	200,000	1.37%
<u>Treatment</u>						
#1 Water System Pipeline Corrosion	0	0	4,370	4,370	30,000	14.57%
RECL share			0	0	0	NA
PBCSD share (1/3 of cost)			(1,457)	(1,457)	(10,000)	14.57%
	650,239	10,496	31,723	681,961	830,000	3.82%
	Total CIP Projects 19-20					

**Carmel Area Wastewater District
Capital Expenditures
2019-20**

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>LONG TERM CIP PROJECTS</u>						
Treatment						
Perimeter Fencing	3,000	0	0	3,000	150,000	NA
Outfall Crossing rehabilitation	289,274	0	2,144	291,418	0	NA
Microturbine/Gas Conditioning System	1,410	210	10,953	12,363	510,000	2.15%
Secondary Clarifier #1 Rehab	139,430	559	141,708	281,138	127,190	111.41%
Mainsaver Inventory Module (RECL 33%)	77,241	0	0	77,241	0	NA
WWTP Phase II Design (RECL 4%)	630,923	0	103,118	734,041	750,000	13.75%
SCADA Programming	123,635	240	22,168	145,802	60,000	36.95%
Digester No. 1 & No. 2 Cleaning	0	0	510	510	125,000	0.41%
Standby Power Reliability Project	0	0	800	800	730,000	0.11%
RECL share		0	(4,124)	(4,124)	(30,000)	13.75%
PBCSD share (1/3 of cost)		(336)	(92,425)	(92,425)	(807,397)	11.45%
	1,264,913	672	184,850	1,449,763	1,614,793	11.45%
Total Long Term CIP Projects 19-20						
Total Capital (net of RECL and PBCSD)	1,915,152	420,076	633,784	2,548,935	2,854,793	22.20%

**Carmel Area Wastewater District
Variance Analysis
2019-20**

**YTD Actual/
YTD Budget
Variance**

Maintenance - Plant

General and Administrative		Insurance unbudgeted.
Office Expense	-319.30%	Computers and equipment underbudgeted.
Utilities	-88.90%	Timing difference-telephone fixed cost. Small dollar amounts.

Collections

Salaries and Payroll Taxes	-5.00%	Vacation and comp time buy backs, overtime.
Operating Supplies	-132.10%	Timing difference-general supplies, paints and fluids underbudgeted.
Utilities	-5.40%	Timing difference-Calle, Highlands and telephone over budget.
Travel and Meetings	-80.80%	Timing difference-training and meetings.
Memberships and Subscriptions	-17.30%	Timing difference-CWEA memberships. Small dollar amounts.
Safety	-43.10%	Timing difference-training.

Treatment

Office Expense	-8.80%	Timing difference-computers
Travel and Meetings	-40.60%	Timing difference-training.

Administration

Truck and Auto Expenses	-70.60%	Insurance underbudgeted.
Office Expense	-165.70%	Copy machine budgeted in capital. Cost less than \$10,000.
Repairs and Maintenance	-510.60%	Parking lot asphalt underbudgeted.
Safety	-627.20%	Training unbudgeted. Small dollar amounts.

Waste to Energy

Salaries and Payroll Taxes	-4705.00%	Underbudgeted. Small dollar amounts.
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Brine Disposal

Salaries and Payroll Taxes	-196.10%	Timing difference. Small dollar amounts.
Contract Services	-131.00%	Electrical service unbudgeted.

District Obligations:

1) 2004 Highlands Project Bond Proceeds \$3,057,165 -- Balance \$930,000

STAFF REPORT



TO: Board of Directors
 FROM: Daryl Lauer, Collection Superintendent
 DATE: November 21, 2019
 SUBJECT: Monthly Report – October

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in October	46
Total Fees	\$7,245.00

Maintenance

Attached is a map of the locations cleaned in past three months. There were 2,594 feet Closed Circuit Television (CCTV) sewer line inspections during the month of October.

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
October	41,702 ft.	10.14%	6 - 12 inches
October (Root Foam)	39,547 ft.	9.62%	6 – 8 inches
September	41,086 ft.	9.99%	6 – 12 inches
August	47,201 ft.	11.48%	6 – 15 inches

Construction Activities

- (Project 19-17) Contractor started, the last week of October, the repair of the upper portion access road in Hatton Canyon State Park. This project consists of raising the road elevation and installing proper drainage ditches to get the rainwater off the road and prevent damage to the road during winter storms.

Staff Development

- Collection Staff attended a communication strategy workshop by Leapfrog Consulting on October 16th. Staff participated in on-line Neuro-Color test earlier in the month. The results were talked about at the workshop on how-to best work with other styles of employees within the District. I received many positive remarks from staff about this workshop.
- Staff from Collections and Maintenance attended the CSRMA Sewer Summit one day training on October 17th. Subjects covered were industry best practices, new regulations and safety training options for the industry.
- Staff from Collections, Safety and Maintenance attended an on-site Overflow Emergency Response Plan (OERP) spill estimation class on October 24th. Staff trained on spill volume estimating and spill reporting procedures.
- CAWD staff was offered a free “lunch & learn” on October 25th on the advantages of polymer concrete vaults and manholes -vs- traditional cement concrete vaults and manholes.
- Staff attended mandatory harassment training on October 31st.

General Comments

- CAWD’s annual root foaming was completed in October. The first-year root foaming was in 2014 (year one) and we have now circled back to the year two route; three years later. The manufacture recommends a three-year foam cycle for best root control. Staff chose the sewer lines that are being treated based on what cleaning and CCTV crews were seeing in the field during maintenance of the sewer lines. Staff has noticed fewer roots in the lines segments that have been treated and there have been no SSOs since treatment since began in 2014 on the line segments that have been foamed. Staff has been spot-checking with CCTV inspection to ensure contact time of the foam and the decay of the roots that have been treated. Staff has been pleased with the treatment program and the progress that the District has made in managing the roots in the sewer lines. Staff worked

closely with the treatment plant to ensure that there was no damage to the biological system of the plant. See map for areas that were treated.

- CAWD has seen a sharp rise in plumbing permits issued, permit inspections and private sewer lateral compliance certificate issued in October. This increase is likely primarily due to the new Plumbing Ordinance that was approved by the Board in May. The District had a six-month grace period starting in May and on October 1st began compliance enforcement.
- CAWD took delivery of the new Hydro-Vacuum truck on the last day of October. It will be on display for the Board on November 21.
- Staff vacuumed out all the (Carmel-By-The Sea) CBTS interceptors and one storm drain basin, removing a total of 25.5 tons of debris.

Service Calls Responded to by Crew

Date	Time	Callout	Resolution
10/2/19	3:31 PM	Lateral Overflow	Called by the City for a lateral overflowing. Staff assisted in spill containment until plumber arrived to relieve the blockage.
10/3/19	2:00 PM	Loose drain cover	Called by business owner for a drain cover that was loose. Staff found a storm drain cover half off and notified the City for them to make repairs needed to properly seal.
10/6/19	2:42 PM	High level alarm	Called to Highlands PS for a grinder high level. Staff found evidence of a backup, but problem had relived itself upon arrival.
10/10/19	11:50 AM	Odor complaint	Called by homeowner for a report of sewer odor in home. Staff a cleaned in that area in the previous days possibly sucking the homes p-traps dry. Informed owner to run water down the plumbing fixtures.
10/15/19	8:53 PM	High level alarm	Called to 8 th & Scenic PS for a high-level alarm. Staff found residual foam in the wet well. Staff washed down the foam causing the alarm to trigger.

Date	Time	Callout	Resolution
10/16/19	1:00 PM	Cleanout locate	Called by realtor to help find properties cleanout. Staff was not able to locate a cleanout at that time. Cleanout has since been installed.
10/23/19	1:17 PM	Odor Complaint	Staff was cleaning near by when approached by neighbor for a sewer odor. Staff located a lateral overflowing and informed the homeowner to call their plumber to relieve the blockage.
10/25/19	7:27 AM	Cleanout locate	Called by main office for a free lateral cleanout inspection that was advertised in Districts newsletter. Staff was able to locate the cleanout and informed the homeowner of its location.
10/25/19	9:15 AM	Cleanout locate	Called by main office for a free lateral cleanout inspection that was advertised in Districts newsletter. Staff was not able to locate the cleanout and informed the homeowner to call a plumber of their choice to assist in finding cleanout. Staff will follow up with a letter.
10/28/19	12:40 PM	Lateral overflow	Staff noticed an overflowing lateral while cleaning. Staff informed the homeowner to call a plumber of their choice to relieve the blockage.
10/31/19	3:30 PM	Back up in home	Called by homeowner for a backup in their house. Staff found no problems in District mainline. Informed owner to call a plumber of their choice.

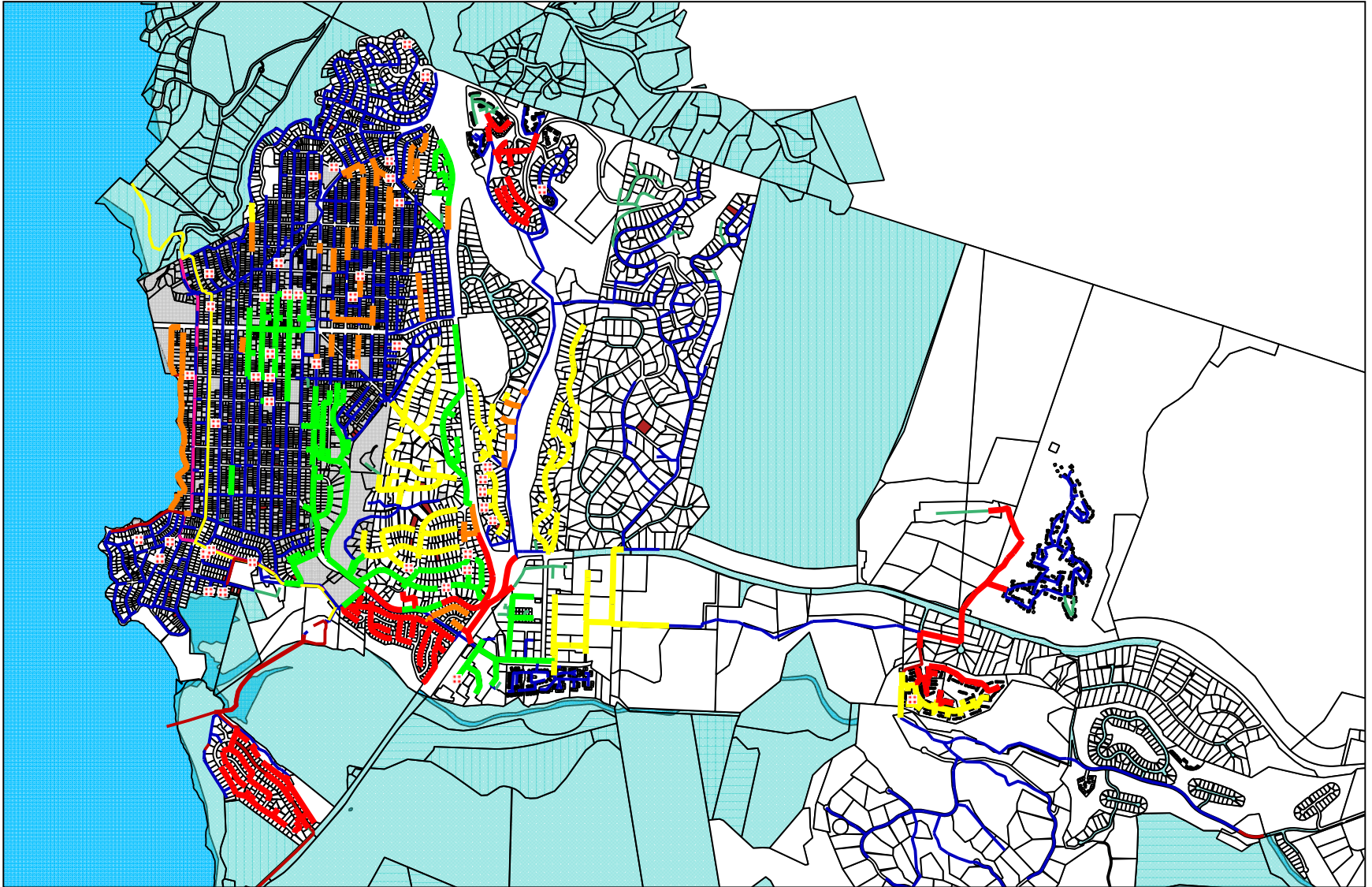
USA Location Requests – 122

Plumbing permit inspections – 43

Private Sewer Lateral Compliance Certificates Issued – 30

October (Red)	41,702 feet
October - Root control (Orange)	39,547 feet
September (Yellow)	41,086 feet
August (Green)	47,201 feet

Monthly Cleaning Map



RedZone
ROBOTICS

11/4/2019



STAFF REPORT

To: Board of Directors

From: Mark Dias, Safety and
Regulatory Compliance Administrator

Date: November 21, 2019

Subject: Monthly Safety Report (for October 2019)



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Safety & Training

- Oct 2- Tailgate training. Mark Dias, Safety and Compliance Administrator (S/C Admin Dias), gave an overview of the upcoming job ergonomic assessments that the District will be undertaking. Over the last two years several physical hazards (e.g., fall and chemical hazards) have been addressed at the plant. However back and joint injuries can occur at any time from performing routine tasks. CAWD has contracted with an ergonomic assessment expert who will assess the essential duties of staff in each department. This expert specializes in wastewater treatment and collections. S/C Admin Dias explained how he will start with a list of typical wastewater tasks and then interview staff to determine if there are any tasks not on the list. He will also observe crews working in the field, and take load and lifting measurements. [Note: The results of the assessments will be available by the next Board meeting and an update will be provided at that time.]
- Oct 9- Ergonomic and Back Safety Training. Don Freeman, an ergonomic expert, provided training to all CAWD staff on how back injuries occur and proper lifting techniques. He also helped staff gauge the weight of commonly lifted objects. This training is provided free of cost via CSRMA. Mr. Freeman also began staff interviews for the ergonomic assessments (as discussed above).

- Oct 16- Tailgate training. S/C Admin Dias presented on updated (refined) procedures for air monitoring before confined space entries. S/C Admin Dias had updated the air monitoring forms that crews use before making an entry. The top five lines of the form are now prefilled to capture five initial readings; first, when the space is initially opened, then at multiple depths and finally any peak readings. While is recommended for all entries, the revised form will provide a visual cue to ensure this is systematically completed each time.
- Oct 16- Tailgate training. S/C Admin Dias presented on safe driving during dusk and dawn. With the annual time change and winter arriving, commutes to and from work will be during dusk and dawn hours. Several driving tips were listed and attendees added several more.

Ongoing Safety Improvements

During October, Maintenance Superintendent Foley and S/C Admin Dias continued to implement safety improvements and seek input from the operations crew and the Safety Committee. Many of the physical safety improvements are projects extending over weeks or months. Activities in October included:

- Contractor Safety Training. **Background.** Cal OSHA regulations require that employers (i.e., CAWD) inform contractors of: (1) any unique hazards at our facilities; (2) our policies and procedures on lockout/tagout, confined space, hazardous chemicals, etc.; and, (3) our emergency evacuation and shelter-in-place alarms and procedures. Past practice was to review a summarized list with the lead worker(s), have them sign the original and give them a copy. This is typical for the industry. However, if a contractor's worker was to be injured, they could argue that the District's list was too vague or that the injury occurred because they were not made aware of the particular hazard that contributed to the injury. Because of the several dozen hazards on site, a full orientation/tour would take at least 90 minutes and some hazards could be overlooked on a given day. Also, the hazards might be explained in an inconsistent way or be misinterpreted. More importantly, even a thorough orientation would not prevent an injured party from retroactively claiming they were not fully informed. **Update.** To address this industry-wide issue, CSRMA worked with DKF Solutions to develop an online "Contractor Safety Orientation Module." The contractor/owner or their authorized representative (e.g. a supervisor who has authority to direct their workers) must complete the module and acknowledge they are aware of the hazards and our policies. The module has ten sections that systematically covers eighteen safety topics specific to the CAWD plant (e.g., our bulk chemicals, digester gas system, respiratory hazards, noise, infectious

diseases, lockout/tagout, evacuation, etc.) Each section must be completed, in succession, before they can access the next section. There are also several quizzes that must be correctly answered before they can proceed to the next section. Most importantly, CAWD will receive documentation that the contractor has been trained and that they signed an acknowledgement of the hazards. This will also be an excellent training tool to inform new employees or interns of worksite hazards.

The majority of the costs to develop the module will be reimbursed via CSRMA's Safety funds. CAWD is just the third agency out of 60 CSRMA members to implement this module statewide. We are the first of any mid to small sized agency to implement the module.

- Bulk aqueous ammonia system repairs. **Background;** as described in previous reports, CAWD receives bulk deliveries of 19% aqueous ammonia approximately once per month. The bulk tank is outdoors at the tertiary building with permanent secondary containment. New gas monitoring equipment showed that ammonia vapors were escaping out of the tank lid during the filling process. Operations staff have consistently been required to wear respirators during deliveries. Until the system is improved, an Interim Operating Procedure (IOP) was promulgated. Per the IOP staff are required to remotely monitor the tank level at a safe distance using the wireless SCADA system rather than stand near the tank during filling. CAWD staff intended to retrofit the piping and venting rather than purchase a replacement system. A pressure gauge was installed to measure pressures during filling. During a delivery the gauge showed that the tank lid essentially held zero pressure and ammonia levels were still high. A new, non-vented lid was installed in March. The system still would not hold pressure and both the lid and the pressure gauge were leaking. In July the lid was reinstalled using a new ammonia resistant sealant along with a diaphragm-isolated gauge. This was a major improvement. Air monitoring showed 0.0 PPM of ammonia around the tank and piping. Follow up monitoring showed the system also held all vapors during warm afternoons (when daily off-gassing peaks). During a delivery there were two unexplained short-term gas spikes. In August the leak location was narrowed down a leak somewhere in the piping. In September the vapor leak location was pinpointed to the temporary hose connection between the truck hose and CAWD's venting piping. **Update:** In October a new stainless-steel connection point was installed. The integrity of the seal will be tested during the next delivery (November). Overall, the tank system continues to hold pressure. A retrofit of the system is not indicated at this time. Monthly tracking continuing.

Tours and Outreach

No tours were requested in October.

Injuries; first aid responses; worker compensation claims

There were no First Aid or Worker Comp incidents in October. The latest matrix is below.

	Work Related Injuries and Illnesses for 2019 Reporting 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	1	0	0	0
First Aid (non-OSHA)	0	6	0	0	0

FUNDING

N/A- Informational item only

Wastewater Treatment Facility Operations Report

Report for: October 2019	HYDRAULIC LOADINGS					2019 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	23.355	0.754	0.715	0.805	68.086	275.39	844.75
PBCSD Flow	10.947	0.353	0.324	0.380	31.914	145.15	445.25
Total Plant Flow	34.302	1.107	1.039	1.185	100.00	420.54	1290.00
Tertiary Flow	29.845	0.963	0.816	1.044	87.007	248.24	761.47
Ocean Discharge	4.345	0.140	0.116	0.201	12.667	173.67	532.73
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2019)	248.24MG (761.85acre-ft.)
Total Lifetime Reclamation Production (94-19)	8.16 BG (25.04 B acre-ft.)
12 Month Rolling Total Reclamation Production	307.24 MG (942.91 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Oct '19 kWh	Price per kWh	Oct'19	Sept'19	Aug'19	Jul'19
Secondary	N/A (3)	N/A (3)	N/A (3)	\$ 26,506.56	\$ 27,224.60	\$ 26,228.72
Blowers	N/A (3)	N/A (3)	N/A (3)	\$ 10,725.36	\$ 12,091.11	\$ 9,352.35
CAWD Total	#VALUE!			\$ 37,231.92	\$ 39,315.71	\$ 35,581.07
Tertiary	N/A (3)	N/A (3)	N/A (3)	\$ 16,105.51	\$ 19,963.18	\$ 19,514.70
MF/RO	N/A (3)	N/A (3)	N/A (3)	\$ 38,146.33	\$ 40,675.90	\$ 126.77
Reclaim Total	#VALUE!			\$ 54,251.84	\$ 60,639.08	\$ 19,641.47
Adjusted Monthly Totals	CAWD Total	N/A (3)		Reclamation Total		N/A (3)

kW-h Per Acre Foot

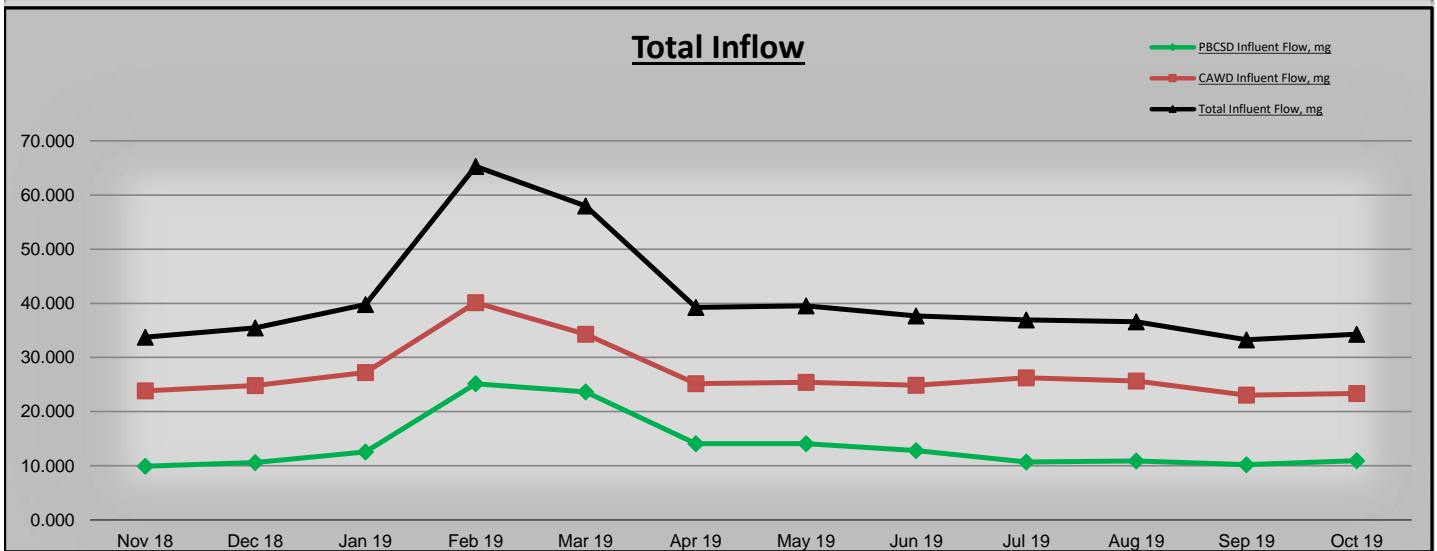
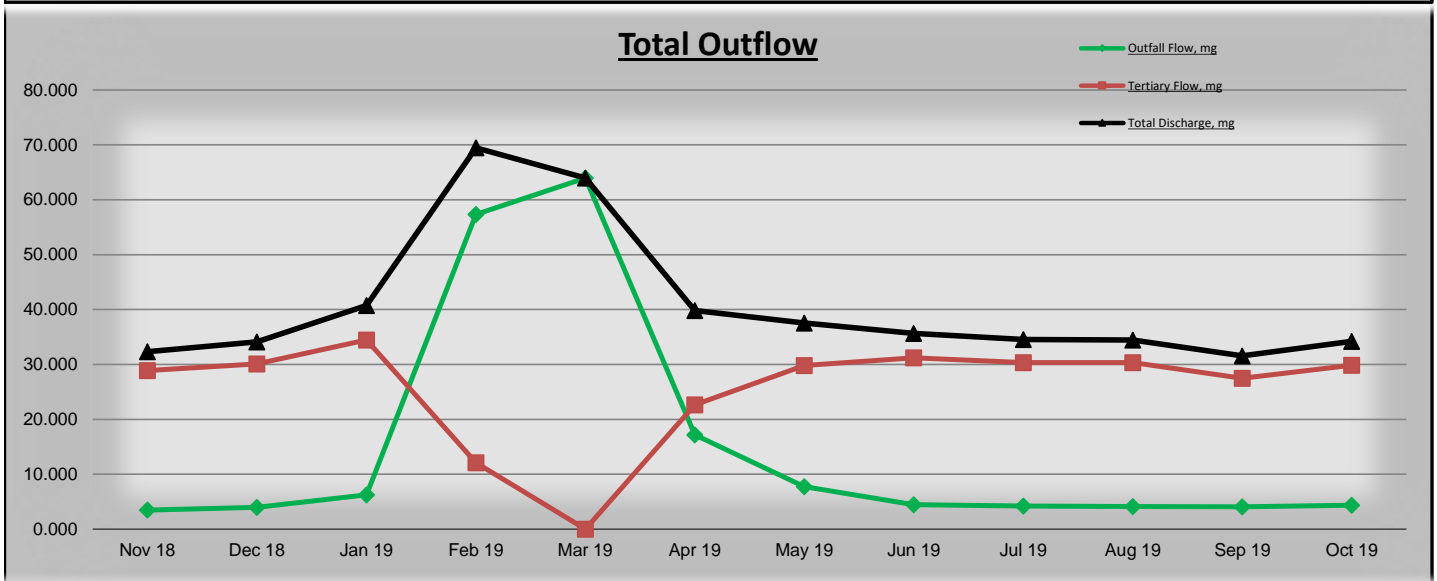
	2018				2019			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1770.27	1692.20	1678.08	1883.03	1174.96	1568.27	1725.97	N/A
Reclamation	1780.18	2260.45	2164.89	2254.65	2344.93	2255.78	2283.22	N/A

