



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

December 8, 2022
Thursday
9:00AM

LOCAL NEWS

Monday profile: Charlotte Townsend, the mayor who lost to Clint Eastwood





Charlotte Townsend, 92, stands in a hallway at her Carmel Home. The wall is covered with awards she has received over the years for her public service. Townsend served two terms as mayor of Carmel, and continues to serve on various public boards. (Tom Leyde — Monterey Herald correspondent)



Carmel >> There's not much Charlotte Townsend hasn't done in her 92 years, and the former Carmel mayor is not through yet.

"If I can be useful, I think that's what keeps me going," she said during an interview at her Carmel cottage.

Up until a year ago, Townsend was taking tennis lessons. She continues to sit on boards and attend board meetings, and she still drives her prized Porsche, on occasion.

For many, Townsend is known as the Carmel mayor who Clint Eastwood defeated in 1986. Townsend was seeking a third two-year term as mayor when the actor/director decided to run for the post. He won by a landslide after the U.S. and world press descended on the village to cover the race.

Eastwood served one term, and life went on in Carmel. It went on for Townsend, too.

She was born Feb. 21, 1925, in Tacoma, Washington. In 1931, at the beginning of the Great Depression, she and her parents moved to Carmel. The move opened many doors for young Charlotte.

She has fond memories of her black and white pony, Charm. Charm pulled a chartreuse-colored cart in the Carmel pet parade. And Townsend once rode Charm to Salinas so she could get into the California Rodeo Salinas for free.

Townsend was in the Girl Scouts. And like nearly everyone, was on stage in those days. She remembers Charlie Chaplin coming to Carmel productions and laughing heartily at comical shows. The actor/director would anchor his yacht in Pebble Beach's Stillwater Cove.

Townsend attended local schools, including Sunset School, now Sunset Center. She attended Stanford University and the Universities of Zurich and Heidelberg, as well as the Sorbonne in Paris.

While studying in Europe, she did tutoring, managed a restaurant and, as a civilian, managed service clubs for the Army in Germany, France and Austria.

She held a variety of jobs from managing a Carmel restaurant to working as a cook at sea.



In 1965 Townsend married Squire Claude Hurst of Chicago at Carmel City Hall (a former Episcopal Church). The couple moved to Chicago but when the marriage ended in divorce she moved back to Carmel, hoping to contribute to the community.

Her first effort was serving on the Harrison Memorial Library board, in 1975. That led to becoming the first woman elected to the Carmel Sanitation District board (now the Carmel Area Wastewater District).

In 1982, a former Carmel mayor suggested she run for mayor. City Hall was in disrepair, Townsend said, and there were reports of illegal things going on. She won election and went to work.

"I had to move two garbage cans and bring a cardboard table and two chairs to find a place to sit," Townsend recalled. "The city records were kept in the basement in shoeboxes and were covered with ants, and the planning director kept everything in his head. He never wrote anything down."

During her two terms as mayor, Townsend said, the city council accomplished more than had been accomplished in 40 years. Among other things, the city sent out two surveys to residents asking for input on the state of the village and completed a general plan.

There was a complete revamping of City Hall, which Townsend described as "a rat cage with too many rats in it."

Hiring Doug Schmitz

One of the key hires made during her tenure was Doug Schmitz as city administrator. He would return to the post in October 2014 and serve a little more than one year help put the city back on track after some internal problems.

Asked for a comment about Townsend, Schmitz said:

"When I think of Charlotte, I think of her seven most endearing attributes. Gratefulness: for what she has, her health, her long life, living in Carmel by the Sea, and for her friends. Giving: to her friends and to her community; Positiveness: about life, health, her garden, politics — international, national, local. Service: to the greater Carmel community and its organizations; Hospitality: always finding reasons for get togethers with friends and for games in her garden; Inquisitiveness: continues to read and ask questions on a variety of subject matters; A jokester: ends most conversations by telling a joke and with a hearty laugh."



11/16/22, 11:15 AM

Monday profile: Charlotte Townsend, the mayor who lost to Clint Eastwood – Monterey Herald

"I will never get over that," she said. "The way the media treated me."

She recalls people peeking in the windows of her home and threatening her. One of her supporters asked her if she could grow her hair longer, because some people said she looked like a lesbian. A cartoon of Townsend holding her cat was published in the New York Times.

"People vote by name recognition and what they see on television," she said.

These days, besides her board work, Townsend enjoys going to the symphony and cooking for friends.

"What I think is important now is the continuing emphasis on the things that make us (Carmel) unique ...," she said. "We're damned lucky."



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES

Thursday, 9:00 a.m., September 29, 2022

Via Teleconference Webinar & In Person with Proof of Vaccination

CALL TO ORDER - ROLL CALL - The meeting was called to order at 9:07 a.m.

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

Absent: None

A quorum was present.

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

Pescadero Road Group:

Don Ryan, resident
Michael Lang, resident
Nicholas De Luca, resident
Jim Burnis, resident
Billie Oberg, resident
Jessica Raymond, resident
Doug Arney, resident

Corona Road Group:

Lillian Hull, resident
Kate Daniels, resident

Carmel Valley Manor (CVM) Group:

Jay Zimmer, President of CVM
John Haupt, Director of Capital Planning, CVM
Christine Kemp, Attorney - Noland, Hamerly, Etienne & Hoss, Representing CVM
Stephen Pearson, Attorney - Noland, Hamerly, Etienne & Hoss, Representing CVM
Cody Phillips, Attorney - Anthony Lombardo & Associates, Inc., Representing Quail Lodge & the Wolters Property

Others:

Troy Larson

1. **Agenda Changes:** Moved Agenda Items No. 21, 22, 23, 26, 27 & 28 to before the Consent Calendar or Item No. 5 of the Agenda for accommodation of public participants.

2. **Public Comment and Moved Agenda Items:**

Re: Item No. 26 of the Agenda – A summary of a letter sent to the Board from Michael Littman requesting the District prefund/lend the Yankee Point/Otter Cove Project was given by the General Manager. The Board chose to take no action on Mr. Littman’s request at this time.

Re: Item No. 27 of the Agenda – Various online and in-person participants spoke about the proposed Pescadero Pipe Relocation Project, in support of “Plan A” from the 2016 MNS Engineers Inc. Draft Preliminary Engineering Report for completion of the Pescadero Pipe Relocation Project.

Re: Item No. 23 of the Agenda – Online participant, Lillian Hull, spoke in support of moving forward with the Corona Road Project and contracting with Denise Duffy & Associates to assist prior to a March 1, 2023, grant deadline for funding of the project.

Re: Item No. 28 of the Agenda: A summary of a letter sent to the Board from Chris Mack requesting a refund for the cost of an overflow at his property and to install a backwater valve on his personal sewer lateral was given by the General Manager.

Board Action

A motion to ratify staff’s recommendation of reimbursing the plumbing contractor fee for the overflow in the amount of \$420 and deny the reimbursement of the installation of a backwater valve was made by Director D’Ambrosio and seconded by Director Siegfried. After a Roll Call vote, the Board unanimously approved the ratification.

Re: Item No. 23 of the Agenda: **Resolution No. 2022-62:** Report by Rachél Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director D’Ambrosio. Following a Roll Call vote, the Board unanimously passed Resolution 2022-62, authorizing the General Manager to contract with Denise Duffy & Associates to provide environmental documents and permits for the Corona Road Project #18-21, prior to the March 1, 2023, grant deadline so the residents can move forward with acquiring a Septic to Sewer State Revolving Fund Grant & Loan.

Re: Item No. 21 of the Agenda: **Resolution No. 2022-59:** Report by Rachél Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Rachel and seconded by Director Townsend. Following a Roll Call vote, the Board unanimously passed Resolution 2022-59, adopting an addendum to the Mitigated Negative Declaration for the Carmel Valley Manor Sewer Extension Project #19-08.

Re: Item No. 22 of the Agenda: Resolution No. 2022-60: Report by Rachél Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director D'Ambrosio and seconded by President White. Following a Roll Call vote, the Board, with Director Townsend abstaining, passed Resolution 2022-60 as amended, approving the Carmel Valley Manor Sewer Extension Project access pump lot and pipeline installation agreement with Northern California Congregational Retirement Homes, Inc. DBA Carmel Valley Manor.

Re: Item No. 22 of the Agenda: Resolution No. 2022-61: Report by Rachél Lather

Board Action

After brief discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director Rachel. Following a Roll Call vote, the Board, with Director Townsend abstaining, passed Resolution 2022-61 as amended, approving the Carmel Valley Manor Sewer Extension Project access pump lot and pipeline easement agreement for sewer improvements.

3. *Employee Introduction:*

Ed Waggoner, District Plant Superintendent, introduced the District's newest employee, Rhommel Lopez, in the position of Operator in Training.

ADMINISTER CEREMONIAL OATH OF OFFICE

4. *Appointed to the Office of Carmel Area Waste Water District Board of Directors for a Term of Four Years (2022-2026) accompanied with an Oath of Office for:*

- Ken White
- Michael Rachel

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

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

Board Action

Item No. 5 of the Agenda and Consent Calendar was pulled for discussion, and it was decided to amend the Minutes with a language change.

A motion to receive and approve the consent agenda, with amended Minutes from Item No. 5, was made by Director Siegfried and seconded by Director D'Ambrosio. After a Roll Call vote, the Board unanimously received and approved the following Consent Calendar/Agenda items:

- 5.** Regular Board Meeting Minutes of August 25, 2022, as amended; and the Pension Committee Meeting Minutes of September 22, 2022.
- 6.** Bank Statement Review by Hayashi & Wayland

7. Schedule of Cash Receipts & Disbursements
8. Register of Disbursements - Carmel Area Wastewater District
9. Register of Disbursements – CAWD/PBCSD Reclamation Project
10. Financial Statements and Supplementary Schedules
11. Collection System Superintendent’s Report
12. Safety and Regulatory Compliance Report
13. Treatment Facility Operations Report
14. Laboratory/Environmental Compliance Report
15. Capital and Non-Capital Projects Report/Implementation Plan
16. Project Summaries
17. Plant Operations Report
18. Maintenance Projects Report
19. District Engineer’s Report

ACTION ITEMS BEFORE THE BOARD

These items are acted upon in the following sequence: (1) Staff Report (2) Board Questions to Staff (3) Public Comments, and (4) Board Discussion, Vote and Action.

RESOLUTIONS

20. **Resolution No. 2022-58;** Report by Barbara Buikema

Board Action

A motion to approve the resolution was made by Director Siegfried and seconded by President White. Following a Roll Call vote, the Board, with Director Townsend abstaining, passed Resolution 2022-58, proclaiming a local emergency, ratifying the Proclamation of a State of Emergency by Governor’s Order #N-25-20, and authorizing remote teleconference meetings of the legislative body of CAWD for the period of September 30, 2022, through October 30, 2022.

21. **Resolution No. 2022-63;** Report by Patrick Treanor

Board Action

After brief discussion, a motion to approve the resolution was made by Director D’Ambrosio and seconded by Director Rachel. Following a Roll Call vote, the Board unanimously passed Resolution 2022-63, authorizing engineering services for the Reclamation Microfiltration/Reverse Osmosis and Tertiary System 15-Year Capital Improvement Program Master Plan for \$281, 981.

COMMUNICATIONS

22. General Manager Report - oral report

The report included an invitation to the District’s annual barbecue to be held on October 7th at 11:30 at the District’s plant; the mention of an upcoming agenda item for the upcoming PBCSD Board Meeting to discuss the District’s contract with them; the construction project at the Plant had an unforeseen delay but that has been rectified.

INFORMATION/DISCUSSION ITEMS

- 23.** September update of the WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project #18-01– Report by Patrick Treanor

This report is for information only and no action was taken.

- 24.** Dashboard Metric – Report by Barbara Buikema

This report is for information only and no action was taken.

- 25.** Announcements on subjects of interest to the Board made by members of the Board or Staff
- Director Siegfried is scheduled to attend the September 30, 2022, PBCSD Regular Board meeting and Director Townsend is scheduled to attend the October 28, 2022, meeting.
 - Director Rachel is scheduled to attend the October 18, 2022, meeting of the Special Districts Association (SDA) of Monterey County meeting and Director Townsend is scheduled to attend the January 17, 2023, meeting.
 - President White and Director Townsend are scheduled to attend the Reclamation Management Committee meeting on November 15, 2022.

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

The Board adjourned to closed session at 11:25 a.m. and convened in closed session at 12:27 p.m. The Board came out of closed session at 12:28 p.m. and Legal Counsel reported hereby that in the closed session the Board took up the agenda items (Performance Evaluations). As to the matters, information was provided to the Board, discussion followed, and no reportable action was taken.

27. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 12:28 p.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, October 27, 2022, or an alternate acceptable date, via teleconference webinar.

As Reported To:

Domine Barringer, Secretary to the Board

APPROVED:

Ken White, President



**CARMEL AREA WASTEWATER DISTRICT (CAWD)
BOARD OF DIRECTORS SPECIAL MEETING MINUTES
Board Vacancy**

November 7, 2022, Monday, 3:00 p.m.

Via teleconference webinar and in person

CALL TO ORDER - ROLL CALL:

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

Present: President Ken White
Pro Tem Bob Siegfried
Director Greg D'Ambrosio
Director Michael Rachel
Barbara Buikema, General Manager
Stephanie Atigh, Wellington Law Offices, CAWD Legal Counsel

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

Information/Discussion Items:

Passing of Board Member Charlotte Townsend:

- a. *Remove Charlotte Townsend from the District Board, effective November 1, 2022, due to her passing.*

Board Action

A motion to accept the vacancy in the Board of Directors was made by Director D'Ambrosio and seconded by Director Rachel. After a Roll Call vote, the motion was approved by all present board members.

- b. *Discuss and Determine whether to fill the board vacancy left by Charlotte Townsend by board appointment or election.*

Board Action

After brief discussion, a motion to use an appointment to fill the Board vacancy was made by Director Rachel and seconded by Director Siegfried. After a Roll Call vote, the motion was approved by all present board members.

- c. *Depending on the choice made in item 3.b. Immediately above, direct Staff to take all legally required steps to either (i) fill the vacancy by appointment, or (ii) Call an election to fill the vacancy by election.*

Board Action

A motion to fill the Board vacancy by appointment and advertise it was made by President White and seconded by Director D'Ambrosio. After a Roll Call vote, the motion was approved by all present board members.

d. Review proposed process

Board Action

After discussion, the Board decided on the following process:

- 1. The District will publicly post the vacancy on November 7, 2022.***
- 2. Applications with Candidate Statements from individuals wishing to fill the vacancy will be accepted until 3:00 pm on November 30, 2022.***
- 3. The Board will invite all candidates to a public meeting on December 6, 2022, to make oral statements and answer questions in front of the Board.***
- 4. The Board will decide and declare their appointment recommendation and the winning candidate will accept on December 6, 2022, at the same public meeting.***

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 3:23 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, December 8, 2022, or an alternate acceptable date, via teleconference webinar or in person. The teleconference webinar is hosted through Zoom and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Ken White, President



CARMEL AREA WASTEWATER DISTRICT (CAWD)
PENSION COMMITTEE MEETING MINUTES
November 17, 2022, Thursday, 2:30 p.m.

Via teleconference and in-person

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 2:30 p.m.

Present: President Pro Tem Robert Siegfried, Committee member
Barbara Buikema, General Manager
Robert Wellington, Legal Counsel
Director Michael Rachel, Committee member
Bill Hastie, Hastie Financial Group
Haley Hitchman, Hastie Financial Group

Absent: None

Appearances/Public Comments: None

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items:

1. 3rd Quarter Results Review
2. Fixed Asset Portfolio Review

The committee took no reportable action.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 3:25 p.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, December 8, 2022, or an alternate acceptable date, in-person and via teleconference webinar. The teleconference webinar is hosted through Zoom, and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Ken White, President



CARMEL AREA WASTEWATER DISTRICT (CAWD)
SALARY & BENEFITS COMMITTEE MEETING MINUTES
December 1, 2022, Thursday, 8:00 a.m.

Via teleconference and in-person

CALL TO ORDER - ROLL CALL:

The meeting was called to order at 8:00 a.m.

Present: Director Ken White, Committee member
Robert Wellington, Legal Counsel
Director Michael Rachel, Committee member
Barbara Buikema, General Manager

Absent: None

Other: Patrick Treanor, Plant Engineer
Kevin Young, Operations Supervisor
Barry Blevins, Collections Worker III
Greg Ange, Maintenance Worker III

Appearances/Public Comments: The employee negotiators each commented on their acceptance of the proposed changes to Health Insurance.

Agenda Changes: None

AGENDA ITEMS:

The committee discussed the following agenda items in Closed Session:

1. Health Insurance
2. COLA & Salaries

The committee took no reportable action.

ADJOURNMENT: *There being no further business to come before the Committee, the meeting concluded at 9:02 a.m. The next Regular Board Meeting will be held at 9:00 a.m., Thursday, December 8, 2022, or an alternate acceptable date, in-person and via teleconference webinar. The teleconference webinar is hosted through Zoom, and you may receive access by visiting our website homepage, www.cawd.org, calling the District office at 831-624-1248 or via email at downstream@cawd.org.*

As Reported To:

Barbara Buikema, General Manager

APPROVED:

Ken White, President

12-6-2022 -Board Vacancy Minutes -Insert
will occur at the time of the regular
meeting on 12-8-2022



HAYASHI | WAYLAND

INDEPENDENT ACCOUNTANTS' REPORT

October 17, 2022

To the Board of Directors
Carmel Area Wastewater District

We have performed the procedures enumerated below, which were agreed to by Carmel Area Wastewater District (CAWD), solely to assist you in connection with a determination as to whether there were differences in the Company's recorded cash disbursements and recorded cash receipts for the month of September 2022. CAWD is responsible for its cash disbursements and cash receipts records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have completed our review of your bank reconciliations for the Monterey County checking account, the Chase Bank O&M account and the Chase Bank payroll account. This service is limited in scope and is neither designed nor intended to deter or discover fraud, embezzlements or any other irregularities.

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

- (1) We reviewed individual checks (or electronic images of individual checks or substitute checks). This procedure did not reveal any significant differences.
- (2) We examined the signatures on each check and compared them to a copy of the signature card on file with your bank to determine if the correct authorized people have signed the checks (we are not handwriting or forgery experts). This procedure did not reveal any significant differences.
- (3) We examined the payee on the check and matched it to the payee name appearing in your cash disbursements journal. This procedure did not reveal any differences.
- (4) We matched interbank account transfers. This procedure did not reveal any differences.



We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the cash disbursements records or cash receipts records, accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of Carmel Area Wastewater District, and is not intended to be and should not be used by anyone other than these specified parties.



Robert Lee, CPA
Partner
Hayashi Wayland

Cc: Mr. Ken White, President





CliftonLarsonAllen LLP
26515 Carmel Rancho Blvd, Suite 100
Carmel, CA 93923

phone 831-624-5333 fax 831-626-9113
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

November 30, 2022

To the Board of Directors
Carmel Area Wastewater District

We have performed the procedures enumerated below, which were agreed to by Carmel Area Wastewater District (CAWD), solely to assist you in connection with a determination as to whether there were differences in the Company's recorded cash disbursements and recorded cash receipts for the month of October 2022. CAWD is responsible for its cash disbursements and cash receipts records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

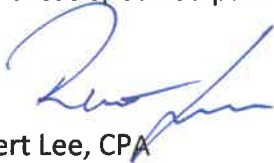
We have completed our review of your bank reconciliations for the Monterey County checking account, the Chase Bank O&M account and the Chase Bank payroll account. This service is limited in scope and is neither designed nor intended to deter or discover fraud, embezzlements or any other irregularities.

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- (3) We examined the payee on the check and matched it to the payee name appearing in your cash disbursements journal. This procedure did not reveal any differences.
- (4) We matched the interbank account transfers. This procedure did not reveal any differences.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the cash disbursements records or cash receipts records, accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of Carmel Area Wastewater District, and is not intended to be and should not be used by anyone other than these specified parties.

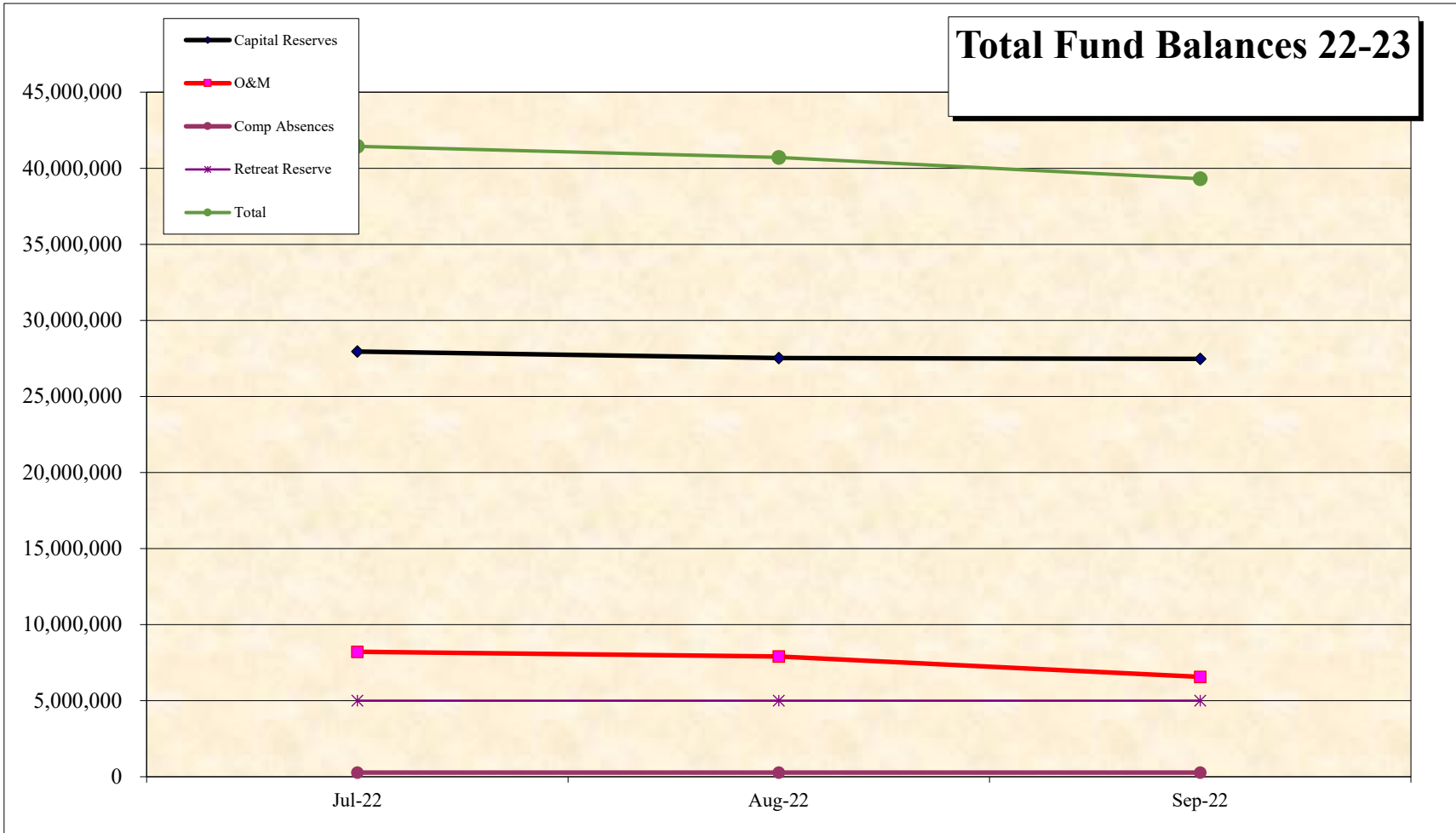


Robert Lee, CPA
Principal
CliftonLarsonAllen LLP

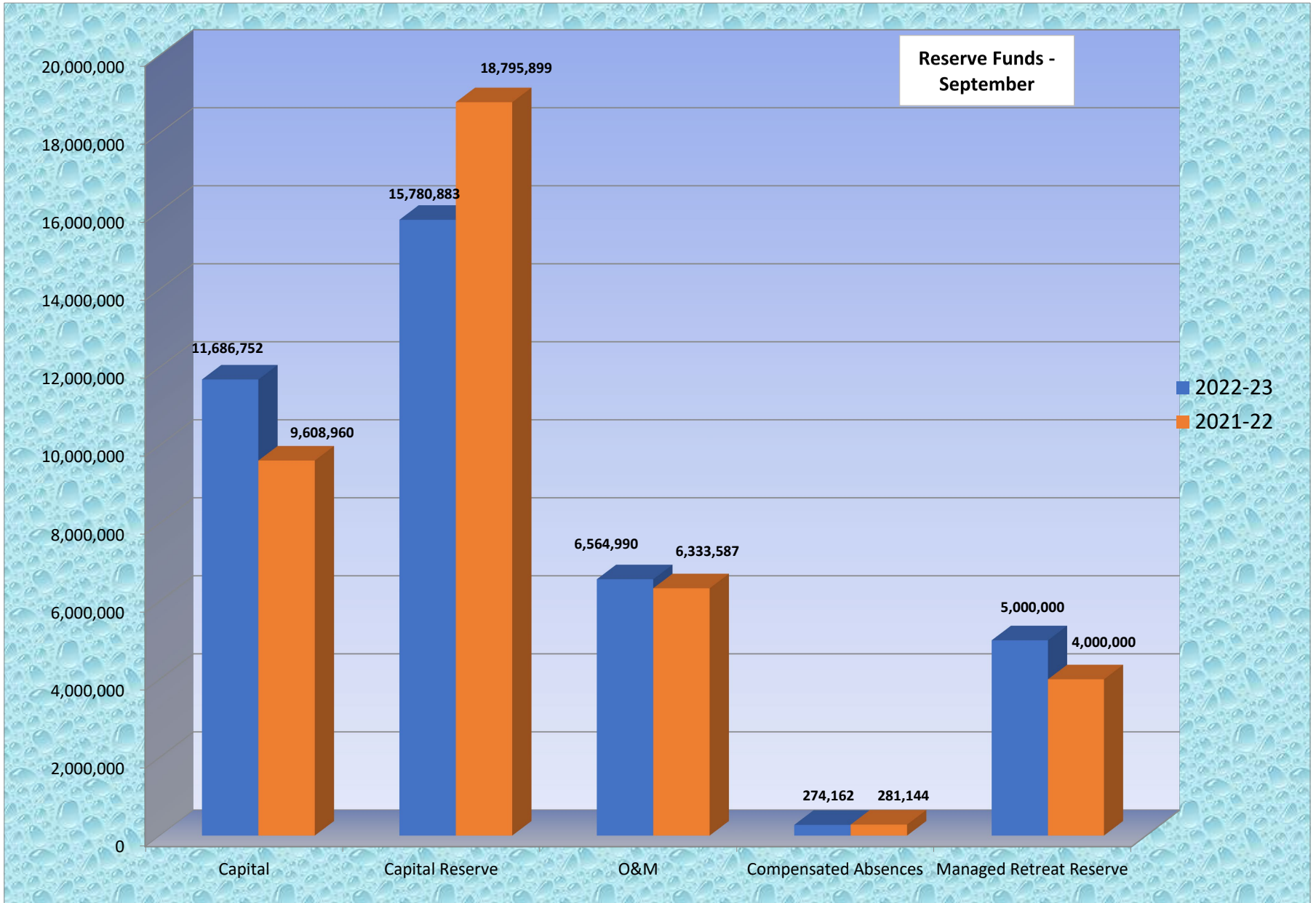
Cc: Mr. Ken White, President

Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - SEPTEMBER 2022

	Capital Fund	Capital Improvement Reserve	General O & M Fund	Compensated Accruals Reserve	Defend or Managed Retreat Reserve	COUNTY Total Fund Balance	Chase Bank O & M Balance	Chase Bank PR Balance	L.A.I.F. Balance
BALANCE BEGINNING OF MONTH	\$11,750,202	\$15,779,854	\$7,901,895	\$274,162	\$5,000,000	\$40,706,113	\$112,412	\$7,458	\$1,200,472
Receipts:									
User Fees							4,024		
Property Taxes		1,029							
PBCSD Treatment Fees							115,000		
Reclamation O & M reimbursement							73,401		
Reclamation capital billing									
Permits							9,510		
PBCSD capital billing									
Other misc. revenue							6,150		
Interest income-JUNE 4Q int allocation									
Connection Fees									
CCLEAN receipts									
CRFree Project grant funds									
Sale of dump truck									
Hatton Canyon Grant Funds									
Void checks-replace lost check									
Total Receipts	0	1,029	0	0	0	1,029	208,085	0	0
Fund Transfers:									
Transfers to Chase Bank O&M	(63,450)		(1,136,550)				1,200,000		
Transfers to Chase Bank PR							(225,000)	225,000	
Transfer to Defend or Managed Retreat Fund									
Adjust compensated accruals at year end									
Rebalance Capital and O&M Reserves									
Total Transfers	(63,450)	0	(1,136,550)	0	0	(1,200,000)	975,000	225,000	0
Disbursements:									
Operations and capital							352,292		
Payroll & payroll taxes								224,419	
Employee Dental reimbursements							6,730		
CALPERS EFT							35,577		
CAWD SAM pension EFT							0		
CAWD pension loans EFT							587		
Home Depot EFT							349		
US Bank EFT							19,370		
Deferred comp contributions EFT							11,980	0	
PEHP contributions EFT							3,313	0	
Bank/ADP fees							0	805	
Highlands Bond Debt Service Payment			200,355						
Annual County admin billing fee									
GASB 68 report-CALPERS									
CALPERS CEPPT #1 & #2									
Total Disbursements	0	0	200,355	0	0	200,355	430,197	225,223	0
BALANCE END OF MONTH	11,686,752	15,780,883	6,564,990	274,162	5,000,000	39,306,788	865,299	7,234	1,200,472

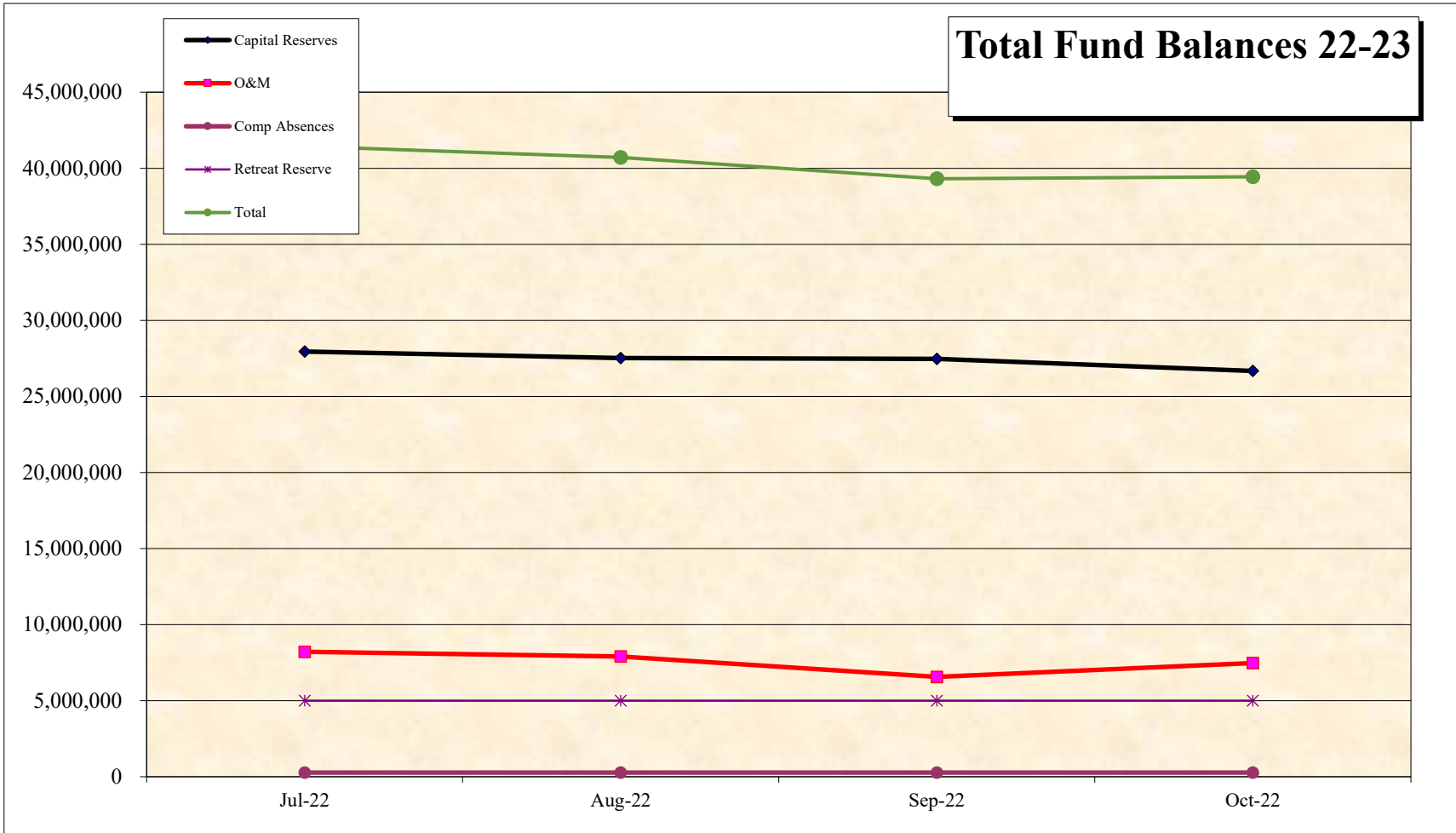


Capital Reserve + O&M + O&M Reserve + Compensated Absences Reserve = Total Fund held in County