MICROTURBINE SUMMARY

Month	Oct '19 kWh	Sept'19	Aug'19	Jul'19	Accumulated Totals
Production,kWh (2)	6,086	11,083	8,792	11,211	751,466.00

COMMENTS

- (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) Reduced power production due to the Micro-Turbine off line for modification of exhaust piping
- (3) No PG&E statements available at the time the Board Report was due



Wastewater Treatment Facility Operations Report

Report for: September 2019	HYDRAULIC LOADINGS					2019 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	23.040	0.768	0.729	0.892	69.252	252.04	773.11
PBCSD Flow	10.230	0.341	0.311	0.397	30.748	134.20	411.67
Total Plant Flow	33.270	1.109	1.040	1.289	100.00	386.24	1184.78
Tertiary Flow	27.502	0.917	0.780	1.103	82.663	218.40	669.92
Ocean Discharge	4.065	0.136	0.112	0.171	12.218	169.32	519.40
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2019)	218.40MG (670.26acre-ft.)
Total Lifetime Reclamation Production (94-19)	8.13 BG (24.95 B acre-ft.)
12 Month Rolling Total Reclamation Production	306.09 MG (939.38 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Sept '19 kWh	Price per kWh	Sept'19	Aug'19	Jul'19	Jun'19
Secondary	126,401.00	\$ 0.210	\$ 26,506.56	\$ 27,224.60	\$ 26,228.72	\$ 24,190.38
Blowers	55,997.60	\$ 0.192	\$ 10,725.36	\$ 12,091.11	\$ 9,352.35	\$ 9,165.27
CAWD Total	182,398.60		\$ 37,231.92	\$ 39,315.71	\$ 35,581.07	\$ 33,355.65
Tertiary	75,464.92	\$ 0.204	\$ 16,105.51	\$ 19,963.18	\$ 19,514.70	\$ 18,627.98
MF/RO	116,529.00	\$ 0.213	\$ 38,146.33	\$ 40,675.90	\$ 126.77	\$ 27,347.31
Reclaim Total	191,993.92		\$ 54,251.84	\$ 60,639.08	\$ 19,641.47	\$ 45,975.29
Adjusted Monthly Totals	CAWD Total		\$ 22,852.84	Reclamation Total		\$ 68,630.92

kW-h Per Acre Foot

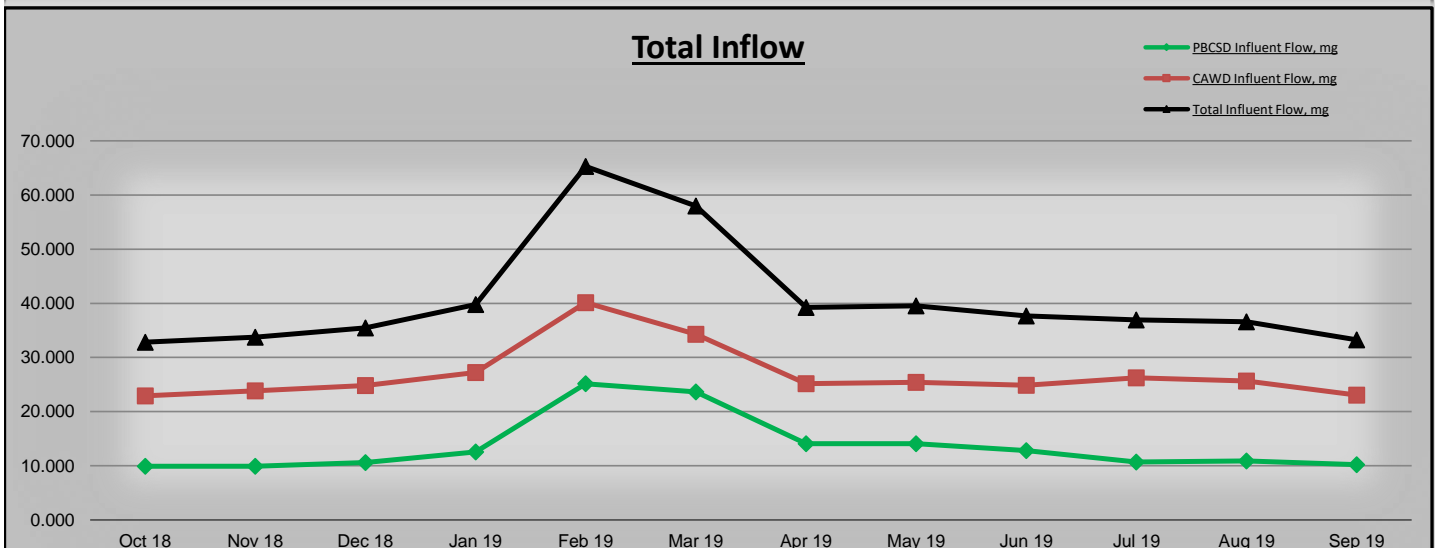
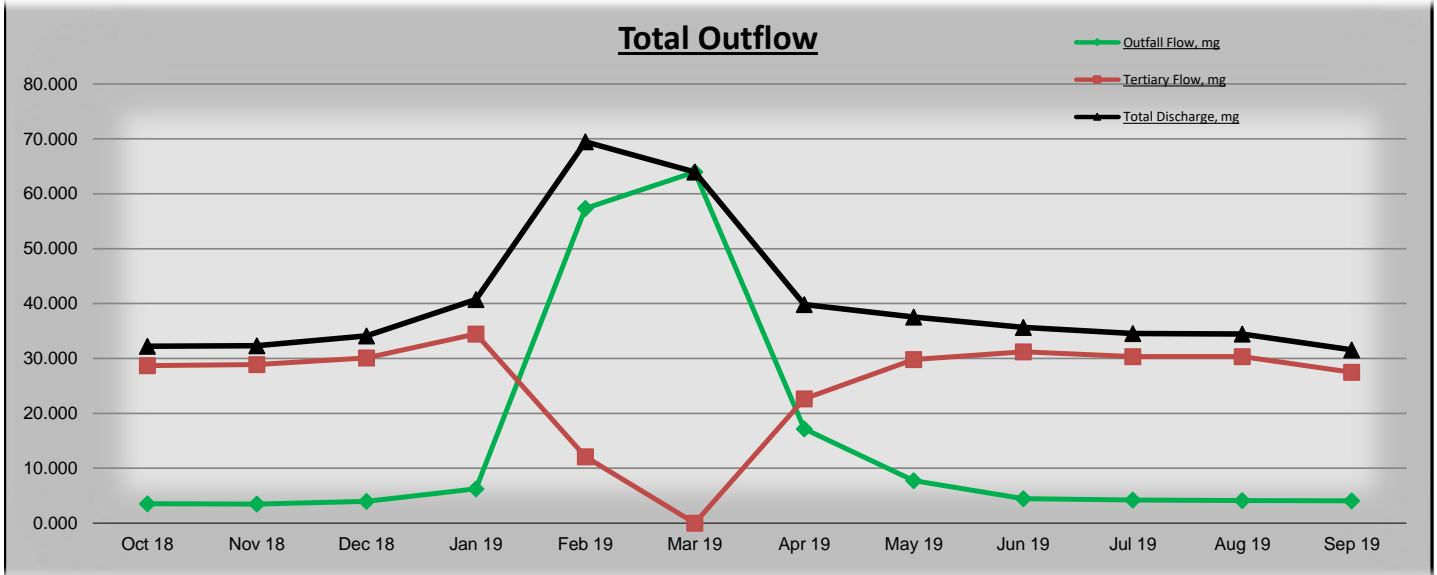
	2018				2019			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1770.27	1692.20	1678.08	1883.03	1174.96	1568.27	1725.97	N/A
Reclamation	1780.18	2260.45	2164.89	2254.65	2344.93	2255.78	2283.22	N/A

MICROTURBINE SUMMARY

Month	Sept '19 kWh	Aug'19	Jul'19	Jun'19	Accumulated Totals
Production,kWh	11,083	8,792	11,211	10,409	745,380.00

COMMENTS

(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



Wastewater Treatment Facility Operations Report

Report for: August 2019	HYDRAULIC LOADINGS					2019 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	25.680	0.828	0.614	0.916	70.174	229.00	702.44
PBCSD Flow	10.915	0.352	0.307	0.424	29.826	123.97	380.29
Total Plant Flow	36.595	1.180	0.921	1.340	100.00	352.97	1082.72
Tertiary Flow	30.335	0.979	0.808	1.111	82.894	190.89	585.56
Ocean Discharge	4.132	0.133	0.107	0.156	11.291	165.26	506.93
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2019)	190.89MG (585.85acre-ft.)
Total Lifetime Reclamation Production (94-19)	8.11 BG (24.88 B acre-ft.)
12 Month Rolling Total Reclamation Production	307.67 MG (944.24 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Aug '19 kWh	Price per kWh	Aug'19	Jul'19	Jun'19	May'19
Secondary	142,658.00	\$ 0.191	\$ 27,224.60	\$ 26,228.72	\$ 24,190.38	\$ 23,692.08
Blowers	60,625.68	\$ 0.199	\$ 12,091.11	\$ 9,352.35	\$ 9,165.27	\$ 8,501.44
CAWD Total	203,283.68		\$ 39,315.71	\$ 35,581.07	\$ 33,355.65	\$ 32,193.52
Tertiary	94,206.48	\$ 0.193	\$ 19,963.18	\$ 19,514.70	\$ 18,627.98	\$ 18,248.09
MF/RO	113,964.00	\$ 0.212	\$ 40,675.90	\$ 126.77	\$ 27,347.31	\$ 21,568.26
Reclaim Total	208,170.48		\$ 60,639.08	\$ 19,641.47	\$ 45,975.29	\$ 39,816.35
Adjusted Monthly Totals (1)	CAWD Total		\$ 24,069.03	Reclamation Total		\$ 75,885.76

kW-h Per Acre Foot

	2018				2019			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1770.27	1692.20	1678.08	1883.03	1174.96	1568.27	N/A	N/A
Reclamation	1780.18	2260.45	2164.89	2254.65	2344.93	2255.78	N/A	N/A

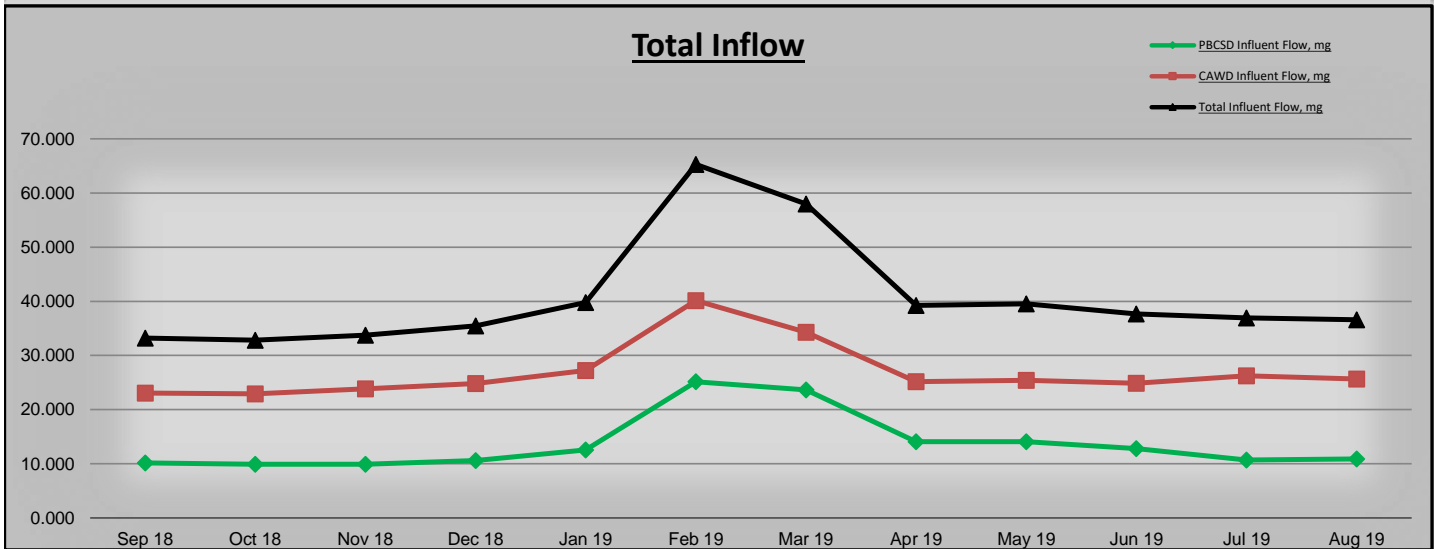
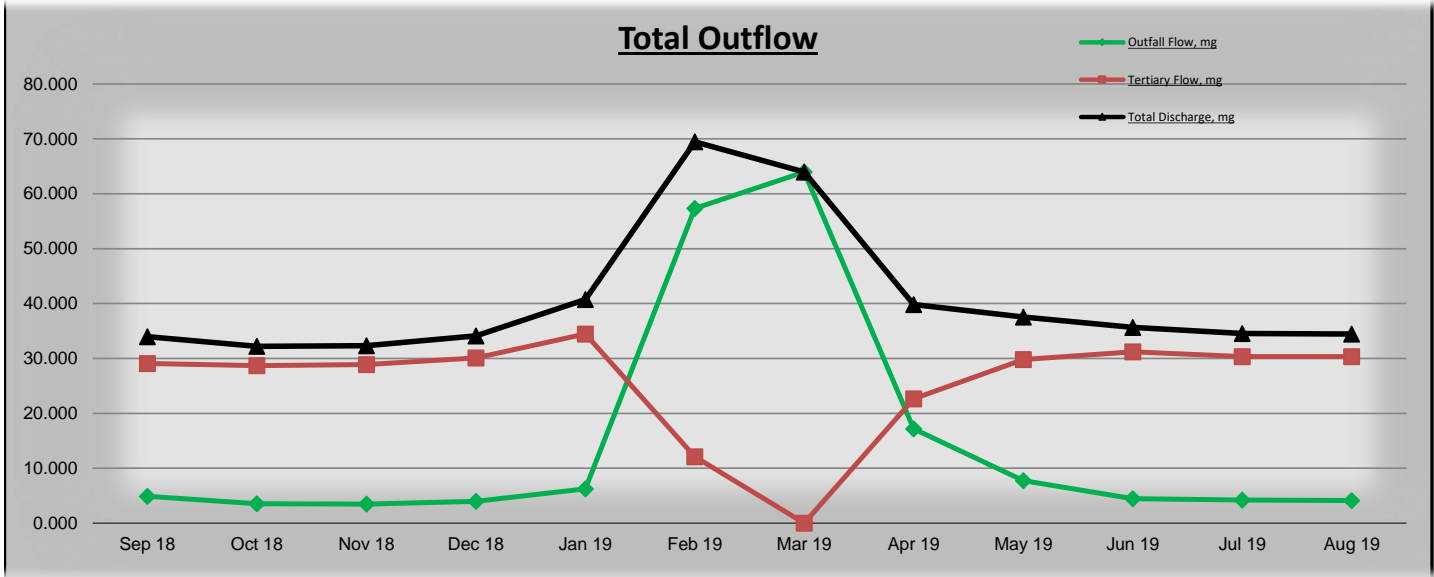
MICROTURBINE SUMMARY

Month	Aug '19 kWh	Jul'19	Jun'19	May'19	Accumulated Totals
Production, kWh (2)	8,792	11,211	10,409	0	734,297.00

COMMENTS

(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 production low due to new exhaust piping installation for the new 65kW Micro-Turbine



STAFF REPORT



To: Board of Directors

From: Ray De Ocampo
Laboratory/Environmental Compliance
Supervisor

Date: November 21, 2019

Subject: Monthly Report – October 2019

RECOMMENDATION

Receive Report-Informational only; No action required

DISCUSSION

LABORATORY REPORT

- The results for CAWD Final Effluent Semi-Annual sampling in September had a violation for the analyte, Hexachlorobenzene (HCB). The permit limit is 0.026 ug/L and the result was 0.11 ug/L. Mr. De Ocampo contacted the contract laboratory to verify the analysis and to check for possible error. The contract laboratory verified the result was accurate and there was no sample remaining to perform a rerun.

Hexachlorobenzene is no longer used as a pesticide/fungicide but can be formed as a byproduct of other manufacturing industrial chemicals. HCB is a known impurity in several pesticide formulations. CAWD Lab/SC staff are going to be investigating possible sources of HCB. The lab staff will follow up by collecting samples from the following locations; CAWD Final Effluent, the four brine/botanical hauling trucks that come to the facility to discharge, and a sample collected from the Pebble Beach Community Service District collection system main line. The Laboratory will have these samples tested for semi-volatile compounds (EPA625) which includes HCB.

- On October 8, 2019, Maintenance Superintendent Foley notified Mr. De Ocampo that the lab power would be shut down for a short time for PG&E to do some electrical panel work. When the power was restored to the laboratory it was

noticed that the Eaton battery backup system for the laboratory server fell to a low level which in turn caused the system to shut down. Mr. Foley investigated the problem and performed another simulation with the laboratory power shutdown and found that the battery system life is nearing its life expectancy and due for replacement this budget year. Mr. Foley contacted Eaton to schedule a service date.

- The dry season sampling for Central Coast Long-Term Assessment Network (CCLEAN) on CAWD Final Effluent had occurred from September 25, 2019 to October 30, 2019.
- On October 16, 2019, Lab staff attended the Neuro Color Personality Assessment meeting.
- On October 28, 2019 Mr. De Ocampo and Mr. Young attended the Fred Pryor Supervisor training class in Monterey.
- On October 31, 2019, Lab staff attended Sexual Harassment Training, and Mr. De Ocampo attended the supervisory training at the main office.

ENVIRONMENTAL COMPLIANCE REPORT

- Brophy's Tavern was non-compliant with excessive grease greater than 2 inches of accumulation. Warning was given on October 1, 2019. The follow up inspection was compliant.
- Lugano Swiss Bistro was non-compliant with excessive grease greater than 2 inches of accumulation. Warning was given on October 1, 2019. The follow up inspection was compliant.
- On October 25, 2019, Mr. De Ocampo attend the Armorock presentation on H2S gases and their manhole product set up by the Collections Superintendent.
- Mountain Mikes is under new management and both grease traps are currently being replumbed for proper usage.

Restaurant Inspection Table

Restaurant	Compliant	Reason for Non-Compliance	Comments
Brophy's Tavern	No	Excessive grease	Follow-up inspection needed. Follow up was compliant.
La Playa Hotel	Yes		
Robata Grill	Yes		
Lugano Swiss Bistro	No	Excessive grease	Follow-up inspection needed. Follow up was compliant.
Hanagasa	Yes		
Wedgewood Wedding Banquet	Yes		
Portabella	Yes		
The Mediterranean	Yes		
Mountain Mike Pizza			Under new management, no kitchen changes, remodeling interior design.

Grocery Store/Delicatessen Inspection Table

Grocery Store/Delicatessen	Compliant	Reason for Non-Compliance	Comments
None			

Restaurant Compliance Table

% Compliance	Maintenance	Mechanical
August 2019	99%	100%
September 2019	99%	100%
October 2019	100%	99%

FUNDING

N/A-Informational item only

ID	Project Number	Task Name	Manager	Start	Finish	Cost	Status	2018		2019		2020		2021	
								H1	H2	H1	H2	H1	H2	H1	H2
0		Projects Implementation Plan Schedule													
1		Treatment Plant Projects													
2	18-01	Mech/Elec Rehab and Sludge Holding Tank Replacement Project	Treanor	Mon 4/30/18	Thu 11/4/21	\$10,150,000.00	100% Design								
8	18-02	Ops Building Historian and Reporting	Foley	Mon 4/2/18	Tue 12/31/19	\$140,000.00	In Progress								
12	18-03	CMMS Improvements (Ops Rounds)	Foley	Wed 7/11/18	Fri 1/31/20	\$100,000.00	Conceptualizing Tablet Data Entry for Ops Rounds								
15	18-09	Secondary Clarifier No. 1 Rehab	Waggoner	Thu 7/5/18	Fri 8/30/19	\$250,000.00	Punchlist/Closeout								
19	18-05	PLC/SCADA Programming (PARTIAL RECLAMATION)	Foley	Mon 10/8/18	Tue 7/13/21	\$300,000.00	Ongoing Programming Work								
30	18-08	Standby Power Reliability Project	Treanor	Mon 10/8/18	Fri 10/23/20	\$730,000.00	Design								
36	18-07	Digester No. 1 & Old No. 2 Purging and Cleaning	Treanor/Young	Fri 3/15/19	Fri 3/6/20	\$125,000.00	Bid/Award								
43	18-11	Microturbine Integration Project	Treanor/Foley	Tue 6/4/19	Tue 6/30/20	\$510,000.00	Pre-Design / Testing								
48	19-01	Onsite Flood Mitigations (PARTIAL RECLAMATION)	Treanor	Mon 7/1/19	Mon 6/29/20	\$100,000.00	Implementation								
49	19-10	1 Water Corrosion Control	Waggoner	Mon 7/1/19	Fri 6/12/20	\$30,000.00	Pilot Test Ionization System								
50	18-28	Perimeter Tree Plan and Implementation	Treanor	Mon 7/1/19	Tue 6/30/26	\$120,000.00	Planning Study								
51	19-18	Plant Fence Replacement	Foley	Mon 12/2/19	Tue 7/20/21	\$150,000.00	Bid Document Prep								
55	19-19	Aeration Basin Improvements 19/20	Waggoner	Mon 3/2/20	Tue 6/30/20	\$140,000.00	Planning								
58		Cathodic Protection Testing	Treanor	Mon 2/3/20	Fri 1/29/21	\$30,000.00	Inactive								
59		Cart Charging and Parking	Foley	Mon 2/3/20	Fri 8/13/21	\$50,000.00	Inactive								
60		Operations Bldg Basement Renovation	Waggoner	Mon 2/3/20	Tue 6/30/20	\$50,000.00	Inactive								
61		Plant Paving, Vault Lids, Drainage	Treanor	Wed 7/1/20	Tue 3/29/22	\$50,000.00	Inactive								
62		Chlorine Contact Pipe Gallery Repairs	Treanor	Fri 1/1/21	Mon 3/29/21	\$44,000.00	Inactive								
65		Lagoon Crossing Rehabilitation	Treanor	Tue 2/1/22	Fri 5/30/25	\$300,000.00	Inactive								
66		RAS Pump/Piping Rehab	Treanor	Tue 2/1/22	Wed 6/1/22	\$0.00	Inactive								
67		Lunch Room MCC Replace with Panelboard	Foley	Wed 6/1/22	Thu 11/3/22	\$140,000.00	Inactive								
70		Treatment Plant Studies & O&M Manuals	Treanor	Fri 6/28/19	Wed 7/24/24	\$270,000.00									
71	19-14	BioWin Modeling	Treanor	Fri 6/28/19	Wed 3/4/20	\$50,000.00	Model Development in Progress								
72		Coastal Hazards Monitoring Plan	Treanor	Fri 11/1/19	Tue 9/1/20	\$35,000.00	Inactive								
73		Life Expectancy Analysis	Treanor	Wed 9/2/20	Fri 7/2/21	\$35,000.00	Inactive								
74		Online O&M Manual	Treanor	Wed 9/1/21	Wed 7/24/24	\$150,000.00	Inactive								
75		Reclamation Projects													
76	18-24	Reclamation Sand Filter Integration Project	Waggoner	Wed 5/9/18	Sun 6/30/19	\$100,000.00	Troubleshooting Sand Filter Startup								
82	18-26	RO Pretreatment Acid Tanks and Containment	Treanor	Fri 6/8/18	Wed 5/13/20	\$415,000.00	On Hold / Permitting								

ID	Project Number	Task Name	Manager	Start	Finish	Cost	Status	2018		2019		2020		2021			
								H1	H2	H1	H2	H1	H2	H1	H2		
87	18-25	EQ Basin Pump Electrical/Mechanical	Foley	Mon 10/8/18	Mon 9/30/19	\$80,000.00	Completed	EQ Basin Pump Electrical/Mechanical									
88	19-12	MF/RO Sound Barriers	Treanor	Mon 7/29/19	Fri 12/27/19	\$80,000.00	Building Sound Enclosure	MF/RO Sound Barriers									
89	19-16	Tertiary MF/RO Standby Power	Treanor	Mon 7/1/19	Fri 4/3/20	\$350,000.00	Pre-Design	Tertiary MF/RO Standby Power									
90	19-15	MF Feed Pipe Replacement	Treanor	Mon 11/4/19	Fri 4/3/20	\$30,000.00	Procurement	MF Feed Pipe Replacement									
91		Reclamation Line Cathodic Protection Testing	Treanor	Wed 7/1/20	Tue 12/1/20	\$25,000.00	Inactive	Reclamation Line Cathodic Protection Testing									
92		Painting Project	Treanor	Wed 7/1/20	Tue 12/1/20	\$75,000.00	Inactive	Painting Project									
93		Reclamation Studies	Treanor	Mon 7/1/19	Tue 6/1/21	\$75,000.00		Reclamation Studies									
94		Trussell MF/RO Performance Review	Treanor	Mon 7/1/19	Tue 3/31/20	\$40,000.00	In Study Phase	Trussell MF/RO Performance Review									
95		Reclamation 15-Year Asset Management Assessment	Treanor	Wed 7/1/20	Tue 6/1/21	\$35,000.00	Inactive	Reclamation 15-Year Asset Management Assessment									
96		Collections Projects						Collections Projects									
97	19-02	Pretreatment Ordinance	Lather	Fri 11/15/19	Fri 3/13/20	\$0.00	Inactive	Pretreatment Ordinance									
98	18-16	Highlands H2S Control	Lauer	Mon 4/16/18	Mon 9/30/19	\$0.00	Running Bioxide and Planning Air Injection	Highlands H2S Control									
100	18-17	Hatton Canyon Pipe Bursting	Lather	Wed 5/23/18	Thu 10/15/20	\$1,450,000.00	Re-Bid in January 2020 / Grant Has Been Approved	Hatton Canyon Pipe Bursting									
101	19-17	Hatton Canyon Road Maintenance	Lather	Mon 8/26/19	Sat 11/30/19	\$298,000.00	Construction	Hatton Canyon Road Maintenance									
102	18-18	Pump Station PLC/SCADA Replacement	Foley/Lather	Wed 7/18/18	Thu 2/13/20	\$600,000.00	Procurement	Pump Station PLC/SCADA Replacement									
103	19-03	Carmel Meadows Gravity Sewer Improvements	Lather	Fri 3/15/19	Wed 6/30/21	\$1,294,000.00	Preliminary Design	Carmel Meadows Gravity Sewer Improvements									
104	19-11	Monte Verde at 2nd Ave Sewer Replacement	Lather	Thu 5/30/19	Thu 11/7/19	\$150,000.00	Closeout	Monte Verde at 2nd Ave Sewer Replacement									
105	19-07	Rio Road CIPP Lining Project	Lather	Mon 7/1/19	Fri 8/28/20	\$1,340,000.00	Design	Rio Road CIPP Lining Project									
106	18-29	September Ranch Water and Sewer	Lather	Fri 3/1/19	Fri 7/30/21	\$0.00	Study	September Ranch Water and Sewer									
110	19-13	Upper Rancho Canada Upsize Line	Lather	Mon 7/1/19	Fri 2/2/24	\$1,500,000.00	Design / CEQA	Upper Rancho Canada									
111	18-27	Highlands FM ARVs	Lauer	Wed 7/1/20	Wed 10/14/20	\$60,000.00	Inactive	Highlands FM ARVs									
112		Highlands FM Flushing	Lauer	Wed 7/1/20	Mon 11/30/20	\$75,000.00	Inactive	Highlands FM Flushing									
116		Rancho Canada New Development Line	Lather	Wed 11/6/19	Tue 6/11/24	\$1,500,000.00	Inactive	Rancho Canada									
117		Assessment Districts/Annexations	Lather	Tue 7/3/18	Wed 9/30/20	\$105,000.00		Assessment Districts/Annexations									
118	19-09	2019 Mass Annexation	Lather	Fri 3/15/19	Mon 1/6/20	\$50,000.00	CEQA	2019 Mass Annexation									
119	18-21	Corona Road Assessment District	Lather	Thu 8/2/18	Mon 1/6/20	\$0.00	Circulating Petition	Corona Road Assessment District									
120	19-05	Riley Ranch Annexation/Connection	Lather	Thu 8/2/18	Mon 1/6/20	\$0.00	On Hold	Riley Ranch Annexation/Connection									
121	19-08	Carmel Valley Manor Sewer	Lather	Tue 7/3/18	Wed 9/30/20	\$0.00	In Design By Owner	Carmel Valley Manor Sewer									
122	19-04	Yankee Point and Otter Cove Highlands Extension	Lather	Mon 5/6/19	Thu 1/9/20	\$55,000.00	On Hold	Yankee Point and Otter Cove Highlands Extension									
123		Collections Studies / Reports	Lauer/Lather	Mon 7/1/19	Fri 7/17/20	\$105,000.00		Collections Studies / Reports									
124		Monte Verde and Bay/Scenic FM Assessment	Lauer/Lather	Mon 2/3/20	Fri 7/17/20	\$75,000.00	Inactive	Monte Verde and Bay/Scenic FM Assessment									
125	19-06	Collection System SSMP	Lauer/Lather	Mon 7/1/19	Fri 11/29/19	\$30,000.00	In Development	Collection System SSMP									



Photo: Existing Headworks Motor Control Center to Be Replaced in Project

Project Name: WWTP - Elec/Mech Rehab & Sludge Holding Tank Replacement Project
Project Location: Wastewater Treatment Plant
Project Manager: Treanor
Project Number: 18-01
Status: In 90% Design Phase
Project Description: The WWTP Rehabilitation Phase II 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
Budget Status: Budget: \$9,150,000
 Actual to Date: \$735,670
Reclamation Share: Estimated at 4% of project cost. Actual share TBD based on Construction Costs.
Other Entities: Pebble Beach Community Services District, CAWD/PBCSD Reclamation Project
Permits Required: Coastal Development Permit
Challenges: Coastal Commission
Schedule:

- Design to be completed in 2019
- Construction anticipated for 2020 through 2021

Consultants: Kennedy/Jenks Consultants (Design Engineer)
Contractor: TBD



Photo: Existing Server Hardware that will be replaced in Project

Project Name: Ops Building Historian and Reporting
Project Location: Wastewater Treatment Plant
Project Manager: Foley
Project Number: 18-02
Status: In procurement phase.
Project Description: The report writer and historian system provide historical data for compliance and process reports. The existing system is connected to the legacy Supervisory Control and Data Acquisition (SCADA) system. This project will update the reporting hardware and software and integrate the system with the updated SCADA system.
Department: Treatment
Budget Status: Budget: \$77,245
 Actual to Date: \$36,503
Reclamation Share: Estimated at 50%.
Schedule:

- Design to be completed in 2019
- Report and Historian configuration to be completed by June 2020.

Consultants: Worksmart Automation
Contractor: N/A

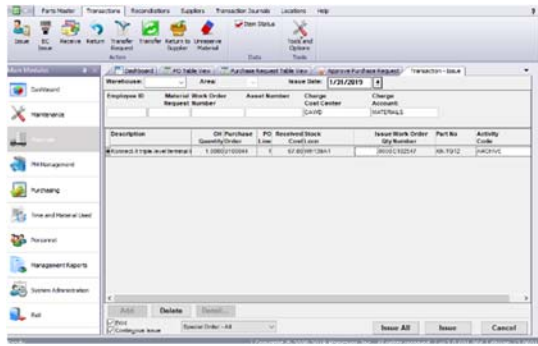


Photo: Mainsaver CMMS Dashboard

Project Name: Computerized Maintenance Management Software (CMMS) Improvements

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-03

Status: Final Testing Phase

Project Description The CMMS system tracks work orders, assets and inspections for the treatment plant and reclamation facility. Staff perform inspections of the equipment and currently write down the data and then double enter into the computer system. This project will update the software to the latest version and provide a new mobile module so that inspection rounds and work orders can be completed in the field saving duplicate data entry and providing information to staff while in front of the equipment. This will reduce errors in data entry and improve efficiency by providing staff with improved resources when inspecting and maintaining equipment.

Department: Maintenance

Budget Status: Budget: \$100,000
Actual to Date: \$94,036

Reclamation Share: Estimated at 50%.

Schedule:

- Completion in Spring of 2020.

Consultants: JB System DBA Mainsaver

Contractor: N/A

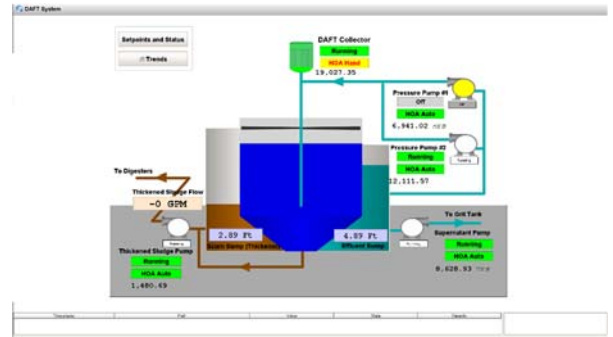


Photo: DAFT SCADA Overview

Project Name: Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) Programming Project

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-05

Status: In progress

Project Description During the phase 1 project a new SCADA software package from Inductive Automation was installed in parallel with the existing system. This project includes the migration of the remaining SCADA screens from the legacy system to the new system. The PLC code is also being updated to the CAWD standards that are being developed during this project. This project is necessary to replace obsolete software and hardware so that the automated controls, alarms and reporting remain accurate and reliable.

Department: Treatment

Budget Status: Budget: \$300,000
Actual to Date: \$160,281

Reclamation Share: Partial Reclamation

Schedule:

- Existing SCADA to be migrated in 2020
- SCADA screens will be revised for equipment that is replaced during Mechanical and Electrical Rehabilitation Project

Consultants: Informative Controls

Contractor: N/A



Photo: Digester No. 1

Project Name: Digester No. 1 & Old Digester No. 2 Purging and Cleaning

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 18-07

Status: Bid/Award

Project Description Digester No. 1 hasn't been cleaned in 19-years. Rule of thumb would be to clean every 10 years. A contractor will clean Digester No. 1 which is anticipated to have a considerable unknown amount of debris buildup in the digester. After cleaning Digester No. 1 will remain offline until rehabilitation can occur. Old Digester No. 2 is planned to be demolished. Old Digester No. 2 will be drained by staff as it will not have debris buildup because it was a Secondary Digester (Treating supernatant from Digester No. 1).

Department: Treatment

Budget Status: Budget: \$257,250
Actual to Date: \$0

Reclamation Share: N/A

Other Entities: N/A

Permits Required: N/A

Challenges: Unknown quantity of debris in Digester No. 1

Schedule:

- Work to occur in Fall/Winter 2019

Consultants: N/A

Contractor: TBD



Photo: Example Trailer Standby Generator

Project Name: Standby Power Reliability Project

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 18-08

Status: In 50% Design Phase

Project Description This project involves purchasing a trailer mounted 750kW generator to serve as a full capacity backup to the existing standby system in case the existing 750kW generator were to fail. The Main Switchgear would be reprogrammed to run off one generator with a standby (instead of the current split bus system). This would allow removal of the existing 450kW generator (which has obsolete controls and is not capable of powering the entire WWTP if the 750kW were to fail during a power outage).

Department: Treatment

Budget Status: Budget: \$730,000
Actual to Date: \$800.00

Reclamation Share: N/A

Other Entities: N/A

Permits Required: Air Board Permit

Challenges: N/A

Schedule:

- Design to be completed in 2019
- Construction anticipated for 2020

Consultants: Beecher Engineering

Contractor: TBD



Photo: Secondary Clarifier after new coating was applied.

Project Name: Secondary Clarifier No. 1 Coating Rehabilitation
Project Location: Wastewater Treatment Plant
Project Manager: Foley
Project Number: 18-09
Status: Construction Complete and Punchlist items in progress
Project Description: This project will replace the secondary clarifier No. 1 mechanical equipment and bridge with new unit components. The metal components will be abrasive blasted and then coated. As part of the replacement updated controls will allow improved process control of the skimming arm speed.
Department: Treatment
Budget Status: Budget: \$250,000
 Actual to Date: \$281,137
Reclamation Share: 0%
Schedule:

- Construction complete in summer of 2019
- Asset will be placed back in service in fall of 2019

Consultants: None
Contractor: ERS Industrial, Rebuild-It



Photo: Existing Gas Conditioning System

Project Name: Microturbine Integration Project
Project Location: Wastewater Treatment Plant
Project Manager: Treanor/Foley
Project Number: 18-11
Status: In Pre-Design Phase
Project Description: Replacement of existing gas conditioning equipment and additional upgrades to the Microturbine system to integrate the new 60 kW turbine. The gas compressor failed this year and is being replaced. The gas conditioning system has many components that are in poor condition and therefore it may be more cost effective to build a complete package system instead of continuing to fix minor components and have extended outages of the microturbine energy production due to component failures. Going with a new package system would be an improvement over the existing system which is not integrated. Also, a new gas conditioning system could be sized so that the microturbines could operate at maximum production given that a larger 60kW generator was installed recently.
Department: Treatment
Budget Status: Budget: \$510,000
 Actual to Date: \$12,362
Reclamation Share: N/A
Other Entities: N/A
Permits Required: Air Board Permit, Coastal Commission Immaterial Amendment
Challenges: N/A
Schedule:

- Pre-Design to be completed in 2019/2020
- Final Design to be completed in 2020/2021-Construction anticipated for 2021

Consultants: Engine System Integrated
Contractor: TBD



Photo: View H2S damage to Calle La Cruz wet well

Project Name: H2S Control at Calle La Cruz Pump Station

Project Location: Collection System

Project Manager: Lauer

Project Number: 18-16

Status: Testing

Project Description: H2S gasses are causing damage to the wet well and are a health hazard. H2S readings of 700ppm have been observed. Staff have tried several different products and found CN-9 (Calcium Nitrate) to work. Working on dosage.

Department: Collections

Budget Status: Budget: \$0
Actual to Date: \$0

Permits Required: N/A

Challenges: Getting the right dosage to remove odor. Dealing with source of problem.

Schedule:

Contractor:



Photo: View of a temporary repair of a manhole in Hatton Canyon

Project Name: Hatton Canyon Pipe Bursting

Project Location: Collection System

Project Manager: Lather

Project Number: 18-17

Status: Bids opened 07-25-19. FEMA/OES award received after deadline to construct in 2019. Plan to re-bid in spring 2020.

Project Description: Replace 5,570 linear ft. of 60-year old 8" vitrified clay, bell & spigot pipeline within Hatton Canyon, Experienced over 3 spills in past 20 years due to flooding. Replace with 10" butt welded HDPE pipe that will be watertight & anchored into upgraded manholes.

Department: Collection

Budget Status: Budget: \$1,450,000
Bid: \$1,038,000
Actual to Date: \$265,861

Other Entities: State Parks; Fish & Wildlife, Army Corps, FEMA, CalOES

Permits Required: State Parks Easement, Army Corps, U.S. Fish & Wildlife, State Fish & Wildlife, and Monterey County Encroachment Permit.

Challenges: The project is located in a State Parks easement along the west bank of Hatton Creek. Existing access road is surrounded by riparian habitat.

Schedule: Work required to be completed between June – October. Plan to construct project in 2020.



Photo: Pump station Control Panel- PLC and Operator Interface will be upgraded at Pump stations.

Project Name:	Pump Station PLC/SCADA Replacement
Project Location:	Collections Pump Stations
Project Manager:	Foley
Project Number:	18-18
Status:	Design Complete and Control Panel Assembly in Progress
Project Description	This project will replace the obsolete Programmable Logic Controllers at 7 sewage pump station. The PLC programming will be updated, and the Supervisory Control and Data Acquisition Visualization screens will be updated to the Ignition SCADA software.
Department:	Treatment
Budget Status:	Budget: \$600,000 Actual to Date: \$330,737
Reclamation Share:	0%
Schedule:	<ul style="list-style-type: none"> Construction complete in Fall of 2019
Consultants:	Frisch Engineering
Contractor:	Technical Systems, Inc

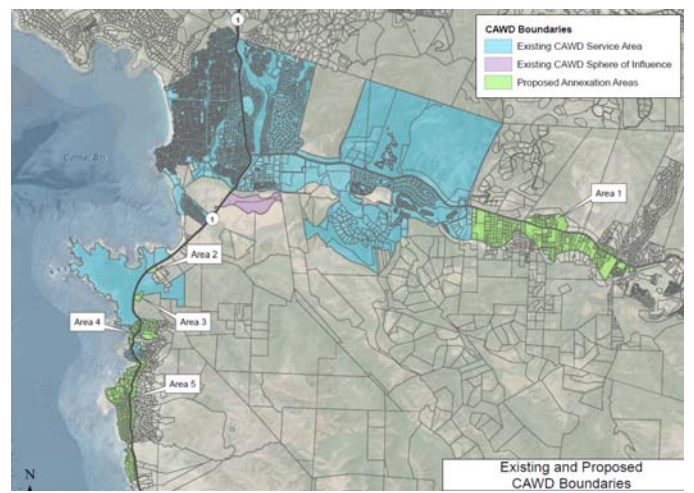


Photo: Areas of Potential Annexation

Project Name:	Assessment District/Annexations
Project Location:	Collection System
Project Manager:	Lather
Project Number:	19-04, -05, -08, -09, 18-21
Status:	Developing CEQA Documents
Project Description:	The project will provide the opportunity for homes and businesses to get off septic systems and add approximately 350 connections to the District at build-out. Interested areas include Corona Road, Riley Ranch, Carmel Valley Manor and Yankee Point.
Department:	Collections
Budget Status:	Budget: \$50,000 Actual to Date: \$9,088
Permits Required:	Environmental Review, LAFCO Approval
Challenges:	Getting homeowner groups to form an Assessment District to pay for infrastructure needed to connect to our sewer system.
Schedule:	Complete Environmental Review by December 2019 and LAFCO Annexation in February 2020.
Consultant:	Denise Duffy & Associates



Photo: Existing Coagulation/Flocculation System and Sand Filters

Project Name: Reclamation Sand Filter Rehabilitation

Project Location: Wastewater Treatment Plant
Reclamation Project

Project Manager: Ed Waggoner

Project Number: 18-24

Status: In 95% Construction/Maintenance Phase

Project Description The Coagulation/Flocculation and Sand Filter equipment was bypassed and taken offline in 2008 once the Microfiltration and Reverse Osmosis Project started operation. These systems are being Rehabilitated and returned to service to provide pretreatment and phosphorous removal to allow more flow recovery on the Reverse Osmosis System.

Department: Treatment

Budget Status: Budget: \$60,000.00
Actual to Date: \$31,000

Reclamation Share: 100% of project cost.

Other Entities: CAWD/PBCSD Reclamation Project

Permits Required: No Permits required as project is a maintenance project

Challenges: Age of mothballed equipment.

Schedule:

- Design to be completed in 2018
- Maintenance anticipated for Fall of 2019

Consultants: In house (Design Plant Engineer)

Contractor: In house staff



Photo: Equalization Basin Variable Frequency Drives

Project Name: EQ Basin Pump Electrical/Mechanical

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-25

Status: Complete

Project Description The equalization basin is utilized to store influent flow in order to provide more consistent flow to the reclamation facility since influent flows vary greatly during a 24-hour period. This project will install a second redundant pump and replace the obsolete controls with two new variable frequency drives. This project will improve reliability and operation of the basin.

Department: Reclamation

Budget Status: Budget: \$80,000
Actual to Date: \$73,373

Reclamation Share: Estimated at 100%.

Schedule:

- Design to be completed in 2019
- Report and Historian configuration to be completed by June 2020.

Consultants: Informative Controls

Contractor: Mailey Electric



Photo: Existing totes used for Sulfuric Acid storage and Feed

Project Name: RO Pretreatment Acid Tanks and Containment
Project Reclamation – MF/RO
Location: Treanor
Project Manager:
Project Number: 18-26
Status: On Hold

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

Budget Status: Budget: \$290,000
Actual to Date: \$68,506

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: Coastal Development Permit

Challenges: N/A

Schedule:

- On hold for Coastal Commission

Consultants: Trussell Technologies, Inc

Contractor: TBD



Photo: Eucalyptus trees on South Side of Treatment Plant

Project Name: Perimeter Tree Plan and Implementation
Project Location: Wastewater Treatment Plant
Project Manager: Treanor
Project Number: 18-28
Status: In Study Phase

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 plan to determine costs, sequencing schedule, and visual impacts.

Department: Treatment

Budget Status: Budget: \$120,000
Actual to Date: \$0

Reclamation Share: N/A

Other Entities: N/A

Permits Required: Currently unknown

Challenges: Time it will take for new trees to grow up that will fully screen treatment plant from view

Schedule:

- Study to occur in 2019

Consultants: Scott Hall Landscape Design

Contractor: TBD

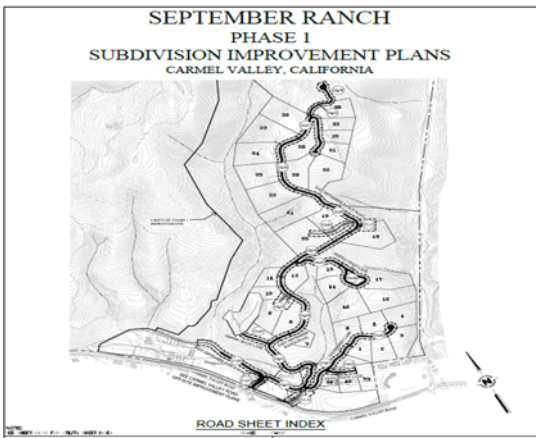


Photo: View new home development



Photo: Old Flood Door in Headworks Basement

Project Name: September Ranch Subdivision

Project Location: Collection and Water System

Project Manager: Lather

Project Number: 18-29

Status: Study

Project Description: New Subdivision with sewer and water services. CAWD is completing review of water system design, operations, and rates in order to decide if it is feasible to accept the water system.

Department: Collection

Budget Status: Budget: Paid by Clear Peak Bid: \$N/A
Actual to Date: \$35,000

Other Entities: Clear Peak

Consultants: SRT Consultants -reviewing on behalf of CAWD
Raftelis – providing rate study

Permits Required: N/A

Challenges: Groundwater treatment and reliability concerns.

Schedule: Phase I is anticipated to start construction in 2020 if CAWD accepts water system

Project Name: Critical Process Onsite Flood Adaptations

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 19-01

Status: In Design Phase

Project Description: There are a few areas of the WWTP that may be vulnerable to inundation during a 100-year river flooding event. Although the likelihood of inundation is low and the impact short term, it would be prudent to mitigate any possible impacts of flooding on the treatment process. The areas that could be further adapted to avoid flooding inundation are: Headworks Basement Flood Door, Influent Access Hatch, Secondary Effluent Diversion Structure Hatches, Chlorine Contact Channel Hatches, Waste Gas Burner Operations.