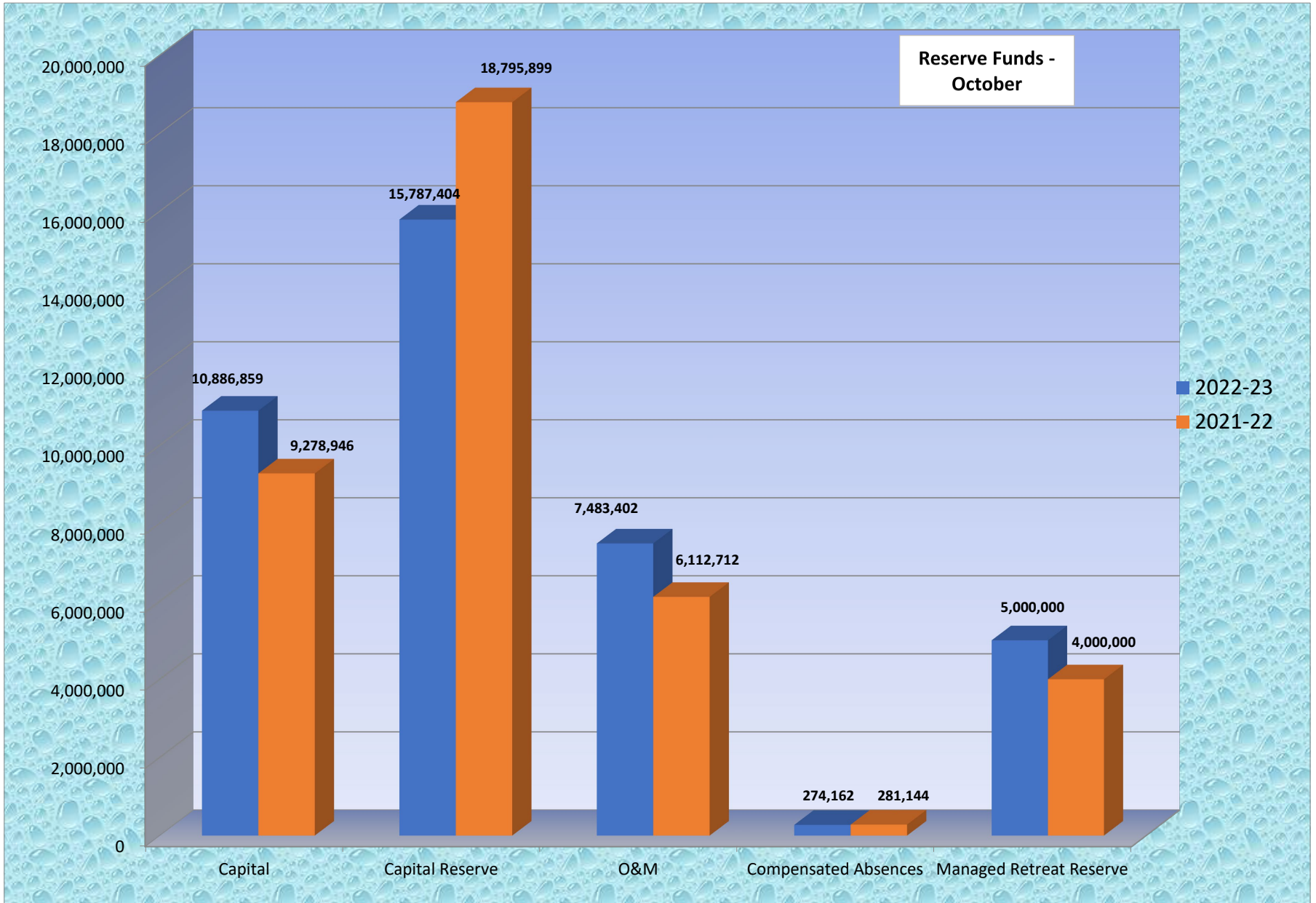


Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - OCTOBER 2022

	Capital Fund	Capital Improvement Reserve	General O & M Fund	Compensated Accruals Reserve	Defend or Managed Retreat Reserve	COUNTY Total Fund Balance	Chase Bank O & M Balance	Chase Bank PR Balance	L.A.I.F. Balance
BALANCE BEGINNING OF MONTH	\$11,686,752	\$15,780,883	\$6,564,990	\$274,162	\$5,000,000	\$39,306,788	\$865,299	\$7,234	\$1,200,472
Receipts:									
User Fees			16,151				19,361		
Property Taxes		6,521							
PBCSD Treatment Fees							115,000		
Reclamation O & M reimbursement							82,668		
Reclamation capital billing									
Permits							5,660		
PBCSD capital billing							1,135,075		
Other misc. revenue							8,820		
Interest income			102,368						4,085
Connection Fees							8,723		
CCLEAN receipts							44,557		
CRFree Project grant funds									
GovDeals sale of RV, vehicle and spare parts							34,295		
Carmel Valley Manor inspection deposit							10,000		
Void checks-replace lost checks							101,550		
Total Receipts	0	6,521	118,519	0	0	125,039	1,565,709	0	4,085
Fund Transfers:									
Transfers to Chase Bank O&M									
Transfers to Chase Bank PR							(230,000)	230,000	
Transfer to Defend or Managed Retreat Fund									
Intra-fund transfers for capital expenditures	(799,893)		799,893						
Rebalance Capital and O&M Reserves									
Total Transfers	(799,893)	0	799,893	0	0	0	(230,000)	230,000	0
Disbursements:									
Operations and capital							1,228,301		
Payroll & payroll taxes								229,171	
Employee Dental reimbursements							1,412		
CALPERS EFT							35,625		
CAWD SAM pension EFT							0		
CAWD pension loans EFT							587		
Home Depot EFT							1,078		
US Bank EFT							8,215		
Deferred comp contributions EFT							11,980	0	
PEHP contributions EFT							3,313	0	
Bank/ADP fees							0	795	
Highlands Bond Debt Service Payment									
Annual County admin billing fee									
Greely Hansen deposit lost check							64,211		
HCM Unlocked EFT							4,556		
Total Disbursements	0	0	0	0	0	0	1,359,278	229,965	0
BALANCE END OF MONTH	10,886,859	15,787,404	7,483,402	274,162	5,000,000	39,431,827	841,730	7,269	1,204,556



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



Carmel Area Wastewater District
Disbursements
Sep-22

Date	Check	Vendor	Description	Amount
09/01/22	3389	Amazon Capital Services	Batteries and employee rain gear	338.20
09/01/22	3390	American Fidelity Assurance Company	Flex accounts	163.55
09/01/22	3391	American Fidelity Assurance	Employee insurance premiums	586.16
09/01/22	3392	Andrew Millington	Dental	2,000.00
09/01/22	3393	AT&T Mobility	SCADA text modem	60.34
09/01/22	3394	AT&T CALNET 3	Admin alarm	35.41
09/01/22	3395	AT&T	Plant fiber router and IP card	718.97
09/01/22	3396	Avatour Technologies	Annual fee for license to show online tour of Plant and pump stations	19,050.50
09/01/22	3397	Christopher Foley	Dental	1,660.00
09/01/22	3398	Cintas Corporation #63D	Laundry service	788.66
09/01/22	3399	Culligan Water Conditioning	C&I exchange service for the lab	17.35
09/01/22	3400	Datco Services	Employee controlled substance test	54.50
09/01/22	3401	Delta Medical Supply Group	Plant and collections safety gloves	3,112.00
09/01/22	3402	Direct TV	Plant service	93.99
09/01/22	3403	Edges Electrical	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL \$1,036.04) and operating supplies	1,172.99
09/01/22	3404	Equitable Financial Life Insurance	Life insurance, long-term and short-term disability premiums	2,587.99
09/01/22	3405	Exceedio	Server warranty renewal	436.60
09/01/22	3406	FGL Environmental	Sample analysis	60.00
09/01/22	3407	GLS US	Shipping charges for sample analysis	205.07
09/01/22	3408	Got.Net	Domain parking	4.20
09/01/22	3409	Grainger	Maintenance set, 2.5 ton 5" stroke tool	3,153.40
09/01/22	3410	Hach Company	Operating supplies	3,156.84
09/01/22	3411	Idexx Laboratories	Lab supplies	563.79
09/01/22	3412	Itpipes, LLC	Annual CCTV subscription	2,250.00
09/01/22	3413	Mark Napier	Reimbursement for Tri-State conference expenses	153.56
09/01/22	3414	McMaster-Carr	Operating supplies	90.34
09/01/22	3415	Monterey Tire Service	Sport trail tire	94.36
09/01/22	3416	Monterey Bay Air Resources District	Annual toxic permit fees	8,156.00
09/01/22	3417	Napa Auto Parts	Oil and filters	313.38
09/01/22	3418	Patelco Credit Union	Health savings accounts contributions	6,000.39
09/01/22	3419	Pacific Gas & Electric	Monthly expenses	3,672.05
09/01/22	3420	Raymond DeOcampo	Tri-State conference expenses and dental (\$430.00)	465.60
09/01/22	3421	Scarborough Lumber (ACE)	Operating supplies	34.51
09/01/22	3422	SRT Consultants	Bay/Scenic Pump Station Rehab. Project #20-07 (CAPITAL)	3,410.00
09/01/22	3423	Terry Equipment	Collection jackshaft pump drive, pillow block, axle, reel-800 and labor	3,924.81

Carmel Area Wastewater District
Disbursements
Sep-22

Date	Check	Vendor	Description	Amount
09/01/22	3424	Toro Petroleum	Boiler oil	562.73
09/01/22	3425	Univar Solutions USA Inc.	Sodium hypochlorite	3,971.06
09/01/22	3426	Universal Staffing	Admin temp service	1,296.00
09/01/22	3427	Vision Service Plan	Vision insurance premium	595.35
09/01/22	3428	Weco Industries LLC	Sewer hose wooden reel and nozzle extension	3,409.61
09/15/22	3429	Amazon Capital Services	Operating and office supplies	1,136.37
09/15/22	3430	American Fidelity Assurance Company	Flex accounts	163.55
09/15/22	3431	AT&T Mobility	Cell service	673.31
09/15/22	3432	AT&T CALNET 3	Plant fiber	616.42
09/15/22	3433	AutomationDirect, Inc.	Operating supplies	620.64
09/15/22	3434	Beck's Shoes	Employee work boots	222.87
09/15/22	3435	Bestor Engineers	Sea level rise conservation easement engineering	5,880.00
09/15/22	3436	Beth Ingram	March to August HR services	41,935.00
09/15/22	3437	Biobot Analytics	Influent sample testing	1,400.00
09/15/22	3438	Cal-Am Water	Monthly service	830.43
09/15/22	3439	Carmel Pine Cone	Bid notice for biosolids hauling	156.00
09/15/22	3440	CAWD\PBSCD Reclamation Project	Reimbursement for tertiary lab PG&E	755.48
09/15/22	3441	Charlotte Townsend	Dental	189.00
09/15/22	3442	Christopher Dinner Heating	HVAC services around the Plant	1,318.16
09/15/22	3443	Cintas Corporation #63D	Laundry service	937.05
09/15/22	3444	Conte's Generator Service	Block heater	331.30
09/15/22	3445	Denise Duffy & Associates	Hatton Canyon revegetation maintenance	4,395.62
09/15/22	3446	Fanny Mui	Dental	451.00
09/15/22	3447	FedEx	Shipping charges for sample analysis	212.40
09/15/22	3448	Fisher Scientific	Lab supplies	913.71
09/15/22	3449	Flosource	120v electric actuator	1,932.37
09/15/22	3450	General Air Compressor North	Gas compressor service	1,550.00
09/15/22	3451	Greg D'Ambrosio	Dental	2,000.00
09/15/22	3452	Gregory Ange	Tri-State conference expenses	128.12
09/15/22	3453	Greeley and Hansen	Long Term Sea Level Rise Planning #22-01 engineering services	30,170.68
09/15/22	3454	ICON Cloud Solutions	Telephone service	597.57
09/15/22	3455	Idexx Laboratories	Lab supplies	875.27
09/15/22	3456	Justifacts Credential Verification	New employee report	64.00
09/15/22	3457	Kemira Water Solutions	PIX-311 bulk chemical	4,537.71
09/15/22	3458	Kennedy/Jenks Consultants	Elec/Mech Rehab and Holding Tank Project #18-01 and Potable Water & Gas Main Replacement Project #22-03 (CAPITAL)	22,059.80

Carmel Area Wastewater District
Disbursements
Sep-22

Date	Check	Vendor	Description	Amount
09/15/22	3459	Kevin Young	Annual CWEA membership	202.00
09/15/22	3460	Mainsaver Software	Annual renewal	4,455.00
09/15/22	3461	McMaster-Carr	Operating supplies	39.63
09/15/22	3462	MNS Engineers	Scenic Rd Pipe Bursting Project #20-08 and Pescadero Creek Area Pipe Rehab Project #21-05 (CAPITAL)	14,369.15
09/15/22	3463	Motion Industries	Operating supplies	251.32
09/15/22	3464	Murphy Austin Adams Schoenfeld LLP	Legal services-Monterey County option agreement- CRFREE Mitigation Pipeline Undergrounding project #19-21	7,202.50
09/15/22	3465	Napa Auto Parts	Vehicle parts	454.08
09/15/22	3466	Peninsula Welding & Medical Supply	Non-liquid cylinder rent	116.10
09/15/22	3467	Pacific Gas & Electric	Monthly service	39,396.90
09/15/22	3468	Pure Water	Monthly service	169.40
09/15/22	3469	Quinn Company	Operating supplies	133.00
09/15/22	3470	SRT Consultants	Bay/Scenic Pump Station Rehab. Project #20-07 and Carmel Meadows Gravity Sewer Project #19-03 (CAPITAL)	9,995.00
09/15/22	3471	State Water Resources Control Board	Operator in Training certificate application for new operator	125.00
09/15/22	3472	Star Sanitation LLC	Collections portable toilet rental	23.05
09/15/22	3473	Streamline	Website maintenance	400.00
09/15/22	3474	Synagro Technologies	Sludge hauling	6,538.62
09/15/22	3475	Teledyne Instruments	Teledyne 3700 Sampler repair and GLS inspection	2,705.60
09/15/22	3476	Univar Solutions USA Inc.	Sodium hypochlorite	3,924.71
09/15/22	3477	Universal Staffing	Admin temp service	576.00
09/15/22	3478	U.S. Postal Service	Annual PO box fee	312.00
09/15/22	3479	Weco Industries LLC	Warthog nozzle swivel assembly, 3000psi leader hose and manhole parts	8,842.26
09/15/22	3480	WM Corporate Services	Plant rolloffs and admin garbage	1,958.57
09/22/22	3481	Cal-Am Water	Monthly service	109.16
09/22/22	3482	Comcast	Pump station internet	537.00
09/22/22	3483	FGL Environmental	Sample analysis	779.00
09/22/22	3484	Fisher Scientific	Lab supplies	667.01
09/22/22	3485	Frisch Engineering	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	12,580.00
09/22/22	3486	Hayashi & Wayland Accounting	Bank reconciliation oversight	450.00
09/22/22	3487	Public Agency Coalition Enterprise	Health insurance	34,110.62
09/22/22	3488	State Water Resources Control Board	Annual ELAP lab fees	2,125.00
				359,021.77

Carmel Area Wastewater District
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/03/22	3489	All American Mailing	Fall/Winter newsletter mailing	3,180.55
10/03/22	3490	Amazon Capital Services	Office and safety supplies	306.19
10/03/22	3491	American Fidelity Assurance Company	Flex accounts	163.55
10/03/22	3492	American Fidelity Assurance	Employee insurance premiums	586.16
10/03/22	3493	Aquatic Bioassay & Consulting Labs	Sample analysis	720.00
10/03/22	3494	AT&T Mobility	SCADA text modem	60.34
10/03/22	3495	AT&T CALNET 3	Admin alarm	33.97
10/03/22	3496	AT&T	IP card, voice routing and Plant fiber router	771.58
10/03/22	3497	AutomationDirect, Inc.	Liquid flow meter	4,133.29
10/03/22	3498	Beth Ingram	September HR services	5,687.50
10/03/22	3499	Bryan Mailey Electric	Plant and collections electrical projects	11,400.00
10/03/22	3500	CAL FIRE	Easement clearing labor	1,361.64
10/03/22	3501	Cintas Corporation #63D	Laundry service	1,225.47
10/03/22	3502	Clark Pest Control	Plant service	293.00
10/03/22	3503	Clark Bros., Inc.	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL), Progress payment #11	330,853.99
10/03/22	3504	Comcast	Admin internet	250.57
10/03/22	3505	Conte's Generator Service	Generator keyed handle assembly, latch and cam assembly and battery charger	3,598.75
10/03/22	3506	Culligan Water Conditioning	C&I exchange service for the lab	42.35
10/03/22	3507	Currie Engineers	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	51,850.40
10/03/22	3508	Daniel Deeth	Dental	184.00
10/03/22	3509	Direct TV	Plant service	93.99
10/03/22	3510	Edges Electrical	Electrical supplies	292.77
10/03/22	3511	Equitable Financial Life Insurance	Life insurance, long-term and short-term disability premiums	2,525.70
10/03/22	3512	FedEx	Shipping charges for sample analysis	37.78
10/03/22	3513	First Alarm	Admin and Plant quarterly alarm	578.25
10/03/22	3514	Fisher Scientific	Lab supplies	26.63
10/03/22	3515	Good Time Catering	Annual district BBQ catering	2,294.50
10/03/22	3516	Got.Net	Domain parking	4.20
10/03/22	3517	Grainger	Lab and operating supplies	692.39
10/03/22	3518	Hach Company	Lab supplies	514.12
10/03/22	3519	Harrington Industrial Plastics	Operating supplies	212.66
10/03/22	3520	Idexx Laboratories	Lab supplies	436.71

Carmel Area Wastewater District
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/03/22	3521	Image Source	Plant copier	69.85
10/03/22	3522	Kennedy/Jenks Consultants	Perimeter Fence Project #19-18 and Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	21,913.00
10/03/22	3523	Lemos Service Inc.	Propane for forklift	225.82
10/03/22	3524	Michael Rachel	Dental	938.00
10/03/22	3525	Monterey Bay Analytical Services	Sample analysis	350.00
10/03/22	3526	Napa Auto Parts	Vehicle parts	61.12
10/03/22	3527	OptekUSA	Microscope service	610.00
10/03/22	3528	Patelco Credit Union	Health savings accounts contributions	6,000.39
10/03/22	3529	Quill LLC	Office and safety supplies	533.44
10/03/22	3530	Rooter King of Mo County	Repair pipe for CCTV on and easement	5,267.00
10/03/22	3531	Scarborough Lumber (ACE)	Collections supplies	163.79
10/03/22	3532	Shape Incorporated	Flygt pump adaptive impeller	9,880.57
10/03/22	3533	Sigma-Aldrich	Lab supplies	88.19
10/03/22	3534	Tesco Controls	Annual calibration of flow meters	339.79
10/03/22	3535	Toro Petroleum	Oil and diesel fuel	7,980.65
10/03/22	3536	Town & Country Gardening	Plant and admin landscaping	700.00
10/03/22	3537	Univar Solutions USA Inc.	Sodium hypochlorite and sodium bisulfate	10,563.85
10/03/22	3538	Universal Staffing	Admin temp service	576.00
10/03/22	3539	USA Blue Book	Circular chart paper	481.90
10/03/22	3540	Vision Service Plan	Vision insurance premium	617.40
10/03/22	3541	Wellington & Rathie	District legal service	5,976.00
10/03/22	3542	Whitson Janitorial	Plant and admin janitorial	1,625.00
10/18/22	3543	Amazon Capital Services	Operating and safety supplies	78.36
10/18/22	3544	Amerigas	Propane for Highlands pump station	1,317.99
10/18/22	3545	AT&T Mobility	Cell service	671.11
10/18/22	3546	AT&T CALNET 3	Plant fiber	616.42
10/18/22	3547	AT&T	Voice routing	50.99
10/18/22	3548	AutomationDirect, Inc.	Operating supplies	271.54
10/18/22	3549	Barbara Simmons	User fee refund-septic	1,005.94
10/18/22	3550	Bryan Mailey Electric	Plant and collections work	6,750.00
10/18/22	3551	Cal-Am Water	Monthly service	1,010.64
10/18/22	3552	CAWD\PBSCD Reclamation Project	Reimbursement for tertiary lab PG&E	820.61

Carmel Area Wastewater District
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/18/22	3553	Christopher & Karen Mack TRS	Reimburse plumbing bill due to backup	420.00
10/18/22	3554	Clark Bros., Inc.	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL), Progress payment #12	315,918.66
10/18/22	3555	Comcast	Pump station internet	537.00
10/18/22	3556	Denise Duffy & Associates	Hatton Canyon revegetation maintenance	5,458.44
10/18/22	3557	DKF Solutions	Training for crane & hoists and fall protection	8,070.00
10/18/22	3558	Doctor's on Duty Medical Group	DMV physical	150.00
10/18/22	3559	Edges Electrical	Electrical supplies	343.74
10/18/22	3560	Fanny Mui	Reimbursement for ECI GR 2 exam fee	195.00
10/18/22	3561	Fastenal Company	Operating supplies	810.32
10/18/22	3562	FGL Environmental	Sample analysis	2,071.00
10/18/22	3563	Greeley and Hansen	Replace lost checks #3349 and #3453	94,381.55
10/18/22	3564	Harrington Industrial Plastics	Operating supplies	289.92
10/18/22	3565	Hayashi & Wayland Accounting	Bank reconciliation oversight	450.00
10/18/22	3566	Lemos Service Inc.	Smog test fees	190.00
10/18/22	3567	MBS Business Systems	Admin copier	604.53
10/18/22	3568	McMaster-Carr	Operating supplies	588.32
10/18/22	3569	MNS Engineers	Scenic Rd Pipe Bursting Project #20-08 and Pescadero Creek Area Pipe Rehab Project #21-05 (CAPITAL)	45,551.25
10/18/22	3570	Monterey Bay Analytical Services	Sample analysis	370.00
10/18/22	3571	Monterey Bay Engineers	Corona Road Assessment District Easement agreements	3,725.00
10/18/22	3572	Monterey Tire Service	Ford Rodder tires	2,248.57
10/18/22	3573	Murphy Austin Adams Schoenfeld LLP	Legal services-Monterey County option agreement- CRFREE Mitigation Pipeline Undergrounding project #19-21	2,375.00
10/18/22	3574	Napa Auto Parts	Battery warranty	198.63
10/18/22	3575	Peninsula Welding & Medical Supply	Non-liquid cylinder rent	38.70
10/18/22	3576	OVERFLOW STUB		0.00
10/18/22	3577	Pacific Gas & Electric	Monthly service	37,379.54
10/18/22	3578	Public Agency Coalition Enterprise	Health insurance	35,991.78
10/18/22	3579	Pure Water	Monthly service	124.75
10/18/22	3580	Quill LLC	Office supplies	146.51
10/18/22	3581	Rooter King of Mo County	Permit fee reimbursement-job cancelled	120.00
10/18/22	3582	SCBA Safety Check, Inc.	Annual testing of breathing units	356.00

Carmel Area Wastewater District
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/18/22	3583	Seth Steele-Freitas	Reimbursement for GR 1 test fee	180.00
10/18/22	3584	Stamp/Erickson	CRFREE Mitigation Pipeline Undergrounding project #19-21	12,510.00
10/18/22	3585	Star Sanitation LLC	Collections portable toilet rental	23.05
10/18/22	3586	Synagro Technologies	Sludge hauling	7,495.07
10/18/22	3587	Town & Country Gardening	Plant and admin. gardening	700.00
10/18/22	3588	Whitson Janitorial	Plant and admin. janitorial	1,300.00
10/18/22	3589	Wilbur-Ellis Company	Service charges	55.90
10/18/22	3590	WM Corporate Services	Plant rolloffs	1,237.30
	3591-3633	VOID-PRINTER ERROR		
10/25/22	3634	Amazon Capital Services	Operating supplies and small tools	493.87
10/25/22	3635	American Fidelity Assurance Company	Flex accounts	327.10
10/25/22	3636	Ann Muraski	Fall/Winter newsletter design and writing	7,300.00
10/25/22	3637	Applied Marine Sciences	June-Sept Evaluating Ag. Management Practices for CCLEAN	14,994.53
10/25/22	3638	AutomationDirect, Inc.	Operating supplies	296.85
10/25/22	3639	Barbara Buikema	Vision copays	40.00
10/25/22	3640	Bestor Engineers	Sea level rise study	4,320.00
10/25/22	3641	Biobot Analytics	Influent sample testing	1,050.00
10/25/22	3642	Cal-Am Water	Monthly service	43.02
10/25/22	3643	CAL FIRE	Easement clearing labor	1,134.70
10/25/22	3644	Central Coast VNA and Hospice	Flu/COVID shot clinic	835.00
10/25/22	3645	Cintas Corporation #63D	Laundry service	1,298.08
10/25/22	3646	Clark Pest Control	Plant service	293.00
10/25/22	3647	Comcast	Admin internet	250.42
10/25/22	3648	Datco Services	Quarterly service fees	175.50
10/25/22	3649	Du-All Safety, LLC	Hazwoper training	7,625.00
10/25/22	3650	Edges Electrical	Electrical supplies	1,439.84
10/25/22	3651	FGL Environmental	Sample analysis	260.00
10/25/22	3652	Frisch Engineering	SCADA engineering service	6,240.00
10/25/22	3653	Got.Net	Domain parking	4.20
10/25/22	3654	Grainger	Warning light	106.59
10/25/22	3655	Green Infrastructure Design	Web GIS mapping and training	3,600.00
10/25/22	3656	ICON Cloud Solutions	Telephone service	592.85
10/25/22	3657	Image Source	Plant copier	84.81

Carmel Area Wastewater District
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/25/22	3658	Kennedy/Jenks Consultants	CRFREE Mitigation Pipeline Undergrounding project #19-21 and Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	7,590.25
10/25/22	3659	McMaster-Carr	Operating supplies	31.57
10/25/22	3660	MNS Engineers	Scenic Rd Pipe Bursting Project #20-08 and Pescadero Creek Area Pipe Rehab Project #21-05 (CAPITAL)	9,332.31
10/25/22	3661	Monterey County Tax Collector	Annual CSA #50 and MPWMD fees	362.98
10/25/22	3662	Monterey Tire Service	Vehicle tires	353.22
10/25/22	3663	Quill LLC	Office supplies	32.31
10/25/22	3664	c/o Randall F. Schwabacher	User fee refund-septic	13,111.60
10/25/22	3665	Seth Steele-Freitas	Dental	289.50
10/25/22	3666	Sierra Safety Training	Confined space training	3,495.00
10/25/22	3667	Solenis LLC	Praestol K 144 L-NA chemical	17,587.16
10/25/22	3668	SRT Consultants	Carmel Meadows Gravity Sewer Project #19-03 final design and Bay/Scenic Pump Station Rehab. Project #20-07 (CAPITAL)	16,883.49
10/25/22	3669	Streamline	Website maintenance	400.00
10/25/22	3670	Teledyne Instruments	Lab supplies	685.69
10/25/22	3671	Univar Solutions USA Inc.	Sodium hypochlorite and sodium bisulfate	11,895.12
10/25/22	3672	Universal Staffing	Admin temp service	153.00
10/25/22	3673	United States Treasury	Payroll tax late payment fee	65.36
10/25/22	3674	WM Corporate Services	Admin garbage	64.66
				<u>1,229,712.47</u>

CAWD/PBCSD Reclamation Project
Disbursements
Sep-22

Date	Check	Vendor	Description	Amount
09/01/22	714	Grainger	Maintenance set, 2.5 ton, 5" stroke	1,023.63
09/01/22	715	Hach Company	Turbidity meter and Spectrophotometer annual service	3,962.50
09/01/22	716	Harrington Industrial Plastics	Sulfuric Acid Tank Project #18-26 (CAPITAL)	927.48
09/01/22	717	Idexx Laboratories	Lab supplies	542.60
09/01/22	718	McMaster-Carr	Sulfuric Acid Tank Project #18-26 (CAPITAL)	195.41
09/01/22	719	Pacific Gas & Electric	Tertiary and MF/RO billing	43,737.65
09/15/22	720	Brenntag Pacific	Ammonium sulfate, ammonium hydroxide, sulfuric acid and brennfloc RE 5000	38,533.70
09/15/22	721	Buckles-Smith Electric	Surge suppressor	7,557.73
09/15/22	722	Cal-Am Water	Hydrant Meter K monthly service	2,785.53
09/15/22	723	Carmel Area Wastewater District	O&M reimbursement	70,462.67
09/15/22	724	Christopher Dinner Heating	HVAC service	146.46
09/15/22	725	Edges Electrical	Electrical supplies	978.39
09/15/22	726	Ferguson Enterprises	ARI air relief valve	1,049.57
09/15/22	727	Fisher Scientific	Lab supplies	1,548.41
09/15/22	728	Idexx Laboratories	Lab supplies	875.27
09/15/22	729	MANCO	Five Rosemount flowmeters	23,771.90
09/15/22	730	Pebble Beach Company	Bond principal and interest, past letter of credit and bond fees and project rep costs	278,373.79
09/15/22	731	Pebble Beach Community Services District	O&M reimbursement	76,329.00
09/15/22	732	PK Safety Supply	Ammonia calibration gas cylinder	734.27
09/15/22	733	SPC Science	Lab supplies	241.00
09/15/22	734	Thatcher Company of California	Sulfuric acid and tote returns	5,789.26
09/15/22	735	Thermo Electron North America	Lab supplies	2,883.39
09/22/22	736	Arbitrage Compliance Specialists	2017-22 arbitrage rebate calculation	3,000.00
09/22/22	737	Fisher Scientific	Lab supplies	695.93
09/22/22	738	Frisch Engineering	SCADA Migration Project #21-09 (CAPITAL)	5,485.00
09/22/22	739	Hach Company	Lab supplies	68.99

CAWD/PBCSD Reclamation Project
Disbursements
Sep-22

Date	Check	Vendor	Description	Amount
09/22/22	740	Monterey Peninsula Water Management Dist.	Annual O&M and User Fee billings	111,081.05
09/22/22	741	Pebble Beach Community Services District	August O&M	41,143.59
09/22/22	742	Pacific Gas & Electric	MF/RO billing	22,362.14
09/22/22	743	Sigma-Aldrich	Lab supplies	88.18
09/22/22	744	State Water Resources Control Board	Annual ELAP lab fees	2,125.00
				748,499.49