Department: Treatment

Budget Status: Budget: \$100,000
Actual to Date: \$0

Reclamation Share: 15% Reclamation

Other Entities: Reclamation Project

Permits Required: Coastal Development Permit

Challenges: N/A

Schedule:

- Planning in 2019
- Modifications in 2020

Consultants: N/A

Contractor: TBD

**PRE-TREATMENT ORDINANCE
2020-XX**



CARMEL AREA WASTEWATER DISTRICT

Project Name: Update Pretreatment Ordinance

Project Location: Pretreatment/Collections

Project Manager: Lather/De Ocampo/Waggoner

Project Number: 19-02 Pre-Treatment Ordinance

Status: Review of draft provided by Ed Waggoner and Ray DeOcampo initiated

Project Description: Prepare a Pre-Treatment Ordinance that is in compliance with the current standard of practice and the State Water Resources requirements.

Department: Treatment

Budget Status: Budget: \$0.00

Reclamation Share: n/a

Other Entities: n/a

Permits Required: none

Challenges: none

Schedule:

- Complete Draft Ordinance for review in January 2020.
- Board approval of Ordinance in March 2020.

Consultants: none

Contractor: none



Photo: View gravity pipe in Carmel easement

Project Name: Carmel Meadows Pipeline

Project Location: Collection System

Project Manager: Lather

Project Number: 19-03

Status: Preliminary design

Project Description: The project will replace 1300 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

Budget Status: Budget: \$1,324,000
Actual to Date: \$30,000

Permits Required: Coastal Permit and Environmental Review

Challenges: Redirecting the sewer to the pump station without requiring booster pumps for individual houses.

Schedule: Design FY19/20. Construct FY20/21.

Consultants: SRT Consultants

Contractor: n/a

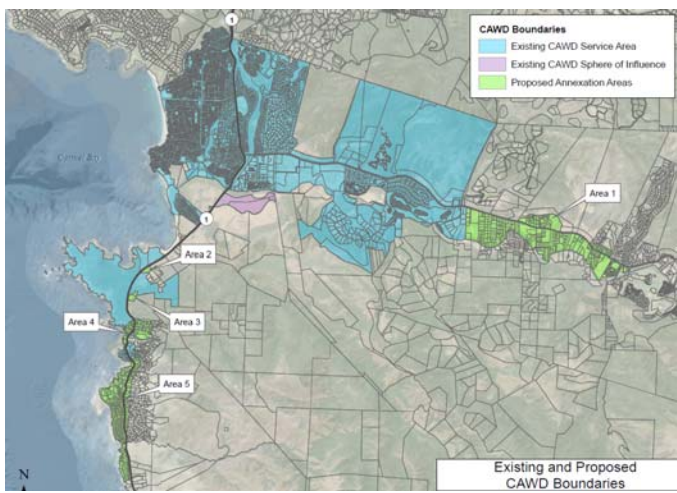


Photo: Areas of Potential Annexation

Project Name: Assessment District/Annexations

Project Location: Collection System

Project Manager: Lather

Project Number: 19-04, -05, -08, -09, 18-21

Status: Developing CEQA Documents

Project Description: The project will provide the opportunity for homes and businesses to get off septic systems and add approximately 350 connections to the District at build-out. Interested areas include Corona Road, Riley Ranch, Carmel Valley Manor and Yankee Point.

Department: Collections

Budget Status: Budget: \$50,000
Actual to Date: \$9,088

Permits Required: Environmental Review, LAFCO Approval

Challenges: Getting homeowner groups to form an Assessment District to pay for infrastructure needed to connect to our sewer system.

Schedule: Complete Environmental Review by December 2019 and LAFCO Annexation in February 2020.

Consultant: Denise Duffy & Associates

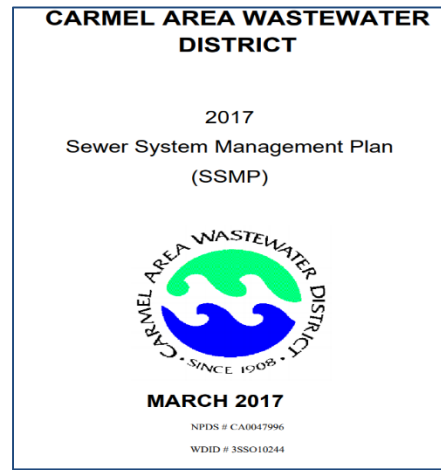


Photo: SSMP to be Audited

Project Name: Collection System SSMP

Project Location: Collection System

Project Manager: Lather

Project Number: 19-06

Status: Draft audit under review

Project Description: Perform an audit of the 2017 SSMP and update in accordance with audit findings and current standards.

Department: Collection

Budget Status: Budget: \$30,000
Actual to Date: \$0

Other Entities: N/A

Permits Required: N/A

Challenges: Collecting and analyzing information.

Schedule: Complete Update of SSMP in December 2019.

Consultant: Causey Consulting



Photo: View CIPP Liner being installed

Project Name: Rio Rd CIPP Lining project
Project Location: Collection System
Project Manager: Lather
Project Number: 19-07
Status: Design
Project Description: The rehabilitation of 4000 feet of 24 to 27-inch diameter Asbestos Cement Pipe (ACP) trunk line that runs along Rio Road in Carmel. Lining existing pipe with (CIPP) Cured-In-Place Pipe.
Department: Collections
Budget Status: Budget: \$1,340,000
 Actual to Date: \$0
Permits Required: N/A
Challenges: Traffic Control.
Schedule: Construct late Spring 2020.
Consultant: Design by Kennedy/Jenks
Contractor: TBD



Photo: New #1 Water System where Corrosion System Project will be Installed

Project Name: WWTP – 1 Water Corrosion Control Project
Project Location: Wastewater Treatment Plant
Project Manager: Ed Waggoner
Project Number: 19-10
Status: In 50% Design/Research Phase
Project Description: The number 1 Potable Water Distribution System was installed in the early 1970's when secondary processes were constructed at CAWD. The main piping is ductile iron pipe with service laterals of copper and galvanize pipes. To prevent rust and pipe damage to the system, technology will be installed to extend the life of the piping system using chemicals or ionization equipment.
Department: Treatment
Budget Status: Budget: \$30,000
 Actual to Date: \$5,100
Reclamation Share: Estimated at 1% of project cost.
Other Entities: CAWD/PBCSD Reclamation Project
Permits Required: Coastal Development Permit
Challenges: Using New technologies (Lorex Company)
Schedule:

- Design to be completed in 2019
- Construction anticipated for December 2019

Consultants: In house (Design Plant Engineer)
Contractor: TBD



Photo: View of sewer line being replaced

Project Name: Monte Verde & 2nd sewer line replacement

Project Location: Collection System

Project Manager: Lather

Project Number: 19-11

Status: Construction completed

Project Description: Replacement of damaged 6" sewer line with 8" line. This segment has had 2 previous SSO's and is under capacity. Replacing line prior to road resurfacing project.

Department: Collection

Budget Status: Budget: \$150,000
Bid: \$91,100
Actual to Date: \$0

Other Entities: N/A

Permits Required: N/A

Challenges: Narrow road with multiple buried utilities.

Schedule: Construction in September-October 2019.

Contractor: Monterey Peninsula Engineering



Photo: Sound Barriers partially installed around High Pressure RO Pumps

Project Name: MF/RO Sound Barriers

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-12

Status: Construction in progress

Project Description: Sound from the RO feed pumps is suspected to create a slightly audible humming noise offsite due to the fact that these are high horsepower pumps and are not enclosed. This project will result in a new sound enclosure designed to absorb sound to reduce potential offsite noise and to reduce the noise inside the MF/RO facility.

Department: Treatment

Budget Status: Budget: \$35,000
Actual to Date: \$6,984

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: N/A

Schedule:

- Construction in progress, planned completion by end of 2019

Consultants: N/A

Contractor: N/A



Photo: View of proposed sewer line realignment

Project Name: Upper Rancho Canada Sewer line realignment and size increase

Project Location: Collection System

Project Manager: Lather

Project Number: 19-13

Status: Design

Project Description This project relocates an existing sewer trunk line that serves the eastern most assets of the District and is located within the proposed County Park at Rancho Canada. The upstream trunk line varies in size from 12 inch to 8 inch and is Truss pipe material that was installed in the early 1970's. One portion of the Rancho Canada golf courses will be converted to a subdivision of Single-Family Dwellings (SFD's) and remaining land will be part of the Monterey Regional Park System.

Department: Collection

Budget Status: Budget: \$1,500,000
Actual to Date: \$

Other Entities: Monterey Regional Park District

Permits Required: Environmental Review

Challenges: Providing a design that allows CAWD access to assets and is acceptable to the Park District.

Schedule: Design FY 19/20.

Consultants: MNS Engineering
Rincon Environmental

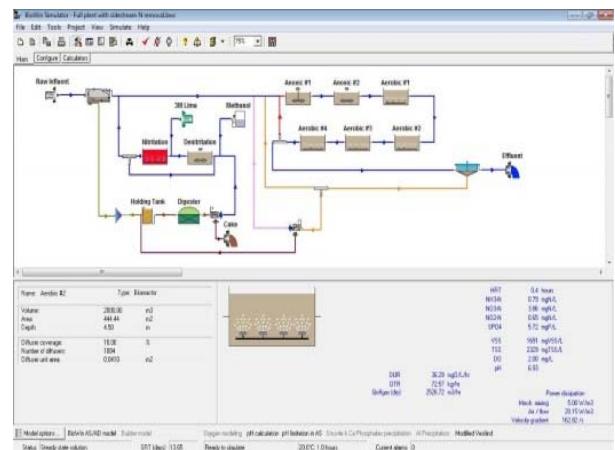


Photo: BioWin Model Screenshot

Project Name: Wastewater Treatment Plant Computer Model – BioWin Modeling

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 19-14

Status: In Study Phase

Project Description Development of a computer model to predict how changes in operations will affect water quality to inform process optimization activities aimed toward the goal of energy and cost savings.

Department: Treatment

Budget Status: Budget: \$50,000
Actual to Date: \$18,890

Reclamation Share: N/A

Other Entities: N/A

Permits Required: N/A

Challenges: N/A

Schedule:

- Study to occur in 2019

Consultants: Greeley and Hansen

Contractor: N/A



Photo: Existing Pipe (Left); New Pipe Example (Right)

Project Name: MF Feed Pipe Replacement

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-15

Status: Procurement

Project Description The existing pipe that feeds the Microfiltration membranes has failed twice in the last 5 years due to defects in the original pipe installation. The section that failed was replaced each time. When the pipe has failed in the past it took a few days to complete a repair during which time the MF system was offline. To mitigate any additional failures, it is planned to replace all the existing piping and redesign the pipe supports to reduce the physical stresses on the pipe.

Department: Reclamation

Budget Status: Budget: \$35,000
Actual to Date: \$7,847

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: Maintaining MF/RO Production during construction

Schedule:

- Design and Procurement of Materials in January of 2020
- Construction in Spring 2020

Consultants: N/A

Contractor: N/A



Photo: Example Trailer Standby Generator

Project Name: Tertiary MF/RO Standby Power

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-16

Status: Preliminary Design

Project Description The Reclamation Project facilities were not designed to include standby power to run the facility in the event of a power outage. The Reclamation Project has decided to pursue standby power using a portable trailer mounted generator.

Department: Treatment

Budget Status: Budget: \$350,000
Actual to Date: \$0

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: N/A

Schedule:

- Preliminary Design in Fall 2019
- Potential Implementation in 2020

Consultants: Beecher Engineering

Contractor: N/A



Photo: View of portion of Hatton Canyon Access Road that was repaired to allow access for construction equipment

Project Name: Hatton Canyon Road Maintenance

Project Location: Collection System

Project Manager: Lather

Project Number: 19-17

Status: Construction completed

Project Description: Grading and re-establishing drainage of roughly 1500 feet of storm damaged road uphill of the pipeline project. Cal OES provided a \$298,000 grant to complete the work.

Department: Collections

Budget Status: Budget: \$298,000
Actual to Date: \$0

Permits Required: State Parks found project to be Exempt from CEQA. State Parks will provide a construction easement.

Challenges: Completing work prior to FEMA grant deadline of 7/31/2020 & without delaying the pipe bursting project downstream.

Schedule: Design in process with accelerated bidding and construction prior to 12/1/2019.

Consultants: MNS Engineering (Design Engineer)

Contractor: Graniterock



Photo: Eastern side of Perimeter Fence

Project Name: Treatment Plant Perimeter Fence Replacement

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 19-18

Status: Permitting

Project Description: The existing fence has failed and requires replacement to provide security, protect the public from accidentally entering the facility and prevent wild animals from entering the facility. The replacement fence will be constructed in the exact same location on the treatment plant property line.

Department: Treatment

Budget Status: Budget: \$150,000
Actual to Date: \$0

Permits Required: Coastal Commission

Challenges: N/A

Schedule:

- Work to occur in Fall/Winter 2019

Contractor: TBD



Photo: Existing air diffuser system

Project Name:	WWTP – Aeration Basin Improvements, Basins 4A & 4B Project
Project Location:	Wastewater Treatment Plant
Project Manager:	Ed Waggoner
Project Number:	19-19
Status:	In 10% Vendors Research Phase
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. Another needed improvement is to prevent short circuiting of flows in the basins. The installation of one curtain baffle in each tank will eliminate the short-circuiting issue.
Department:	Treatment
Budget Status:	Budget: \$140,000 Actual to Date: \$0.00
Reclamation Share:	Estimated at 0% of project cost.
Other Entities:	CAWD/PBCSD Reclamation Project
Permits Required:	No permits as project is preventative maintenance project
Challenges:	Weather conditions and Scheduling
Schedule:	<ul style="list-style-type: none"> • Design to be completed in 2019 • Construction anticipated for Spring 2020
Consultants:	In house (Design Plant Engineer), Environetics for Baffles
Contractor:	TBD

Staff Report



TO: Board of Directors

FROM: Ed Waggoner
Operations Superintendent

SUBJECT: Monthly Report – October 2019

DATE: November 21, 2019

RECOMMENDATION

Receive Report-Informational only; no action required

DISCUSSION

Plant Operation

Treatment Plant:

- The treatment plant operations staff has continued finishing up projects before the rainy season and concentrating on Preventative Maintenance Work Orders during the month of October. Staff has been working on operational efficiency in aeration system. Currently, staff has lowered the blower from 85%+ output down to 60% blower output without any indications of effluent quality problems.
- (Project # 18-09) Secondary Clarifier #1 Plant staff is continuing the process of leveling weir system in the clarifier. Staff is awaiting the arrival of Rebuild-It Services Group to return and perform startup of the clarifier.
- (Project #18-07) Digester cleaning project plant staff has met with Synagro in preparation of cleaning of Digester #1 starting in late November 2019.

Reclamation:

- CAWD Staff continues working with H2O Innovations on the remote communication and monitoring of the Micro Filtration and Reverse Osmosis systems to the following parties; Trussell Technologies, Scinor Water America, Evoqua Water Technologies and Carmel Area Wastewater District. CAWD staff is reassessing on how to open a data portal to the above companies.
- CAWD staff performed one Clean-in-place (CIP) on Micro Filtration (MF) cells number #3 which all was routine maintenance.
- CAWD staff performed Clean-in-place (CIP) wash on Reverse Osmosis Trains A, B and C during the month.
- (Project # 18-24) Reclamation Sand Filter Integration Project CAWD is now online with some fine-tuning adjustments for chemical dosages that will be made during the month of November.
- Staff performed emergency repair on the Micro Filtration feed line to the MF tank. Staff replaced remaining sections of old line with new materials.

Training:

- Plant in-house training continues with weekly Safety meetings.
- Operations and Laboratory Staff attended the Neuro Color Personality Assessment Workshop at treatment plant on October 16.
- Mr. DeOcampo and Mr. Young attended the Fred Pryor Supervisor Training class at the Hotel Pacific in Monterey on October 28, 2019.
- Operations and Laboratory staff attended the Sexual Harassment Training at the treatment facility. Ed Waggoner, Kevin Young and Ray DeOcampo attended the Supervisory Sexual Harassment Training at the main office board room on October 31, 2019.

Capital Improvement

- Staff continues to communicate with Patrick Treanor (CAWD) on the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas; Influent Pump Station, Headworks, Blower Building, Chlor/Dechlor Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Meetings Attended

- Monterey County Water Awareness Committee meeting October 10 at Marina Coast Water District offices in Marina.
- Monterey Bay Water Works Association Board meeting at Moss Landing Cafe on October 10.
- Telephone conference call on October 18 on Micro Filtration/Reverse Osmosis Operational Support from Trussell Technologies.

Discharge Permit Violations

- No Reclamation Permit 93-72 discharge violations for the month of October 2019.
- No Violations on the NPDES (National Pollutant Discharge Elimination System) NPDES Number CA0047996, Order No. R3-2014-0012 for the month of October 2019.
- One Violation on the NPDES (National Pollutant Discharge Elimination System) NPDES Number CA0047996, Order No. R3-2014-0012 for the Semi-annual sampling of effluent discharge through the outfall. Violation of the analyte Hexachlorobenzene (HCB). The reported value result was 0.11 ug/L, the not to exceed permit level is 0.026 ug/L. See Laboratory/Environmental report for October for more detail.

FUNDING

N/A-Informational item only

Respectfully Submitted,

Edward Waggoner

STAFF REPORT



To: Board of Directors
From: Chris Foley, Maintenance Superintendent
Date: November 21, 2019
Subject: Monthly Maintenance Report – October 2019

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress

- (Project 19-10) The new 1 water filtration system is assembled and will be installed at the Chlorination/Dechlorination Building. The goal is to reverse the corrosion in the galvanized pipes to improve the water quality for emergency eyewash stations and to extend the life of the galvanized piping.
- (Project 18-05) Staff is focused on adding the new navigation template so that the remaining Supervisory Control and Data Acquisition (SCADA) screens can be migrated to the Ignition SCADA platform. The consultants performing the work include Inductive Automation and Informative Controls.

Upcoming Maintenance Projects

- (Project 18-07) Staff is preparing for the digester 1 cleaning project by installing piping components to isolate the digester and preparing the valving necessary to dewater the digester.
- (Project 18-02) The new Report Builder server has been installed and the consultant, Worksmart Automation, is in the process of configuring the database to accept the values provided by the new SCADA system. The new system will replace the soon to be obsolete Windows 7 server system.

Staff Development

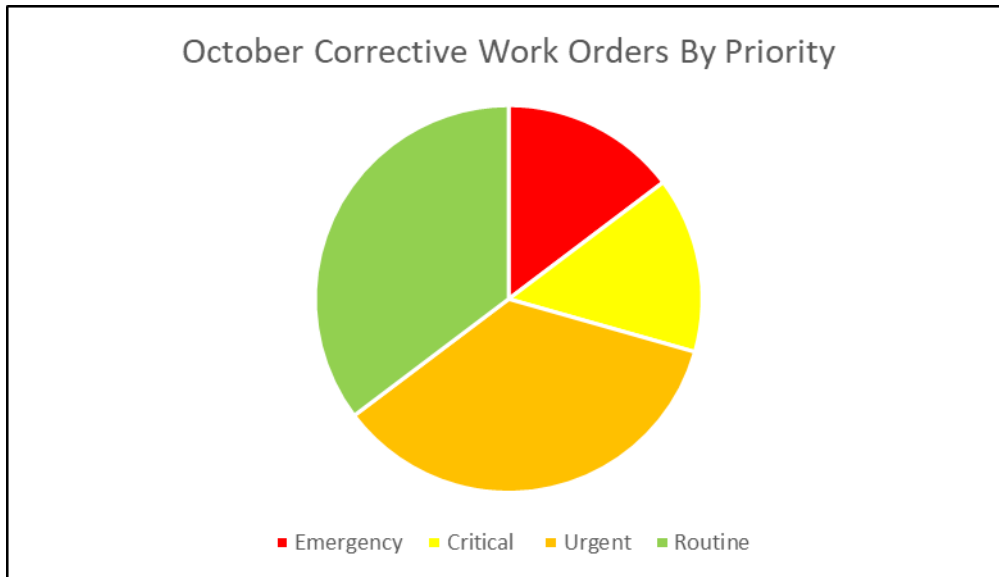
- Chris Foley attended the Annual Sewer Summit Conference on October 17th. Training was provided for emergency response and collections ordinances.

Work Order Metrics

Preventive Maintenance

Total Work Orders Generated	117
Total Work Orders Closed/Done	50
Total Work Orders Still Open	67
Percentage of Work Orders Completed	42.74%

Corrective Maintenance



Emergency	5
Critical	5
Urgent	12
Routine	12

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: November 21, 2019
Subject: General Engineering

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

This report is provided to update the Board on current engineering activities.

General Engineering

The Principal Engineer attended the CALAFCO conference as a LAFCO Commissioner for Santa Cruz County between October 30 and November 1, 2019. She attended workshops and networked with LAFCO staff from Monterey County and other counties. The following summarizes her experience at the conference:

- Learned about the issues with Septiva Water in Southern California and how true corruption was investigated. The customers were being delivered water that was contaminated and brown colored. For decades the service charges were being pocketed by the BOD and the GM with no money going to treatment costs and upgrades. In the interim, LAFCO worked with the County to straighten the situation out and they are preparing to have the water agency run by a private company or public utility.
- Took LAFCO 101 to better understand the basics of the process and legal framework. Learned about the authority and purpose of LAFCO, the review process, laws and cases that are relevant to LAFCO decisions, and about updating Sphere's of Influence and Municipal Service Reviews. Municipal Service reviews are intended to shed light on issues of agencies.
- Attended the Coastal Region Roundtable and met Commissioners from Monterey County. Discussed various issues pertinent to the Coastal Region of California.

- Attended the session titled “Water, Water Everywhere but not a Drop to Drink”. Learned that there are 7,500 public water systems in the State and 90% of the violations of the drinking water requirements are from systems with less than 500 connections. The Waterboard is reluctant to accept any more small systems and prefer consolidation and partnerships with other water purveyors.
- Attended the session titled “Housing is a municipal Service”. With housing shortages for median and low-income workers, there’s a push to annex more areas and provide water and sewer services to them. The pros and cons of this dilemma were discussed. Central California and Southern California have different issues from Coastal Communities where we are trying to preserve the agricultural land.

On October 30, 2019 the Principal Engineer attended the California Water and Environment Association’s (CWEA) Northern Regional Committee meeting and is the current secretary for the committee.

The Principal Engineer continues to work on projects related to the 2019 Mass Annexation, including Carmel Manor and Corona Road. As part of the environmental review process, CAWD has contacted nine Native American associations regarding any issues with the annexation. Ms. Ann Marie Sayers of the Indian Canyon Mutsun Band of Costanoan has indicated that there are concerns about earthwork in the area of the Corona Road project. We have requested her direction regarding any mitigations that will need to be included in the environmental documents.

SRT Consultants (SRT) is completing a draft of Task 2 of the due diligence engineering study of September Ranch water system which includes an estimate of probable cost of owning and operating the water system. Clear Peak Group has requested that CAWD staff meet with them in the near future so they can give us an update of the status of the water system approval from the State Waterboard. We have received and reviewed the preliminary sewer system design by Whitson Engineering and are continuing to request that the number of sewer pump stations be reduced. There are two proposed pump stations with less than five homes connected to each.

Graniterock commenced construction of the Hatton Canyon Access Road grading project on October 28, 2019. During the pre-construction meetings CAWD, State Parks, MNS Engineers, and Graniterock staff agreed that additional fill was needed to be brought to the site in order to raise the road levels to their original elevation. It was agreed that fill could be trucked from excess soil piles at our treatment plant on a Time and Materials cost basis. An additional six truckloads of soil was obtained from fill piles at Rio Park. During placement of the fill along the access road, State Parks

requested that an additional 500 feet of V-ditch be added to the project in order to provide better drainage controls and a rolling dip was deleted. With the changes, we anticipate the total project costs to still be within the grant amount of \$297,918.80.

A draft of the Sewer System Management Plan Audit has been circulated for review. Once CAWD staff have provided comments, Mr. Causey will finalize the audit and update the Sewer System Management Plan.

Collections

Monterey Peninsula Engineering (MPE) has completed construction of the Monte Verde Sewer Replacement project.

FUNDING

N/A- Informational item only

STAFF REPORT

To: Board of Directors
From: Barbara Buikema, General Manager
Date: November 21, 2019
Subject: Reclamation Audit 06-30-19



RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving the CAWD/PBCSD Reclamation Project Audit 06-30-19.

DISCUSSION

The CAWD/PBCSD Reclamation Project Audit 06-30-19 was approved at the Reclamation Management Committee (RMC) at its November 6, 2019 meeting. A copy of the Project Audit is attached.

Items approved by the RMC are brought to CAWD or PBCSD Board, as appropriate, for approval and any applicable resolution.

FUNDING

All Reclamation Project funding is covered by the Project or by the Pebble Beach Company and Independent Reclaimed Water Users Group, as project guarantors.

CAWD/PBCSD RECLAMATION PROJECT

*an Enterprise Fund of the
Monterey Peninsula Water Management District*

**Annual Financial Report
June 30, 2019**

CAWD/PBCSD RECLAMATION PROJECT

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Members
CAWD/PBCSD Reclamation Project
Carmel, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the CAWD/PBCSD Reclamation Project, Carmel, California, an enterprise fund of the Monterey Peninsula Water Management District (the Project) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from the Project's 2018 financial statements and, in our report dated September 13, 2018, we expressed an unqualified opinion on the financial statements of the business-type activities.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based upon our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors and Members
CAWD/PBCSD Reclamation Project
Carmel, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the CAWD/PBCSD Reclamation Project, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CAWD/PBCSD Reclamation Project's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Marcello & Company

Certified Public Accountants
Sacramento, California
August 30, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

***As Prepared by Management
(unaudited)***

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019

The following discussion and analysis are supplementary information required by the Governmental Accounting Standards Board (GASB) and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements of the CAWD/PBCSD Reclamation Project (the Project) for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with our financial statements, which follow this narrative.

Financial Highlights

Key financial highlights for 2018-19 are as follows:

- Operating revenue decreased 0.5% over the prior year due to a decrease in water sales.
- Total amount of water sold was 13.4% lower than in fiscal year 2017-18. Last year total water sales included 1,032-acre feet (AF) of reclaimed water. That figure contrasts with 894 AF of reclaimed water for the current year. There was a purchase of 15.37 AF of potable water in October 2018. The operating component of water sales decreased 19.1%. The non-operating or capital component of the rates increased 17.2%.
- Net Non-operating expenses decreased 27.7% over the prior year due primarily to a decrease in abandoned well costs of 81.6% and secondarily to a decrease in letter of credit costs of 18.8%. There was a smaller decrease in Monterey Peninsula Water Management fee of 7.9% over the prior year.
- Long-term obligations include the bonds issued in 1992 that mature in 2022 with current year principal due of \$2.1M and interest due of \$129,980. The Project has been able to take advantage of lower interest rates over the last several years – although rates have crept up slightly to 1.6% at fiscal year-end compared with 1.4% in 2018.
- Total operating expenses were 26.5% higher than the prior year as follows:
 - Plant operating revenues were 0.5% lower than in 2018 primarily due to the decrease of 138 AF of reclaimed water sold and the purchase of 15.37 AF of potable water.
 - Plant operating expenses were 22.3% higher than in fiscal year 2017-18 but 7.7% below budget. There were multiple reasons for the increase, briefly:
 - Safety Officer salary was allocated to Reclamation Project duties for the first time. In the prior year all costs were to CAWD even when the work was specifically Reclamation Project.
 - There was a 102.9% increase in maintenance costs over the prior year as multiple areas of the Project were addressed: valve rehab, Mixed Liquor System reinstated, Potassium Hydroxide chemical leak, and a focus on preventative maintenance and reducing call outs.
 - The purchase of replacement membrane filters was 14.8% under budget
 - Tariffs had an impact on purchasing for both chemicals and equipment
 - Replacement of electrical control panel, obsolete analyzers, inventory purchases, and the initial work to address sound complaints all combined to cause operating supplies to increase 159.3% over prior year and exceed budget by 7.7%.
 - Distribution costs were 12.1% below budget and 28.6% higher than prior year 2017-18. Pebble Beach Community Services District (PBCSD) administrative and engineering salaries were over budget 11.7% while staff salaries were under budget 14.9%. Compared to prior year, admin salaries were 24.1% greater and staff salaries 6.6% lower. Utilities were 18.4% under budget, and Other O&M expenses 28.3% under budget.

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019

- Pebble Beach Company and Independent Golf Club Users liaison expenses were 1.2% over budget and 3.6% greater than prior year.
- Carmel Area Wastewater District (CAWD) administrative salaries and other expenses were 28.9% over budget and 25.9% greater than prior year. Engineer salaries were 353.7% over budget and Sea Level Rise expenditures were not budgeted for – an agreement was arrived at in April 2019 whereby Sea Level Rise costs were shared between CAWD, PBCSD, and the Project at 20%.
- CAWD operating expenses were 25.97% greater than prior year due largely to expenses related to sea level rise negotiations with the California Coastal Commission and engineering salaries. Monterey Peninsula Water Management District (MPWMD) general and administrative costs were 2.5% higher than prior year.

Using this Financial Report

This annual report consists of three parts: management's discussion and analysis (*this section*), the basic financial statements, and notes to the financial statements. This discussion and analysis are intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements consist of three components:

- The *Statements of Net Position* present information on all of the Project's assets and liabilities, with the difference between the two reported as net position.
- The *Statements of Revenue, Expenses and Changes in Net Position* present information showing how the Project's net position changed during the two most recent fiscal years.
- The *Statements of Cash Flows* present information showing how the Project's cash changed during the two most recent fiscal years. It shows the sources and uses of cash.

The financial statements also include *Notes* that explain some of the information in the financial statements and provide more detailed information. They are followed by a section of *Supplementary Information* that further explains and supports information in the financial statements.

Financial Analysis

The "Amended and Restated Construction & Operation Agreement" became effective July 1, 2013. Revenue derived from recycled water on and after that date, including all costs necessary to recover operating capital, reserve, financing, and other costs of the Project became the responsibility Pebble Beach Company, the Independent Reclaimed Water Users Group and Robert Louis Stevenson School. IRWUG refers to the unincorporated association of the owners of Cypress Point Golf Club, Northern California Golf Association, and the Monterey Peninsula County Club. The amended agreement permits IRWUG to take a full voting seat on the Project's Reclamation Management Committee.

As part of the negotiations, the Independent Reclaimed Water Users Group (IRWUG) agreed to pay the amounts necessary to recover all operating, capital, reserves, financing, and other costs of the Project during each fiscal year. As in the past this includes all operation and maintenance expenses, the capital reserve fund, and bond carrying costs. New costs include all principal installments on the Certificates of Participation (COP), all interest payments on the COP, an amount equal to the Bond Carrying Cost Annual Amortization Amount, and the cost of IRWUG and Pebble Beach Company Project representatives. Because California American Water Company (CalAm) potable water increases are projected well into the future and the value of water on the Monterey Peninsula in general as a scarce resource; the IRWUG users became full partners in the Project on the assumption that they would be better off if the price of water was "delinked" from CalAm

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019

rates. The operating and capital costs are calculated each year as part of the annual budget process and allocated by usage formula to each of the users.

Current assets increased 0.3% along with a similarly insignificant increase in Restricted Cash of 1.7%. There was a decrease in Golf Course Receivables of 12.3% over the prior year attributable to lower water sales. The Project does not provide an allowance for doubtful accounts because all receivables are collected within sixty days of each fiscal year end.

Current liabilities increased 29.3% from the prior year. Trade payables increased significantly by 88.1% but the increase is viewed as both a timing and cash flow issue. Lower water sales have resulted in less cash available. Affiliates payables, or payables between Project partners, also decreased 7.5%. Bond debt service decreased 23.5% as per the bond maturity schedule.

Operating expenses in 2018-19 increased 26.5% compared to the prior year. While there were changes in multiple expense categories, the most significant were: Microfilter membrane filters \$189K compared to \$0 in prior year; Chemical costs increased \$23K over prior year, R&M Distribution lines increased \$29K, Source Water/Dry Weather Diversion increased \$70K, and Potable water from CalAm increased \$83K from prior year.

CAWD completed Phase I of its WWTP Rehab thereby decreasing Construction-in-Process by 15.7%. The Project started Reclamation Storage Facilities improvement and plans to complete it in 2019-20.

The Project has incurred a financial deficit from inception due primarily to the cost of debt service and carrying costs on the Certificates of Participation and construction cost for the Project's expansion. With the implementation of the "Amended and Restated Construction & Operation Agreement" the intent was to budget annually for a break-even position. The budgeted cost of operations, capital, and debt service are all incorporated into the water sales rate structure.

Financial Analysis of the Project (Condensed comparative data)

A summary of Net Position is presented below:

	2019	%	2018	%	2017
		Change		Change	
Net Assets					
Current Assets	\$ 2,826,842	0.3%	\$ 2,819,323	7.4%	\$ 2,625,419
Restricted Cash	1,164	1.7%	1,144	0.7%	1,136
Water Rights (net of amortization)	38,946,365	0.4%	38,789,024	-3.0%	40,005,115
Construction-in-Progress	1,444,970	-15.7%	1,714,573	17.3%	1,461,633
	<u>43,219,341</u>	-0.2%	<u>43,324,064</u>	-1.7%	<u>44,093,303</u>
Liabilities					
Current Liabilities	4,692,777	29.2%	3,630,872	-7.1%	3,909,844
Long-term debt	9,156,000	-23.8%	12,008,000	-18.1%	14,660,000
	<u>13,848,777</u>	-11.4%	<u>15,638,872</u>	-15.8%	<u>18,569,844</u>
Net Position	<u>\$ 29,370,564</u>	6.1%	<u>\$ 27,685,192</u>	8.5%	<u>\$ 25,523,459</u>

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019**

Capital Assets

The MF/RO facility constructed at the Carmel Area Wastewater District's plant site was completed in June 2009. Preliminary engineering study on this project was started in 2000. Over the ensuing nine years there were multiple engineering and regulatory hurdles, but the facility was finally put into service in 2008 and construction was completed the following year.

Significant asset additions in 2018-19 were as follows:

• WWTP Phase I Hypochlorite/SBS	\$1,193,101
• WWTP Phase I Thickener	\$ 482,783
• PLC Updating Equipment	\$ 84,170

The Phase I Rehabilitation Project at the CAWD facility was initiated in 2015 and completed in 2018. The CAWD/PBCSD Reclamation Project was responsible for 50% of the improvements made to the Dissolved Air Thickener (DAFT) and 40% of the Hypochlorite/Sodium Bisulfite project. The cost share is based on the percentage of this rehab project that benefits the Project and that CAWD would not otherwise have pursued.

The DAFT project entailed rehabilitation of the existing thickener by replacing the launder and drive motor and replacing the recirculation pump with a Nikuni pump, removing the air compressor and mixing tank, and construction of flood proofing measures for the new equipment. An automated control system minimizes operator requirements and provides the ability to monitor operations from the SCADA system. All filter backwash from Reclamation is mixed and processed through the DAFT resulting in higher solids removal than previously.

The Hypochlorite/Sodium Bisulfite project was to move the CAWD and the Project away from chlorine gas to liquid sodium hypochlorite as a disinfection system. The de-chlorination system involves the use of Sodium bisulfite downstream of the chlorine contact channel. This project involved construction of a double containment pad to provide both a safer disinfection method, redundant storage tank, and increased reliability of the de-chlorination system.

The Project does not own the capital equipment it uses; it is owned by the public agencies that manage and operate the Project. For this reason, the value earned for the capital expenditures incurred is reflected on the Project books as water resale rights, an intangible capital asset.

The value of capital assets owned by each entity involved in the Project at year end was as follows:

	2019	2018	2017
Carmel Area Wastewater District	\$39,277,349	\$37,456,774	\$37,136,487
Pebble Beach Community Services District	24,909,369	24,909,369	24,828,026
MPWMD	29,056	29,056	29,056
Open Space Users	1,459,777	1,459,777	1,459,777
Cal-Am	853,727	853,727	853,727
	<u>\$66,529,278</u>	<u>\$64,708,703</u>	<u>\$64,307,073</u>

Long-Term Debt

The "Variable Rate Demand Certificates of Participation-Wastewater Reclamation Project Series 1992 Bonds" were issued in the amount of \$33,900,000 to finance the construction of the Project's reclamation facilities. As agreed to in the "Amended and Restated Construction & Operation Agreement" effective July 1, 2013, annual principal and interest payments, and bond carrying costs, became a part of the annual charge to be recovered from all recycled water buyers during each fiscal year. The Pebble Beach Company remains the

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019

fiscal guarantor to the COP debt. The current variable interest rate continues to creep upwards but remains relatively low and has been a boon to the Project, with interest paid during 2018-19 totaling \$129,980 as compared to the original projected interest expense of \$357,700.

A summary of Changes in Net Position is presented as follows:

	2019	%	2018	%	2017
		Change		Change	
Changes in Net Position					
Operating Revenue	\$ 6,299,411	-0.5%	\$ 6,328,302	11.8%	\$ 5,661,358
Operating Expenses	(2,584,235)	26.6%	(2,041,565)	-0.6%	(2,053,626)
Amortization Expense	<u>(1,663,234)</u>	2.8%	<u>(1,617,720)</u>	0.6%	<u>(1,607,679)</u>
Operating income (loss)	2,051,942	-23.1%	2,669,017	33.4%	2,000,053
Interest revenue	42,855	-918.5%	(5,236)	-257.4%	3,326
Non-operating expenses	(391,183)	-6.6%	(418,982)	15.4%	(363,197)
Non-operating revenue/(expenses)	(275)	-116.2%	1,698	2672.7%	(66)
Other expenses	<u>(17,968)</u>	-78.8%	<u>(84,764)</u>	n/a	-
Non-operating income (loss)	<u>(366,571)</u>	-27.7%	<u>(507,284)</u>	40.9%	<u>(359,937)</u>
Changes in Net Position	1,685,371	-22.0%	2,161,733	31.8%	1,640,116
Net position, beginning	<u>27,685,192</u>	8.5%	<u>25,523,459</u>	6.9%	<u>23,883,34</u>
Net position, ending	<u>\$ 29,370,563</u>	6.1%	<u>\$ 27,685,192</u>	8.5%	<u>\$ 25,523,459</u>

Budget Highlights/Variances

An annual budget is adopted by the Reclamation Management Committee (RMC) for management purposes. Budget information is reported to the RMC and adjustments to the budget may only be made by resolution of the RMC.

During fiscal year ended June 30, 2019 the following budget variances were noted:

- Water sales were under budget 10.7%. Budgeted reclaimed water sales were 1,000 AF while actual sales were 894 AF.
- Net investment earnings were 1350.9% greater than the prior year and 32.2% over budget.
- CAWD plant operating expenses were 7.7% under budget due in large measure to lower utility costs, lower chemical costs, and lower contractual expenditures.

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2019

- PBCSD distribution costs were 12.1% under budget due to lower than anticipated insurance expense, field salaries, and source water/dry weather diversion expense.
- CAWD general & administrative expenses were 28.9% over budget. MPWMD was 4.17% over budget. Pebble Beach Co. was 1.2% over budget.
- Total Non-Operating Income and Expenses were 0.8% under budget.

Other Significant Matters

Securing an adequate water supply continues to be the single biggest challenge facing the future. The Project has continued efforts to explore opportunities for new water supplies – primarily by drilling wells in Del Monte Forest and exploring stormwater diversion to the treatment facility. At the treatment plant we continue efforts to increase recovery.

Requests for Information

This financial report is designed to provide an overview of the Project's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to James Grover, Principal Accountant, at Carmel Area Wastewater District, P.O. Box 221428, Carmel, CA 93922, telephone (831) 624-1248, or email grover@cawd.org.

FINANCIAL STATEMENTS

CAWD/PBCSD RECLAMATION PROJECT
Statements of Net Position
June 30, 2019 and 2018

		<i>for comparative purposes only</i>
ASSETS	2019	2018
Current Assets		
Cash and investments (note 3)	\$ 1,523,096	\$ 1,337,570
Accounts receivable - water sales (note 4)	1,289,095	1,470,587
Accounts receivable - other	14,651	11,166
Total current assets	2,826,842	2,819,323
Capital Assets		
Water resale rights, net of amortization (note 5)	38,946,365	38,789,024
Construction-in-progress	1,444,970	1,714,573
Total capital assets	40,391,335	40,503,597
Cash Restricted for		
Debt service	1,164	1,144
Total assets	\$ 43,219,341	\$ 43,324,064
 LIABILITIES		
Current Liabilities		
Accounts payable - trade (note 6)	\$ 133,693	\$ 32,505
Accounts payable - affiliates (note 6)	1,707,085	946,367
Bond payable - current portion (note 7)	2,300,000	2,100,000
Due Pebble Beach Company - current portion (note 7)	552,000	552,000
Total current liabilities	4,692,778	3,630,872
Noncurrent Liabilities		
Bond payable (note 7)	7,500,000	9,800,000
Due Pebble Beach Company (note 7)	1,656,000	2,208,000
Total noncurrent liabilities	9,156,000	12,008,000
Total liabilities	13,848,778	15,638,872
 NET POSITION		
Net investment in capital assets	30,591,335	28,603,598
Restricted for debt service	1,164	1,144
Unrestricted	(1,221,936)	(919,550)
Total net position (page 27)	29,370,563	27,685,192
Total liabilities and net position	\$ 43,219,341	\$ 43,324,064

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT
Statements of Revenue, Expenses, and Change in Net Position
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<i>for comparative purposes only</i> <u>2018</u>
Operating Revenue		
Water sales	\$ 2,487,590	\$ 3,075,040
Fixed cost charge	<u>3,811,821</u>	<u>3,253,262</u>
Total	6,299,411	6,328,302
 Operating Expenses		
Plant operating costs	1,856,255	1,517,859
Distribution costs	439,277	341,498
General and administrative	198,948	175,614
Potable water purchases	89,754	6,594
Amortization (note 5)	<u>1,663,234</u>	<u>1,617,720</u>
Total operating expenses	<u>4,247,468</u>	<u>3,659,285</u>
 Operating income (loss)	<u>2,051,943</u>	<u>2,669,017</u>
 Nonoperating Revenue (Expenses)		
Bond and LC carrying costs	(121,132)	(149,290)
Interest expense - PBCo	(62,895)	(56,567)
Interest expense - Bonds	(129,980)	(129,309)
Investment earnings (loss)	42,855	(5,236)
MPWMD user fee	(77,176)	(83,816)
Abandoned well costs	(15,593)	(84,764)
Other revenue (expenses)	<u>(2,651)</u>	<u>1,698</u>
Total nonoperating revenue (expenses)	<u>(366,572)</u>	<u>(507,284)</u>
 Change in Net Position	1,685,371	2,161,733
 Net Position - beginning	<u>27,685,192</u>	<u>25,523,459</u>
Net Position - end of year	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</u>

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

Cash Flows Provided By (Used For):	<u>2019</u>	<u>2018</u>
		<i>for comparative purposes only</i>
Operating Activities		
Cash received from customers	\$ 6,477,418	\$ 5,890,890
Cash payments for operating expenses	(1,722,328)	(2,420,538)
Net cash provided (used)	<u>4,755,090</u>	<u>3,470,352</u>
Noncapital Financing Activities		
Other cash receipts (expenses)	(2,651)	1,699
Net cash provided (used)	<u>(2,651)</u>	<u>1,699</u>
Capital and Related Financing Activities		
Principal paid on bond debt	(2,100,000)	(2,000,000)
Principal paid on PBCo debt	(552,000)	(552,000)
Interest expense	(192,875)	(185,876)
Bond carrying costs	(121,132)	(149,290)
Additions to Water Resale Rights	(1,550,972)	(654,569)
Abandoned well costs	(15,593)	(84,764)
MPWMD user fee	(77,176)	(83,816)
Net cash provided (used)	<u>(4,609,748)</u>	<u>(3,710,315)</u>
Investing Activities		
Investment earnings (losses)	42,855	(5,236)
Net cash provided (used)	<u>42,855</u>	<u>(5,236)</u>
Increase (decrease) in cash	185,546	(243,500)
Cash and investments - beginning	1,338,714	1,582,214
Cash and investments - end of year	<u>\$ 1,524,260</u>	<u>\$ 1,338,714</u>
Cash on the Statement of Net Assets consists of:		
Cash and investments	\$ 1,523,096	\$ 1,337,570
Restricted cash	1,164	1,144
Total	<u>\$ 1,524,260</u>	<u>\$ 1,338,714</u>
Operating Activities Analysis		
Operating Income (Loss)	\$ 2,051,943	\$ 2,669,017
Reconciliation Adjustments:		
Add amortization, a noncash expense	1,663,234	1,617,720
(Increase) decrease in receivables	178,007	(437,412)
Increase (decrease) in payables	861,906	(378,973)
Net cash provided (used)	<u>\$ 4,755,090</u>	<u>\$ 3,470,352</u>

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Project as follows:

Note 1 - Defining the Reporting Entity

Note 2 - Summary of Significant Accounting Policies

Note 3 - Cash and Investments

Note 4 - Receivables

Note 5 - Capital Assets

Note 6 - Payables

Note 7 - Long-term Obligations

Note 8 - Risk Management

Note 9 - Subsequent Events

Note 10 - New Pronouncements

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Note 1 - Defining the Reporting Entity

Reporting Entity

The CAWD/PBCSD Reclamation Project (the Project) is a cooperative effort involving the Carmel Area Wastewater District (CAWD), the Pebble Beach Community Services District (PBCSD), the Monterey Peninsula Water Management District (MPWMD), and the Pebble Beach Company (PBCo). This cooperative effort did not create a new or separate legal entity. The Project is a proprietary (enterprise) fund of the Monterey Peninsula Water Management District, the issuer of the Certificates of Participation which financed the Project's first construction project.

The Project provides treated wastewater to irrigate golf courses and open space areas in the Pebble Beach community, which freed up potable water previously used for irrigation. The original Project involved the construction of a new tertiary treatment plant and laboratory facilities located on the site of the existing CAWD secondary wastewater treatment plant, the construction of a new reclaimed distribution system, including a 2.5 million gallon storage tank, and irrigation system improvements. Construction of the original Project began in January 1993 and was completed in October 1994. The tertiary treatment plant produces water which meets Title 22 standards specified by the California Department of Health Services, which is a quality acceptable for human contact.

The Project's assets are owned principally by CAWD and PBCSD, and consist primarily of the following:

- Assets owned by CAWD: (1) a tertiary treatment plant, (2) secondary process improvements, (3) laboratory facilities, (4) a reclaimed water pump station, (5) related computer equipment, and (6) a small portion of the reclaimed water pipeline.
- Assets owned by PBCSD: (1) approximately seven miles of reclaimed water distribution system pipeline, (2) the Forest Lake Reservoir, (3) a 2.5 million gallon storage tank, and (4) a potable water pump station.

The original Project was financed by Certificates of Participation (COP), which were executed and delivered at the direction of MPWMD in December 1992 in the amount of \$33,900,000. MPWMD provided the funds necessary to construct and operate the Project and then obtained ownership of the reclaimed water for the purpose of resale. PBCo guaranteed payment of construction costs of the Project as well as any operating deficiencies. The debt obligations incurred by MPWMD to finance the project constitute limited obligations of MPWMD, payable solely from the net operating revenue generated by the sale of reclaimed water produced by the Project and, if such reclaimed water revenue is insufficient, from payments on a Bond Letter of Credit provided by Wells Fargo Bank (the credit bank) through a reimbursement agreement between PBCo and the credit bank. PBCo pays the letter of credit fees, as well as principal and interest payments on debt obligations as needed, as a subsidy to the Project, with reimbursement as cash flow permits.

The activities of the Project are overseen by a six member management committee containing two representatives from the CAWD board, two from the PBCSD board, one from the PBCo, and one from the Independent Reclaimed Water Users Group (IRWUG). Since the Project does not own the wastewater reclamation capital assets, the value earned for the capital expenditures incurred is reflected on the books of the Project as water resale rights, an intangible amortizable capital asset.