CAWD/PBCSD Reclamation Project
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/03/22	745	Amazon Capital Services	Lab supplies	33.05
10/03/22	746	Brenntag Pacific	Ammonium hydroxide and Brennfloc RE 5000	18,385.27
10/03/22	747	Fisher Scientific	Lab supplies	23.31
10/03/22	748	Grainger	Lab supplies and operating supplies	991.50
10/03/22	749	Hach Company	Lab supplies	214.90
10/03/22	750	Harrington Industrial Plastics	Sulfuric Acid Tank Project #18-26 (CAPITAL)	71.83
10/03/22	751	Idexx Laboratories	Lab supplies	436.71
10/03/22	752	McMaster-Carr	Sulfuric Acid Tank Project #18-26 (CAPITAL)	317.63
10/03/22	753	Monterey Bay Analytical Services	Sample analysis	70.00
10/03/22	754	Monterey Peninsula Engineering	Sulfuric Acid Tank Project #18-26 (CAPITAL)	79,200.00
10/03/22	755	Tesco Controls	Calibration of flow meters	921.50
10/03/22	756	USA Blue Book	Circular chart paper	240.95
10/18/22	757	Brenntag Pacific	Ammonium hydroxide	5,102.20
10/18/22	758	Bryan Mailey Electric	Electrical service	750.00
10/18/22	759	Carmel Area Wastewater District	O&M, chemical and PG&E reimbursement	82,668.49
10/18/22	760	Frisch Engineering	SCADA Migration Project #21-09 (CAPITAL)	7,122.50
10/18/22	761	H2O Innovations	Micron cartridge filters	3,257.28
10/18/22	762	Monterey Bay Analytical Services	Sample analysis	1,431.00
10/18/22	763	Pebble Beach Community Services District	O&M and capital reimbursement (CAPITAL \$11,646.74)	54,636.86
10/18/22	764	Pacific Gas & Electric	Tertiary and MF/RO billing	41,680.65
10/18/22	765	SCBA Safety Check, Inc.	Annual testing of breathing units	445.00
10/24/22	766	Edges Electrical	Electrical supplies	203.44
10/24/22	767	Frisch Engineering	SCADA Migration Project #21-09 (CAPITAL)	21,900.00
10/24/22	768	Pebble Beach Company	Bond principal and interest, past letter of credit and bond fees and project rep costs	277,435.89
10/24/22	769	R.F. MacDonald Co.	Test and fix Gould pump	2,148.75
10/24/22	770	Trussell Technologies Inc.	MF/RO Ops Support Data Review	1,251.25

CAWD/PBCSD Reclamation Project
Disbursements
Oct-22

Date	Check	Vendor	Description	Amount
10/31/22	771	Acme Analytical Solutions	Acetic acid, potassium iodate, phenylarsine oxide, acetate buffer solution and iodine solution	837.48
10/31/22	772	Brenntag Pacific	Ammonium hydroxide and Brennfloc RE 5000	18,363.92
10/31/22	773	H2O Innovations	25 540 Micron cartridge filters	6,461.13
10/31/22	774	Hach Company	Lab supplies	391.00
10/31/22	775	Monterey Bay Analytical Services	Sample analysis	175.00
10/31/22	776	Pacific Gas & Electric	Tertiary billing	16,189.86
10/31/22	777	Professional Water Technologies	Spectraguard360-275G	18,841.17
				<u>662,199.52</u>



**Financial Statements
and
Supplementary Schedules**

September 2022

October 27, 2022

Carmel Area Wastewater District

Balance Sheet

September 2022

ASSETS			
Current Assets			
Cash			
Cash	41,474,174.82		
TOTAL Cash	41,474,174.82		
Other Current Assets			
Other Current Assets	1,491,747.20		
TOTAL Other Current Assets	1,491,747.20		
TOTAL Current Assets		42,965,922.02	
Fixed Assets			
Land			
Land	308,059.76		
TOTAL Land	308,059.76		
Treatment Structures			
Treatment Structures	70,377,201.24		
TOTAL Treatment Structures	70,377,201.24		
Treatment Equipment			
Treatment Equipment	8,864,043.57		
TOTAL Treatment Equipment	8,864,043.57		
Collection Structures			
Collection Structures	1,238,843.71		
TOTAL Collection Structures	1,238,843.71		
Collection Equipment			
Collection Equipment	1,509,600.36		
TOTAL Collection Equipment	1,509,600.36		
Sewers		15,496,819.42	
Disposal Facilities			
Disposal Facilities	1,643,890.85		
TOTAL Disposal Facilities	1,643,890.85		
Other Fixed Assets			
Other Fixed Assets	4,515,627.21		
TOTAL Other Fixed Assets	4,515,627.21		
Capital Improvement Projects			
Capital Improvement Projects	6,399,903.83		
TOTAL Capital Improvement Projects	6,399,903.83		
Accumulated depreciation		(56,781,274.36)	
TOTAL Fixed Assets		53,572,715.59	
Other Assets			
Other Assets		3,169,925.12	
TOTAL Other Assets		3,169,925.12	
TOTAL ASSETS		99,708,562.73	

Carmel Area Wastewater District

Balance Sheet

September 2022

LIABILITIES

Current Liabilities		
Current Liabilities	1,163,282.74	
TOTAL Current Liabilities	1,163,282.74	1,163,282.74
Long-Term Liabilities		
Long Term Liabilities	(1,157,813.71)	
TOTAL Long-Term Liabilities	(1,157,813.71)	(1,157,813.71)
TOTAL LIABILITIES		5,469.03
NET POSITION		
Net Assets	101,218,721.98	
Year-to-Date Earnings	(1,515,628.28)	
TOTAL NET POSITION	99,703,093.70	99,703,093.70
TOTAL LIABILITIES & NET POSITION		99,708,562.73

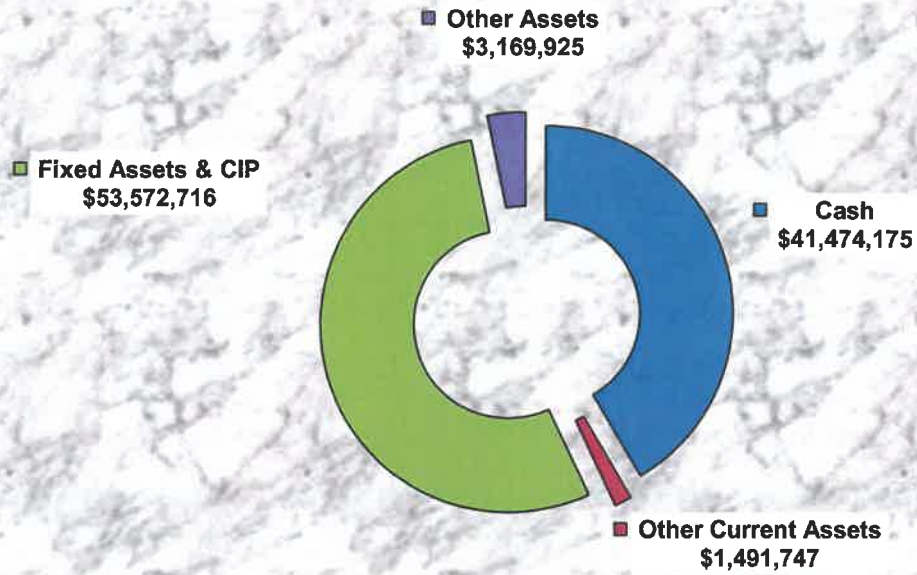
Carmel Area Wastewater District
Income Statement-Actual to Budget
Year-to-Date Variance, September 2022 - current month, Consolidated by
account

	<i>3 Months Ended September 30, 2022</i>	<i>3 Months Ended September 30, 2022 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	634,627.30	512,794.79	121,832.51	23.8 %
TOTAL Income	<u>634,627.30</u>	<u>512,794.79</u>	<u>121,832.51</u>	23.8 %
Adjustments				
Discounts	10.31	0.00	10.31	
TOTAL Adjustments	<u>10.31</u>	<u>0.00</u>	<u>10.31</u>	
*****	<u>634,637.61</u>	<u>512,794.79</u>	<u>121,842.82</u>	23.8 %
***** OPERATING INCOME	<u>634,637.61</u>	<u>512,794.79</u>	<u>121,842.82</u>	23.8 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	961,249.85	1,099,840.50	138,590.65	12.6 %
TOTAL Salaries and Payroll Taxes	<u>961,249.85</u>	<u>1,099,840.50</u>	<u>138,590.65</u>	12.6 %
Employee Benefits				
Employee Benefits	335,929.75	268,091.20	(67,838.55)	-25.3 %
TOTAL Employee Benefits	<u>335,929.75</u>	<u>268,091.20</u>	<u>(67,838.55)</u>	-25.3 %
Director's Expenses				
Director's Expenses	6,823.00	8,506.80	1,683.80	19.8 %
TOTAL Director's Expenses	<u>6,823.00</u>	<u>8,506.80</u>	<u>1,683.80</u>	19.8 %
Truck and Auto Expenses				
Truck and Auto Expenses	22,072.39	29,505.76	7,433.37	25.2 %
TOTAL Truck and Auto Expenses	<u>22,072.39</u>	<u>29,505.76</u>	<u>7,433.37</u>	25.2 %
General and Administrative				
General and Administrative	263,232.72	269,534.01	6,301.29	2.3 %
TOTAL General and Administrative	<u>263,232.72</u>	<u>269,534.01</u>	<u>6,301.29</u>	2.3 %
Office Expense				
Office Expense	9,391.10	16,931.28	7,540.18	44.5 %
TOTAL Office Expense	<u>9,391.10</u>	<u>16,931.28</u>	<u>7,540.18</u>	44.5 %
Operating Supplies				
Operating Supplies	81,747.46	117,405.51	35,658.05	30.4 %
TOTAL Operating Supplies	<u>81,747.46</u>	<u>117,405.51</u>	<u>35,658.05</u>	30.4 %
Contract Services				
Contract Services	213,277.89	253,302.73	40,024.84	15.8 %
TOTAL Contract Services	<u>213,277.89</u>	<u>253,302.73</u>	<u>40,024.84</u>	15.8 %

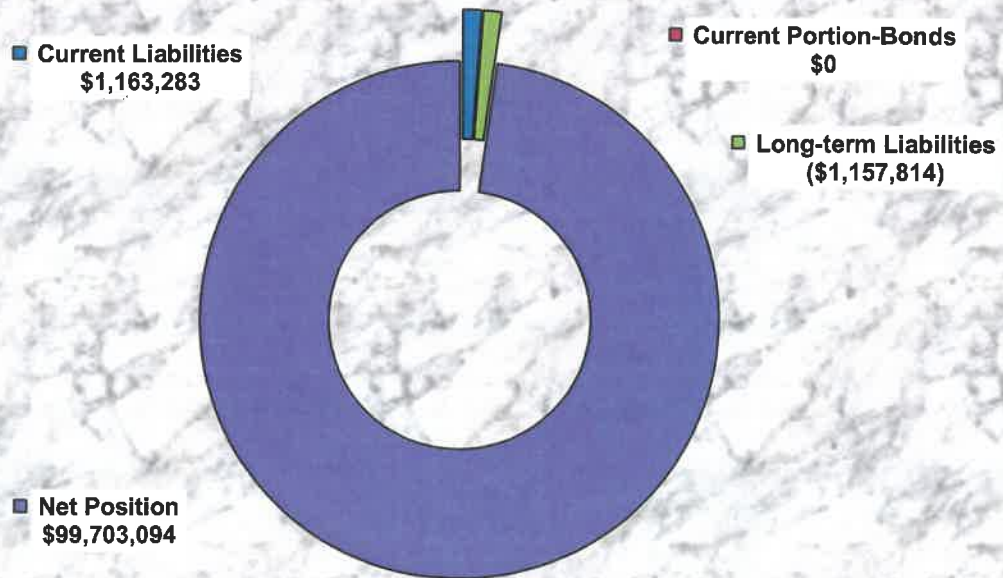
Carmel Area Wastewater District
Income Statement-Actual to Budget
Year-to-Date Variance, September 2022 - current month, Consolidated by account

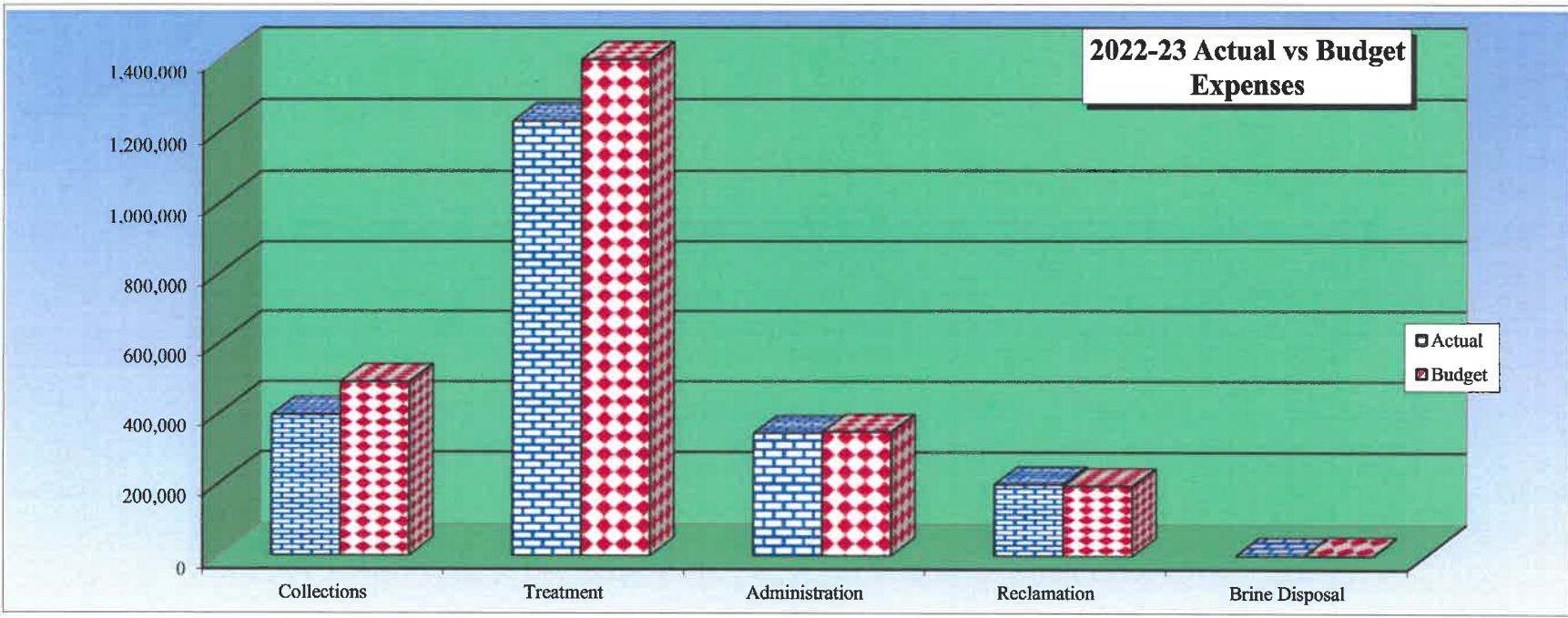
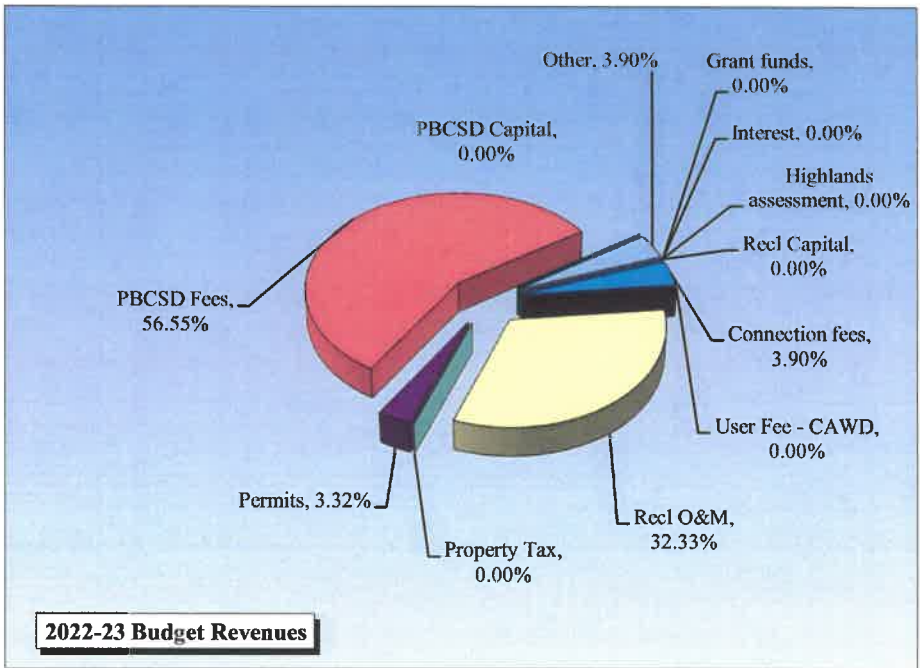
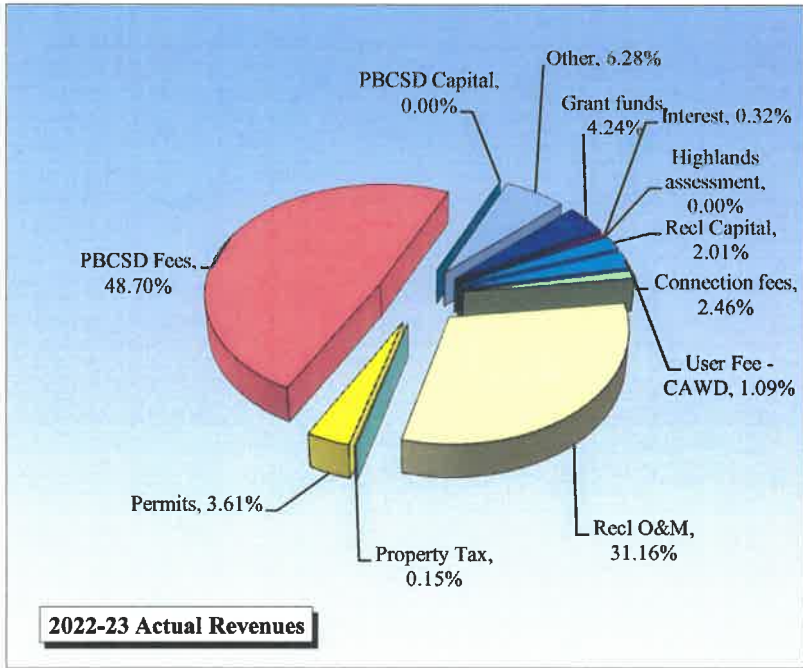
	<i>3 Months Ended September 30, 2022</i>	<i>3 Months Ended September 30, 2022 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Repairs and Maintenance				
Repairs and Maintenance	93,714.05	199,078.73	105,364.68	52.9 %
TOTAL Repairs and Maintenance	93,714.05	199,078.73	105,364.68	52.9 %
Utilities				
Utilities	101,702.02	95,508.51	(6,193.51)	-6.5 %
TOTAL Utilities	101,702.02	95,508.51	(6,193.51)	-6.5 %
Travel and Meetings				
Travel and Meetings	10,055.30	13,003.77	2,948.47	22.7 %
TOTAL Travel and Meetings	10,055.30	13,003.77	2,948.47	22.7 %
Permits and Fees				
Permits and Fees	33,831.00	34,238.00	407.00	1.2 %
TOTAL Permits and Fees	33,831.00	34,238.00	407.00	1.2 %
Memberships and Subscriptions				
Memberships and Subscriptions	4,131.74	4,837.45	705.71	14.6 %
TOTAL Memberships and Subscriptions	4,131.74	4,837.45	705.71	14.6 %
Safety				
Safety	13,679.69	17,499.98	3,820.29	21.8 %
TOTAL Safety	13,679.69	17,499.98	3,820.29	21.8 %
Other Expenses				
Other Expense	9,558.69	3,525.01	(6,033.68)	-171.2 %
TOTAL Other Expenses	9,558.69	3,525.01	(6,033.68)	-171.2 %
TOTAL Operating Expenses	2,160,396.65	2,430,809.24	270,412.59	11.1 %
***** OPERATING INCOME (LOSS)	(1,525,759.04)	(1,918,014.45)	392,255.41	20.5 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
Other Income, Gain, Expense and Loss	10,130.76	(7,678.00)	17,808.76	231.9 %
TOTAL Other Income or Gain	10,130.76	(7,678.00)	17,808.76	231.9 %
TOTAL Non-op Income, Expense, Gain or Loss	10,130.76	(7,678.00)	17,808.76	231.9 %
***** NET INCOME (LOSS)	(1,515,628.28)	(1,925,692.45)	410,064.17	21.3 %
***** NET INCOME (LOSS)	(1,515,628.28)	(1,925,692.45)	410,064.17	21.3 %

Assets - September 30, 2022

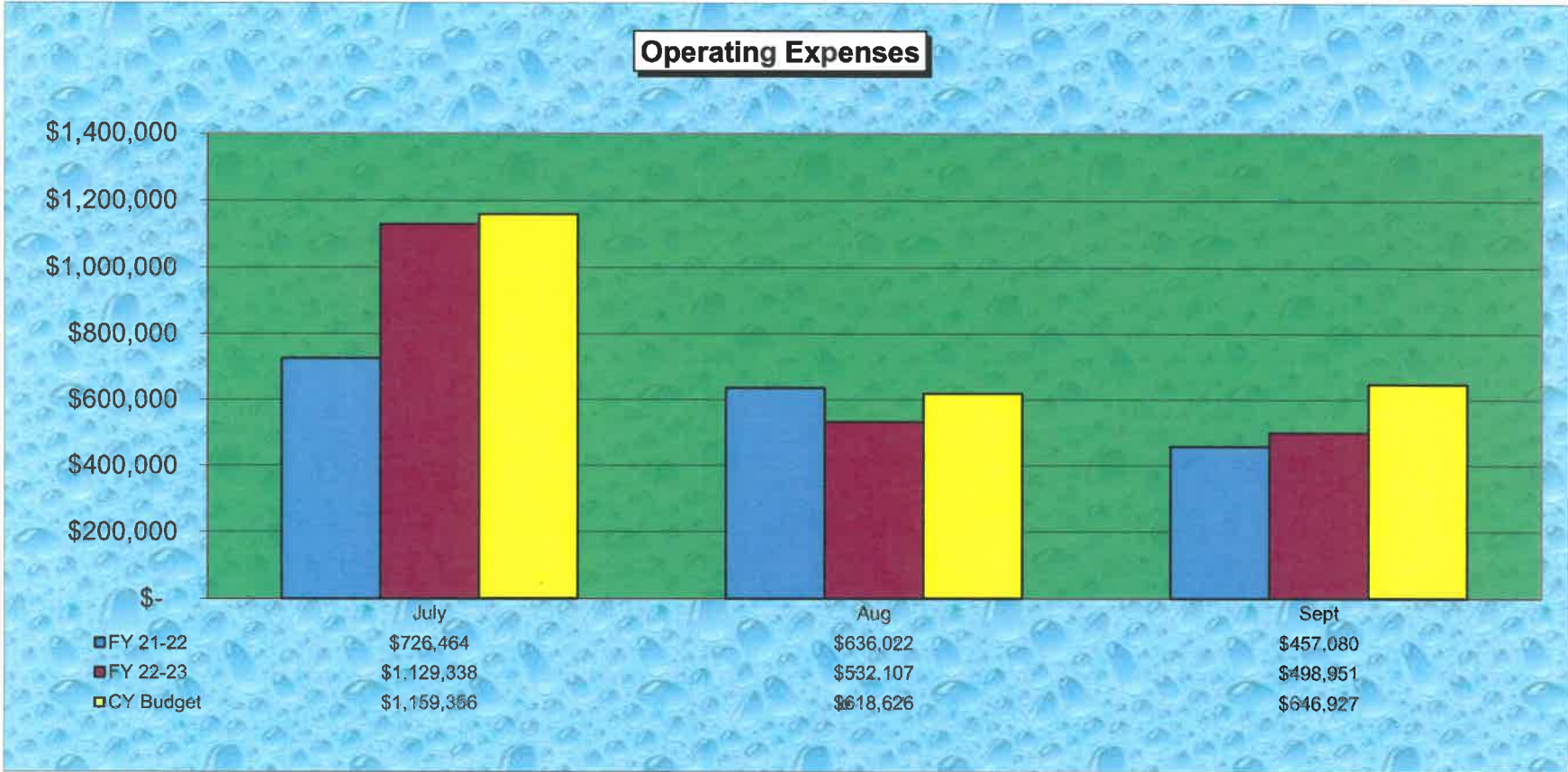


Liabilities - September 30, 2022





Operating Expenses



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

	BEG BAL	SEP	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
		0	0	0	0	NA
		0	0	0	0	NA
<u>Collections</u>						
Jetter water pump hydraulic system- unbudgeted		0	11,575	11,575	0	NA
		0	0	0	0	NA
<u>Treatment</u>						
Eaton SVX9000 refurbished VFD for Reclamation- unbudgeted		0	14,208	14,208	0	NA
		0	0	0	0	NA
RECL share	0	0	(14,208)	(14,208)	0	NA
PBCSD share (1/3 of cost)	0	0	0	0	0	NA
<i>Total Capital Purchases 22-23</i>		0	11,575	11,575	0	NA

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

	BEG BAL	SEP	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CIP PROJECTS</u>						
<u>Administration</u>						
<u>Collections</u>						
Construction of new Gravity Sewer Line-Carmel Meadows	474,359	0	19,175	493,534	2,000,000	0.96%
Carmel Valley Manor Sewer-unbudgeted	180	0	0	180	0	NA
Scenic Rd Pipe Burst-Ocn/Bay	231,786	3,661	12,221	244,008	3,500,000	0.35%
Bay/Scenic Pump Station Rehab	30,892	0	7,585	38,477	650,000	1.17%
Pescadero Creek Area Pipe Rehab	89,236	41,890	47,699	136,935	100,000	47.70%
<u>Treatment</u>						
RECL share	0	0	0	0	0	NA
PBCSD share (1/3 of cost)	0	0	0	0	0	NA
<i>Total CIP Projects 22-23</i>	826,453	45,551	86,680	913,133	6,250,000	1.39%

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

	BEG BAL	SEP	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<i>LONG TERM CIP PROJECTS</i>						
<u>Treatment</u>						
Perimeter Fence	0	16,054	16,054	16,054	275,000	5.84%
Elec/Mech Rehab & Sludge Holding Tank Project (RECL 2.7%)	4,321,103	373,628	1,093,436	5,414,539	4,820,750	22.68%
Aeration Basin Improvements-unbudgeted	17,332	0	0	17,332	0	NA
Potable Water & Gas Main Replacement	0	12,040	38,846	38,846	100,000	38.85%
RECL share	(116,670)	(10,088)	(29,523)	(146,193)	(130,160)	22.68%
PBCSD share (1/3 of cost)	(1,407,255)	(130,545)	(372,938)	(1,780,193)	(1,688,530)	22.09%
<i>Total Long Term CIP Projects 22-23</i>	2,814,510	261,089	745,875	3,560,385	3,377,060	22.09%
Total Capital (net of RECL and PBCSD)	3,640,963	306,641	844,130	4,485,093	9,627,060	8.77%

Carmel Area Wastewater District
Variance Analysis

2022-23

**YTD Actual/
YTD Budget
Variance**

Salaries and Payroll Taxes

Employee Benefits -25.30% Worker's compensation insurance underbudgeted.

Director's Expenses

Truck and Auto Expenses

General and Administrative

Office Expense

Operating Supplies

Contract Services

Repairs and Maintenance

Utilities -6.50% Secondary electricity slightly underbudgeted.

Travel and Meetings

Permits and Fees

Memberships and Subscriptions

Safety

Other Expense -171.20% Recruiting unbudgeted.

District Obligations:

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

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

Resolution #	Description	Budgeted	Amendment	Spent To Date
	No budget amendments to date.	\$ -	\$ -	-
	Total To Date	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>



**Financial Statements
and
Supplementary Schedules**

October 2022

December 8, 2022

Carmel Area Wastewater District

Balance Sheet

October 2022

ASSETS

Current Assets

Cash

Cash

41,485,381.88

TOTAL Cash

41,485,381.88

Other Current Assets

Other Current Assets

395,705.91

TOTAL Other Current Assets

395,705.91

TOTAL Current Assets

41,881,087.79

Fixed Assets

Land

Land

308,059.76

TOTAL Land

308,059.76

Treatment Structures

Treatment Structures

70,377,201.24

TOTAL Treatment Structures

70,377,201.24

Treatment Equipment

Treatment Equipment

8,864,043.57

TOTAL Treatment Equipment

8,864,043.57

Collection Structures

Collection Structures

1,238,843.71

TOTAL Collection Structures

1,238,843.71

Collection Equipment

Collection Equipment

1,509,600.36

TOTAL Collection Equipment

1,509,600.36

Sewers

15,496,819.42

Disposal Facilities

Disposal Facilities

1,643,890.85

TOTAL Disposal Facilities

1,643,890.85

Other Fixed Assets

Other Fixed Assets

4,497,256.21

TOTAL Other Fixed Assets

4,497,256.21

Capital Improvement Projects

Capital Improvement Projects

6,634,359.12

TOTAL Capital Improvement Projects

6,634,359.12

Accumulated depreciation

(56,777,957.36)

TOTAL Fixed Assets

53,792,116.88

Other Assets

Other Assets

3,244,622.30

TOTAL Other Assets

3,244,622.30

TOTAL ASSETS

98,917,826.97

Carmel Area Wastewater District

Balance Sheet

October 2022

LIABILITIES

Current Liabilities		
Current Liabilities	469,217.85	
TOTAL Current Liabilities	<u>469,217.85</u>	469,217.85
Long-Term Liabilities		
Long Term Liabilities	(1,054,242.24)	
TOTAL Long-Term Liabilities	<u>(1,054,242.24)</u>	(1,054,242.24)
TOTAL LIABILITIES		<u>(585,024.39)</u>
	NET POSITION	
Net Assets	101,218,721.98	
Year-to-Date Earnings	(1,715,870.62)	
	<u>99,502,851.36</u>	
TOTAL NET POSITION		99,502,851.36
TOTAL LIABILITIES & NET POSITION		<u>98,917,826.97</u>

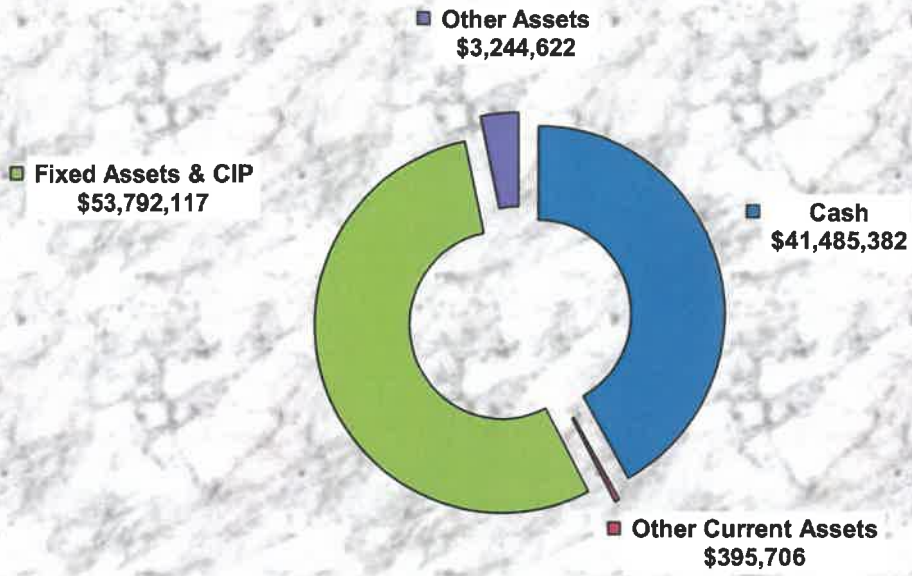
Carmel Area Wastewater District
Income Statement Actual to Budget
Year-to-Date Variance, October 2022 - current month, Consolidated by
account

	<i>4 Months Ended October 31, 2022</i>	<i>4 Months Ended October 31, 2022 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	831,757.15	677,059.72	154,697.43	22.8 %
TOTAL Income	831,757.15	677,059.72	154,697.43	22.8 %
Adjustments				
Discounts	12.18	0.00	12.18	
TOTAL Adjustments	12.18	0.00	12.18	
*****	831,769.33	677,059.72	154,709.61	22.9 %
***** OPERATING INCOME	831,769.33	677,059.72	154,709.61	22.9 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,240,201.82	1,414,103.00	173,901.18	12.3 %
TOTAL Salaries and Payroll Taxes	1,240,201.82	1,414,103.00	173,901.18	12.3 %
Employee Benefits				
Employee Benefits	385,452.79	322,953.60	(62,499.19)	-19.4 %
TOTAL Employee Benefits	385,452.79	322,953.60	(62,499.19)	-19.4 %
Director's Expenses				
Director's Expenses	8,207.27	11,342.40	3,135.13	27.6 %
TOTAL Director's Expenses	8,207.27	11,342.40	3,135.13	27.6 %
Truck and Auto Expenses				
Truck and Auto Expenses	22,632.49	30,439.10	7,806.61	25.6 %
TOTAL Truck and Auto Expenses	22,632.49	30,439.10	7,806.61	25.6 %
General and Administrative				
General and Administrative	273,762.47	280,595.68	6,833.21	2.4 %
TOTAL General and Administrative	273,762.47	280,595.68	6,833.21	2.4 %
Office Expense				
Office Expense	23,170.74	30,241.71	7,070.97	23.4 %
TOTAL Office Expense	23,170.74	30,241.71	7,070.97	23.4 %
Operating Supplies				
Operating Supplies	130,124.08	168,624.01	38,499.93	22.8 %
TOTAL Operating Supplies	130,124.08	168,624.01	38,499.93	22.8 %
Contract Services				
Contract Services	270,908.64	319,378.32	48,469.68	15.2 %
TOTAL Contract Services	270,908.64	319,378.32	48,469.68	15.2 %

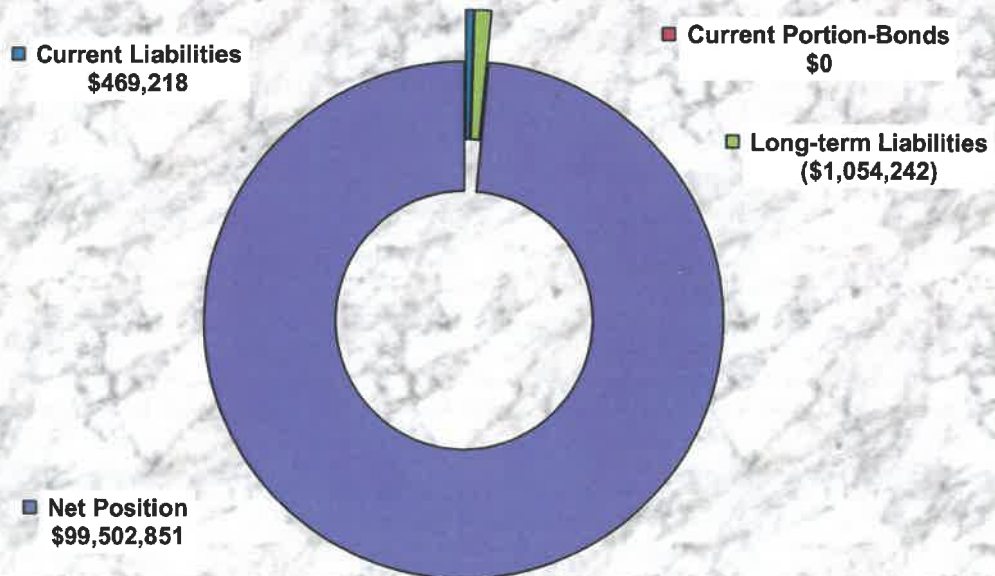
Carmel Area Wastewater District
Income Statement Actual to Budget
Year-to-Date Variance, October 2022 - current month, Consolidated by
account

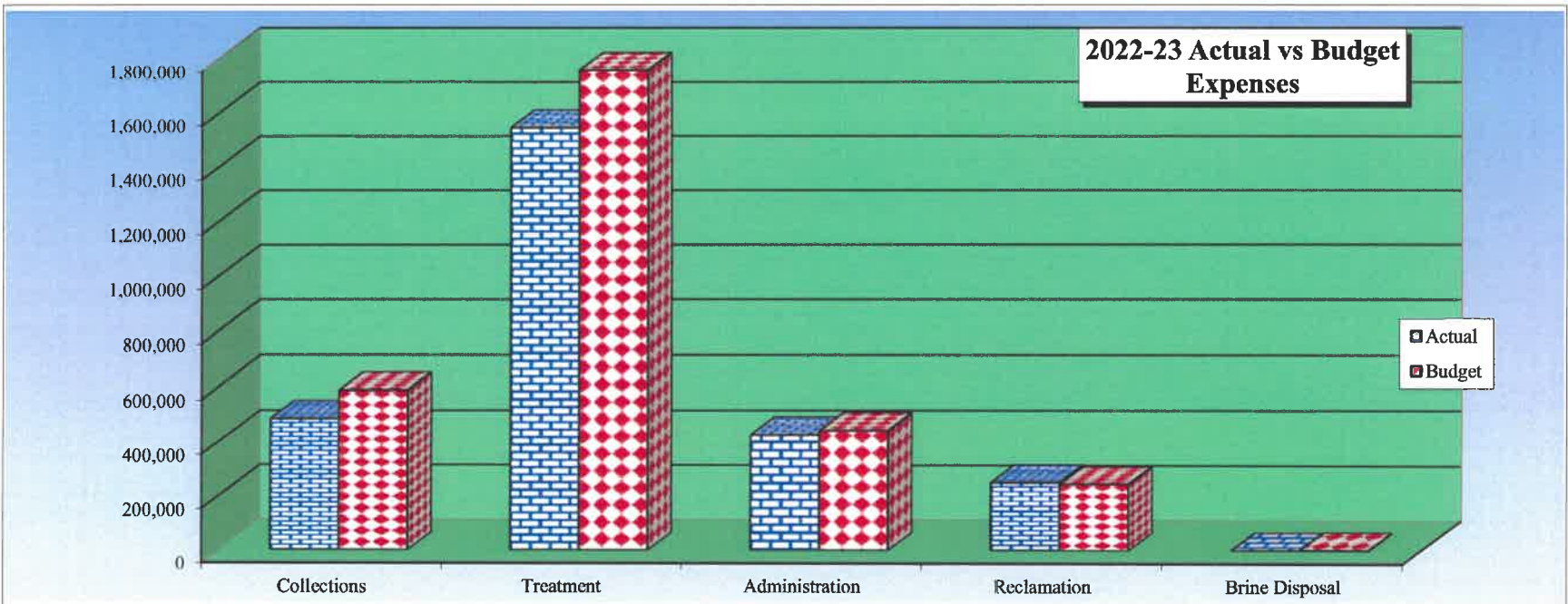
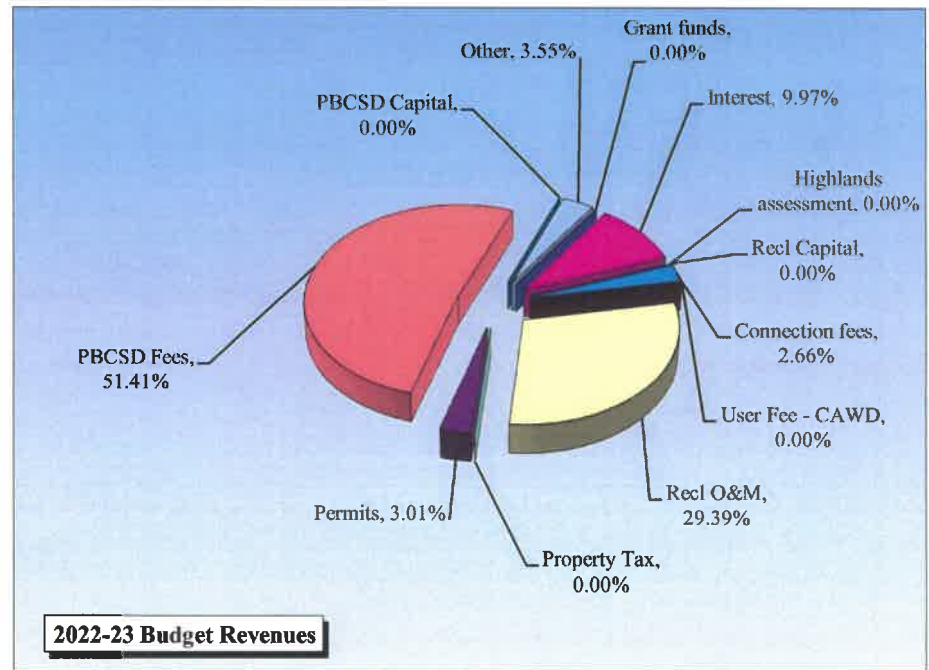
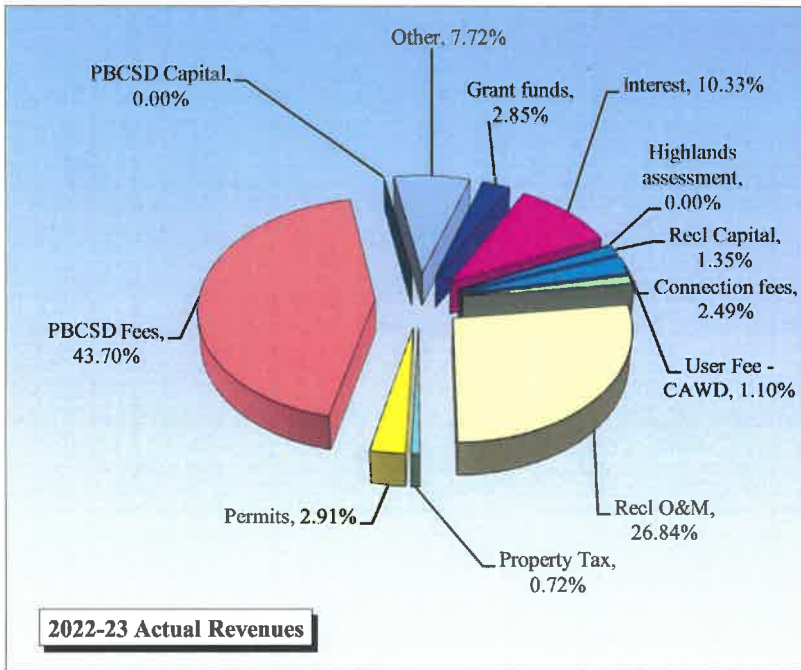
	<i>4 Months Ended October 31, 2022</i>	<i>4 Months Ended October 31, 2022 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	122,638.89	225,909.16	103,270.27	45.7 %
TOTAL Repairs and Maintenance	122,638.89	225,909.16	103,270.27	45.7 %
Utilities				
<i>Utilities</i>	129,385.29	127,344.68	(2,040.61)	-1.6 %
TOTAL Utilities	129,385.29	127,344.68	(2,040.61)	-1.6 %
Travel and Meetings				
<i>Travel and Meetings</i>	12,745.48	15,657.52	2,912.04	18.6 %
TOTAL Travel and Meetings	12,745.48	15,657.52	2,912.04	18.6 %
Permits and Fees				
<i>Permits and Fees</i>	33,831.00	34,238.00	407.00	1.2 %
TOTAL Permits and Fees	33,831.00	34,238.00	407.00	1.2 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	4,416.74	5,716.60	1,299.86	22.7 %
TOTAL Memberships and Subscriptions	4,416.74	5,716.60	1,299.86	22.7 %
Safety				
<i>Safety</i>	29,993.09	33,933.31	3,940.22	11.6 %
TOTAL Safety	29,993.09	33,933.31	3,940.22	11.6 %
Other Expenses				
<i>Other Expense</i>	16,858.69	10,866.68	(5,992.01)	-55.1 %
TOTAL Other Expenses	16,858.69	10,866.68	(5,992.01)	-55.1 %
TOTAL Operating Expenses	2,704,329.48	3,031,343.77	327,014.29	10.8 %
***** OPERATING INCOME (LOSS)	(1,872,560.15)	(2,354,284.05)	481,723.90	20.5 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
<i>Other Income, Gain, Expense and Loss</i>	156,689.53	67,322.00	89,367.53	132.7 %
TOTAL Other Income or Gain	156,689.53	67,322.00	89,367.53	132.7 %
TOTAL Non-op Income, Expense, Gain or Loss	156,689.53	67,322.00	89,367.53	132.7 %
***** NET INCOME (LOSS)	(1,715,870.62)	(2,286,962.05)	571,091.43	25.0 %
***** NET INCOME (LOSS)	(1,715,870.62)	(2,286,962.05)	571,091.43	25.0 %

Assets - October 31, 2022

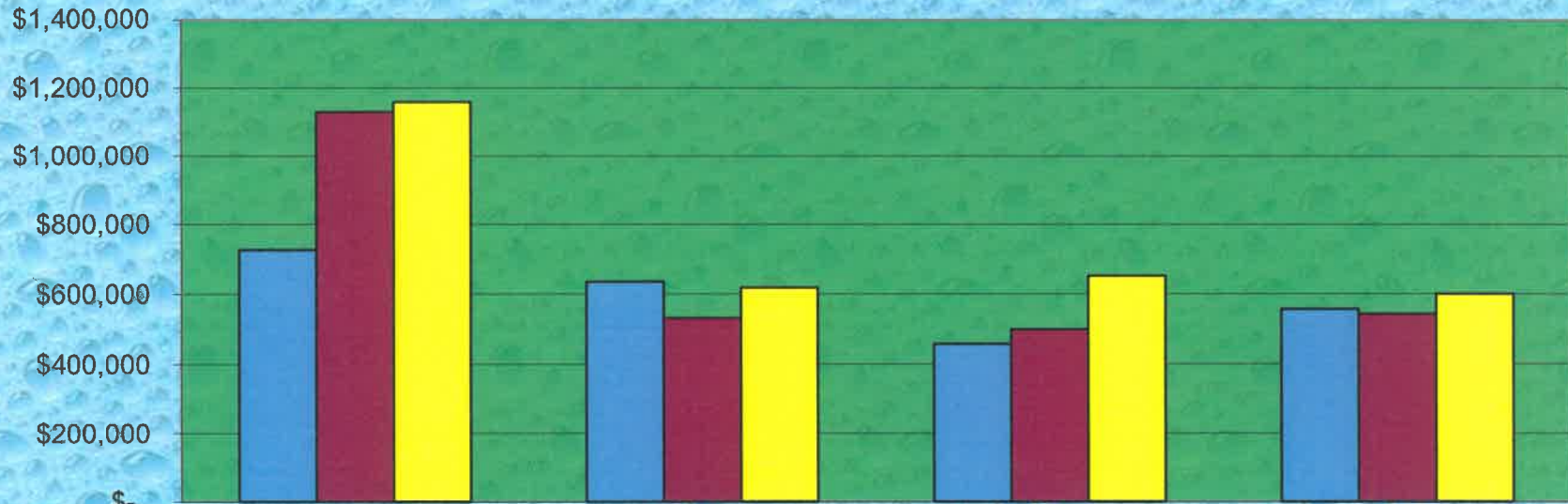


Liabilities - October 31, 2022





Operating Expenses



	July	Aug	Sept	Oct
■ FY 21-22	\$726,464	\$636,022	\$457,080	\$557,531
■ FY 22-23	\$1,129,338	\$532,107	\$498,951	\$543,933
■ CY Budget	\$1,159,356	\$618,626	\$652,827	\$600,535

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

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
		0	0	0	0	NA
		0	0	0	0	NA
<u>Collections</u>						
Jetter water pump hydraulic system-unbudgeted		0	11,575	11,575	0	NA
		0	0	0	0	NA
<u>Treatment</u>						
Eaton SVX9000 refurbished VFD for Reclamation-unbudgeted		0	14,208	14,208	0	NA
		0	0	0	0	NA
RECL share	0	0	(14,208)	(14,208)	0	NA
PBCSD share (1/3 of cost)	0	0	0	0	0	NA
		0	11,575	11,575	0	NA
<i>Total Capital Purchases 22-23</i>						

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

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CIP PROJECTS</u>						
<u>Administration</u>						
<u>Collections</u>						
Construction of new Gravity Sewer Line-Carmel Meadows	474,359	11,453	30,628	504,987	2,000,000	1.53%
Carmel Valley Manor Sewer-unbudgeted	180	0	0	180	0	NA
Scenic Rd Pipe Burst-Ocn/Bay	231,786	2,066	14,287	246,074	3,500,000	0.41%
Bay/Scenic Pump Station Rehab	30,892	5,430	13,015	43,907	650,000	2.00%
Pescadero Creek Area Pipe Rehab	89,236	7,266	54,965	144,201	100,000	54.97%
<u>Treatment</u>						
RECL share	0	0	0	0	0	NA
PBCSD share (1/3 of cost)	0	0	0	0	0	NA
<i>Total CIP Projects 22-23</i>	826,453	26,216	112,896	939,349	6,250,000	1.81%

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

	BEG BAL	OCT	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>LONG TERM CIP PROJECTS</u>						
<u>Treatment</u>						
Perimeter Fence	0	0	16,054	16,054	275,000	5.84%
Elec/Mech Rehab & Sludge Holding Tank Project (RECL 2.7%)	4,321,103	208,239	1,301,675	5,622,778	4,820,750	27.00%
Aeration Basin Improvements-unbudgeted	17,332	0	0	17,332	0	NA
Potable Water & Gas Main Replacement	0	0	38,846	38,846	100,000	38.85%
RECL share	(116,670)	(5,622)	(35,145)	(151,815)	(130,160)	27.00%
PBCSD share (1/3 of cost)	(1,407,255)	(67,539)	(440,477)	(1,847,732)	(1,688,530)	26.09%
<i>Total Long Term CIP Projects 22-23</i>	2,814,510	135,078	880,953	3,695,464	3,377,060	26.09%
Total Capital (net of RECL and PBCSD)	3,640,963	161,294	1,005,424	4,646,388	9,627,060	10.44%

Carmel Area Wastewater District Variance Analysis

2022-23

YTD Actual/
YTD Budget
Variance

Salaries and Payroll Taxes

Employee Benefits -19.40% Worker's compensation insurance underbudgeted.

Director's Expenses

Truck and Auto Expenses

General and Administrative

Office Expense

Operating Supplies

Contract Services

Repairs and Maintenance

Utilities

Travel and Meetings

Permits and Fees

Memberships and Subscriptions

Safety

Other Expense -55.10% Recruiting unbudgeted. Small dollar amounts.

District Obligations:

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

STAFF REPORT



TO: Board of Directors
 FROM: Daryl Lauer, Collection Superintendent
 DATE: December 8, 2022
 SUBJECT: Monthly Report – September

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in September	25
Total Fees	\$5,170.00

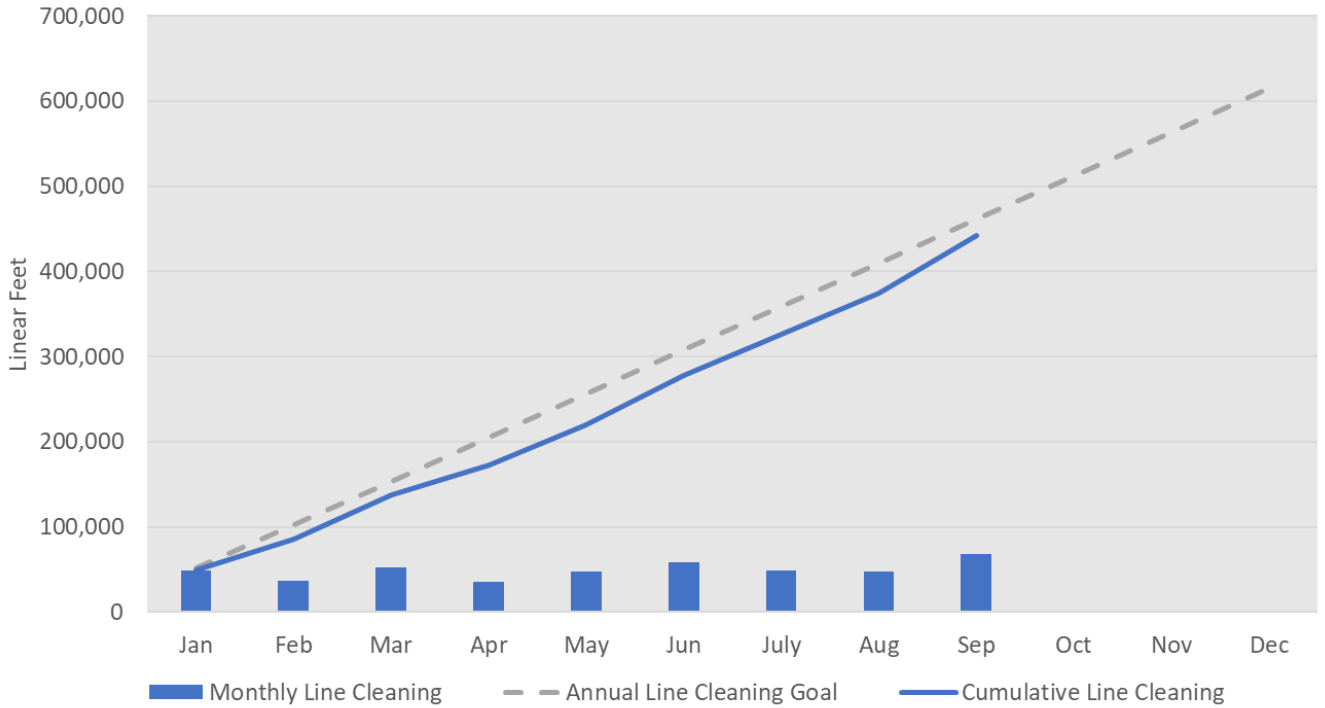
Maintenance

Attached is a map of the areas cleaned and Closed-Circuit Television (CCTV) inspected in the past three months. There were 68,301 feet of sewer lines cleaned, and 1,572 feet of CCTV inspections completed during the month of September. All manhole inspections have been completed for the remainder of the year.

Recent Line Cleaning Summary

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
September	68,301 ft.	16.61%	6 – 27 inches
August	47,488 ft.	11.55%	6 – 27 inches
July	48,567 ft.	11.81%	6 – 15 inches

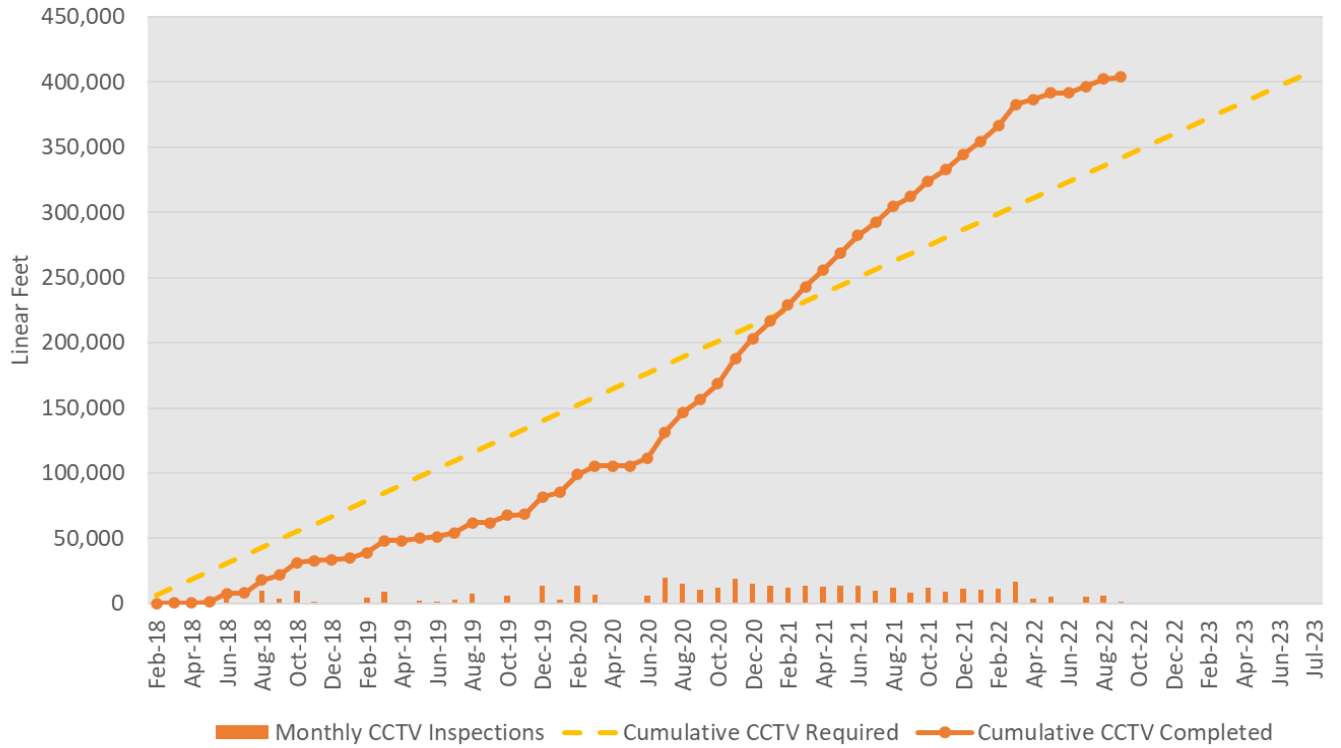
Annual Line Cleaning Graph



Line Cleaning Table

Total Target Amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
615,000	442,418	172,582

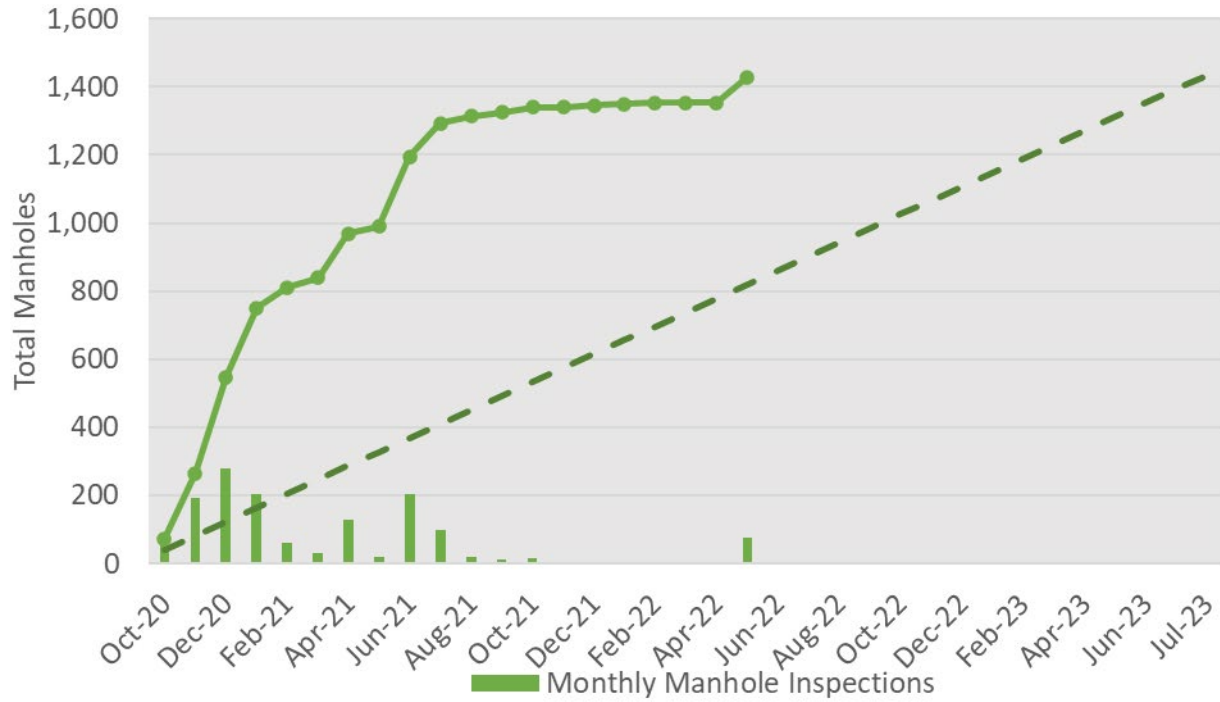
CCTV Progress Graph (River Watch Settlement Agreement Target)



CCTV Table

Total Required amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
408,672	403,983	4,689

Manhole Inspection Progress Graph (Riverwatch Settlement Agreement Target)



Manhole Inspection Table

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

Riverwatch Update

- Staff has completed the manhole inspection portion of the settlement. The Principal Engineer will use this data to schedule rehabilitation or replacement of damaged or deteriorated manholes.
- Once the CCTV inspections and Pumps Station evaluations are completed, the Principal Engineer will use the information for the final Collection System Asset Management Plan.

Construction Activities

- Project 21-06 Manhole Rehabilitation project will start construction in October.

Staff Development

- Staff completed several in-person tail gate trainings.
- Staff attended Hazwoper, Lock-Out Tag-Out, Fall Protection training and policy review in September.

General Comments

- N/A

Service calls responded to by crew

Date	Time	Callout	Resolution
9/7/2022	10:03 AM	Odor Complaint	Called by homeowner of odor emanating from a sewer main line. Staff cleaned the sewer line. Staff also installed an odor barrier in the manhole.
9/14/2022	2:24 PM	Drain Overflowing	Called by homeowner to what ended up as a storm drain that was blocked and running down the road. Staff informed the homeowner to call the County of Monterey for assistance.
9/19/2022	9:00 AM	Manhole Overflow	Called by homeowner for a manhole overflowing. Staff arrived on scene and did not find a manhole actively overflowing. However, staff checked the manhole and did find it to be holding water. Staff relieved the blockage. The blockage was caused by roots, which caused the 20 gallons Sanitary Sewer Overflow spill. See map for location.