Subsequent to the completion of the original facilities, the Project has been expanded to increase the quantity and quality of reclaimed water. The expanded project utilizes Forest Lake Reservoir located in Pebble Beach which provides 115 million gallons of storage capacity. The Reservoir is filled with reclaimed water during winter months when there is excess production at the treatment plant. The stored water is used during summer months when the daily irrigation demand exceeds treatment plant production capacity. PBCSD purchased the Reservoir from the California-American Water Company in 1998 and rehabilitated it to meet State Water Resources Division of Safety of Dams requirements. The rehabilitated construction of the Reservoir was completed in March 2006. The construction costs of approximately \$13 million were financed

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

by the sale of Pebble Beach Company water entitlements.

The Microfiltration/Reverse Osmosis (MF/RO) phase of the project (phase II), located at the CAWD treatment plant site, began design in 2006 and construction was completed in 2009. The intent of the MF/RO phase is to reduce the sodium content of the tertiary reclaimed water from 150 mg/l to less than 55 mg/l, to reduce the stress on the golf greens and eliminate the need for flushing the courses with potable water. The design capacity for the MF/RO is 1.5 million gallons with an expected blend of 80% RO water and 20% MF water. The cost of the MF/RO construction project was approximately \$20 million. The cost of the phase II project was financed through the sale of water entitlements owned by PBCo to residential property owners within the Pebble Beach community, currently at \$250,000 per acre foot, which is subject to change. At year end approximately \$29 million had been raised through these entitlement sales and investment earnings. The funds from the sales were deposited in a restricted escrow account where they were invested in short-term federal government securities before being spent for the Expanded Project. All project costs in excess of those raised through the sale of water entitlements are now paid by all participants in the Project.

The following is a brief description of each of the participants involved in the Project:

Carmel Area Wastewater District - CAWD (formerly the Carmel Sanitary District), was formed in 1908 to service the community of Carmel-by-the-Sea, is one of the oldest sanitary districts in the State. In 1934, CAWD was reorganized under the Health and Safety Code Sanitary District Act of 1923. In 1939 work began on the construction of a primary treatment plant. The primary treatment plant was built at the site of the current Wastewater Treatment Facility and had a design capacity of 0.8 million gallons per day (MGD). The primary treatment plant was the first sewage treatment plant on the Monterey Peninsula. Current permit capacity is 3.0 MGD. CAWD also provides treatment and disposal services to PBCSD, which owns one-third of the "capacity" of CAWD's treatment facility. CAWD is an independent government entity operating under authority of the Health and Safety Code of the State of California, and is governed by its own five member Board of Directors who are elected for terms of four years each.

Pebble Beach Community Services District - PBCSD provides wastewater collection and treatment; fire protection and emergency medical; supplemental law enforcement; garbage and recycling collection; reclaimed water distribution services; and undergrounding of overhead utilities within the Pebble Beach Community. It was organized on July 1, 1982 under the Community Service District Act (Section 61000 et seq. Government Code). PBCSD is governed by a five member Board of Directors who are elected at large for a four year term and who must be residents of the District. PBCSD owns and operates its wastewater collection system and contracts with CAWD for wastewater treatment and disposal. The District provides fire protection and emergency medical services through a contract with California Department of Forestry and Fire Protection (Cal Fire), supplemental law enforcement services through a contract with California Highway Patrol, and garbage and recycling collection services through a contract with GreenWaste Recovery Inc.

Monterey Peninsula Water Management District - MPWMD is a special district created by the Monterey Peninsula Water Management District Act, Statutes of 1977, Chapter 527, to provide regional water supply planning within a 170 square mile area consisting primarily of the Monterey Peninsula and Carmel Valley, California. Within MPWMD's boundaries are the incorporated cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City and Seaside, in addition to portions of unincorporated Monterey County. The District is empowered to manage and regulate the use, reuse, reclamation, conservation, storage, distribution, treatment, and disposal of water and wastewater within its jurisdiction. MPWMD is governed by a seven member Board of Directors, five elected at large and two appointed. The District's revenue is derived from property taxes, user fees, and connection charges.

The District's stated goals and objectives are to: (1) augment the water supply, (2) prevent degradation of resources, (3) optimize the production capability of present resources, (4) manage water demand, (5) promote water reclamation, and (6) promote water conservation and education regarding water issues. All

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

tertiary treated water produced by the Project is owned by MPWMD.

Pebble Beach Company - Lone Cypress Company LLC, a Delaware limited liability company (the Company or Lone Cypress) and its two wholly owned subsidiaries, Cypress I LLC and Cypress II LLC (Cypress I and Cypress II are the general partners), were formed in June 1999 for the purpose of acquiring the partnership interest in the Pebble Beach Company (PBCo) on July 30, 1999, the date of acquisition. Substantially all the operations are conducted through PBCo, a California general partnership. PBCo generates the majority of its revenue through the ownership and operation of resort hotels, four golf courses, a full service spa, restaurants, retail outlets, a beach and tennis club, an athletic club, certain properties leased to others, and the scenic route known as 17-Mile Drive. In addition, PBCo owns land held for development of residential and commercial real estate.

Independent Reclaimed Water Users Group - IRWUG represents and includes Cypress Point Golf Course, Poppy Hills Golf Course, and the Monterey Peninsula Country Club.

Note 2 - Summary of Significant Accounting Policies

Accounting Policies - The accounting policies of the Project conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) as applicable to governments. The Project is organized as a fund and its financial statements are prepared under the principles of fund accounting. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts which carry an activity's assets, liabilities, equity, revenue and expenses. The Project is an enterprise (proprietary) fund of MPWMD.

Other significant accounting policies are:

Basis of accounting - As a proprietary fund, the Project utilizes the accrual basis of accounting. Under this method, revenue is recognized in the accounting period in which it is earned, and expenses are recognized in the accounting period in which the liability is incurred. Operating revenue comes from sales of reclaimed water. When both restricted and unrestricted resources are available for use, the Project uses restricted resources first, then unrestricted resources. The Project distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from producing and delivering reclaimed water. Operating expenses include the cost of sales, general and administrative expenses, and amortization of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Cash and Cash Equivalents - The Project considers all highly liquid assets purchased with an original term to maturity of ninety days or less to be cash equivalents. Cash and cash equivalents are reported as "cash and investments" on the financial statement.

Restricted Assets - Certain cash accounts of the Project are classified as restricted because their uses are limited by commitments made by the Project to the purchasers of its Certificates of Participation (bonds). Construction project cash is the escrowed account for receipt of water entitlement sales by PBCo, who is entitled to reimbursements for its cash advances for phase II construction costs.

Accounts Receivable - Accounts receivable are accounted for using the allowance method. The allowance for doubtful accounts was \$-0- at year end.

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Capitalization of Construction Period Interest - Construction period interest paid on the Certificates of Participation have been capitalized into the value of the Water Resale Rights, net of interest earned on the Certificates proceeds.

Amortization - The water resale rights are amortized using the straight line method over the expected useful life of the reclamation plant, which is forty years, in accordance with Statement of Financial Accounting Standards Number 142, which specifies that an intangible asset shall be amortized over its useful life, unless that life is determined to be indefinite.

Net Position - In the Statement of Net Position, the Project's net position is classified in the following categories:

Net Investment in Capital Assets - this category groups all capital assets reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted - this category presents external restrictions imposed by creditors, grantors, contributors, or government laws or regulations.

Unrestricted - this category represents net position that is not restricted for any project or purpose.

Income Taxes - The Project is an enterprise fund of the Monterey Peninsula Water Management District, a special district, and is exempt from federal and state income taxes.

Use of Estimates - Preparing the Project's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating and Nonoperating Revenue - Operating revenue consist of revenue that results from the sale of treated wastewater. When an expense is incurred for purposes for which there are both restricted and unrestricted cash assets available, it is the Project's policy to apply those expenses to restricted cash to the extent such are available and then to unrestricted cash. Nonoperating revenue results from non-exchange transactions, ancillary activities or subsidies, and investment earnings.

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Note 3 - Cash and Investments

Cash and investments are comprised of the following:

Deposits with financial institutions:	
Money market accounts	\$ 187,727
Checking accounts	646,732
Monterey County Investment Pool	1,679
Investment in Municipal Bonds	15,534
Certificates of Deposit	672,588
	\$ 1,524,260

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 1,523,096
Restricted cash and investments	1,164
Cash and investments	\$ 1,524,260

Investments Authorized by the Project's Investment Policy

The Project does not have a specific investment policy, therefore it is required to follow the guidelines of California Code Section 53900, et. seq.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Project's investments to market interest rate fluctuations is provided by the following table that shows the maturity date and yield of each investment:

Monterey County Investment Pool	\$ 1,679	due on demand, maturity, 2.4% yield
Investment in Municipal Bonds	15,534	39 months average maturity, 3.0% yield
Investment in Certificates of Deposit	672,588	51 months average maturity, 2.6% yield
Money Market funds	187,727	due on demand, yield 0.25%

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Pool does not have a rating provided by a nationally recognized statistical rating organization.

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Project deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits." At year end the Project had \$1,068,633 in financial institutions that were not covered by FDIC, but were covered by collateralized securities of the financial institutions where the deposits were maintained.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk

The investment policy of the Project contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Investment in County Investment Pool

The Project is a voluntary participant in the Monterey County Investment Pool. Funds in the Pool essentially operate as demand deposit accounts. Available cash balances are controlled and invested by the County Treasurer in pooled investment funds in order to provide safety, liquidity and investment returns for all funds. Interest earnings from these funds are credited to the Project's account on a quarterly basis. The Monterey County Treasurer's Investment policy is in compliance with Section 53635 of the Government Code of the State of California, which permits investments in certain securities and participation in certain investment trading techniques or strategies. Annual reports of the investment pool may be obtained from the Monterey County Treasurer, Post Office Box 891, Salinas, California 93902.

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Note 4 - Receivables

At year end receivables consist of the following:

Water Sales - Due from Pebble Beach Co & affiliated golf courses	\$ 1,289,095
Due from CAWD	1,080
Due from Vendors	13,571
	\$ 1,303,746

These balances are believed to be collectible in full; therefore an allowance for doubtful accounts has not been established. All water sales receivables were collected by August 31, 2019.

Note 5 - Capital Assets

Proceeds from the issuance of the 1992 Certificates of Participation were used to construct facilities for wastewater reclamation and distribution. The Project does not own these facilities, but instead owns the rights to the reclaimed water for resale. The value of these rights is amortized using the straight-line method over the expected useful life of the wastewater reclamation plant and distribution system, which is forty years.

The recorded amortizable value of the water rights is equal to the costs incurred to construct facilities for wastewater reclamation and distribution, as well as other capital costs, in order to account for these in accordance with accounting principles generally accepted in the United States for intangible assets. As a result, capital outlay and construction period interest incurred have been capitalized into this account.

Capital asset activity for the year was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Transfers	Ending Balance
<u>Non-depreciable Assets</u>				
Construction-in-progress	\$ 1,714,573	\$ 1,490,451	\$ (1,760,054)	\$ 1,444,970
<u>Amortizable Assets</u>				
Water resale rights	64,708,702	1,820,575	-	66,529,277
<u>Accumulated Amortization</u>				
Water resale rights	(25,919,678)	(1,663,234)	-	(27,582,912)
Total capital assets, net	\$ 40,503,597	\$ 1,647,792	\$ (1,760,054)	\$ 40,391,335

The water resale rights are owned by MPWMD, but title to the construction assets are held by CAWD, PBCSD and others. The dollar value at historic cost of the portions owned by each entity is as follows:

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

CAWD (plant)	\$ 39,277,348
PBCSD (distribution system)	24,909,369
MPWMD (software)	29,056
Open Space Users (irrigation systems)	1,459,777
Cal-Am (pump station partial ownership)	<u>853,727</u>
	66,529,277
Construction-in-progress	<u>1,444,970</u>
	<u><u>\$ 67,974,247</u></u>

Note 6 - Payables

At year end payables consist of the following:

<u>Accounts Payable - trade</u>	
Vendors for operating supplies	<u>\$ 133,692</u>
 <u>Accounts Payable - affiliates</u>	
PBCo (debt svc reimb)	\$ 741,701
MPWMD (salaries, software, fee)	109,028
CAWD (O&M, ins, electricity)	210,452
PBCSD (O&M)	<u>645,904</u>
	<u><u>\$ 1,707,085</u></u>

Note 7 - Long-term Obligations

Long-term debt and obligations activity for the year was as follows:

<u>Business-type Activities</u>	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Certificates of Participation	\$ 11,900,000	\$ -	\$ (2,100,000)	\$ 9,800,000	\$ 2,300,000
Due Pebble Beach Co.	<u>2,760,000</u>	<u>-</u>	<u>(552,000)</u>	<u>2,208,000</u>	<u>552,000</u>
	<u><u>\$ 14,660,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,652,000)</u></u>	<u><u>\$ 12,008,000</u></u>	<u><u>\$ 2,852,000</u></u>

Certificates of Participations - Variable Rate Bonds

To finance the original construction project, MPWMD issued *Variable Rate Demand Certificates of Participation - Wastewater Reclamation Project Series 1992 bonds (COPs)* in December 1992 in the amount of \$33,900,000, that will mature in July 2022. The COPs are in minimum denominations of \$100,000 or any integral multiple thereof or, during any reset period on or after the conversion date, in the minimum denomination of \$5,000 or any integral multiple thereof. The COPs bear interest at a variable rate unless the interest rate is converted to a reset rate for a rest period or to a fixed rate to the maturity of the COPs. The variable rate is the rate necessary to produce a par bid if the COPs were sold on the day the rate is

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

computed. The COPs accrue interest at a variable rate determined weekly, as provided in the official statement of the COPs.

Designated Reserve

A *Renewal and Replacement Reserve* was established by the Board of Directors to pay for future major repairs and capital replacements, and is held in a segregated account designated for its intended purposes. At year end the balance in this account was \$874,685.

Security for Repayment

The Project assets have not been pledged to secure payment of the COPs, nor have any other assets of MPWMD. However, pursuant to the Water Purchase Agreement, all net operating revenue from the operations of the Project is irrevocably pledged by MPWMD for debt service payment of the COPs.

This pledge constitutes a first lien on the net operating revenue and, subject to application of amount on deposit therein as permitted in the Water Purchase Agreement, is to be used for the payment of the COPs in accordance with the terms of the Water Purchase Agreement and of the Trust Agreement. Notwithstanding the foregoing, MPWMD may at any time issue obligations or execute contracts which are secured by a lien subordinate to the pledge of net operating revenue created under the Water Purchase Agreement. A bond Letter of Credit also guarantees repayment of the COPs.

Scheduled COP Payments

Interest is paid to the holders of the COPs monthly at a variable rate as described above. Pre-determined Principal payments per the 1992 COP issue are shown below. Due to the nature of variable rate bonds, interest rates fluctuate weekly as a result of economic market conditions.

For the last week in June of 2019, the interest rate was 1.6% per annum. Interest expense for the year was \$129,980 as compared to the 1992 issuance annual interest expense of \$273,750. Consequently the Interest column below is revised using a more current and realistic fixed annual rate of 2%, which is presented for information purposes only.

Future principal and estimated interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,300,000	\$ 196,000	\$ 2,496,000
2021	2,400,000	150,000	2,550,000
2022	2,500,000	102,000	2,602,000
2023	2,600,000	52,000	2,652,000
Totals	<u>\$ 9,800,000</u>	<u>\$ 500,000</u>	<u>\$ 10,300,000</u>

Due Pebble Beach Company

Repayment of \$5,520,000 for bond costs incurred and advanced by PBCo prior to July 1, 2013, to be reimbursed over the next ten years at \$552,000 per year.

Future payments are as follows:

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Year Ending June 30,	Due Pebble Beach Company		
	Line of Credit Fees	Bond Carry Costs	Total
2020	\$ 452,000	\$ 100,000	\$ 552,000
2021	452,000	100,000	552,000
2022	452,000	100,000	552,000
2023	452,000	100,000	552,000
Totals	<u>\$ 1,808,000</u>	<u>\$ 400,000</u>	<u>\$ 2,208,000</u>

Note 8 - Risk Management

The Project is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omission, injuries to employees, and natural disasters. Although ownership of all assets is transferred to either CAWD or PBCSD once they are placed in service, the Project purchases property, liability, and earthquake insurance for the aforementioned assets.

CAWD purchases its share of property and liability insurance through the California Sanitation Risk Management Authority (CSRMA). CSRMA is an established public entity risk pool that operates as a common risk management and insurance program for 60 government members. Liability insurance is purchased as a separate policy for the Project. Property insurance is covered under CAWD's policy and the costs are allocated back to the Project. The deductible risk of loss is retained for general liability claims. The agreement with the risk pool provides that it will be self-sustaining through member premiums and additional policies purchased from commercial insurance companies for general liability claims and for excess workers' compensation claims. Financial statements may be obtained from CSRMA, 100 Pine Street, 11th Floor, San Francisco, California 94111.

ACWA/JPIA was formed under a joint powers agreement pursuant to California Government Code to provide insurance protection for its members. The property, general liability and workers compensation programs are ACWA/JPIA's pooled programs. The member districts are provided coverage for losses in excess of their individually selected retrospective allocation points ("RAP") which are similar to a deductible. A portion of the excess is self-insured by ACWA/JPIA where all members share the losses. Individual claims (and aggregate public liability and property claims) in excess of ACWA/JPIA's self-insured levels are covered by excess insurance policies purchased from outside commercial insurance carriers. Financial statements may be obtained from ACWA/JPIA, Post Office Box 619082, Roseville, California 95661.

PBCSD purchases insurance against various risks of loss through the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). PBCSD also purchases a Dam failure liability insurance policy and an earthquake insurance policy which are not pooled programs. These coverage policies are provided by ACWA/JPIA through purchases from outside commercial insurance carriers. Dam failure liability insurance provides coverage resulting from failure of Forest Lake Reservoir, and earthquake insurance provides coverage for certain Reclamation Project assets including the Poppy Hills Storage Tank, Forest Lake Reservoir embankments and hyperon liner.

Workers compensation insurance is provided by the entities contracted from CAWD and PBCSD to provide operations and maintenance for the Project.

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2019

Note 9 - Subsequent Events

The management of the Project has reviewed the results of operations for the period from its fiscal year end of June 30, 2019 through September 23, 2019, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 10 - New Pronouncements

The Governmental Accounting Standards Board (GASB) has released the following new pronouncements, which can be read in their entirety at <http://www.gasb.org>.

GASB Statement No. 83, *Certain Asset Retirement Obligations*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. (Issued 11/16)

GASB Statement No. 84, *Fiduciary Activities*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. (Issued 01/17)

GASB Statement No. 87, *Leases*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. (Issued 06/17)

SUPPLEMENTARY INFORMATION

CAWD/PBCSD RECLAMATION PROJECT
Budgetary Comparison Information
Resources and Charges to Appropriations
Year Ended June 30, 2019

	Budget <i>(unaudited)</i>	Actual	Variance with Budget Positive (Negative)
Resources (Inflows)			
Water sales	\$ 2,784,704	\$ 2,487,590	\$ (297,114)
Fixed cost charge	3,811,820	3,811,821	1
Investment earnings (loss)	32,425	42,855	10,430
Transfer in from restricted cash capital reserves	-	-	-
Rollover from prior year capital reserve	567,379	-	(567,379)
Other revenue	-	-	-
Amounts Available for Appropriation	<u>7,196,328</u>	<u>6,342,266</u>	<u>(854,062)</u>
Charges to Appropriations (Outflow)			
Plant operating costs	2,010,583	1,856,255	154,328
Distribution costs	500,000	487,872	12,128
General and administrative	174,121	150,353	23,768
Potable water purchases	6,750	89,754	(83,004)
Amortization-noncash expense excluded	-	-	-
Bond and LC carrying costs	140,880	121,132	19,748
Interest expense - PBCo	39,000	62,895	(23,895)
Interest expense - Bonds	174,440	129,980	44,460
MPWMD user fee	100,000	77,176	22,824
Principal reduction payment - PBCo	552,000	552,000	-
Principal reduction payment - Bonds	2,100,000	2,100,000	-
Water resale rights - capital purchases/projects	1,398,554	1,550,972	(152,418)
Other expenses	-	18,244	(18,244)
Total Charges to Appropriations	<u>7,196,328</u>	<u>7,196,633</u>	<u>(305)</u>
Budgetary Surplus (Deficit)	<u>\$ -</u>	<u>\$ (854,367)</u>	<u>\$ (854,367)</u>

Reconciliation of Budgetary to GAAP Basis

Less: Amortization - noncash expense	(1,663,234)
Add: Principal debt payments - PBCo	552,000
Add: Principal debt payments - Bonds	2,100,000
Add: Additions to capital assets	<u>1,550,972</u>
Change in Net Position - page 11	<u>\$ 1,685,371</u>

CAWD/PBCSD RECLAMATION PROJECT
Budgetary Comparison Information
Resources and Charges to Appropriations
Year Ended June 30, 2018

	Budget <i>(unaudited)</i>	Actual	Variance with Budget Positive (Negative)
Resources (Inflows)			
Water sales	\$ 2,981,582	\$ 3,075,040	\$ 93,458
Fixed cost charge	3,253,262	3,253,262	-
Investment earnings (loss)	32,900	(5,236)	(38,136)
Transfer in from restricted cash capital reserves	400,000	-	(400,000)
Rollover from prior year capital reserve	425,705	-	(425,705)
Other revenue	-	1,698	1,698
Amounts Available for Appropriation	<u>7,093,449</u>	<u>6,324,764</u>	<u>(768,685)</u>
Charges to Appropriations (Outflow)			
Plant operating costs	2,111,170	1,517,859	593,311
Distribution costs	614,000	341,498	272,502
General and administrative	180,432	175,614	4,818
Potable water purchases	5,980	6,594	(614)
Amortization-noncash expense excluded	-	-	-
Bond and LC carrying costs	164,335	149,290	15,045
Bank charges	250	-	250
Interest expense - PBCo	39,000	56,567	(17,567)
Interest expense - Bonds	119,000	129,309	(10,309)
MPWMD user fee	70,000	83,816	(13,816)
Principal reduction payment - PBCo	552,000	552,000	-
Principal reduction payment - Bonds	2,000,000	2,000,000	-
Water resale rights - capital purchases/projects	1,237,282	654,569	582,713
Other expenses	-	84,764	(84,764)
Total Charges to Appropriations	<u>7,093,449</u>	<u>5,751,880</u>	<u>1,341,569</u>
Budgetary Surplus (Deficit)	<u>\$ -</u>	<u>\$ 572,884</u>	<u>\$ 572,884</u>

Reconciliation of Budgetary to GAAP Basis

Less: Amortization - noncash expense	(1,617,720)
Add: Principal debt payments - PBCo	552,000
Add: Principal debt payments - Bonds	2,000,000
Add: Additions to capital assets	654,569

Change in Net Position - page 11

\$ 2,161,733

CAWD/PBCSD RECLAMATION PROJECT
Summary of Net Position
Year Ended June 30, 2019

The following represents a detailed cumulative summary of the components that comprise Net Position from inception to June 30, 2018:

	2019	2018
	<i>(unaudited)</i>	<i>for comparative purposes only</i>
Operating income (loss) excluding amortization expense	\$ 31,180,801	\$ 27,465,624
Accumulated amortization	(27,582,912)	(25,919,678)
PBCo subsidy - operations	21,356,226	21,356,226
PBCo subsidy - construction	5,951,644	5,951,644
PBCo water entitlement sales, net of withdrawals	24,436,516	24,436,516
PBCo withdrawal	(1,641,213)	(1,641,213)
PBCo bond carrying costs reimbursement	(5,520,000)	(5,520,000)
Investment earnings, net of capitalized earnings	2,559,389	2,516,534
Bond carrying costs	(7,642,410)	(7,521,278)
Bond interest expense, net of capitalized interest	(13,067,278)	(12,937,298)
PBCo reimbursement - interest expense	(231,397)	(168,502)
MPWMD fee	(319,659)	(242,483)
Other nonoperating revenue (expense)	(8,407)	(5,756)
Arbitrage rebate	(22,468)	(22,468)
Equipment dispositions	(78,269)	(62,676)
	<u>\$ 29,370,563</u>	<u>\$ 27,685,192</u>

RESOLUTION NO. 2019-54

A RESOLUTION ADOPTING
THE CAWD/PBCSD RECLAMATION PROJECT AUDIT
FOR THE YEAR ENDING 06-30-19

-oOo-

WHEREAS, the attached CAWD/PBCSD Reclamation Project Audit for the year ended June 30, 2019 was approved at the Finance Officer's Working Group and Technical Advisory Committee group levels and final approval was given by the Reclamation Management Committee (RMC) at its November 6, 2019 meeting; and

WHEREAS, items approved by the RMC are brought to the CAWD or PBCSD Board, as appropriate, for approval and any applicable resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby adopt the attached CAWD/PBCSD Reclamation Project Audit for the year ended June 30, 2019.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 21, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Rach #l Lather, Principal Engineer

Date: November 21, 2019

Subject: Acceptance of final completion of the Monte Verde Extension and 2nd Avenue Sewer Line Replacement Project. Project #19-11.

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution 2019-55 accepting the completed project and directing the General Manager to file a notice of completion for the subject project. In addition, the resolution accepts the cost of changes to the project in the amount of \$9,557.13 and authorizes the General Manager to approve the project Change orders and make final payment of the contract.

DISCUSSION

The originally budgeted project consisted of excavation, removal of a six-inch diameter asbestos cement pipe and replacement with an eight-inch diameter PVC (polyvinyl chloride) pipe. During construction, conflicts with gas and water lines located within inches of the existing sewer line were encountered. This required hand digging of approximately 50 feet of the 380 feet of pipe. The work was completed on a time and materials basis and added up to \$9,557.13. This amount is above the \$4,555 amount your Board authorized for the General Manager to approve for project change orders. It is recommended that your Board authorize the General Manager to approve the full amount of the change order.

On November 4, 2019 the District Engineer filed a Certification of Completion for the pipeline replacement project with the Board Secretary (Copy attached.). All work has been satisfactorily completed in accordance with the Plans and Specifications which were approved by the Board of Directors and the Contract awarded to Monterey Peninsula Engineering (MPE), by Board Resolution 2019-37 July 25, 2019.

Staff now recommends that the Board of Directors accept the Project and direct the General Mänge to file a Notice of Completion with the Monterey County Recorder's

Office.

FUNDING

The project was awarded to MPE for \$91,100. A total of \$9,557.13 in change orders were approved by the District during construction. A final contract price of \$103,782.13 has been agreed upon by both parties and will be the record cost of the completed project. The project budget is \$150,000.



Carmel Area Wastewater District

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

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

Board of Directors
Gregory D'Ambrosio
Michael K. Rachel
Robert Siegfried
Ken White
Charlotte F. Townsend

NOTICE OF COMPLETION

MONTE VERDE EXTENSION AND SECOND AVENUE SEWER LINE REPLACEMENT PROJECT

NOTICE IS HEREBY GIVEN that, I, Rachél L. Lather, Principal Engineer of the Carmel Area Wastewater District, Monterey County, California, on the 4th day of November 2019, did file with the Secretary of said District my Certificate of Completion of the work described in the Contract awarded to and entered into with Monterey Peninsula Engineering, Marina, California, on July 25, 2019, in accordance with the Plans and Specifications for said work filed with the Secretary and approved by the Board of Directors of said District.

That said work was completed on September 29, 2019 and that acceptance of said work is recommended for approval by resolution of the Board of Directors of said District to be adopted on November 21, 2019.

That said work consisted of the performance of all work and the furnishing of all labor, materials, equipment, and utility and transportation services required to complete the Contract as described in the plans and specifications.

Dated: November 4, 2019

RACHÉL LATHER, M.S., P.E.
PRINCIPAL ENGINEER

RESOLUTION NO. 2019-55

A RESOLUTION ACCEPTING COMPLETED PROJECT AND DIRECTING THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION FOR THE MONTE VERDE EXTENSION AND SECOND AVENUE SEWER LINE REPLACEMENT PROJECT AND APPROVE TOTAL PROJECT COST CHANGES IN THE AMOUNT OF \$9,557.13 (Project #19-11)

-oOo-

BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District, Monterey County, California, that:

WHEREAS, the Principal Engineer has provided the Board an accounting of the cost of changes to the Monte Vista Extension and Second Avenue Sewer Line Replacement Project (the "Project") in the amount of \$ 9,557.13, in excess of the contracted amount of \$91,100 which changes were due to unforeseen underground utility conflicts that required hand digging and placement of the sewer line in those locations; and

WHEREAS, the Board previously authorized the General Manager to approve change orders for the Project not to exceed \$4,555, and therefore the Board is requested to ratify the additional amount of \$5,012.13 in change orders; and

WHEREAS, the Principal Engineer of said District has filed with the Secretary of said District an Engineer's Certificate regarding completion of the construction of the Project done under and pursuant to the contract between said District and Monterey Peninsula Engineering, Inc., dated July 25, 2019; and

WHEREAS, it appears to the satisfaction of this Board that said project provided for under said contract has been completed as provided in said contract and the plans and specifications therein referred to and that the work was completed on September 27, 2019.

NOW, THEREFORE, BE IT ORDERED as follows:

1. That acceptance of said Monte Verde Extension and Second Avenue Sewer Line Replacement Project be, and it is hereby made and ordered in accordance with California Civil Code §9200(a).

2. That in accordance with California Civil Code Section §9204 the General Manager is directed to file for record with the County Recorder of the County of Monterey a notice of completion as of the date of acceptance by the District of said Monte Verde Extension and Second Avenue Sewer Line Replacement Project as required by law.

3. The expenditure of the total amount of \$9,557.13 for change orders for the Project by the General Manager is hereby ratified and the General Manager is authorized in accordance with law to make final payment under the contract.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 21, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Domine Barringer, Secretary to the Board

Date: November 21, 2019

Subject: Appointment of President, President Pro Tem, Secretary, and Secretary Pro Tem to the Board

DISCUSSION

The current terms of office for the President of the Board, President Pro Tem, Secretary to the Board, and Secretary Pro Tem expire December 13, 2019.

Therefore, it is necessary for the Board of Directors to adopt a resolution electing a member of the Board to act as the President of the Board, and to elect a member of the Board to act as the President Pro Tem of the Board, both for a one-year term commencing December 13, 2019.

It is also necessary for the Board to appoint a Secretary of the Board and a Secretary Pro Tem, both for a one-year term commencing December 13, 2019.

CARMEL AREA WASTEWATER DISTRICT
BOARD OF DIRECTORS - TERMS OF OFFICE

1993-94	Joyce Stevens, President	Arthur Haseltine, Vice President
1994-95	Arthur Haseltine, President	John Floyd, Vice President
1995-96	Arthur Haseltine, President	Paul Beemer, Vice President
1996-97	Paul Beemer, President	Brian Congleton, Vice-President
1997-98	Paul Beemer, President	Brian Congleton, Vice-President
1998-99	Brian Congleton, President	Charlotte Townsend, Vice President
1999-00	Brian Congleton, President	Charlotte Townsend, Vice-President
2000-01	Charlotte Townsend,	Joyce Stevens, Vice-President
2001-02	Charlotte Townsend,	Joyce Stevens, Vice President
2002-03	Joyce Stevens, President	Robert Kohn, Vice-President
2000-04	Joyce Stevens, President	Robert Kohn, Vice President
2004-05	Robert Kohn, President	Ken White, President Pro-Tem
2005-06	Ken White, President	William Englander, President Pro-Tem
2006-07	Ken White, President	William Englander, President Pro-Tem
2007-08	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2008-09	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2009-10	Robert Kohn, President	Greg D'Ambrosio, President Pro-Tem
2010-11	Robert Kohn, President	Greg D'Ambrosio, President Pro-Tem
2011-12	Charlotte Townsend, President	Greg D'Ambrosio, President Pro-Tem
2012-13	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2013-14	Ken White, President	Robert Siegfried, President Pro-Tem
2014-15	Ken White, President	Robert Siegfried, President Pro-Tem
2015-16	Ken White, President	Robert Siegfried, President Pro-Tem
2016-17	Ken White, President	Robert Siegfried, President Pro-Tem

2017-18	Ken White, President	Robert Siegfried, President Pro-Tem
2018-19	Ken White, President	Robert Siegfried, President Pro-Tem

RESOLUTION NO. 2019-56

A RESOLUTION SELECTING A PRESIDENT AND PRESIDENT PRO TEM, AND APPOINTING A SECRETARY AND SECRETARY PRO TEM OF THE CARMEL AREA WASTEWATER DISTRICT, FOR A TERM OF ONE YEAR COMMENCING ON DECEMBER 13, 2019

-oOo-

WHEREAS, as authorized by law, the Board of Directors of the Carmel Area Wastewater District has heretofore acted from time-to-time to appoint one of its members as President of the Board and one of its members as President Pro Tem, and has also from time-to-time appointed a Secretary and a Secretary Pro Tem;

NOW, THEREFORE, BE IT RESOLVED, following an election held by the Board of Directors this date, that:

1. _____ shall act as the President of the Board for a term of office of one year (or until his/her successor is elected);

2. _____ shall act as the President Pro Tem of the Board for a term of one year (or until his/her successor is elected);

3. Domine Barringer is hereby appointed Secretary of the Board for the period of one year (or until his/her successor is appointed);

4. Kristina Pacheco is appointed Secretary Pro Tem for the period of one year (or until his/her successor is appointed);

5. That each of the above terms of office or appointments shall commence on December 13, 2019; and

6. That the selection of the above named Secretary, together with statistical facts regarding the Board, shall be reported to the California Secretary of State and to the County Clerk of Monterey County as required by Government Code §53051.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 21, 2019, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ATTEST:

President of the Board

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: November 21, 2019

Subject: CAWD Pension Plan – Actuarial Review July 1, 2019

RECOMMENDATION

It is recommended that the Board of Directors accept the Carmel Area Wastewater District 2019 Actuary Report prepared by Nicolay Consulting.

DISCUSSION

Nicolay Consulting, the District’s actuary, has completed the July 1, 2019 report for the Strategic Asset Management Plan (SAM). The plan was reviewed by the Pension Committee on November 7, 2019.

Actuarial Report Highlights:

Employer Contribution for plan year ending June 30, 2019:	
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, 2019	\$5,432,101
Actuarial Asset Value on July 1, 2019	\$5,368,290
Present Value of all Accrued Plan Benefits on July 1, 2019	\$5,211,326
Number of Participants at July 1, 2018	
Retired participants receiving benefits	3
Terminated vested participants entitled to future benefits	4
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:

97%	June 30, 2016	100%	June 30, 2018
96%	June 30, 2017	103%	June 30, 2019

The unfunded actuarial accrued liability as of July 1, 2019 is (\$156,964).

FUNDING

The 2019 Actuary Report recommended minimum required contribution for the 2019/20 Plan Year is \$-0-.

The charge from Nicolay Consulting Services to prepare actuarial report and employee statements has not yet been received. However, there is a budget provision of \$15,000 that should be sufficient to cover the costs of both the Actuarial Review and annual GASB 68 calculations.

**Carmel Area
Wastewater District
Pension plan**

2019 Actuary's Report

Actuarially Determined Contribution for Plan Year 2019/20

Valuation Date: July 1, 2019
Plan Year Ending: June 30, 2020
Tax Year Ending: June 30, 2020



October 16, 2019

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, 2019 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, 2019 and Actuarially Determined Contribution (ADC) for the 2019/20 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, 2019 and plan provisions in effect on July 1, 2019. The valuation and cost calculations for the 2019/20 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, 2019.

All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are individually reasonable taking into account the experience of the plan and consistent expectations as to future experience. In combination, the actuarial assumptions represent our best estimate of the anticipated experience under the plan. The costs and actuarial exhibits presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

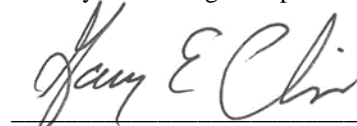
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or 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.

We have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained 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, reading "Gary E. Cline".

Gary E. Cline, ASA, MAAA, FCA, EA
Vice President & Chief Operating Officer

			<u>Pages</u>
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SECTION	III	Asset Information	9 - 10
SECTION	V	Census Data	11 - 12
SECTION	VI	Assumptions and Methods	13- 14
SECTION	VII	Plan Provisions	15 - 17

A. Highlights

Actuarially Determined Contribution for plan year ending June 30, 2020:

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, 2019	\$ 5,432,101
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Actuarial Asset Value on July 1, 2019	\$ 5,368,290
---------------------------------------	--------------

Present Value of all Accrued Plan Benefits on July 1, 2019	\$ 5,211,326
--	--------------

Number of Participants at July 1, 2019:

Retired participants receiving benefits	3
---	---

Terminated vested participants entitled to future benefits	4
--	---

Active participants	<u>6</u>
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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, 2019:

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 2018/2019 Plan Year is \$0.

2. Change in Annual Cost

The Actuarially Determined Contribution decreased to \$0 for the 2019/20 Plan Year compared to \$0 a year ago. The Plan continues to be fully funded as of June 30, 2019.

	<u>2018/2019</u>	<u>2017/2018</u>	<u>2017/2018</u>
(1) Actuarially Determined Contribution (ADC)	\$0	\$0	\$103,838
(2) Covered Compensation (less than age 65)	\$711,527	\$680,149	\$683,592
(3) ADC as a Percentage of Covered Compensation	0%	0%	15.19%

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>2019</u>	June 30, <u>2018</u>	June 30, <u>2017</u>
Actuarial Value of Assets	\$5,368,290	\$5,126,285	\$5,430,513
Actuarial Liabilities:			
Frozen Plan Basis	\$4,669,888	\$4,572,558	\$5,074,705
On-Going Plan/All Expected Future Plan Benefits	\$5,211,326	\$5,112,788	\$5,639,170
Funded Status:			
Frozen Plan Basis	115%	112%	107%
All Expected Future Plan Benefits	103%	100%	96%

C. Historical Summary

	<u>2019/2020</u>	<u>2018/2019</u>	<u>2017/2018</u>	<u>2016/2017</u>	<u>2015/2016</u>
Annual Costs					
Actuarially Determined Contribution	\$0	\$0	\$103,838	\$ 78,940	\$ 88,667
Employer Contribution Made	Not Available	\$34,600	\$78,936	\$ 88,680	\$130,672
ASSETS AT BEGINNING OF PLAN YEAR					
Market Value of Assets	\$5,432,101	\$5,263,465	\$5,418,843	\$5,069,794	\$5,367,658
Actuarial Value of Assets	\$5,368,290	\$5,126,285	\$5,430,513	\$5,285,090	\$5,226,222
ACTUARIAL LIABILITIES AT BEZGINNING OF PLAN YEAR					
Actuarial Accrued Liability	\$5,211,326	\$5,112,788	\$5,639,170	\$ 5,455,005	\$ 5,517,625
Unfunded Actuarial Accrued Liability (Asset)	(\$156,964)	(\$13,497)	\$ 208,657	\$ 169,915	\$ 291,403
NUMBER OF PARTICIPANTS					
Retired	3	3	3	2	2
Disabled	0	0	0	0	0
Vested Termination	4	4	5	5	5
Active	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>
Total	13	13	14	14	15

A. Development of the 2019/2020 Employer Contribution

Contribution required to amortize the July 1, 2019 unfunded actuarial accrued liability over a closed 5-year period plus gains and losses over 5 years.

(a) Normal cost at July 1, 2019	\$	0
(b) Amortization of Unfunded Actuarial Accrued liability since July 1, 2019 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 2019/2020 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, 2019	
(a) Active participants	\$ 2,247,895
(b) Retired participants	1,982,810
(c) Disabled participants	0
(d) Terminated vested participants	<u>980,621</u>
	\$ 5,211,326
2. Actuarial Value of Assets as of July 1, 2019	<u>5,368,290</u>
3. Unfunded actuarial accrued liability (asset) as of July 1, 2019 (1) - (2)	<u>(\$ 156,964)</u>

C. Summary of Amortization Bases Used in Development of 2019/2020 Employer Contribution Range

Amortization bases for the District have been fully amortize as of June 30, 2019. Future actuarial gains and losses on/after July 1, 2019 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 7/1/2019</u>	<u>Annual Amortization Payment (Payable Monthly)</u>
Total				<u>N/A/</u>	<u>0</u>

A. Statement of Plan Assets at June 30, 2019

The assets of the Carmel Area Wastewater District Pension Plan are invested with Commonwealth Financial Network

Investments:	
Cash and Cash Equivalents	\$ 182,471
Pooled Mutual Funds-Equity	3,338,876
Pooled Mutual Funds-Fixed Income	1,878,706
Participant Loans	<u>21,890</u>
Cash value at June 30, 2019	\$ 5,421,943
Receivable from disbursement account	10,158
Loan payment receivable	<u>0</u>
Market Value assets at June 30, 2019	<u>\$ 5,432,101</u>

B. Changes in Assets during the 2018/2019 Plan Year

1. Market Value assets at July 1, 2018		\$ <u>5,263,465</u>
2. Changes during year		
(a) Credits		
(i) Employer contributions	\$ 34,600	
(ii) Participant contributions	0	
(iii) Earned income	143,532	
(iv) Investment gain (unrealized and realized)	<u>150,943</u>	
(v) Total credits		329,075
(b) Charges		
(i) Investment Expenses	\$ 30,174	
(ii) Retirement and Disability benefits	128,423	
(iii) Lump sum benefits	0	
(iv) Loan defaulted	0	
(v) Administrative fees	<u>1,842</u>	
(vi) Total charges		<u>160,439</u>
3. Market Value assets at June 30, 2019 = 1 + 2(a)(v) - 2(b)(v)		\$ <u>5,432,101</u>

C. ACTUARIAL VALUE OF ASSETS – ASSET AVERAGING

(1)	July 1, 2019 Market Value			\$ 5,432,101
(2)	Previous Asset Gains and Losses			
		(i)	(ii)	(iii)
		<u>Amount</u>	<u>Weighting</u>	<u>(i) x (ii)</u>
(a)	2017/18 Gain	\$29,598	2/3	\$19,732
(b)	2016/17 Loss	132,238	1/3	<u>44,079</u>
(c)	Total Asset Adjustment			\$63,811
(3)	Adjusted Assets [(1) – (2)(e)(iii)]			\$5,368,290
(4)	Minimum Actuarial Value of Assets [85%x(1)]			4,617,286
(5)	Maximum Actuarial Value of Assets [115%x(1)]			6,246,916
(6)	Actuarial Value of Assets [(3); not less than (4) or more than (5)]			\$5,368,290

A. Participant Census Reconciliation

	<u>Active partici- cipants</u>	<u>Terminated participants with vested rights</u>	<u>Retired parti- cipants</u>	<u>Disabled parti- cipants</u>	<u>Total</u>
1. Plan participants on July 1, 2017	6	4	3	0	13
2. Data corrections	-	-	-	-	-
3. New entrants	-	-	-	-	-
4. Terminated vested participants entitled to future benefits	-	-	-	-	-
5. Terminated non-vested participants	-	-	-	-	-
6. Participants retiring	-	-	-	-	-
7. Participants becoming disabled	-	-	-	-	-
8. Participants paid lump sum benefits	-	-	-	-	-
9. Deaths	-	-	-	-	-
10. Deaths with beneficiary	-	-	-	-	-
11. Certain period expired	-	-	-	-	-
12. Rehired	-	-	-	-	-
13. Plan participants on July 1, 2018	<u>6</u>	<u>4</u>	<u>3</u>	<u>0</u>	<u>13</u>

<u>Active Participants</u>	<u>July 1, 2019</u>	<u>July 1, 2018</u>
Average Age:	50.93	49.93
Average Service Plan Participation:	20.97	19.97
Average Annual Salary:	\$118,588	\$113,932

B. Classification of Participants on July 1, 2019

	<u>Fully Vested</u>	<u>Non- Vested</u>	<u>Total</u>
1. Active participants accruing benefits:			
(a) Under normal retirement age	6	0	6
(b) Over normal retirement age	<u>0</u>	<u>0</u>	<u>0</u>
(c) Total	6	0	6
2. Terminated participants with deferred vested benefits	4	0	4
3. Retired and disabled participants presently receiving benefit payments	<u>3</u>	<u>0</u>	<u>3</u>
4. Total = (1c) + (2) + (3)	<u>13</u>	<u>0</u>	<u>13</u>

C. Age and Service Profile of Active Participants

<u>Age</u>	<u>Completed Years of Accrual Service July 1, 2019</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>	
0-19	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0
45-49	0	0	0	2	1	1	4
50-54	0	0	0	1	1	0	1
55-59	0	0	0	0	0	0	0
60-64	0	0	0	0	1	0	1
65-69	0	0	0	0	0	0	0
70+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>6</u>

A summary of the actuarial methods and assumptions used in the July 1, 2019 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: Pre-retirement, net of expenses:
4.50% per annum.

Post-retirement, net of expenses:
(a) Lump Sums: 6.25%,
(b) Annuities: 4.50%.

Salary Scale: 3.5% per annum.

Rate of Retirement: Participants are expected to retire on their Normal Retirement Date.

Rate of Employee Turnover: None

Rate of Disability:	None
Rate of Mortality:	<p>(1) Pre-retirement: None</p> <p>(2) Post-retirement:</p> <p>(a) Lump Sums: 1994 GAR Mortality Tables, blended 50% male and 50% female.</p> <p>(b) Annuities: RP-2014 Top-Quartile Healthy Annuitant Generational Mortality Tables with Generational Projection Scale MP-2018 (Males and Female).*</p>
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:	<p>It is assumed that :</p> <p>(a) 50% participants elect lump sums,</p> <p>(b) 50% participants elect annuity payments; at retirement, termination, death or disability.</p>
Amortization Period of Unfunded Liabilities	The unfunded actuarial accrued liabilities are fully amortized as of July, 1 2019. Gains and losses arise on/after July 1, 2019 will be amortized over a 5-year period.

*For the 2018 year the Projection Scale used was MP-2017

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.

Vesting:

<u>Years of Vesting Service</u>	<u>Vested Percent</u>
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: Rachél Lather, Acting General Manager
Date: November 21, 2019
Subject: Pebble Beach Community Services District-
Regular Board Meeting October 25, 2019

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Agenda items from the October 25, 2019 meeting that are of specific interest to this District:

- Total cash balance at the end of September 2019 was \$17.2 million (M); of that about \$12.5 M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 85% of District revenues with user fees making up 12%.
- The September 2019 Cash Basis Budget reflects Revenues at 2.0% of budget and Expenditures at 8.1% of budget (O&M 10.2% and Capital 4.4%).
- Forest Lake Reservoir held 35 MG (million gallons) of recycled water or 30% of permitted capacity. Current storage volume is 75% above the historic average of 20 MG.
- Total irrigation water demand for the 2019 calendar year through September was 776 AF (acre Feet). Total demand for the calendar year is 10% below the 5-year average of 863 AF and 10% below the 24-year average annual usage of 861 AF. The month of September reflected a net storage decrease of approximately 15 MG at forest Lake Reservoir, compared with a net storage decrease of approximately 3MG for September of last year.

- Average daily wastewater flow of 341,000 Gallons Per Day (GPD) was measured at the PBCSD-Carmel gate in September. This represents 31% of the total flow at the CAWD treatment facility. The measured PBCSD flow was 1% above the five-year average of 339,000 GPD for the month of September and the CAWD total flow was 5% below the five-year average of 1,167,000 GPD for September.
- PBCSD had two Category 3 Sanitary Sewer Overflows in October.
- Reclamation Storage Tank Rehab Project. Temporary tank installation by Graniterock completed. CAWD helped by controlling the line pressures to the reservoir to allow continued filling of it during tank rehabilitation project.
- Collection System Assessment is being performed by Wallace Group.
- SCADA now allows both CAWD and PBCSD to access the same flow information. Reclaimed water recovery from MF/RO is 87.5%.
- Currently three facilities, the 4th Fairway Diversion, MPCC No. 8 Well, and MPCC No. 9 Well are online. Total production for the 2019 calendar year-to-date is approximately 6.2 MG.

FUNDING

N/A- Informational item only

**CARMEL AREA WASTEWATER DISTRICT
SUMMARY OF RETIREMENT PENSION PLAN TRUSTEES
MEETING HELD – November 7, 2019**

A meeting of the Retirement Pension Plan Trustees was held on Thursday, November 7, 2019 at 9:00 a.m.