USA Location Requests – 157

Plumbing permit inspections – 32

Private Sewer Lateral Compliance Certificates Issued – 28

FUNDING- N/A

September (Red)

68,301 feet

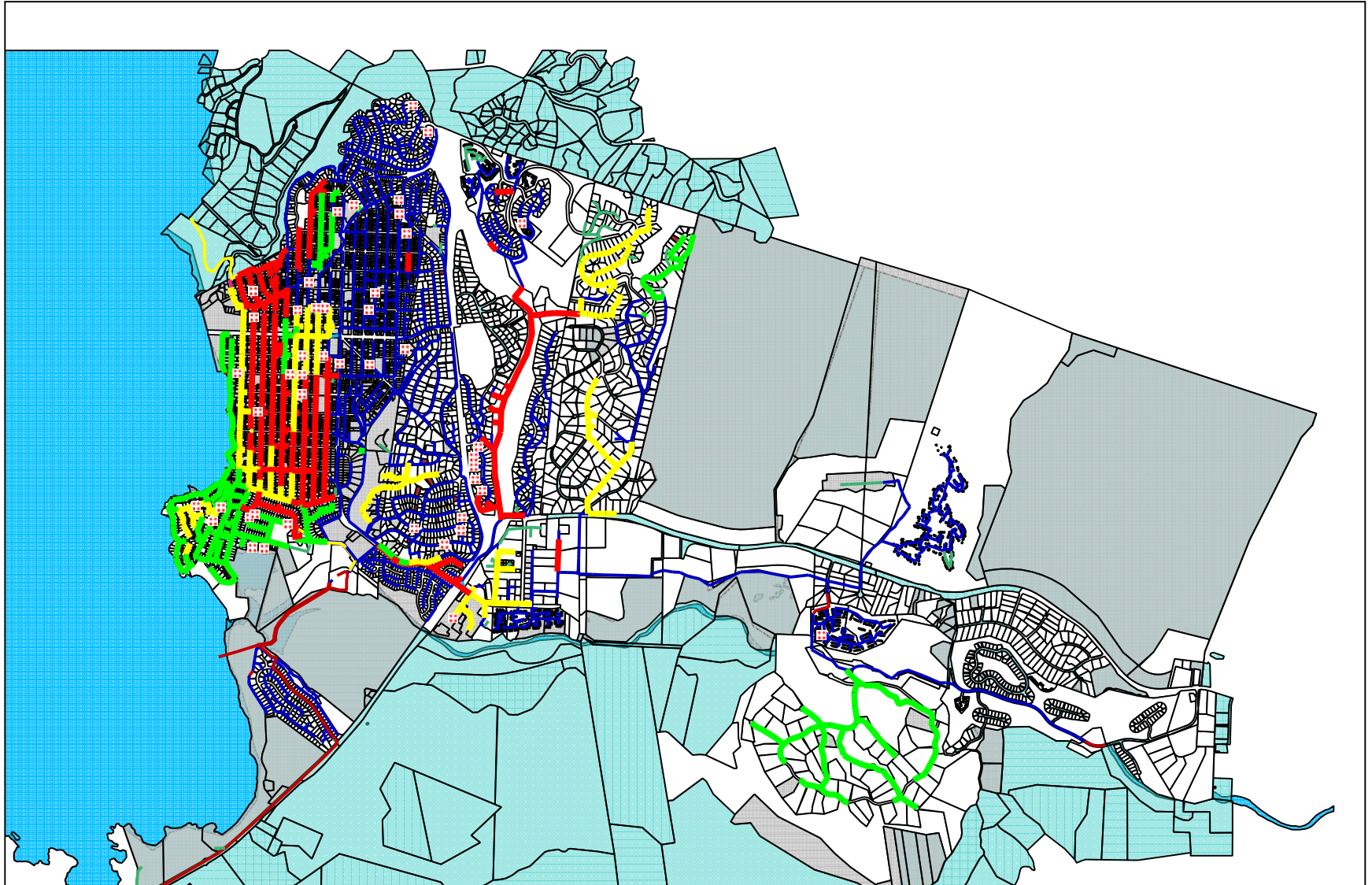
August (Yellow)

47,488 feet

July (Green)

48,567 feet

Monthly Cleaning Map



RedZone[®]
ROBOTICS

10/6/2022



September (Red)

1,572 feet

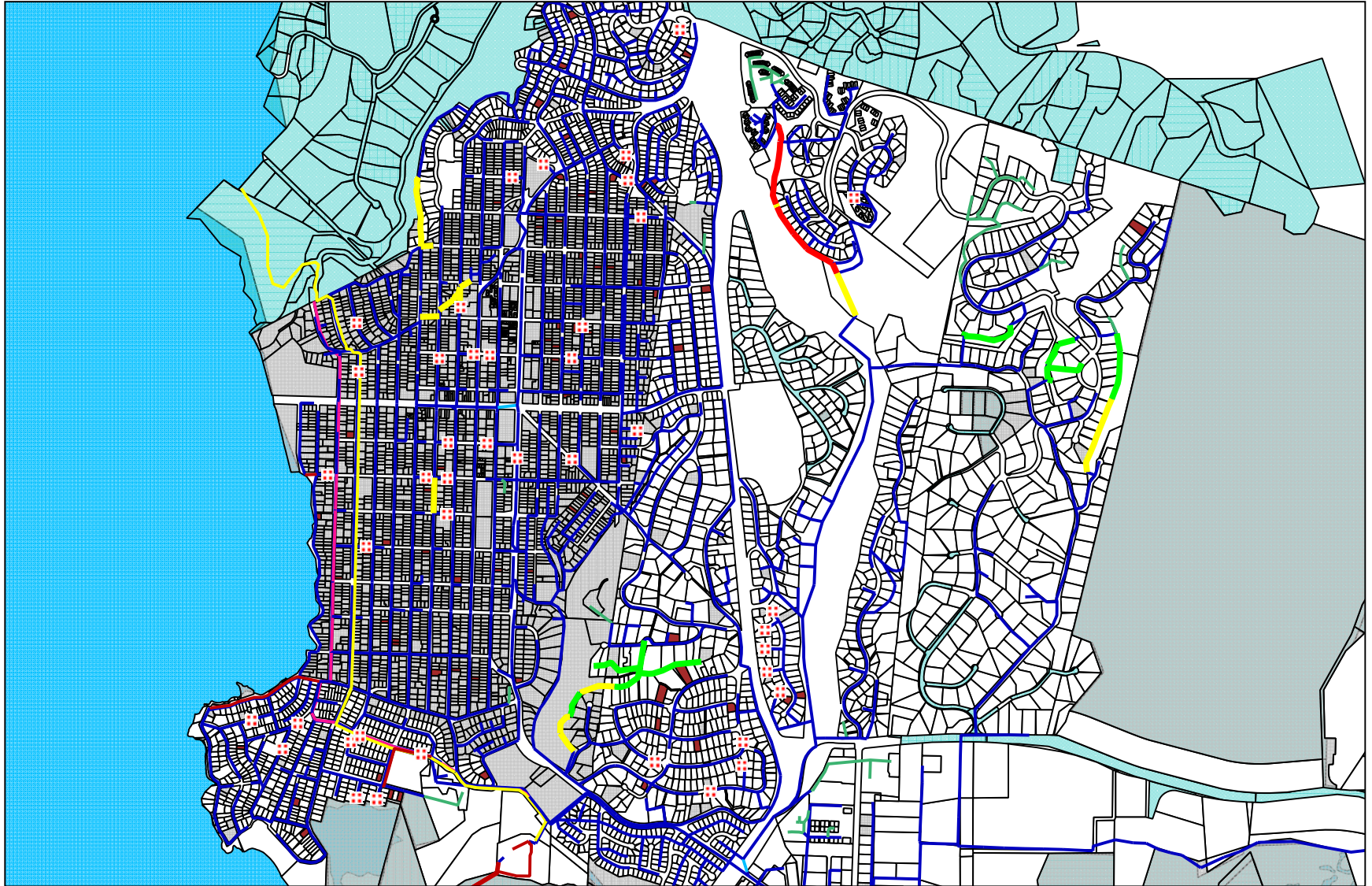
August (Yellow)

5,639 feet

July (Green)

5,043 feet

Monthly CCTV Map



RedZone
ROBOTICS

10/6/2022

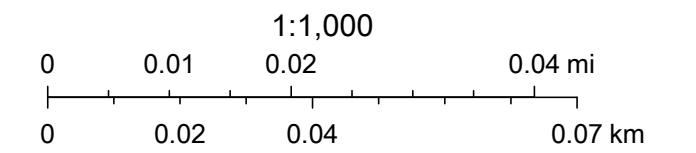


CAWD GIS Maps



10/6/2022, 8:47:57 AM

- CAWD Service Area
- Active Assets
- Flushing Inlet (FI)
- CAWD (MH)
- Mains
- CAWD
- Streets
- APNs



TIGEO

STAFF REPORT



TO: Board of Directors
 FROM: Daryl Lauer, Collection Superintendent
 DATE: December 8, 2022
 SUBJECT: Monthly Report – October

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in October	27
Total Fees	\$5,310.00

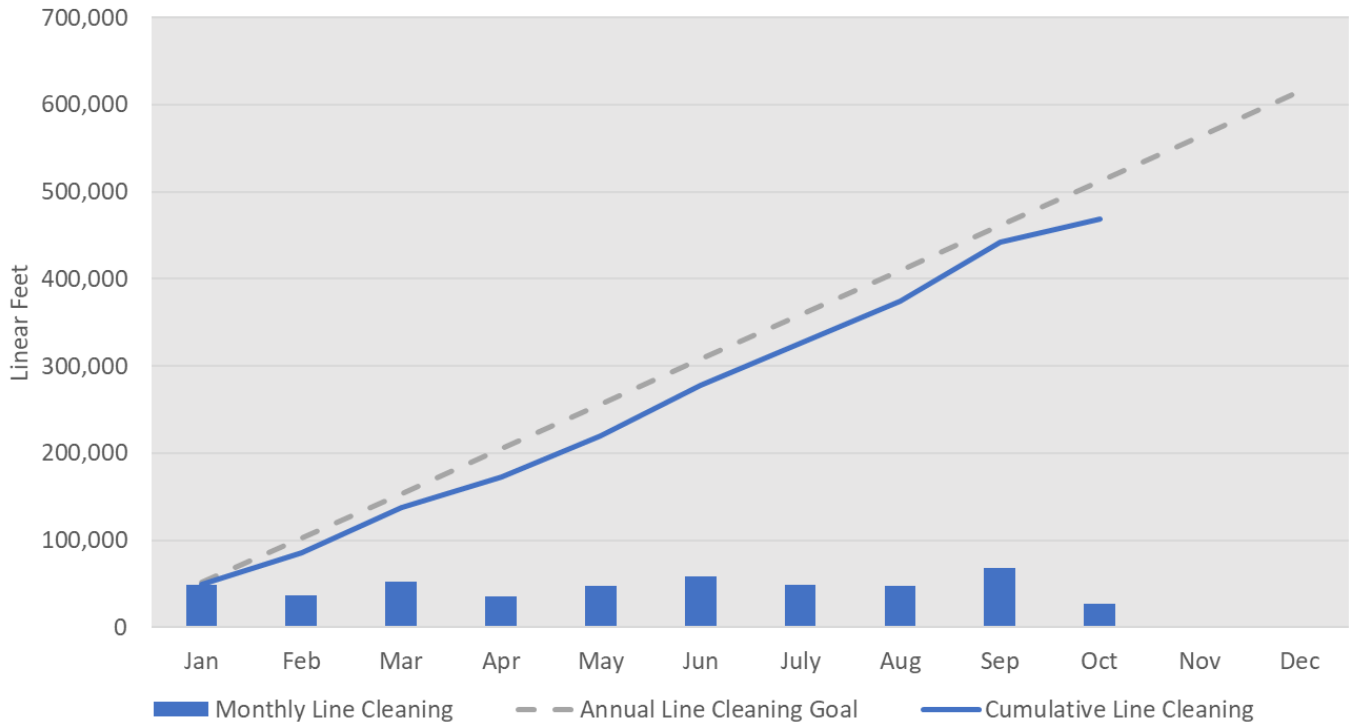
Maintenance

Attached is a map of the areas cleaned and Closed-Circuit Television (CCTV) inspected in the past three months. There were 26,755 feet of sewer lines cleaned, and 2,776 feet of CCTV inspections during the month of October. All manhole inspections were completed as of June 2022.

Recent Line Cleaning Summary

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
October	26,755 ft.	6.51%	6 – 12 inches
September	68,301 ft.	16.61%	6 – 27 inches
August	47,488 ft.	11.55%	6 – 27 inches

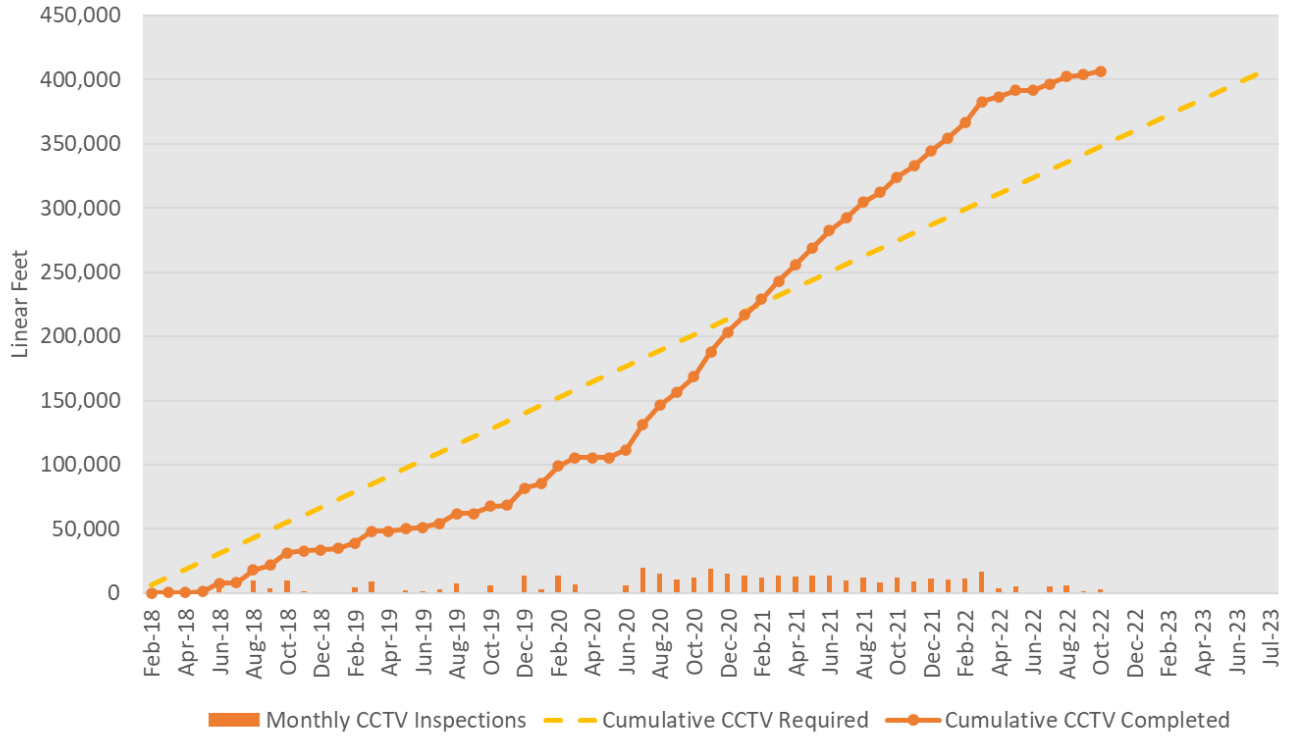
Annual Line Cleaning Graph



Line Cleaning Table

Total Target Amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
615,000	469,173	145,827

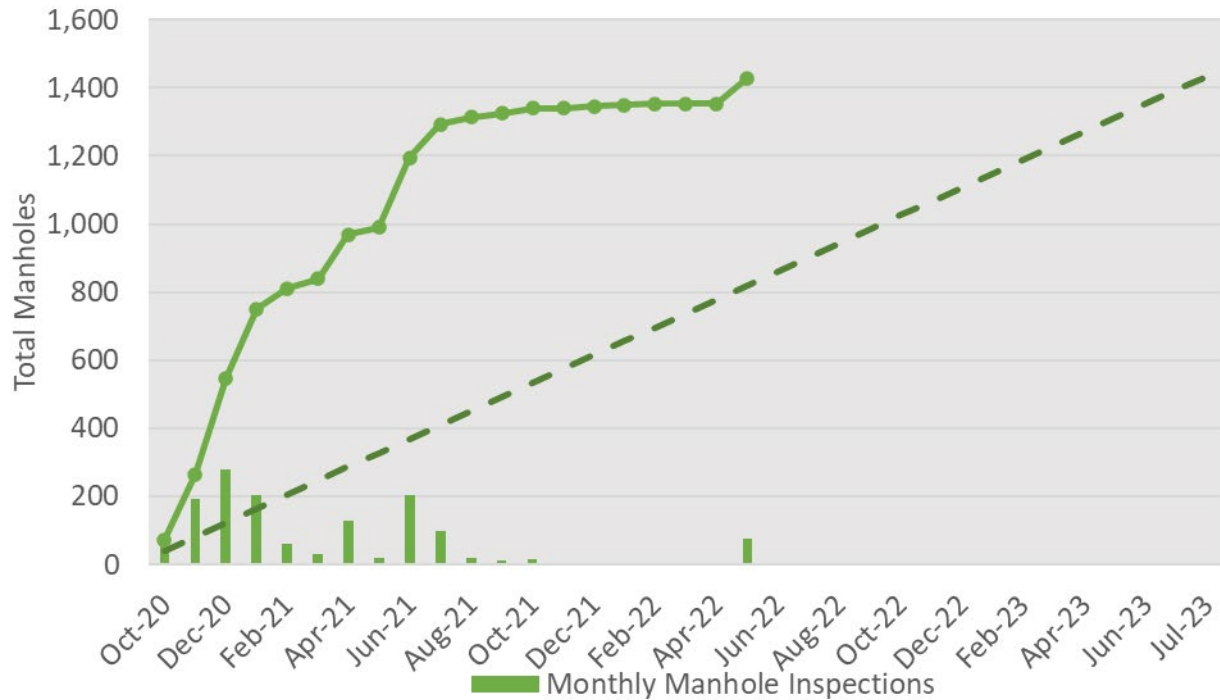
CCTV Progress Graph (River Watch Settlement Agreement Target)



CCTV Table

Total Required amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
408,672	406,759	1,913

Manhole Inspection Progress Graph (Riverwatch Settlement Agreement Target)



Manhole Inspection Table

Total Required Amount (Manholes)	Actual (Manholes)	Complete	Remaining (Manholes)
1,428	1,428		0

Riverwatch Update

- Staff has completed the manhole inspection part of the settlement. The Principal Engineer will use this data to schedule rehabilitation or replacement of damaged or deteriorated manholes.
- Once the CCTV inspections and Pump Stations evaluations are completed, the Principal Engineer will use the information for the final Collection System Asset Management Plan.

Construction Activities

- Project #21-06 Manhole Rehabilitation project started construction in October. Construction crews began with cleaning and grouting the manholes to be rehabilitated. Crews began to apply the epoxy liner in late October and are scheduled to complete all manholes by the end of November.
- The District Collection Crew repaired a sink hole that developed in the driveway of the main office. The sinkhole was caused by a separation where the storm drain meets the catch basin.
- Contractors made two spot repairs in October on line segments that had previously had main line stoppages. The first repair was located on Lobos Street and 2nd Avenue and had a large root growing in from an abandoned lateral. The second repair was made at Lincoln Street and 9th Avenue. This repair had a broken tap from a lateral that had roots growing into the main line.
- Contractors made three emergency repairs on the mainline in Pescadero. All three repairs were at the lateral where it connected to the main line. In the past, plumbers used a method called “hammer tap” to connect the 4” lateral at the main line. This method is just like its sounds, the plumber would use a hammer to break an opening large enough to insert the 4” lateral into line then pour concrete around to seal the connection. Over time roots grow into the cracks. All three of the repairs had large roots and missing pieces of pipe that caused the blockage. The contractor installed a factory 6” by 4” wye connection at the three locations.

Staff Development

- Staff completed several in-person tail gate trainings.
- Staff attended confined space refresher, confined space rescue training, fit tested for APR (Air Purifying Respirator) and had their annual hearing test in October.
- Staff attended the California Sanitation Risk Management Authority (CSRMA) Annual Sewer Summit in October, which was held virtually.
- Staff attended the two-day onsite OERP (Overflow Emergency Response Plan) training in October.
- Staff attended the California Water Environment Association- Monterey Bay Section in person regarding the Nozzle selection and Jetter training in Watsonville in October.

Service Calls Responded to by Crew

Date	Time	Callout	Resolution
10/3/2022	2:08 PM	Power Fail	Called by SCADA for a power failure at Calle-La-Cruz, Ribera, Highlands, and Hacienda pump stations. Staff monitored stations until power was restored.
10/6/2022	9:57 AM	Manhole Overflowing	Called by homeowner for a manhole overflowing at 24652 Pescadero. Staff arrived on scene and used a pressure cleaner to open the root related blockage. An estimated 1,896 gallons of sewage spilled. See map for location. See construction activities for repairs that were made.
10/6/2022	11:15 AM	Lateral Backup	Called by homeowner for a lateral holding water. Staff checked the 6" sewer line that services three homes and found it to be blocked. Staff relieved the blockage. See separate staff report - (Carmel Woods)
10/28/2022	12:11 PM	Main Line Stoppage	Called by homeowner at 24656 Pescadero for a sewer overflowing from their cleanout. Staff arrived on scene and found the mainline to be blocked. Staff used the pressure cleaner to open the blockage. An estimated 5,625 gallons of sewage spilled. Staff cleaned the area and restored flow. See construction activities for repairs that were made.

USA Location Requests – 152

Plumbing permit inspections – 24

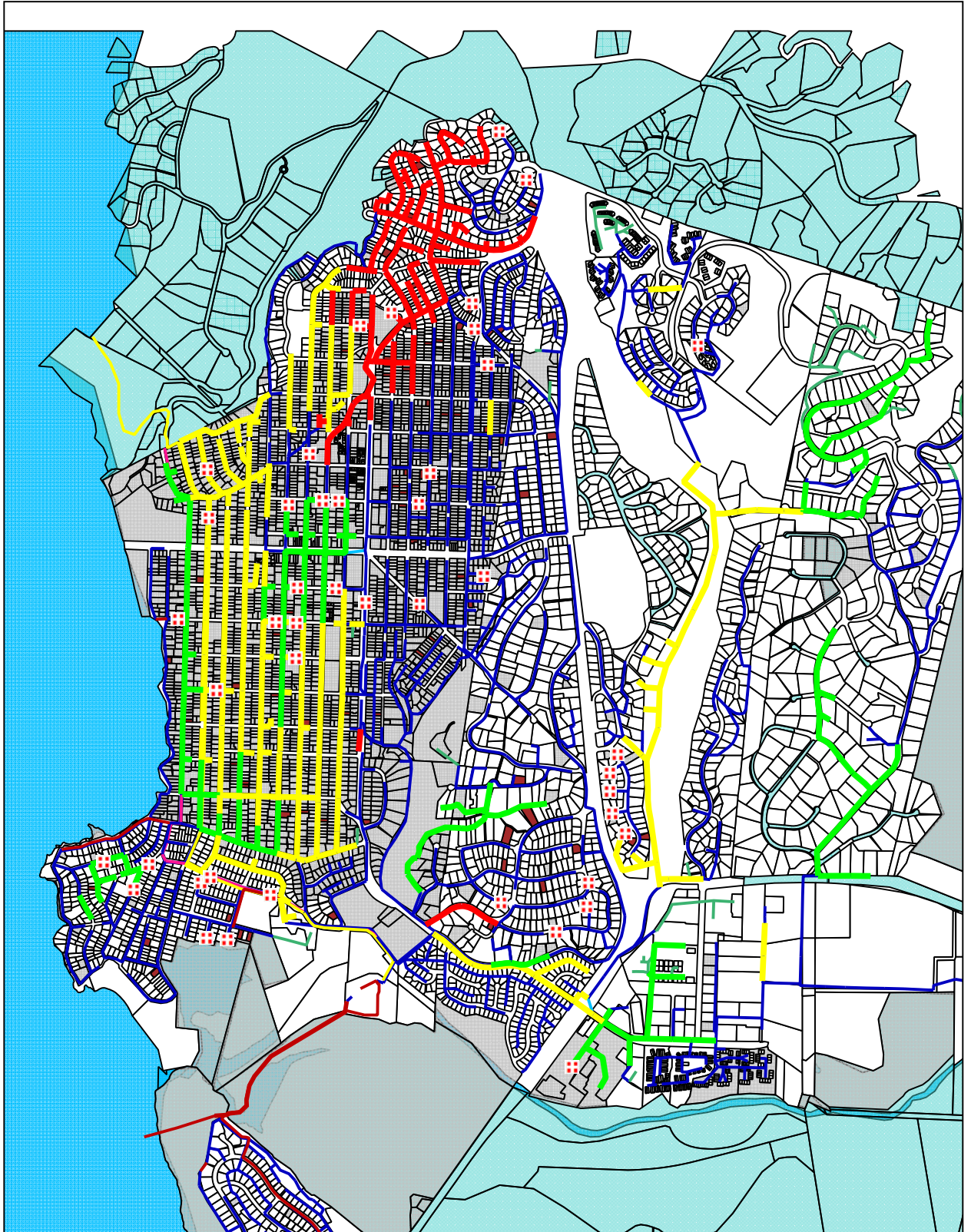
Private Sewer Lateral Compliance Certificates Issued – 20

FUNDING

N/A

October (Red) 26,755 feet
September (Yellow) 68,301 feet
August (Green) 47,488 feet

Monthly Cleaning Map



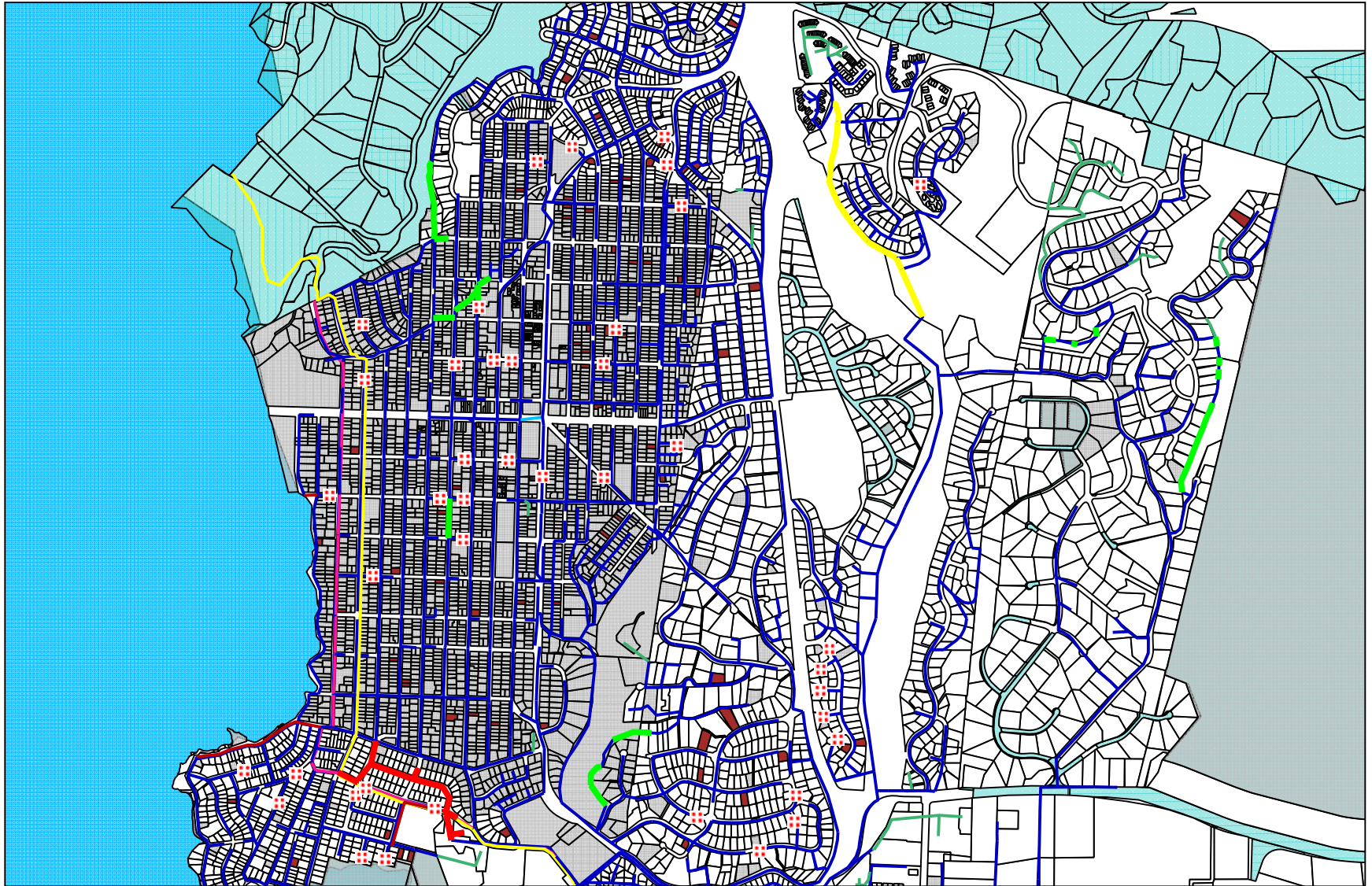
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ROBOTICS

11/9/2022



October (Red) 2,776 feet
September (Yellow) 1,572 feet
August (Green) 5,639 feet

Monthly CCTV Map

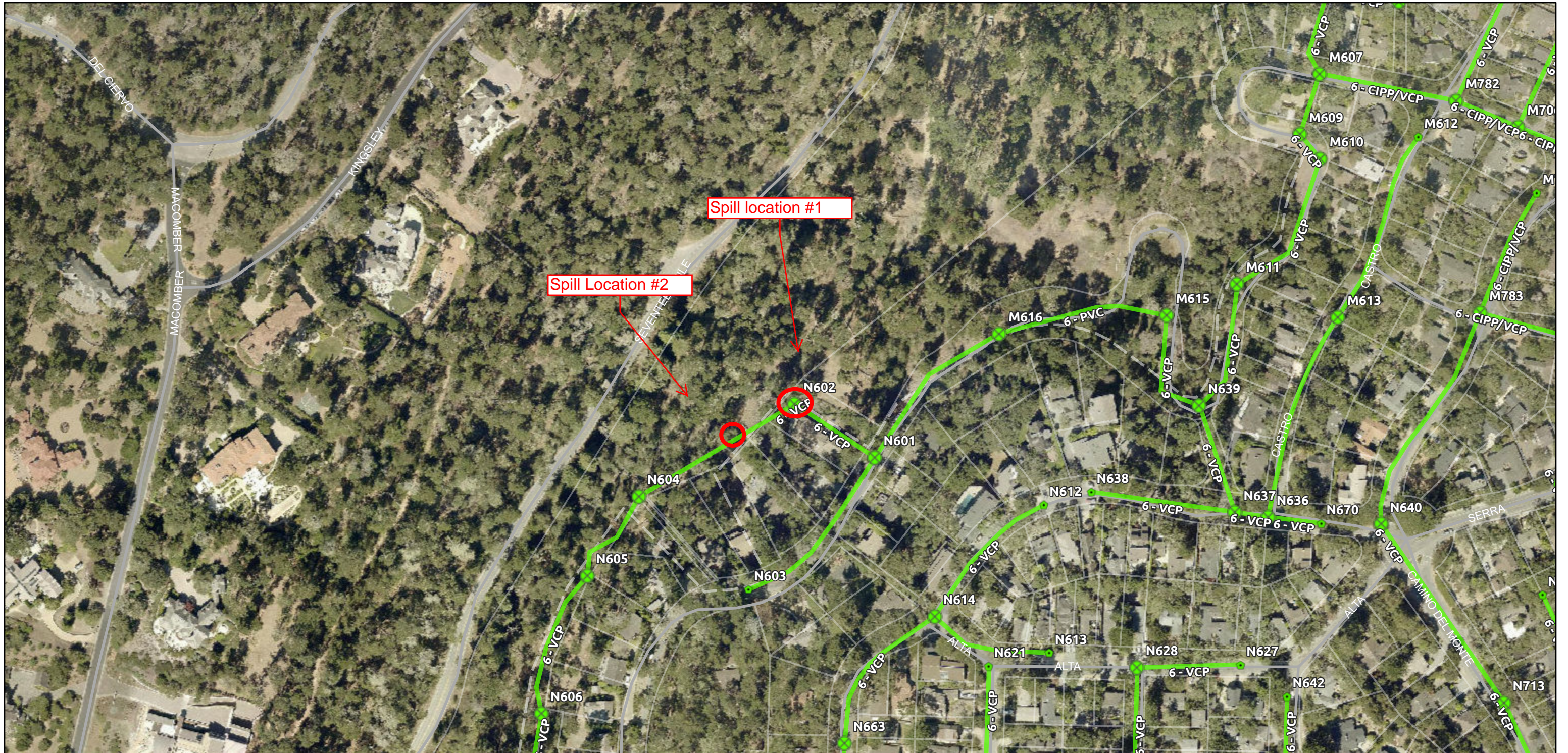


RedZone
ROBOTICS

11/9/2022

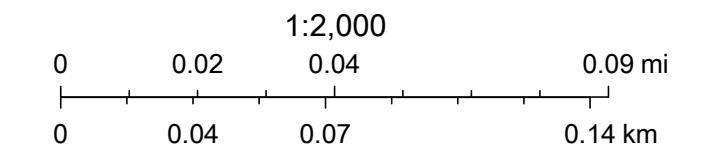


CAWD GIS Maps



11/10/2022, 8:40:24 AM

- CAWD Service Area
- Active Assets
- Flushing Inlet (FI)
- Mains
- CAWD (MH)
- CAWD
- Streets
- APNs



TIGEO

STAFF REPORT

To: Board of Directors

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

Date: December 8, 2022

Subject: Monthly Safety Report (for September 2022)



RECOMMENDATION

Receive Report- Informational only; no action required

DISCUSSION

Safety & Training

- **Sept 7: Tailgate Training;** Cold and Flu Prevention. Fanny Mui, Lab Analyst, presented several tips on how to prevent colds and flu. She also promoted the upcoming free flu shot clinic, which was held at the plant on September 28. S/C Admin Dias added that because the symptoms of colds and flu overlap with COVID-19, any symptoms will trigger the need to stay home and take COVID tests for successive days to determine if it is a cold or COVID before returning to work. Until it is determined to be a cold, this also triggers the need to assess which coworkers the (presumptively) infected person was in close contact with two days before symptoms began. Therefore, avoiding colds/flu also avoids the issue of triggering COVID-19 protocols.
- **Sept 12-23: Annual Safety Weeks Training;** "Safety weeks" are a series of safety trainings held over a two-week period each September. Recurring trainings include: hazardous waste awareness and operations; hazardous waste incident response, confined space awareness, confined space rescue, fall hazards, Lock-Out-Tag-Out, and numerous District policies (Hearing, Blood Borne Pathogens, Spill Prevention, etc.). This year crane and hoisting training was also provided, which is required every three years.

- **Sept 28: COVID-19 Cal/OSHA update training;** S/C Admin Dias gave a detailed update on the latest COVID requirements as promulgated by state agencies. The presentation included the corresponding updates to the District's policy to match the updated state requirements. See Ongoing Safety Improvement section for details.

Ongoing Safety Improvements

During September, Maintenance Superintendent Chris Foley and S/C Admin Dias continued to implement safety improvements and seek input from the operations crew and the Safety Committee. Activities during September included:

- **Updates to District COVID-19 policy and mandated training:** Beginning in 2020 California Occupational Health Administration (Cal/OSHA) developed a set of Emergency Temporary Standards intended to protect employees from contracting COVID-19 in the workplace. These Standards are not mere guidelines; they hold the same weight as any other Cal/OSHA law and must be implemented by employers. This required the development of an Exposure Control Plan (ECP), a lengthy and complicated set of procedures to reduce COVID hazards. Initially Cal/OSHA developed their own standards somewhat independently from the California Department of Public Health (CDPH) and the Centers for Disease Control (CDC). This created tension when CDPH and/or CDC would change their guidance, but employers were still held to the rigid (outdated) Cal/OSHA regulations. Since 2020 Cal/OSHA made several updates and the District's policies have been revised at least five times to match those updates. Beginning in May of this year, Cal/OSHA has incrementally relaxed the standards as the pandemic has stabilized. The Standards now incorporate flexible language that essentially says that Cal/OSHA standards will automatically change along with CDPH guidance. In September S/C Admin Dias consolidated those changes and updated the District's ECP and internal policies. On September 28, the updates were presented to staff along with ten Cal/OSHA required training topics. S/C Admin Dias is tracking any further changes and receives updates from CDPH on a weekly basis. The Cal/OSHA website currently states that their Emergency Temporary Standards will expire on December 31 of this year.

Tours and Outreach

- **Tours.** Tours remain on temporary hold while several areas of the plant are being impacted by Phase II construction activities. The first steps to developing virtual tours were taken including purchasing the hardware and receiving training. A recorded tour is the first milestone and is under development. Once a pre-recorded tour is developed, a live virtual tour will be the second goal and will be beta-tested with a local school.

Injuries; First Aid Incidents; Workers Compensation Claims

There were no first aid injuries or workers comp cases in September. The most recent matrix is below.

	Work Related Injuries and Illnesses for 2022 Calendar Year				
TYPE	New Incidents (Month)	Total Incidents (Year)	Total Days Away from Work (Year)	Total Days of Job Restriction (Year)	Cumulative days lost (Year)
OSHA Injuries	0	1	1	116	1
OSHA Illnesses	0	4	0	0	0
Other WC Claims	0	0	0	0	0
First Aid (non-OSHA)	0	4	0	0	0

FUNDING

N/A- Informational item only

STAFF REPORT

To: Board of Directors

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

Date: December 8, 2022

Subject: Monthly Safety Report (for October 2022)



RECOMMENDATION

Receive Report- Informational only; no action required

DISCUSSION

Safety & Training

- **October 5 and 6- Annual Confined Space Training.** Because the third-party vendor was unavailable during the September safety weeks, the training was scheduled for early October. The trainer, Kent Freeman, is recognized as one of the leading instructors in the industry. This two-day training includes an in-class refresher, followed by hands-on training in rescue of a down person inside a confined space. This year, emphasis was placed on “victim packaging” to secure an immobilized or unconscious person onto specialized victim transport equipment. The District has a Yates Spec Pak from Yates Gear, which is the same equipment used by many fire department Urban Search and Rescue teams.
- **October 12- Tailgate Training;** Pinch-point hazards. Patrick Treanor, Plant Engineer, gave a presentation on avoiding injuries from “pinch points,” i.e., where two objects and a body part come together. Rotating mechanical parts, belts and a wide variety of machinery are typical examples of pinch points. It can also include simple scenarios such as sliding or lowering an object. The most common injury is to the hands but can include other body parts. Emphasis was placed on selecting the proper gloves, and more importantly, Lock-Out-Tag-Out (LOTO) of machinery before use.
- **October 19- LOTO Training;** Chris Foley, Maintenance Superintendent, gave an annual training on LOTO. See Ongoing Safety Improvements section for more detail.

- **October 26- Tailgate training, Heat Illness;** Rommel Lopez, Operator-In-Training, listed some tips on avoiding heat illness. S/C Admin Dias added that the District has a newly updated heat-illness prevention program which was presented in the early summer and is always available for review by all employees.
- **November 2- Tailgate training, gas detection;** S/C Admin Dias provided a refresher training on the use of the Districts air detection monitors. The District has seven 4-gas detectors, which are used to detect the most common atmospheric hazards in the wastewater industry. Use of monitors is required for any/all confined space entries and other locations where buildup of toxic or flammable gases are possible. The monitors are relatively complicated to operate, and details can be forgotten. Also, the monitors are sensitive to changes in temperature and humidity. Therefore, staff was specifically retrained in how to reset the monitors as conditions change during use.
- **November 2- Tailgate training, hand protection;** Daryl Lauer, Collections Superintendent, provided training on hand safety. Ten tips were given on hand protection. It was emphasized that we often take our hands for granted when doing work but the difference between a minor injury and a permanent injury is a matter of millimeters and split seconds. It is very easy to not realize what we are asking of our hands before starting the job.

Ongoing Safety Improvements

During October and early November, Maintenance Superintendent Chris Foley and S/C Admin Dias continued to implement safety improvements and seek input from the operations crew and the Safety Committee. Activities during October and early November included:

- **LOTO Program Update.** The required annual review of the District's LOTO program was conducted in September by Chris Foley and S/C Admin Dias. As part of this review, it was determined that more auditing of the District LOTO practices was appropriate. Lead staff (e.g., senior operators) from each department will review the LOTO procedures in use and ensure the LOTO program is being properly implemented. If issues are found during the audits, refresher training and/or modification to the LOTO program will be made as needed.
- **Request for review of Open Workers' Compensation case reserve amounts.** Each year the District's Workers' Compensation carrier sets the base insurance cost rate for the pooled members of our group. They then add or subtract an "Experience Modification" (ExMod) factor which increases or decreases the rate based on each members actual workers comp costs resulting from injuries.

However often the bulk of these “incurred” costs are not actually incurred but instead are projected future costs for potential future medical treatment. These “reserve” costs can greatly increase the ExMod rate which in turn increases the insurance rates. The data to set the ExMod rate is generated each December. In an effort to reduce insurance costs, District staff requested that Sedgwick staff review the status of the reserves prior to December.

Tours and Outreach

- **Tours.** Tours remain on temporary hold while several areas of the plant are being impacted by Phase II construction activities. The first steps to developing virtual tours were taken including purchasing the hardware and receiving training. A recorded tour is the first milestone and is under development. Once a pre-recorded tour is developed, a live virtual tour will be the second goal and will be beta-tested with a local school.

Injuries; First Aid Incidents; Workers Compensation Claims

There were no first aid injuries or workers’ comp cases in October. The most recent matrix is below.

	Work Related Injuries and Illnesses for 2022 Calendar Year				
TYPE	New Incidents (Month)	Total Incidents (Year)	Total Days Away from Work (Year)	Total Days of Job Restriction (Year)	Cumulative days lost (Year)
OSHA Injuries	0	1	1	116	1
OSHA Illnesses	0	4	0	0	0
Other WC Claims	0	0	0	0	0
First Aid (non-OSHA)	0	4	0	0	0

FUNDING

N/A- Informational item only

Wastewater Treatment Facility Operations Report

Report for: October 2022	HYDRAULIC LOADINGS					2022 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	22.411	0.723	0.680	0.747	70.120	235.03	720.94
PBCSD Flow	9.550	0.308	0.273	0.369	29.880	113.14	347.05
Total Plant Flow	31.961	1.031	0.953	1.116	100.00	348.16	1067.98
Tertiary Flow	28.117	0.907	0.708	1.065	87.973	283.55	869.77
Ocean Discharge	3.489	0.113	0.079	0.130	10.916	64.91	199.12
Potable Water	0.000	0.000	0.000	0.000	0.000	1.732	5.313

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2022)	283.55MG (869.77acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.18 BG (28.17 K acre-ft.)
12 Month Rolling Total Reclamation Production	351.24 MG (1077.96 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Oct'22 kWh	Price per kWh	Oct'22	Sep'22	Aug'22	Jul'22
Secondary	93,721.00	\$ 0.204	\$ 19,148.64	\$ 21,517.93	\$ 24,363.59	\$ 27,495.20
Blowers	47,680.32	\$ 0.196	\$ 9,363.99	\$ 11,415.30	\$ 12,430.57	\$ 12,078.74
CAWD Total	141,401.32		\$ 28,512.63	\$ 32,933.23	\$ 36,794.16	\$ 39,573.94
Tertiary	77,180.08	\$ 0.210	\$ 16,189.86	\$ 20,917.38	\$ 20,649.74	\$ 21,993.08
MF/RO	81,827.00	\$ 0.233	\$ 19,032.17	\$ 20,763.27	\$ 22,362.14	\$ 23,087.91
Reclaim Total	159,007.08		\$ 35,222.03	\$ 41,680.65	\$ 43,011.88	\$ 45,080.99
Adjusted Monthly Totals (1)	CAWD Total		\$ 17,571.79	Reclamation Total		\$ 46,162.87

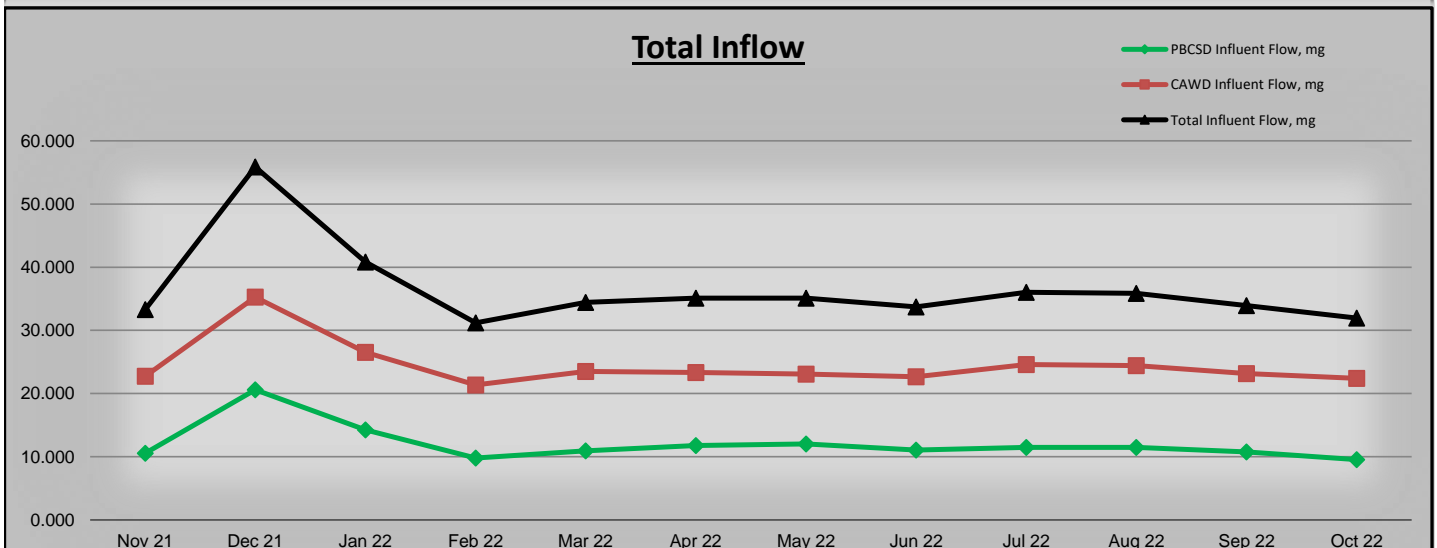
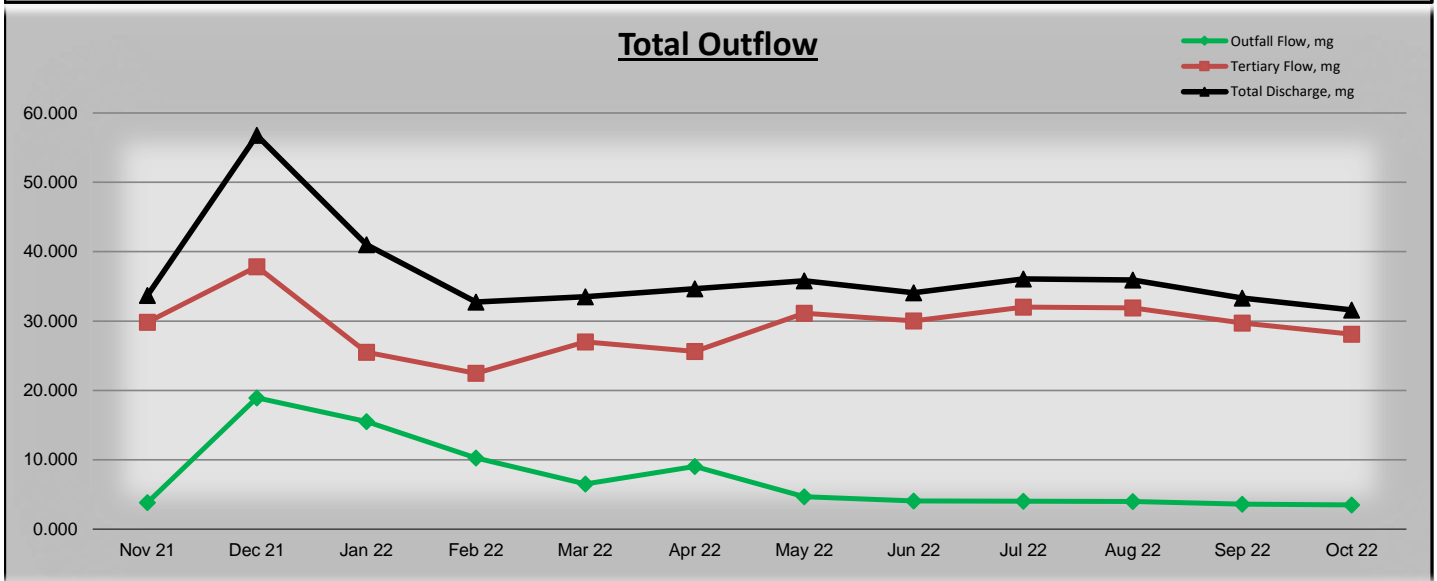
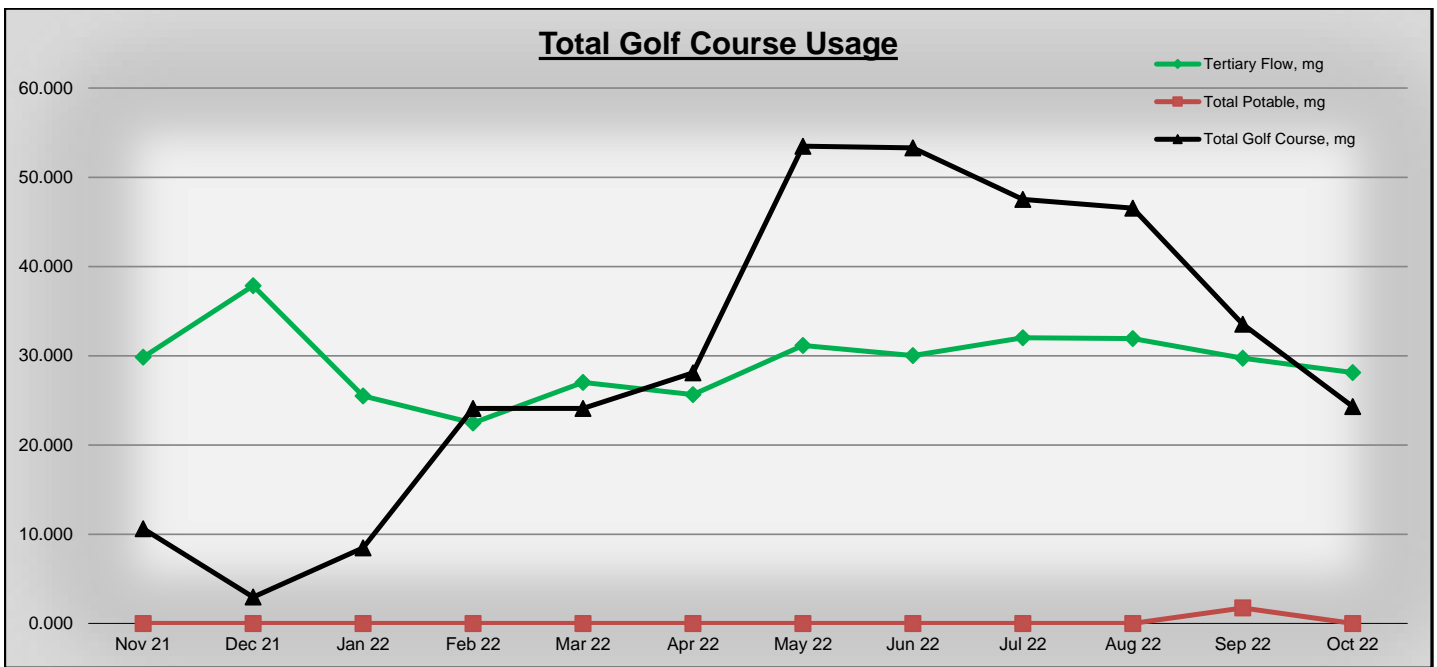
kW-h Per Acre Foot

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

MICROTURBINE SUMMARY

Month	Oct '22 kW-h	Sep'22	Aug'22	Jul'22	Accumulated Totals
Production, kW-h	20,420	18,825	12,231	0	1,277,147.00

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



Wastewater Treatment Facility Operations Report

Report for: September 2022	HYDRAULIC LOADINGS					2022 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	23.173	0.736	0.703	0.956	68.274	212.62	652.19
PBCSD Flow	10.768	0.359	0.318	0.547	31.726	103.59	317.75
Total Plant Flow	33.941	1.095	1.021	1.503	100.00	316.20	969.94
Tertiary Flow	29.721	0.991	0.725	1.228	87.567	255.43	783.52
Ocean Discharge	3.596	0.120	0.082	0.158	10.595	61.43	188.42
Potable Water	1.732	0.866	0.226	1.506	5.103	1.732	5.313

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2022)	255.43MG (783.52acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.15 BG (28.09 K acre-ft.)
12 Month Rolling Total Reclamation Production	352.32 MG (1081.28 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Sep'22 kWh	Price per kWh	Sep'22	Aug'22	Jul'22	Jun'22
Secondary	91,377.00	\$ 0.235	\$ 21,517.93	\$ 24,363.59	\$ 27,495.20	\$ 25,587.76
Blowers	49,997.20	\$ 0.228	\$ 11,415.30	\$ 12,430.57	\$ 12,078.74	\$ 12,359.21
CAWD Total	141,374.20		\$ 32,933.23	\$ 36,794.16	\$ 39,573.94	\$ 37,946.97
Tertiary	91,511.64	\$ 0.229	\$ 20,917.38	\$ 20,649.74	\$ 21,993.08	\$ 19,375.78
MF/RO	84,439.00	\$ 0.246	\$ 20,763.27	\$ 22,362.14	\$ 23,087.91	\$ 22,109.29
Reclaim Total	175,950.64		\$ 41,680.65	\$ 43,011.88	\$ 45,080.99	\$ 41,485.07
Adjusted Monthly Totals (1)	CAWD Total		\$ 20,370.19	Reclamation Total		\$ 54,243.69

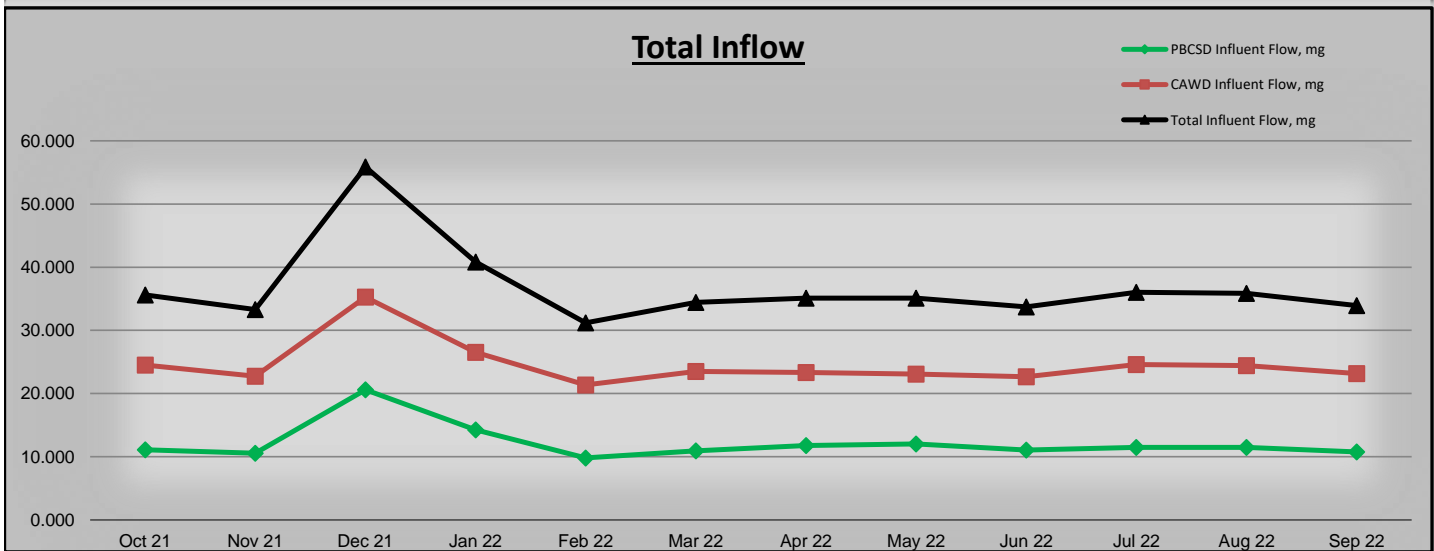
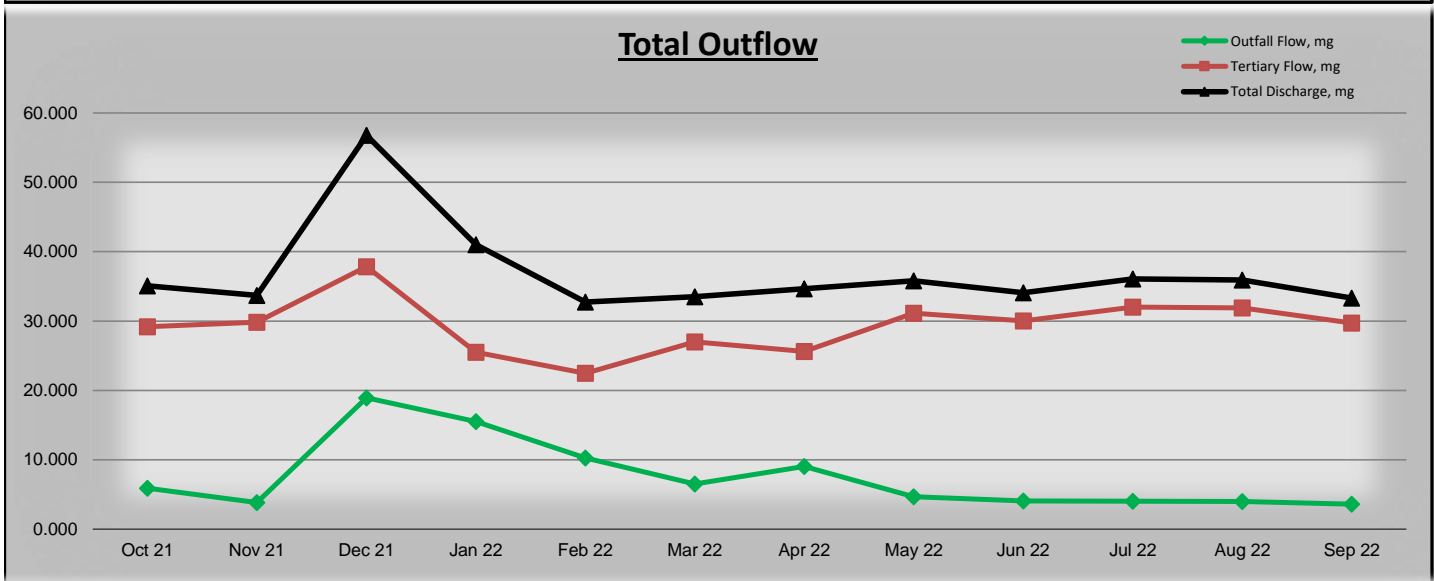
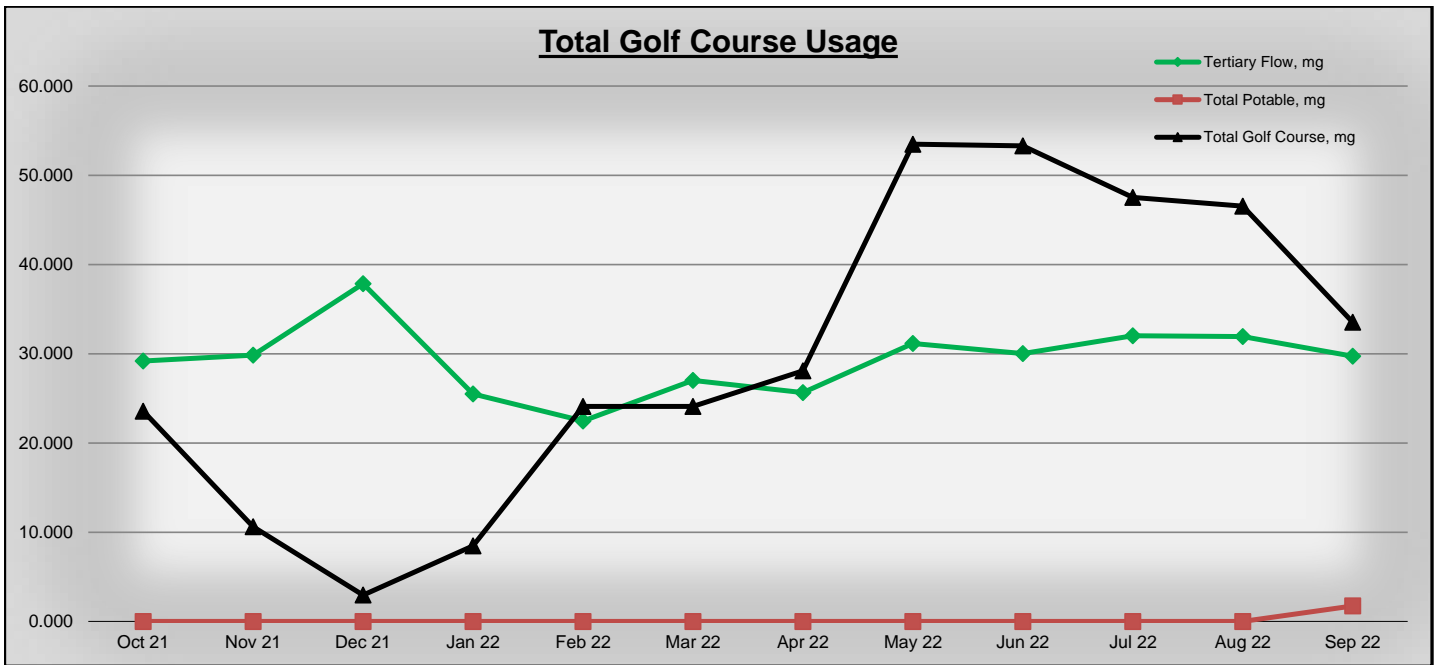
kW-h Per Acre Foot

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

MICROTURBINE SUMMARY

Month	Sep '22 kW-h	Aug'22	Jul'22	Jun'22	Accumulated Totals
Production, kW-h	18,825	12,231	0	0	1,256,727.00

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



Wastewater Treatment Facility Operations Report

Report for: August 2022	HYDRAULIC LOADINGS					2022 YEAR-TO-DATE	
	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	24.412	0.787	0.737	0.836	68.036	189.44	581.11
PBCSD Flow	11.469	0.370	0.337	0.447	31.964	92.82	284.72
Total Plant Flow	35.881	1.157	1.074	1.283	100.00	282.26	865.83
Tertiary Flow	31.917	1.030	0.794	1.220	88.952	225.71	692.35
Ocean Discharge	3.992	0.129	0.104	0.189	11.126	57.83	177.39
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TERTIARY PROCESS HISTORY

Total Annual Reclamation Production (2022)	225.71MG (692.35acre-ft.)
Total Lifetime Reclamation Production (94-22)	9.12 BG (27.99 K acre-ft.)
12 Month Rolling Total Reclamation Production	350.75 MG (1076.44 acre-ft.)