Those Present Included: Michael Rachel, Director, Trustee
Rob Wellington, Legal Counsel, Trustee
Barbara Buikema, General Manager, Trustee
William J. Hastie, Jr., MBA, Managing Partner, Hastie
Financial Group

I. Portfolio Performance Review 3rd Quarter 2019

The portfolio remains highly diversified in the third quarter. Mr. Hastie described the quarter as “volatile” because although large caps performed relatively well the mid and small caps did considerably less well. Again, per Mr. Hastie, we’re “glad to have black ink.” The ending portfolio balance was \$5,370,875.69 with a time weighted return for the quarter of 0.27%. (Time weighted return multiplies the returns for each holding period, which links them together showing how the returns are compounded over time. It helps eliminate the distorting effects on growth rates created by inflows and outflows of money.) The change in market value for year to date is 13.12%. Mr. Hastie anticipates the portfolio should breach 15% for the annual time weighted return performance.

Performance review by security showed that large cap value fund (Columbia Dividend Income Advisor) performed well but small cap such as Federated Small Cap Fund and Vanguard Extended Market did not. While mid and small cap did not perform well for the quarter, they have done well over the year and will remain in the portfolio on a “watch” basis. JP Morgan Large Cap, because of concentrations in tech and healthcare, did not fared well for the quarter.

There is a negative correlation between stocks and bonds and during this past quarter there was some evidence of a “flight to quality” or toward bonds. The Vanguard Intermediate fund showed a strong performance.

The portfolio composition remains at a 60% stocks 40% bonds/cash. There was some discussion of whether this was still appropriate mix with the outcome being that 60/40 remains a prudent balance of risk and security and is widely used for pension funds.

Portfolio Risk Measures (3-year measure):

	Three Year	S&P 500	Five Year	S&P 500	Ten Year	S&P 500
Beta (a)	0.58		0.60		0.64	
Standard Deviation (b)	7.42	12.18	7.48	11.93	8.37	12.55
Mean	9.93	13.39	8.25	10.84	9.79	13.24
Alpha	1.37		1.22		1.03	

(a) Strategy is to maintain Beta in the range of 0.60 - 0.67

(b) Strategy is to remain at roughly 2/3 of S & P 500

II. 4th Quarter 2019 Action Plan

For the 4th Quarter the strategy is to remain broadly diversified and rebalance as necessary.

- Sell Vanguard Extended Market (comprised of small and mid cap stocks)
- Buy Vanguard Mid Cap

It was Mr. Hastie's opinion that volatility in the market would continue through the 4th quarter but he believes the general outlook is positive. He specifically mentioned that the prospect of an end to tariffs with China is potentially on the horizon, GDP will continue at about 2%, inflation will remain below the Federal Reserve target, and impeachment has yet to impact the market.

III.07-01-19 Actuarial Report

The committee reviewed the 07-01-19 Actuarial Report prepared by Nicolay Consulting. They agreed to accept the report and forward to the full board for review.

There being no further business, the meeting was adjourned at approximately 10:40 a.m.

Respectfully submitted,
Barbara Buikema
General Manager

Carmel Area Wastewater District Defined Benefit Plan



H F G Hastie Financial Group

For confidence in your future

3rd Quarter Performance Review

4th Quarter Action Plan

November 7, 2019

Change in Market Value Register

From 7/1/2019 to 9/30/2019

Carmel Area Wastewater

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 (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	07/01/2019	5,407,494.81	(51,237.92)	(4,859.07)	28,941.00	5,370,875.69	14,618.81	09/30/2019	0.27

Change in Market Value Register

From 1/1/2019 to 9/30/2019

Carmel Area Wastewater

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 (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	01/01/2019	4,848,155.52	(111,234.90)	565,102.94	96,004.31	5,370,875.69	633,955.07	09/30/2019	13.12

Change in Market Value Register

From 1/1/2019 to 11/5/2019

Carmel Area Wastewater

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 (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	01/01/2019	4,848,155.52	(126,353.86)	643,257.49	103,062.96	5,431,570.91	709,769.24	11/05/2019	14.72

Performance by Security

From 7/1/2019 to 9/30/2019

Description	Market Value (7/1/2019)	Interest Dividends Cap. Gains	Market Value (9/30/2019)	Annualized Return % (IRR Net of Fees)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)				
Domestic Equity				
iShares Core S&P 500 ETF	852,271.10	4,287.24	867,462.10	1.78
Columbia Dividend Income Fund Advisor CI	546,864.48	2,652.38	563,965.25	3.13
JPMorgan Large-Cap Growth Fund CI I	.00	.00	426,055.40	-1.39
Federated Kaufmann Small-Cap Fund Institutional Shares	388,545.81	.00	363,766.33	-6.38
Columbia Contrarian Core Fund Advisor CI	268,397.01	.00	273,426.25	1.87
Vanguard Extended Market Index Fund CI Admiral	245,388.69	767.96	241,448.73	-1.61
BlackRock Real Estate Securities Fund Institutional Shares	217,415.82	975.48	232,337.36	6.86
Fidelity Advisor Growth Opportunities Fund CI Z	437,769.53	.00	.00	0.19
International Equity				
Invesco Developing Markets Fund CI Y	.00	.00	379,214.02	0.31
Invesco Oppenheimer Global Opportunities Y	382,224.04	.00	.00	-3.96

Performance by Security

From 7/1/2019 to 9/30/2019

Description	Market Value (7/1/2019)	Interest Dividends Cap. Gains	Market Value (9/30/2019)	Annualized Return % (IRR Net of Fees)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)				
Domestic Bond				
Vanguard Intermediate-Term Bond Index Fund Admiral Shares	541,919.65	3,760.33	554,953.72	2.41
PGIM High-Yield Fund- CI Z	487,245.38	7,679.13	494,929.61	1.58
Schwab U.S. Aggregate Bond ETF	.00	1,055.85	432,445.66	0.39
PIMCO Income Fund CI I-2	856,982.41	5,260.25	.00	-0.66
International Bond				
PGIM Global Total Return Fund CI Z	.00	1,993.77	429,895.14	0.18

	3 Month	YTD	1 Year	3 Year	5 Year
S&P 500 TR	1.70	20.55	4.25	13.39	10.84
Russell 1000	1.42	20.53	3.87	13.19	10.62
Russell Mid Cap	0.48	21.93	3.19	10.69	9.10
Russell 2000 Growth	-4.17	15.34	-9.63	9.79	9.08
MSCI EAFE	-1.07	12.80	-1.34	6.48	3.27
MSCI Emerging Markets	-4.25	5.89	-2.02	5.97	2.33
Barclays Capital US Aggregate	2.27	8.52	10.30	2.92	3.38

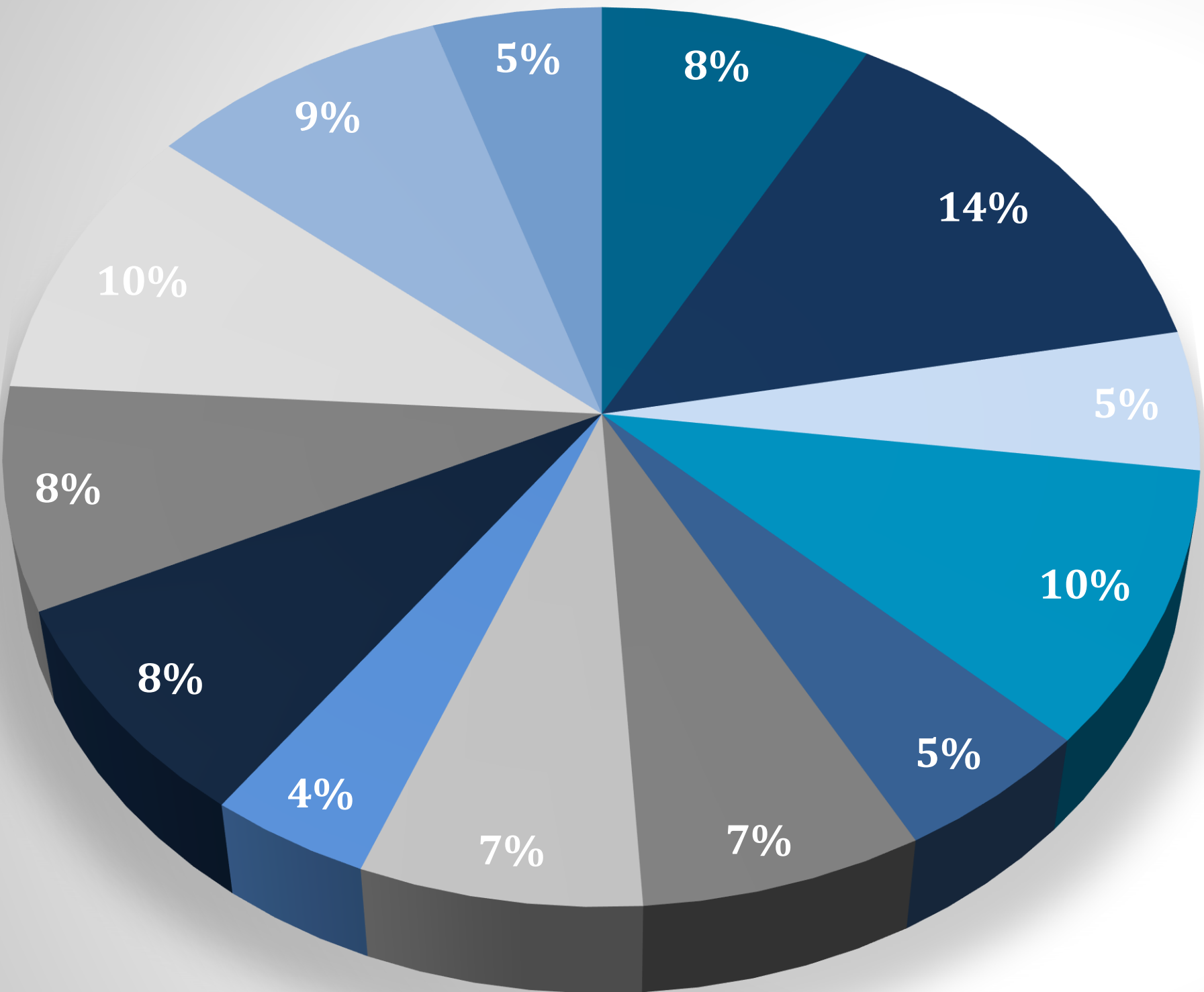
- Sell:

- Vanguard Extended Market

- Buy:

- Vanguard Mid Cap

- Rebalance the rest of the portfolio



- JP Morgan Large Cap Growth - 8%
- iShares Core S&P 500 - 14%
- Columbia Contrarian Core - 5%
- Columbia Dividend Income - 10%
- Vanguard Mid Cap - 5%
- Federated Kaufmann Small Cap - 7%
- Invesco Developing Markets - 7%
- BlackRock Real Estate Securities - 4%
- PGIM Global Total Return - 8%
- Schwab US Aggregate Bond Index - 8%
- Vanguard Intermediate Bond Index - 10%
- PGIM High Yield - 9%
- Cash - 5%

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	0.58	0.60	0.64

Mutual Fund/ETF	3 Year Beta	Net Expense Ratio
JPMorgan Large Cap Growth	1.06	0.69
iShares Core S&P 500	1.00	0.04
Columbia Contrarian Core	1.03	0.77
Columbia Dividend Income	0.86	0.71
Vanguard Mid Cap	1.05	0.04
Federated Kaufmann Small Cap	1.09	0.91
Invesco Developing Markets	1.05	1.16
BlackRock Real Estate Securities	0.62	1.05
PGIM Global Total Return	1.28	0.63
Schwab US Aggregate Bond Index	1.01	0.04
Vanguard Intermediate Bond Index	1.22	0.07
PGIM High Yield	0.29	0.55

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	7.42	7.48	8.37
Standard & Poor's 500 Index	12.18	11.93	12.55

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	9.93	8.25	9.79
Standard & Poor's 500 Index	13.39	10.84	13.24

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	1.37	1.22	1.03

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Acting General Manager
Date: September 26, 2019
Subject: Acting General Manager's Report

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

This report is provided to update the Board on the activities of the Acting General Manager (AGM) from October 14-October 27, 2019. During that period, there was a training with District staff regarding "Neuro Colors" as a team building activity, flu shots and a BBQ lunch, preparation of the October 31st Board packet, a Regional Water Management Group meeting and a PBCSD Board meeting.

Overall, the most difficult part of the two weeks was receiving, reviewing and managing of the staff reports for the Board packet. This included completing the first set of project summaries and revising them to be consistent in the format, naming convention and wording. There are many details involved in completing a Board packet and I believe anyone interested in being a GM should have this experience.

The second observation is that there are plenty of meetings to attend. All of them were interesting to me but it does take time out of the workday. I learned about the current Integrated Regional Water Management grant applications and projects. I also learned about various items that PBCSD reviews in addition to water reclamation.

I thought that the "Neuro Colors" activity was successful. At first there was a reluctance of staff to participate but it eventually led to good conversations about how to better work together. Catherine Hambley did a good job of leading the group and helping us understand the value of all of our personality traits at the workplace.

I suggest that in the future, the AGM verify that they have access to programs such as Main Saver, in order to approve payments and purchase orders. Exceedio should be notified that there is an AGM that has authority to request access to files that are on the

Administrative division J:drive. Mainly, there are details that no one really knows until they are the AGM and don't have access. A protocol for signing documents as the AGM would also be good to have.

It would be extremely difficult to be the GM and District Engineer/Principal Engineer permanently. There are many responsibilities that take a great deal of focus and time, such as budget control, budget preparation and management of staff, that are not part of the experience over a 2-week period.

Overall, it was quite enlightening to be GM for 2 weeks and I enjoyed the experience.

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: November 21, 2019

Subject: Quarterly Progress Report (July – Oct 2019)

RECOMMENDATION

This report is informational only – no action is required. The Board requested a quarterly update of progress made throughout the District. This report is designed to offer a high-level view of the third quarter of 2019. Much of the quarter reflects work on long term projects, which is reflected in the list below.

DISCUSSION

General Management

- This year has witnessed a significant increase in the number of plumbing permits issued. Part of this is a result of the new Uniform Plumbing Ordinance, New Standard Plans and Specifications, and a new Administrative Penalties Ordinance that requires a lateral inspection, but it is also reflective of the healthy construction environment. We've also used this increase as an opportunity to tighten up our insurance certifications – in the past we've been perhaps a bit "loose" and not always gotten the documentation right. We're correcting that now and I want to give a shout out to our front office staff for the terrific job they're doing handling this and keeping our customers happy.
- Continued progress being made on mass annexation with an estimated completion date of early 2020. Carmel Valley Manor is concurrently in design phase and there are efforts being done to site a pump station on Quail Lodge property. Mid Valley Shopping Center has also reached out to us with interest in making a connection once annexation is complete.
- We continue attempting to persuade local areas to connect to the District via an assessment district mechanism. This goes hand in hand with the mass annexation, but it is slow moving.

- September Ranch project study by SRT Consultants ongoing. While study of the water system proceeds staff is also working with Whitson Engineers and Clear Peak on the wastewater system.
- We are proceeding with project to upgrade programmable logic control equipment at each of the lift stations and to move them all to Ignition - the same software program used at the plant. Equipment has been bid and integrator services obtained.
- Phase 2 design proceeds slowly - currently at 90% design. However, we have advised Kennedy Jenks that the project will be delayed until at least March when we anticipate a spot on the Coastal Commission's agenda in Monterey.
- We continue to work on a resolution for our After-the-Fact permit on Phase I with the Coastal Commission along with their document to move the facility in the event of sea level rise. We were bumped from the November commission meeting and are now looking at the March 2020 meeting in Monterey. We have reached out to the local Commission office and asked if we can continue with two of our projects (i.e. perimeter fence & Reclamation chemical tank).
- Continued to work on Hatton Canyon project – went to bid, but then decided the best path forward was to reject all bids and re-bid in the Spring. In the interim we have a smaller grant award for \$297K that we are utilizing to rebuild and reinforce the utility road in Hatton Canyon. This project will greatly benefit staff in providing accessibility, but it is also an excellent example of interagency collaboration.
- We also continue to work with legal counsel on a resolution to the CRFREE and undergrounding of our outfall project. CAWD supports the CRFREE project; however, before we sign on any dotted line, we are insisting that the question of financing be squared away. This has turned into an issue because of misinformation to the public about our intent. I have spoken with multiple local residents one-on-one, attended both the CSA 1 and CSA 50 meetings to speak, and offered to speak at local associations to clear up the matter.
- After almost 20 years we have gone to bid for cleaning Digester #1 and will then take the next steps towards its rehabilitation.
- Continued design work on Elec/Mech Rehabilitation and Sludge Holding Tank

project. Design is in the 95% stage or near completion. The project is now being held until we can resolve our permit issues with the Coastal Commission.

- After implementing a new Purchase Order system in Mainsaver last year we have begun the process of building a Purchase Order Contract system whereby we will be able to archive and track contract work projects.
- Completed purchase of new Vac-Con truck in the amount of \$408,907. This is critical equipment for our Collections Department and one that we replace roughly once every 10 years.
- Entered into contract for replacement of perimeter trees and interior landscaping. This will provide a plan for the potential removal of the eucalyptus trees that surround the facility and replacement with native riparian vegetation. Anticipate this will be a multi-year project; but one that is part of the long-term strategy to co-exist in the lagoon with State Parks and the neighborhood.
- Completed rehab of Secondary Clarifier #1 including coating of the launders, weirs, and sludge collection system.
- We have engaged a consultant to perform an outside audit of the District's Sanitary Sewer Management Plan (SSMP) and anticipate delivery to the Board in early new year.
- We are also looking a development of a plan to eliminate the eucalyptus from around the plant perimeter and replace them with native trees that would still provide the visual shield that we require. This is going to be another long-range project as we need to grow a new shield prior to removing the eucalyptus. We also need to work with closely with the other agencies involved and regulatory agencies.
- We are also investigating the possibility of a well at the CAWD site to replace our current use of #3 water for process purposes with well water. It is still in the investigation phase, but not only is this a potential way to augment supplies, it could also be a way to "manage" lagoon water levels slightly.

Financial Matters

- Completed both CAWD and Reclamation audits with unqualified opinions.

- Staff is currently at work on the 2020-21 budget as we're trying to bring it to the committee earlier. Right now, the target is beginning of January. Stay tuned. I am not planning on pursuing any budget awards this year – simply moving the timeline up may be all we can handle.

Personnel Management

- Organized a NeuroColor event for management staff with the express intent of better team building. It was so successful that we pushed the effort out to staff and held a second even in October. Very positive feedback from staff.
- I continue to encourage and facilitate training at all levels of the organization, that includes technical, regulatory, and leadership training.
- Continued work with HR consultant to ensure that all Performance Evaluations are up to date. This has been a source of understandable angst for staff, but I think that with only a couple of exceptions we are current. Kudos to our HR consultant for her efforts.
- I took a two week of vacation in mid-October and assigned Rachel Lather the job of "Acting GM". She did a superb job for the District and I think she got a better sense of what the General Manager position might look like daily.
- We've initiated a review of all job descriptions and an enhancement of the Physical Requirements. This will be invaluable in helping us to screen new employees and manage back-to-work process for injured employees.
- We have also begun the process of Employee Negotiations – a new Employee Ground Rules contract is ready, and staff has been preparing to meet and discuss. This will be a significant and time-consuming effort as we move into the 4th quarter.

Intergovernmental Relations

- We continue to work with the City of Carmel whenever feasible. The Environmental Compliance staff completed the second set of stormwater

inspections for the City of Carmel-by-the-Sea. We've reached out to planning regarding business licenses, and also building department for permitting.

- We have also reached out to the County to see if we can persuade them to work with us on notification when a business changes hands or a new license is issued. We would also like to be part of their permit notification process.
- We are attempting to resurrect the idea of a joint project between CAWD, the City of Carmel, and the Mission to make a transportation "hub" between our joint properties. CAWD is interested in the rehabilitation of our bridge and providing a connection between the City and Coastal Trail. This idea was first floated over a decade ago – it's a potentially great project but it just hasn't gathered enough steam. This is a renewed effort between that includes not only CAWD staff but also Director D'Ambrosio.

Public & Community Relations

- We are well into the process of updating our web site with Streamline vendor. The original goal was a board presentation in December that I am still optimistic about meeting. While this may seem minor, it is really a significant effort from multiple staff members. We are also engaged in obtaining updated photos of the District for the web site. Our goal is to be a lead agency and enhance public accessibility.
- Continued participation in CSAI and CSA 50 meetings on flood control.
- Continue to interact with County, Big Sur Land Trust, and public about District's role in Carmel River Free Project and onOutfall line.
- We continue to work closely with State Parks - not only to manage our current relationship but to potentially set the tone for the long term. Staff has reached out to them regarding Hatton Canyon and ongoing trimming along the trails and easements on their property. We've also discussed treating hydrogen sulfide issues directly at Point Lobos. There have been very preliminary discussions about the District taking on a contract to clean lines in Point Lobos. Both Daryl Lauer and Rachel Lather have done a superb job in working with their counterparts at State Parks.

- I continue to participate in Integrated Regional Water Management (IRWM) meetings.
- I attend the Special District Association Meetings quarterly with Director Townsend. Although this last quarter Director Townsend was escorted by Chris Foley who reports not only did he enjoy it immensely but felt it was most informative.
- We put together a public outreach program and had a table at the PBCSD Public Safety Day on July 20th and at the Monterey County Fair. Staff was very enthusiastic about participating. We are also looking at participating in events with the City of Carmel.
- I'm working on our relationship with PBCSD. While I recognize that we will not always agree, we need to communicate better. I believe that I am not speaking out of turn when I say that both Mr. Niccum and I recognize that this needs to start at the top – so to that end we've had a couple of conversations that I think have been good. I believe we are both committed to continued improvement of our relationship.

STAFF REPORT



To: Board of Directors

From: B. Buikema, General Manager

Date: November 21, 2019

Subject: Summary of Monterey County Treasurer Report dated 09-30-19

RECOMMENDATION

No action required – this is informational only

DISCUSSION

During the July – September quarter, U.S. Treasury yields continued to fall, and the inversion of the yield curve worsened (a classic early warning sign of recession) with the 10-year Treasuries falling below those of the 2-year Treasuries. A deteriorating U.S. economic outlook was made worse by ongoing trade tension which prompted the Federal Reserve to cut rates by 25 basis points at both the July and September Federal Open Market Committee meetings. While a U.S. recession is not in the immediate forecast, risks are rising including escalating U.S. China trade tensions and slowing growth abroad.

PORTFOLIO CHARACTERISTICS			
	03-31-19	06-30-19	09-30-19
Total Assets	\$1,683,748,933.92	\$1,765,188,987.34	\$1,557,346,900.60
Market Value	\$1,672,221,350.10	\$1,755,722,012.68	\$1,550,705,225.56
Days to Maturity	335	337	350
Yield	2.32%	2.43%	2.46%
Estimated Earnings	\$9,095,864.80	\$10,742,479.77	\$9,734,550.44

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 09-30-19	
Corporate Notes	13.9%
Overnight Liquid Assets	18.5%
US Treasuries	56.9%
Federal Agencies	3.5%
Commercial Paper	1.6%
Negotiable CDs	1.8%
Supranationals	3.1%
Municipal Bonds	<0.1%
Asset Backed Securities	0.6%

The County Treasury continues to perform comparatively to portfolio benchmarks this quarter. The County investment strategy continues to focus on capturing relative value while remaining cautious.

Future Strategy: The Treasurer has 54.2% of the portfolio invested in maturities under one year and 45.1% invested in the 1-3 year maturity range and 0.70% invested in the 3-5 year range. In the current interest rate environment, we continue to utilize available maturities to add high-quality securities and maintain a well-diversified portfolio. This strategy will also help to position the portfolio ensuring that liquidity needs are met. We will continue manage the portfolio under the established tenets of safety and liquidity while seeking to maximize the rate of return.

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

Note: The full Monterey County Treasurer Report is available at:
www.co.monterey.ca.us/taxcollector/Treasury_Main.html