ELECTRICAL COSTS

Monthly Totals	Aug'22 kWh	Price per kWh	Aug'22	Jul'22	Jun'22	May'22
Secondary	101,373.00	\$ 0.240	\$ 24,363.59	\$ 27,495.20	\$ 25,587.76	\$ 21,534.16
Blowers	53,788.64	\$ 0.231	\$ 12,430.57	\$ 12,078.74	\$ 12,359.21	\$ 10,568.58
CAWD Total	155,161.64		\$ 36,794.16	\$ 39,573.94	\$ 37,946.97	\$ 32,102.74
Tertiary	86,385.12	\$ 0.239	\$ 20,649.74	\$ 21,993.08	\$ 19,375.78	\$ 15,648.90
MF/RO	92,120.00	\$ 0.243	\$ 22,362.14	\$ 23,087.91	\$ 22,109.29	\$ 18,367.65
Reclaim Total	178,505.12		\$ 43,011.88	\$ 45,080.99	\$ 41,485.07	\$ 34,016.55
Adjusted Monthly Totals (1)	CAWD Total		\$ 22,609.61	Reclamation Total		\$ 57,196.43

kW-h Per Acre Foot

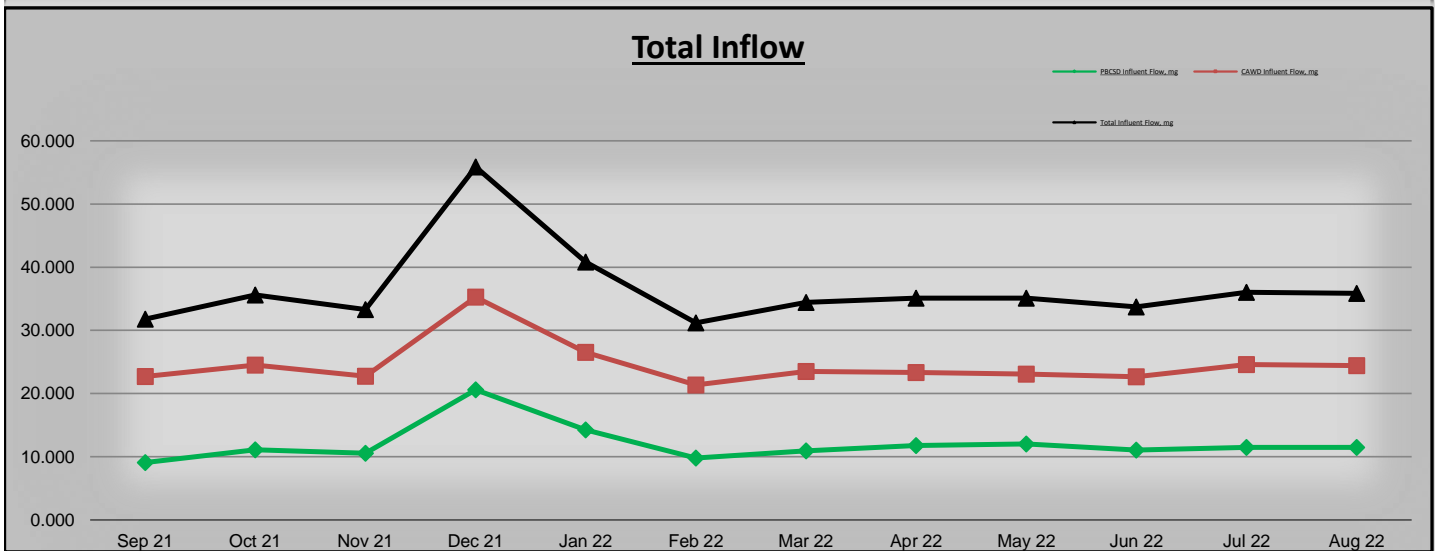
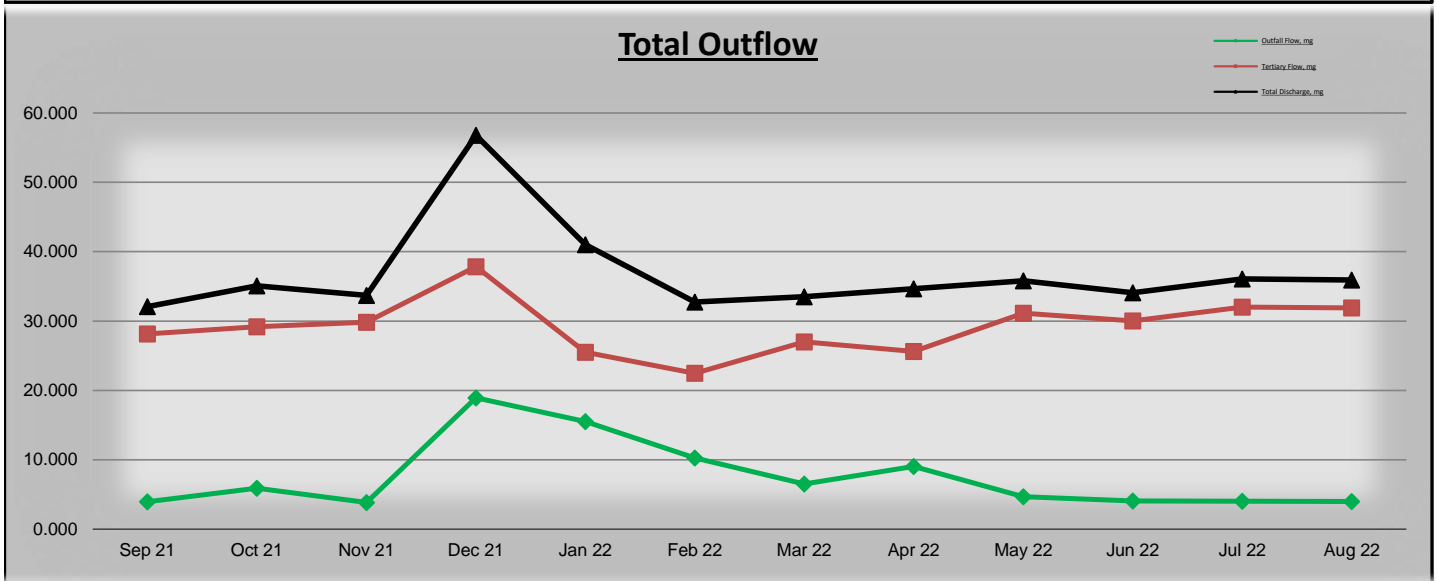
	2021				2022			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1453.87	1327.64	1298.73	1681.53	1409.48	1577.57	N/A	N/A
Reclamation	1984.84	1939.79	1682.65	1887.92	2190.20	1984.97	N/A	N/A

MICROTURBINE SUMMARY

Month	Aug '22 kW-h	Jul'22	Jun'22	May'22	Accumulated Totals
Production, kW-h (2)	12,231	0	0	0	1,237,902.00

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

(2) Microturbine system back on-line on 8/18/2022



STAFF REPORT



To: Board of Directors

From: Ray De Ocampo - Laboratory/Environmental Compliance Supervisor

Date: December 8, 2022

Subject: Monthly Report – September 2022

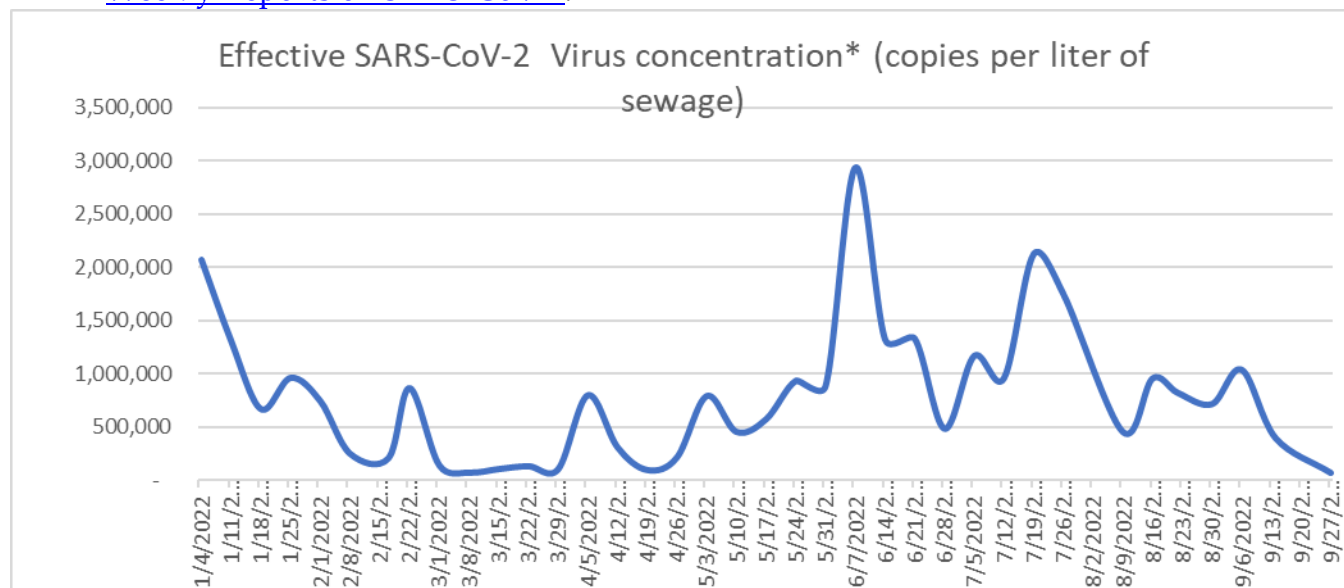
RECOMMENDATION

Receive Report - Informational only; No action required.

DISCUSSION

LABORATORY REPORT

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



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

- September 12, 2022, Central Coast Long-Term Assessment Network (CCLEAN) began analysis for dry season. The sampling scheduled is for a 30-day period or until a set sample volume is reached.

- September 12-23, 2022, Annual Safety Training occurred with all laboratory staff attending.
- September 19, 2022, laboratory staff collected the first sample of the stormwater season as outlined in California Storm Water Permit Program.
- September 27, 2022, the laboratory and operation's microscope had the annual preventative maintenance performed and completed with no repairs needed.

ENVIRONMENTAL COMPLIANCE REPORT

- Mr. De Ocampo is working on videoing the top twenty-five restaurants with high grease concentration in their lateral lines as highlighted on the engineer's list. Mr. De Ocampo has discovered that some restaurants do not have proper clean outs, or they are missing clean outs on their lateral pipes.
- Source Control staff have been reviewing annual discharge permit applications and performing restaurant inspections as listed below.
- Ms. Fanny Mui took her exam for the California Water Environment Association (CWEA) Environmental Compliance Inspector Grade II and passed.

Restaurant Inspections

Restaurant	Compliant	Reason for Non-Compliance	Comments
Cultura	Yes		
O'Callaghan's	Yes		
Carmel Burger Bar	Yes		
Mission Ranch	Yes		
Il Fornaio	Yes		

Grocery Store/Delicatessen Inspections

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

Compliance Register

% Compliance	Maintenance	Mechanical
July 2022*	NA	NA
August 2022	100	100
September 2022	100	100

**Note: July 2022 no inspections were performed*

STAFF REPORT



To: Board of Directors
From: Ray De Ocampo - Laboratory/Environmental Compliance Supervisor
Date: December 8, 2022
Subject: Monthly Report – October 2022

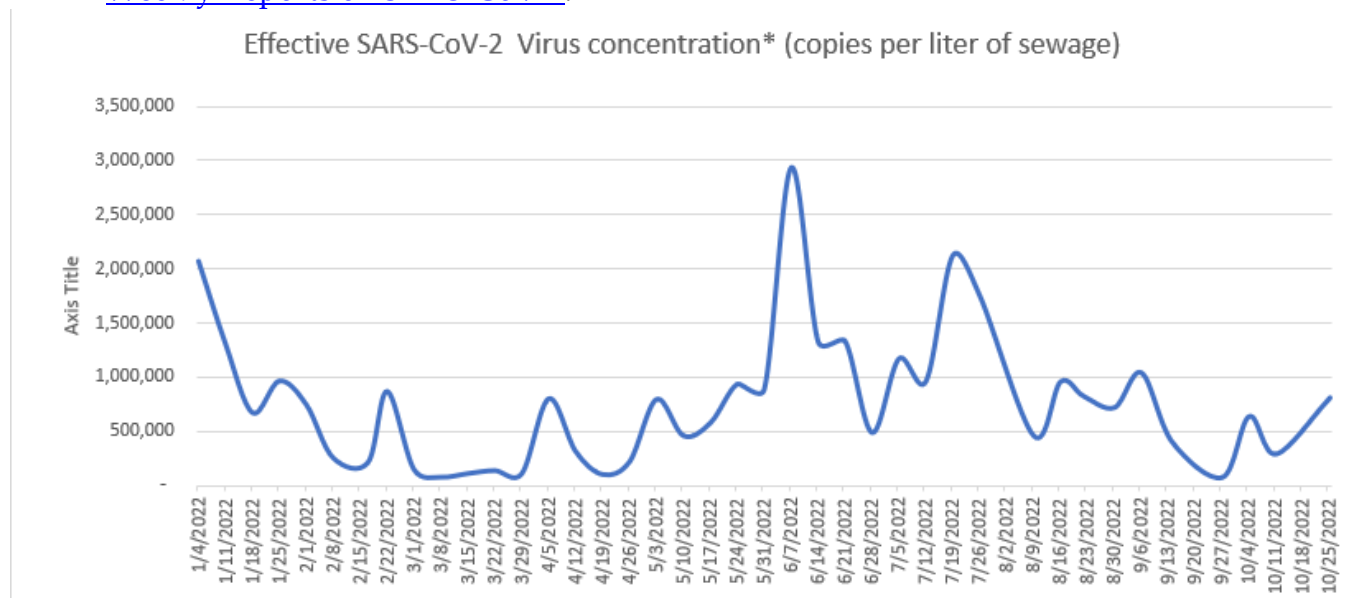
RECOMMENDATION

Receive Report - Informational only; No action required.

DISCUSSION

LABORATORY REPORT

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



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

- On October 5, 2022, all laboratory staff attended refresher training on confined space.
- On October 6, 2022, Trevor Holland, Laboratory Analyst, attended rescue training with the CAWD rescue team.

- On October 12, 2022, Reverse Osmosis (RO) System Quarterly samples were collected by laboratory staff and sent to Monterey Bay Analytical Laboratory for analysis.
- On October 13, 2022, the Central Coast Long-Term Environmental Assessment Network (CCLEAN), completed the 30-day dry season sampling on the Final Effluent.
- On October 25, 2022, Ray De Ocampo, Laboratory Supervisor, and Fanny Mui, Laboratory Analyst, completed the annual Fit testing on the half mask respirator.

ENVIRONMENTAL COMPLIANCE REPORT

- Staff completed the cleanout videos of the high grease concentration on the engineer’s list. Staff discovered that some restaurants do not have proper cleanout plumbing fixtures and could not be recorded correctly. The task force group will review the videos and determine what the next step will be for the restaurants that are not compliant at their next meeting.

Restaurant Inspections

Restaurant	Compliant	Reason for Non-Compliance	Comments
Le Souffle	Yes		
All Saints Episcopal Church	Yes		
Sushi Heaven	Yes		
Seventh and Dolores	Yes		
IL Foranio	Yes		
Highlands Inn Pacific’s Edge	Yes		

Grocery Store/Delicatessen Inspections

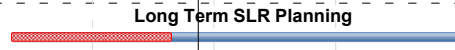
Grocery Store/Delicatessen	Compliant	Reason for Non-Compliance	Comments
None			

Compliance Register

% Compliance	Maintenance	Mechanical
August 2022	100	100
September 2022	100	100
October 2022	100	100

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	2021		2022		2023		2024	
									H1	H2	H1	H2	H1	H2	H1	H2
Projects Implementation Plan Schedule																
<u>Treatment Plant Capital Projects</u>																
18-01	1620.000	Elec/Mech Rehab and Sludge Holding Tank Replacement Project	Treanor	4/30/18	9/29/23	\$4,820,750	\$9,137,431	In Construction	Sludge Holding Tank Replacement Project							
18-28	1626.000	Perimeter Tree Plan and Implementation	Treanor	7/1/19	6/30/26	\$75,000	\$130,020	Planning Stakeholder Meeting	Perimeter Tree Plan and Implementation							
19-21	1993.000	Carmel River FREE Mitigation	Treanor	6/1/20	11/29/24	\$0	\$0	Pending Funding	Carmel River FREE Mitigation							
19-19	1634.000	Aeration Basin Improvements	Waggoner	7/1/20	6/30/22	\$0	\$17,332	On Hold Until Spring 2023	Aeration Basin Improvements							
19-18	1593.000	Perimeter Fencing	Treanor	7/1/22	10/13/23	\$275,000	\$275,000	Design Phase	Perimeter Fencing							
22-03	1639.000	WWTP Gas and Water Main Replacement	Treanor	5/2/22	6/28/24	\$100,000	\$300,000	In Study Phase	WWTP Gas and Water Main Replacement							
22-04	5500.006	CAWD Bridge and Trail Project	Treanor	3/1/21	2/29/28	\$0	\$550	Funding Strategy	CAWD Bridge and Trail Project							
22-06	1640.000	Vector Receiving Station	Treanor	7/1/22	8/29/24	\$104,950	\$354,950	Design Phase	Vector Receiving Station							
<u>Reclamation Capital Projects</u>																
18-26	14777	Sulfuric Acid and Citric Acid Storage and Feed Systems	Treanor	1/1/19	12/30/22	\$334,000	\$455,923	In Construction	Sulfuric Acid Storage and Feed Systems							
21-09	14776	SCADA Migration	Foley	11/1/21	10/31/22	\$80,000	\$179,075	In Progress 90%	SCADA Migration							
22-05		Reclamation 15-Year CIP Master Plan	Treanor	8/2/22	12/29/23	\$300,000	\$300,000	In Progress	Reclamation 15-Year CIP Master Plan							
<u>Collections Capital Projects</u>																
19-03	1586.000	Carmel Meadows Sewer Replacement	Lather	8/1/19	1/17/25	\$2,000,000	\$2,471,949	In Design / Permitting	Carmel Meadows Sewer Replacement							
20-07	1636.000	Bay/Scenic Pump Station Rehabilitation	Lather	12/31/20	6/30/24	\$650,000	\$680,892	In Design	Bay/Scenic Pump Station Rehabilitation							
20-08	1635.000	Scenic Rd Pipe Bursting - Ocean to Bay	Lather	2/5/21	6/30/23	\$3,500,000	\$3,731,786	In Design / CEQA	Scenic Rd Pipe Bursting - Ocean to Bay							
21-05	1637.000	Pescadero Sewer Relocation	Lather	7/1/21	6/28/24	\$100,000	\$1,689,236	In Design	Pescadero Sewer Relocation							
22-07		Emergency Lorca Lane Sewer Relocation	Lather	8/30/22	12/30/22	\$0	\$0	In Progress	Emergency Lorca Lane Sewer Relocation							
20-06		Collections 15-Year CIP	Lather	7/1/20	7/1/40	\$0	\$62,899,430	Work In Progress	Collections 15-Year CIP							
<u>Collections Non-Capital Projects</u>																
20-05		River Watch Agreement	Lather	2/21/20	2/21/24	\$0	\$0	Work In Progress	River Watch Agreement							
21-06	6140.005	Manhole Rehabilitation	Lather	7/1/22	6/29/23	\$300,000	\$362,300	In Construction	Manhole Rehabilitation							
<u>Assessment Districts/Annexations</u>																
19-09	5500.005	2021 Sphere of Influence Amendment and Annexation Proposal	Lather	3/15/19	3/1/22	\$0	\$73,675	In process of obtaining CDP Ammendment for annexations in coastal zone	Sphere of Influence Amendment and Annexation Proposal							
18-21	1631.000/2505.000	Corona Road Assessment District	Lather	8/2/18	12/2/22	\$0	\$0	In Design / CEQA	Corona Road Assessment District							
19-08	1632.000	Carmel Valley Manor Pipeline and Pump Station	Lather	7/3/18	6/30/22	\$0	\$0	In Construction	Carmel Valley Manor Pipeline and Pump Station							
18-29	9095.000	September Ranch Subdivision	Lather	9/1/22	8/30/24	\$0	\$0	Development Pending	September Ranch Subdivision							
		Rancho Cañada Village Subdivision	Lather	3/1/23	2/27/25	\$0	\$0	In Design by Property Owner	Rancho Cañada Village Subdivision							

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	2021		2022		2023		2024	
									H1	H2	H1	H2	H1	H2	H1	H2
		<u>Other Non-Capital Projects</u>														
		Workforce Now	Foley			\$0	\$0	Implementation								
		Real Property Investigation	Buikema			\$75,000	\$75,000	Ongoing								
		Cyber Security	Foley			\$17,000	\$17,000	Ongoing								
		Lean Six Sigma	Buikema			\$0	\$0	Green Belt Level Training and Certification								
22-01	5500.006	Long Term SLR Planning	Buikema / Treanor	5/3/21	2/29/40	\$260,000	\$1,400,000	In Progress								



Treatment Plant Capital Project Summaries



Photo: New Sludge Tank Under Construction

Project Number:	18-01	
Project Name:	Wastewater Treatment Plant (WWTP) – Elec/Mech Rehab & Sludge Holding Tank Replacement Project	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	In Construction	
Project Description:	This project is a multi-area project at the WWTP aimed at mitigating risk of failure in the Influent Pump Station, Headworks, 3W/Chlorine Analyzer Building, Effluent Building and Sludge Storage Tank. Most of the work involves replacing aged electrical and mechanical equipment in existing buildings.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$9,137,431	\$5,622,778
Financial:	FY Budget:	FY Spent:
	\$4,820,750	\$1,301,675
Reclamation Share:	Estimated at 2.7% of project cost.	
Other Entities:	Pebble Beach Community Services District, CAWD/PBCSD Reclamation Project	
Permits Required:	Coastal Commission Notification	
Challenges:	Electrical Equipment Supply Chains	
Schedule:	<ul style="list-style-type: none"> Construction anticipated for FY21/22 into FY22/23 	
Consultants:	Design: Kennedy/Jenks Consultants Construction Management: Currie Engineers	
Contractor:	Clark Bros. Inc.	



Photo: Eucalyptus trees on South Side of Treatment Plant

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

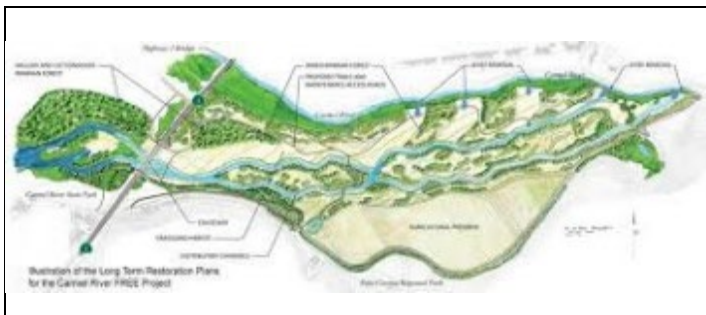


Photo: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE)

Project Number:	19-21	
Project Name:	Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Mitigation	
Project Location:	Carmel River Lagoon	
Project Manager:	Treanor	
Status:	Pending Funding	
Project Description:	The CRFREE Project intends to create a new river channel in the Carmel River lagoon floodplain, which will significantly impact existing wastewater pipelines that cross the lagoon. To fully mitigate impacts from CRFREE the pipelines, which are currently crossing over a portion of the lagoon, are proposed to be installed underground using Horizontal Directional Drilling construction methods.	
Department:	Engineering	
Financial:	Coastal Conservancy Grant Budget: \$750,000	Cumulative Spent: \$618,569 FY Spent: \$0
** Project is being funded by CRFREE initiated grants		
Reclamation Share:	N/A	
Other Entities:	Monterey County	
Permits Required:	Coastal Commission, CA Fish and Wildlife, Army Corp of Engineers, Reginal Water Quality Control Board (RWQCB)	
Challenges:	Construction near environmentally sensitive habitat and obtaining new easement from State Parks	
Schedule:	<ul style="list-style-type: none"> Construction anticipated in 2024 	
Consultants:	Design: Kennedy Jenks and Staheli Trenchless CEQA: Johnson Marigot	
Contractor:	TBD	



Photo: Existing air diffuser system

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



Photo: Existing Dilapidated Fence

Project Number:		19-18	
Project Name:		Perimeter Fencing	
Project Location:		Wastewater Treatment Plant	
Project Manager:		Treanor	
Status:		Design Phase	
Project Description:		Install a new fence around the perimeter of the WWTP.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$275,000	\$16,054	
Financial:	FY Budget:	FY Spent:	
	\$275,000	\$16,054	
Reclamation Share:	N/A		
Other Entities:	N/A		
Permits Required:	California Environmental Quality Act (CEQA) Mitigated Negative Declaration (MND), Coastal Developmental Permit (CDP) Notification		
Challenges:	Environmental Mitigations		
Schedule:	<ul style="list-style-type: none"> Design in FY22-23 Construction in FY23-24 		
Consultants:	Kennedy Jenks		
Contractor:	TBD		



Photo: Gas Meter on North Side of River

Project Number:		22-03	
Project Name:		WWTP Gas and Water Main Replacement	
Project Location:		Wastewater Treatment Plant	
Project Manager:		Treanor	
Status:		In Study Phase	
Project Description:		The WWTP natural gas and water utility service exists on the opposite side of the Carmel River from the WWTP. CAWD owns the piping under the river for these utilities. The water line and gas line are PVC and identified as having a high risk of failure. The gas line is needed for plant operations to provide supplementary heating to the digesters for thermophilic digestion.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$300,000	\$38,846	
Financial:	FY Budget:	FY Spent:	
	\$100,000	\$38,846	
Reclamation Share:	N/A		
Other Entities:	Cost Share w/ Collections @ 5.5%		
Permits Required:	TBD		
Challenges:	Underground work in riparian area		
Schedule:	<ul style="list-style-type: none"> Currently undergoing alternatives analysis study Design in FY22-23 Construction in FY23-24 		
Consultants:	Kennedy Jenks		
Contractor:	N/A		



Photo: Conceptual Rendering of Public Use and Bridge

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



Photo: CAWD Vactor Truck

Project Number:	22-06	
Project Name:	Vactor Receiving Station	
Project Location:	Wastewater Treatment Plant	
Project Manager:	Trenor	
Status:	Design Phase	
Project Description:	Construct a new Vactor Receiving Station for the Collections Department and the disposal of waste collected in the vactor truck.	
Department:	Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$354,950	\$0
Financial:	FY Budget:	FY Spent:
	\$104,950	\$0
Reclamation Share:	N/A	
Other Entities:	N/A	
Permits Required:	Coastal Developmental Permit (CDP) Notification	
Challenges:	Design for ultimate user satisfaction.	
Schedule:	Construction in FY23/24	
Consultants:	Kennedy Jenks	
Contractor:	TBD	

Reclamation Capital Project Summaries



Photo: Existing totes used for Sulfuric Acid storage and Feed

Project Number:		18-26	
Project Name:		Sulfuric Acid & Citric Acid Storage & Feed Systems Project	
Project Location:		Reclamation – Microfiltration (MF)/Reverse Osmosis (RO)	
Project Manager:		Trearor	
Status:		In Construction	
Project Description:		Code compliance upgrades for existing acid chemical storage and feed system used by Reclamation for enhancing RO recovery. Project includes code compliant secondary containment and separation of dissimilar chemicals.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$455,923	\$125,468	
Financial:	FY Budget:	FY Spent:	
	\$334,000	\$0	
Reclamation Share:	100%		
Other Entities:	Reclamation Project		
Permits Required:	Coastal Commission Notification		
Challenges:	Hazardous Chemical Safety		
Schedule:	Anticipated Completion Late 2022		
Consultants:	Trussell Technologies, Inc		
Contractor:	Monterey Peninsula Engineering		

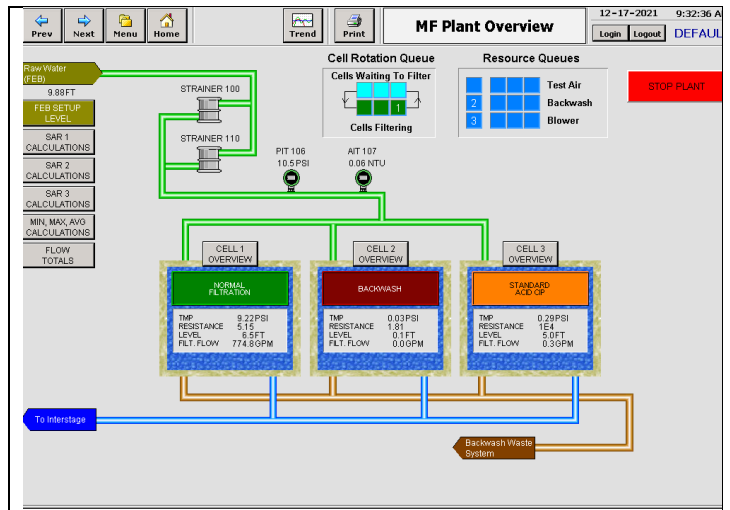


Photo: Microfiltration SCADA Overview

Project Number:		21-09	
Project Name:		Reclamation Supervisory Control and Data Acquisition (SCADA) Migration Project	
Project Location:		Reclamation Plant	
Project Manager:		Foley	
Status:		In Progress 90%	
Project Description:		Migration of reclamation legacy from RSVIEW32 SCADA screens, alarms and trending to Ignition SCADA platform utilized by the treatment plant and collections pump stations. The legacy system software is no longer supported and poses a cybersecurity risk. It has been in service for 14+ years and the hardware is past its useful life. The new system will be more secure and installed on modern reliable hardware.	
Department:		Reclamation	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$179,075	\$152,428	
Financial:	FY Budget:	FY Spent:	
	\$80,000	\$0	
Reclamation Share:	100%		
Other Entities:	Reclamation Project		
Permits Required:	None		
Challenges:	Structure of old Programming		
Schedule:	Work started in December 2021		
Consultants:	Frisch Engineering		

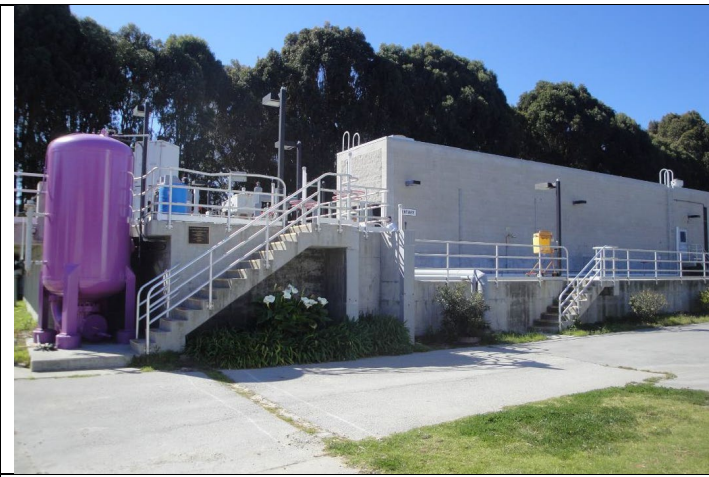


Photo: Exterior of Tertiary Building

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

Collections Capital Project Summaries



Photo: View gravity pipe in Carmel easement

Project Number: 19-03		
Project Name: Carmel Meadows Sewer Replacement		
Project Location: Collection System		
Project Manager: Lather		
Status: In Design / Permitting		
Project Description: The project will replace 1,300 feet of Ductile Iron Pipe (DIP) on an aerial span and eight manholes by constructing a small pump station at the end of Mariposa Drive. This project is located on an easement parallel to Ribera Road and was originally installed in the early 1960's.		
Department: Collections		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$2,471,949	\$504,987
Financial:	FY Budget:	FY Spent:
	\$2,000,000	\$30,628
Permits Required: Coastal Permit and Environmental Review		
Challenges: Redirecting the sewer to the pump station without requiring booster pumps for individual houses.		
Schedule: Design and Environmental Review completed 6/28/22. Construction to begin FY22/23.		
Consultants: SRT Consultants, WRA Environmental		
Contractor: TBD		



Photo: Looking at Pump Station Exterior

Project Number: 20-07		
Project Name: Bay/Scenic Pump Station Rehabilitation		
Project Location: Collection System		
Project Manager: Lather		
Status: In Design		
Project Description: Remodel the interior of the pump station and update the SCADA panel to minimize areas prone to flooding.		
Department: Collections		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$680,892	\$43,907
Financial:	FY Budget:	FY Spent:
	\$650,000	\$13,015
Reclamation Share:		0%
Other Entities:		Carmel-by-the-Sea, Coastal Commission
Permits Required:		Exemptions from CEQA & Coastal Commission
Challenges:		Traffic Control
Schedule:		Design 2021, Construct 2022, completed by 06-2023
Consultants:		SRT
Contractor:		Pending



Photo: Pipe Bursting Limits on Scenic

Project Number:		20-08
Project Name:		Scenic Rd Pipe Bursting - Ocean to Bay
Project Location:		Collection System
Project Manager:		Lather
Status:		In Design / CEQA
Project Description:		Replace approximately 9,525 linear feet of existing 6-inch clay pipe with a new 8-inch High-Density Polyethylene (HDPE) and includes manhole rehabilitation.
Department:		Collections
Financial:	Cumulative Budget:	Cumulative Spent:
	\$3,731,786	\$246,074
Financial:	FY Budget:	FY Spent:
	\$3,500,000	\$14,287
Reclamation Share:		0%
Other Entities:		Carmel-by-the-Sea, Coastal Commission
Permits Required:		CEQA & Coastal Commission permit required.
Challenges:		Traffic control & poorly mapped underground utilities. Cultural Resources at southern end of project.
Schedule:		Design 2021-2022, Construct 2023, Completed 06-2023
Consultants:		MNS, Rincon
Contractor:		Pending

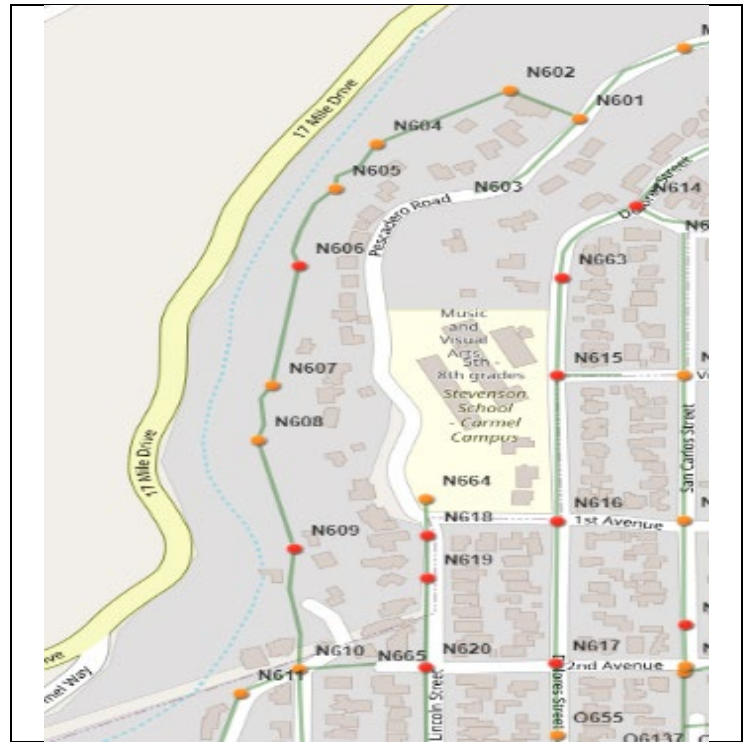


Photo: Sewer Line at Pescadero Creek

Project Number:		21-05
Project Name:		Pescadero Sewer Relocation
Project Location:		Collection System
Project Manager:		Lather
Status:		In Design
Project Description:		Relocate damaged pipe from creek slope to roadway
Department:		Collections
Financial:	Cumulative Budget:	Cumulative Spent:
	\$1,689,236	\$144,201
O&M	FY Budget:	FY Spent:
	\$100,000	\$54,965
Reclamation Share:		0%
Other Entities:		N/A
Permits Required:		Environmental Review
Challenges:		Narrow road, depth of manhole, houses to be placed on individual pumps
Schedule:		Start design, public outreach, & Environmental in Winter 2022/2023.
Consultants:		MNS, Denise Duffy
Contractor:		TBD

20-06 Collections 15-Year CIP												
Project #	Project Name	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
1	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
2	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
3	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
4	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
5	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
6	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
7	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
8	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
9	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
10	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
11	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
12	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
13	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
14	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
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16	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
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19	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
20	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
21	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
22	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
23	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
24	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
25	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
26	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
27	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
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99	Construction of New Sewer Lines	\$1,000,000										\$1,000,000
100	Construction of New Sewer Lines	\$1,000,000										\$1,000,000

Photo: LT Capital Schedule

Project Number:	20-06	
Project Name:	Collections 15 -Year CIP	
Project Location:	Collection System	
Project Manager:	Lather	
Status:	Work in Progress	
Project Description:	Utilize updated sewer line inspection information and flow modeling to develop a 20-year Construction Improvement Plan	
Department:	Collections	
Projection of Total Capital Costs-15-Yr \$63M	Construction Costs: \$63M	Administration Costs: \$10M (20% engineering, legal, admin.)
Financial:	Cumulative 15YR Budget: EST \$63M	Cumulative Spent: N/A
	FY Budget: N/A	FY Spent: N/A
Reclamation Share:	0%	
Other Entities:	River Watch Agreement-see project #20-05	
Permits Required:	none	
Challenges:	Need all pipeline Closed Caption Television (CCTV) results to be completed to develop plan.	
Schedule:	2020 - 2040	
Consultants:	West Yost	
Contractor:	N/A	

Collections Non-Capital Project Summaries



Photo: River Watch logo

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

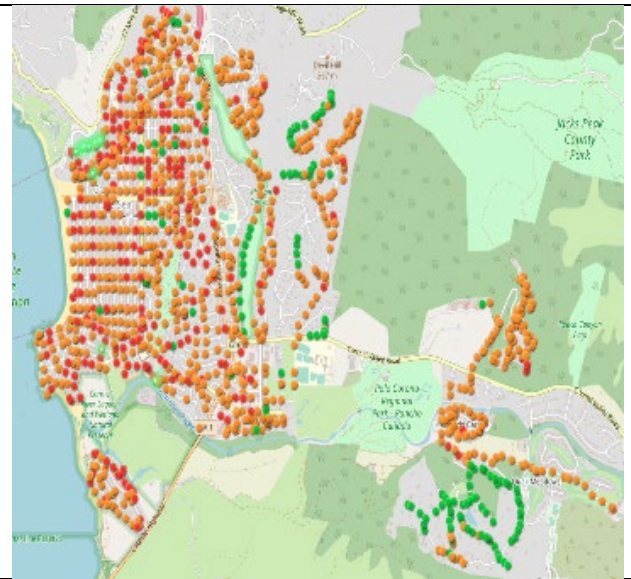


Photo: Manhole Inspection Map

Project Number:		21-06	
Project Name:		Manhole Rehabilitation	
Project Location:		Collection System	
Project Manager:		Lather	
Status:		In Construction	
Project Description:		Line Manholes with a solvent-free rigid polyurethane material that seals surface and provides structural integrity & to prevent inflow/infiltration	
Department:		Collections	
Financial: O&M	Cumulative Budget:	Cumulative Spent:	
	\$362,300	\$0	
Financial: O&M	FY Budget:	FY Spent:	
	\$300,000	\$0	
Reclamation Share:	0%		
Other Entities:	N/A		
Permits Required:	none		
Challenges:	Traffic control		
Schedule:	Complete by 06-2023		
Consultants:	none		
Contractor:	Express Sewer & Drain, Inc.		

Assessment Districts/Annexations

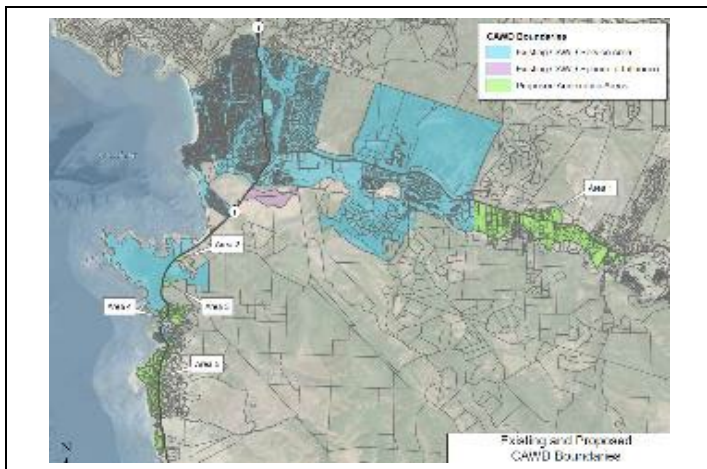


Photo: Areas of Potential Annexation

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

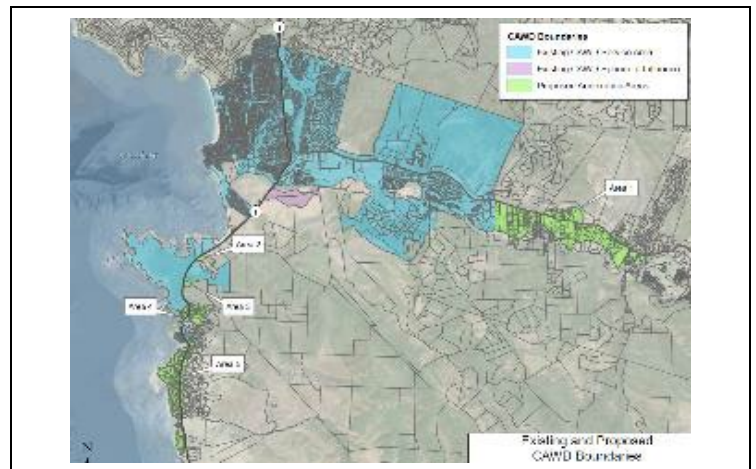


Photo: Areas of Potential Annexation

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

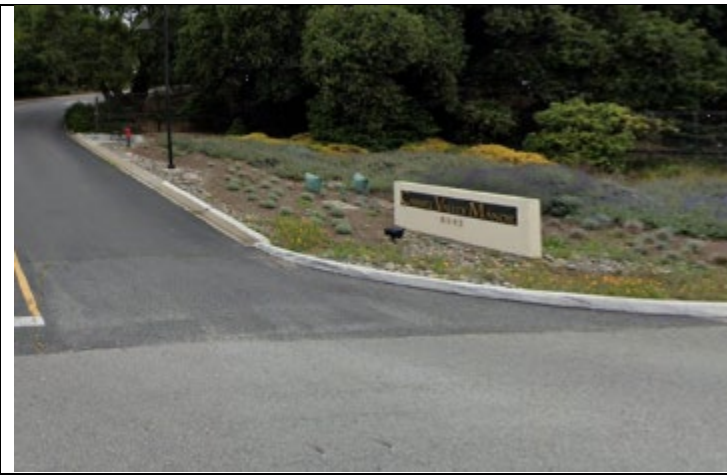


Photo: Entrance to Carmel Valley Manor

Project Number:	19-08	
Project Name:	Carmel Valley Manor Pipeline and Pump Station	
Project Location:	Collection System	
Project Manager:	Lather	
Status:	In Construction	
Project Description:	Sewer extension project to be completed by the owners of Carmel Valley Manor to connect to CAWD's sewer system. Riley Ranch, #19-08 Carmel Valley Manor (Deferred Revenue)	
Department:	Collections	
Financial: this is an unbudgeted item-under repayment agreement (no funds received)-	Cumulative Budget:	Cumulative Spent:
	\$0	\$180
	FY Budget:	FY Spent:
	\$0	\$180
Other Entities:	The prospect of a pipeline has given rise to a plethora of potential additional connections	
Permits Required:	County Encroachment Permit, Environmental Review completed.	
Challenges:	Funding, Repayment Agreement, easement agreements LAFCO annexation	
Schedule:	Approved without protest at 3/22/21 LAFCO hearing.	
Consultants:	MNS and Rincon are working for Carmel Valley Manor to permit and design the project.	
Contractor:	N/A	

Other Non-Capital Project Summaries



ADP Workforce Now

Photo: ADP Clip Art

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



Photo: Real Estate Clip Art

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



Photo: Cyber Security Clip Art

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



Photo: Six Sigma Clip Art

Project Number:	N/A	
Project Name:	Lean Six Sigma	
Project Location:	Management staff	
Project Manager:	Barbara Buikema	
Status:	Green Belt Level Training & Certification	
Project Description:	Currently all managers have been assigned the task of earning a Green Belt certification. One staff member has completed the Black Belt training. One more staff member will be moving on to the Black Belt self-study course. Also, will investigate an in-person trainer for the implementation of a specific agreed upon project.	
Department:	Administration	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$0	\$2,000
Financial:	FY Budget:	FY Spent:
	\$0	\$0
Permits Required:	None	
Challenges:	Implementation phase	
Schedule:	Ongoing	
Consultants:	Self-study online	
Trainer:	To be determined	



Photo: California coastline

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

STAFF REPORT

To: Board of Directors

From: Ed Waggoner, Operations Superintendent

Date: December 8, 2022

Subject: Monthly Operations Reports – September and October 2022



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Plant Operation

Treatment Plant:

- The treatment plant operations staff has continued finishing projects and concentrating on Preventative Maintenance Work Orders during the months of September and October. This included the implementation of the Operations Flood Preparation Standard Operating Procedures from the Plant Engineer.
- On September 3, the Operations Superintendent and District Engineer staffed the Carmel Area Wastewater District's (CAWD) information booth at the Monterey County Fair Water Conservation Showcase.
- On September 6, the new Operations staff member, Rhommel Lopez, started his wastewater career at CAWD.
- On September 6 & 8, Operations staff shut down tertiary and parts of the secondary facility for Enersponse Demand Response events to relieve the electrical load on the power grid. Each of these events lasted 2.25 hours during peak electrical times in the early evening from 4:00 pm. to 6:30 p.m.
- On October 6, Operations staff shut down tertiary and parts of the secondary facility for Enersponse Demand Response events to relieve the electrical load on the power grid. This event lasted 2.25 hours during peak electrical times in the early evening from 3:45 pm. till 6:00 p.m.

Reclamation:

- Staff continued preventative maintenance work on pumps, motors, and any equipment that needs maintenance for the Microfiltration and Reverse Osmosis Systems (ROS).
- Staff completed Clean-in-Place (CIP) cleans on Microfiltration (MF) Cells 1, 2 and 3. All cells cleaned successfully with Trans Membrane Pressures (TMPs) pressures ranging between 1.8 to 5.5 pounds per square inch (psi).
- (Project #21-09) Programmable Logic Controller/Supervisory Control and Data Acquisition (PLC/SCADA). Operations staff have been meeting and working with Maintenance and Frisch Engineering on the upgrades and programming of the PLC/SCADA System.
- (Project #22-05) Reclamation Microfiltration/Reverse Osmosis (MF/RO) and Tertiary System 15-Year Construction in Progress, Capital Improvement Project (CIP) Master Plan. October 31 operations staff is assisting Kennedy Jenks Engineering on the condition assessment of equipment for the MF/RO and Tertiary systems.
- H2O Innovations completed software upgrades on ROs Programable Logic Controller to increase control over the ROs recovery.

Training:

- From September 12 through September 23, all staff members and Supervisors participated in the annual in-house Safety Training Program at CAWD.
- On September 15, the Operations Superintendent attended the Monterey Bay Water Works Association's Annual Training and Vender Showcase.
- On September 28, the Operations Superintendent attended Zoom training on Wires Down Response by CalFire.
- On October 5 and 6, staff participated in Confined Space Training and Confined Space Rescue Training.
- On October 27, Ed Waggoner, Kevin Young and Ray DeOcampo attended the Zoom Ethics Training for Management and Supervisors.
- Staff continued to complete online training at the treatment facility from Target Solutions as Carmel Area Wastewater District (CAWD) implements its new safety policies for the Exposure Control Plan updates for the COVID-19 virus.
- Staff participated in scheduled tailgate safety meetings in the digester building conference room.

Capital Improvement:

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

Meetings Attended

- On September 1, Source Control meeting with the General Manager, District Engineer, Collections Superintendent, and Operations Superintendent to discuss the progress on videoing restaurant laterals by the Source Control team.
- On September 8, Meeting with Human Resources and Management staff to review Employee Survey items.
- September 8, Operations Superintendent attended a Zoom meeting with the Water Awareness Committee of Monterey County to review the Monterey Fair Water Conservation Showcase day.
- October 28, Operations staff attended a conference call with Trussell Technologies on reviewing the operational performance of the Microfiltration and Reverse Osmosis Systems.
- October 28, Operations, Maintenance and Safety Officer held a debriefing of Hazmat training exercise from September 2022.
- (Project #18-01) Weekly Teams Meeting on the construction progress of the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Discharge Permit Violations

- There were no violations of Reclamation Permit 93-72 for the month of August 2022.
- There were no violations of the National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012 within the month of August 2022.
- There were no violations of Reclamation Permit 93-72 for the month of September 2022.
- There were no violations of the National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012 within the month of September 2022.
- There were no violations of the National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012 for the Semi-Annual Report on Effluent Toxicity for September 2022.

FUNDING-Informational item only

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: December 8, 2022

Subject: Monthly Maintenance Report – September/October 2022

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress/Completed

- The #1 water (potable) system developed a leak at the treatment plant. Staff identified the leak and made a temporary repair. Staff is currently working with a contractor on an emergency repair to replace the deteriorated sections and install new valves to replace the valves that do not operate.
- (Project 21-09) Update 4: New programming was added to Reverse Osmosis (RO) Programmable Logic Controller (PLC). The update included specific alarms for the RO system that will simplify troubleshooting. Previously only a single common alarm existed which made identifying failures difficult. The programming also included process improvement to individual select RO recovery.
- Tesco Controls completed the initial calibration of the treatment plant and reclamation flow meters. The Tesco techs created backup files of all the level transducer configurations, so that if a unit fails it can be replaced and the configuration easily applied.
- Microfiltration Interstage Pump Update 1: (Still waiting on parts) the District is working with R.F. MacDonald Company on a cavitation issue with the microfiltration interstage pump. During a site visit some differences were discovered in the aftermarket pump volute that was purchased years ago and placed in service. A new pump has been ordered that is identical to the original pump specifications.

- The RO clean in place (CIP) recirculation pump failed. The spare was installed, and staff is working with the manufacturer on the application since the pump is only 3 years old. Staff has requested quotes for a new pump.

Upcoming Maintenance Projects

- Greg Ange is updating the treatment plant switchgear standard operator procedures (SOP) to reflect some changes. He will then be providing one-on-one training for on-call staff. This SOP covers normal operations during a power outage as well as if a generator or both generators fail to start.
- Staff is contracting with Quinn Company to perform load testing on the treatment plant standby generators and portable collections generators before winter. These test the generator operation under stress and compliments the normal testing under no load. Borderline failures can be identified before they become an issue with load testing. The testing is scheduled for November 28th.
- Automatic drain valves are on order for low-pressure methane gas. Currently staff has to drain the manual valves multiple times per day to prevent moisture buildup to the flare and microturbine. The automatic valves will be on a timer.

Staff Development

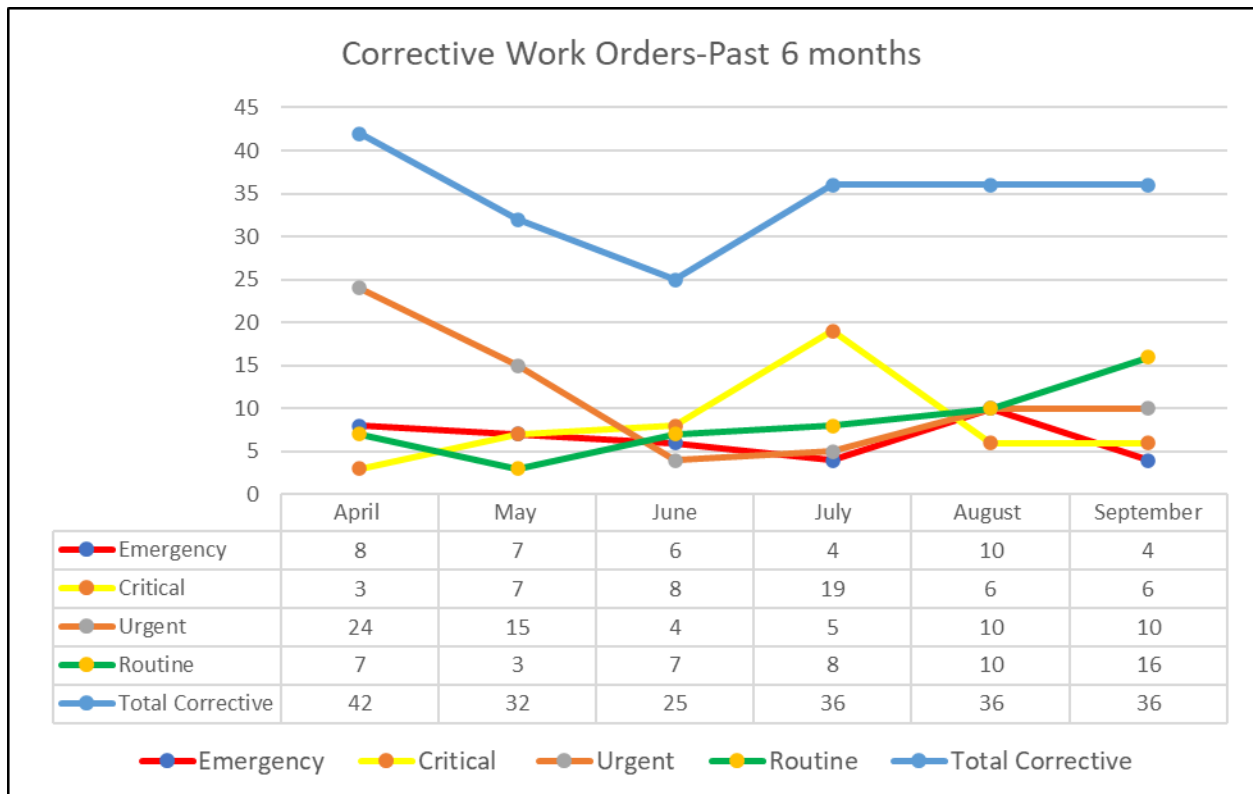
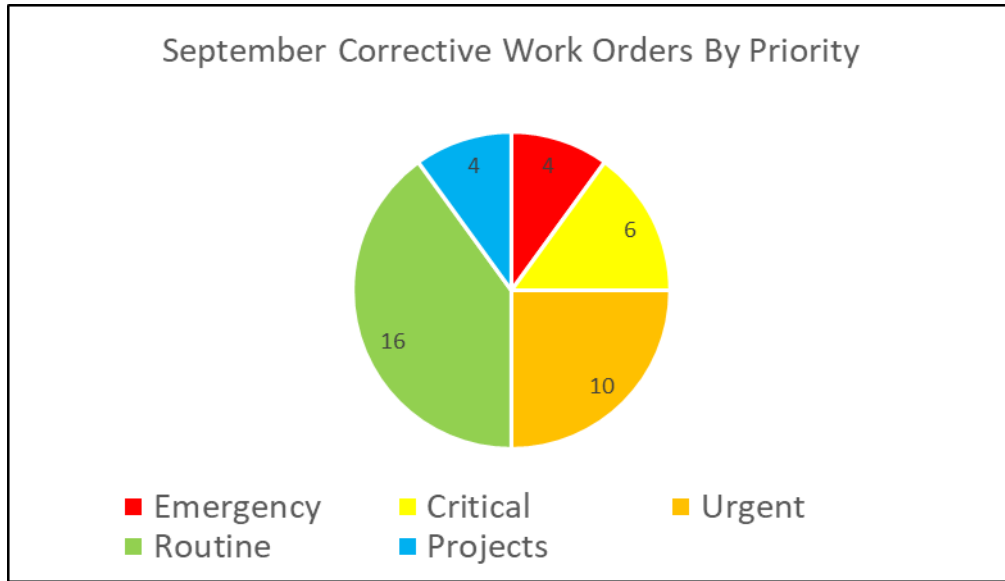
- Staff received startup training on a new grit collector from WesTech. Dan Deeth and Greg Ange are updating assets in Computerized Maintenance Management System to reflect maintenance required and documentation.

FUNDING-N/A- Informational item only

Work Order Metrics Preventive Maintenance (September)

Total Work Orders Generated	398
Total Work Orders Closed/Done	366
Total Work Orders Still Open	32
Percentage of Work Orders Completed	91.96%

Corrective Maintenance (September)

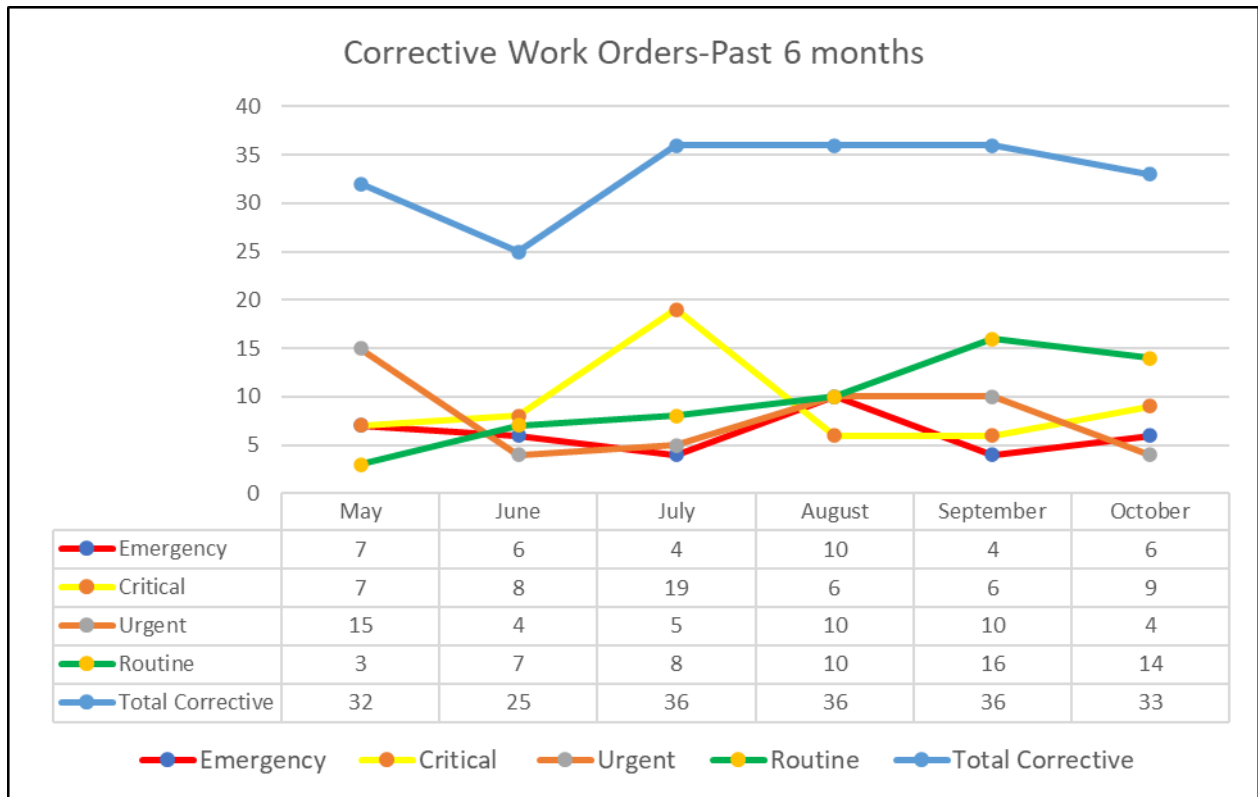
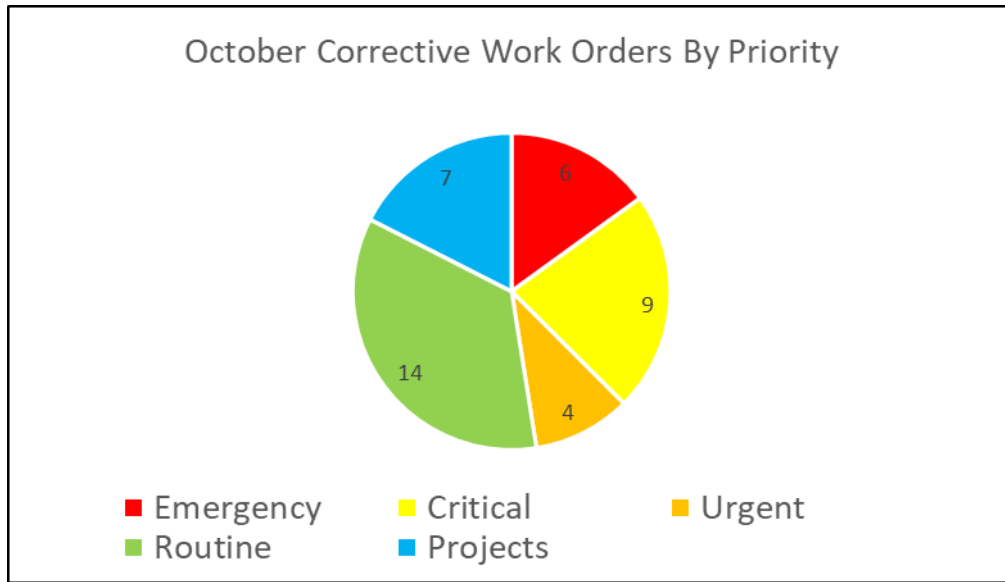


work order metrics

Preventive Maintenance (October)

Total Work Orders Generated	399
Total Work Orders Closed/Done	369
Total Work Orders Still Open	30
Percentage of Work Orders Completed	92.48%

Corrective Maintenance (October)



STAFF REPORT

To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: December 8, 2022
Subject: General Engineering



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

This report is provided to update the Board of the Carmel Area Wastewater District (District) on current engineering activities during the months of September, October and November 2022.

General Engineering

The Principal Engineer continues to work on projects related to the 2021 Annexation, including Yankee Point, Carmel Valley Manor and Corona Road. The Corona Road project environmental work has begun and the State Revolving fund application for the “Septic to Sewer” grant program has been submitted. As part of the annexation process, the Coastal Commission requires that an amendment to the treatment plant Coastal Development Permit (CDP) be approved to include the annexed parcels. The CDP amendment is planned to be reviewed by the Coastal Commission in December 2022.

Carmel Valley Manor (CVM) is continuing to work on their easement agreements in order to start the project to connect to the District. The preconstruction meeting with the project construction contractor, Monterey Peninsula Engineering, was held at the District’s Board Chamber on October 14, 2022. MNS Engineers are the construction manager for the project and requested that we host the meeting.

The September Ranch developer, Carmel Reserve, has indicated they are ready to start construction of the subdivision. The draft Sewer Installation Agreement has been reviewed by them and the District’s counsel. Staff met with Carmel Reserve and worked out some details regarding easements. The easement agreement and final easement descriptions have not been received from Carmel Reserve at the time of writing this report.

In order to proceed with obtaining development permits from Monterey County for the proposed Carmel Meadows Sewer Relocation project, the District Engineer was required to present the project to the Carmel Highlands Land Use Advisory Committee (LUAC). The first meeting was held on October 17, 2022, and there seemed to be a great deal of confusion regarding the need for the pipeline to be relocated, so the meeting was continued until November 7, 2022. A site visit was conducted on October 26, 2022, with two members of the committee and two members of the public. At the November 7, 2022, meeting, the committee and public were not convinced that the pipeline needed to be relocated but it was approved by the committee to be reviewed by the Planning Commission for the required development permits with suggested changes.

It is clear, that at a minimum, an Ejector Pump Policy needs to be approved by the District prior to the review of the project by the Planning Commission in a few months. In addition, we are reaching out to our consultants in order to access sound and odor studies of similar pump stations as the one proposed to be constructed at Mariposa Court, studies of ejector pump systems, and to provide a document summarizing the environmental constraints of replacing the sewer in its existing location with new foundations, supports and pipe.

FUNDING

N/A- Informational item only

Resolutions

STAFF REPORT



To: Board of Directors

From: Edward Waggoner, Operations Superintendent

Date: December 8, 2022

Subject: Contract Award Recommendation – 2022-2025 Biosolids Hauling & Disposal Services

RECOMMENDATION

After review of the bid proposals, staff recommends that the Board of Directors:

- Adopt Resolution 2022-65 awarding the contract for the Biosolids Hauling and Disposal Services to the lowest qualified responsible bidder, Synagro West, LLC (Synagro) for three years at an initial rate of \$89.77/ton per year based off of an estimated 1,200 to 1,500 tons of Biosolids disposal per year. The tonnage is costed out using an average of 1,350 tons.
- All Agreement Prices shall be adjusted annually beginning on October 1, 2023, based on the Non-Seasonally Adjusted Consumer Price Index (CPI) for San Francisco Bay Area with the CPI immediately preceding the Commencement Date being the base index. The adjustment shall be based on formula as follows:

$$\text{Price Adjustment} = 1 + \frac{\text{Current CPI} - \text{Base CPI}}{\text{Base CPI}}$$
- All Agreement Prices shall be adjusted monthly for a fuel surcharge to reflect any increased change in diesel fuel prices, if the cost of retail on-highway diesel fuel is at or exceeds \$6.20 per gallon (base price).

Diesel Price \$/Gallon	Fuel Surcharge Adjustment %
< \$(Base Price)	None
Base Price to Base Price plus \$.099	0.5%
Base Price plus \$0.10 to Base Price plus \$0.199	1.0%
Base Price plus \$0.20 to Base Price plus \$0.299	1.5%

- Fuel Rate based on U.S. Energy Information Administration monthly retail on-highway diesel prices (CA – Ultra Low Sulfur (15 ppm and under)).
- Authorize the General Manager to sign and execute a contract with Synagro, which was the lowest responsive and responsible qualified bidder for Biosolids Hauling and Disposal Services.

DISCUSSION

The board approved Resolution No. 2022-45 on July 28, 2022, authorizing solicitation of bids for Biosolids Hauling & Disposal Services.

A mandatory pre-bid site visit occurred on September 6 and September 8, 2022, with representatives from two hauling and disposal solids companies in attendance.

Two sealed bids were opened at 2:00 p.m. on September 13, 2022, at the district office and the results are provided in the following table.

BIDDER	BID AMOUNT/TON	TOTAL COST
SYNAGRO	\$89.77/ton (1,200 – 1,500 tons)	\$121,189.50 (1 st Year) - (1,350 avg. tons)
Lystek (incomplete bid forms)	\$0.00	\$0.00

The lowest qualified responsible bidder was determined to be Synagro, with an average annual disposal tonnage of 1,350 for an amount of \$121,189.50 annually plus CPI and fuel surcharges for a period of three years. The bid by Lystek was disqualified by the Plant Engineer due to missing information. The Operations Superintendent’s Estimate was \$103,000.

FUNDING

The FY22/23 CAWD Operations Operating Expense Budget includes \$103,000 for Contractual Services of Sludge Hauling and Disposal. The difference between the bid and budget (estimated \$18,190) will need to come from reserves. Note: the actual price annually will depend on the number of tons hauled, the 1,350 tons figure is an average.

Bid for Wastewater Biosolids Hauling & Disposal Services

to the



Submitted on
September 13, 2022



SEPTEMBER 13, 2022

Carmel Area Wastewater District

3945 Rio Road
Carmel, CA 93922

Re: Bid for Wastewater Biosolids Hauling & Disposal Services

Ladies and Gentlemen:

Synagro West, LLC (Synagro) is pleased to respond to the Carmel Area Wastewater District's Notice Inviting Sealed Proposals for Wastewater Biosolids Hauling and Disposal Services. We have enclosed for your review our completed bid package.

Having been in business for over 40 years, Synagro is one of the largest residuals management companies in the country with over 650 municipal and industrial customers and operations in 33 states. We provide ongoing residuals management services to numerous water and wastewater treatment plants throughout California and have the personnel and resources in place to successfully complete this project for CAWD.

Synagro appreciates this opportunity. Should you have any questions regarding our submittal, please contact me at (650) 333-0729 or jpugliaresi@synagro.com. We look forward to hearing from you soon.

Warm regards,

John Pugliaresi

John Pugliaresi
Regional Sales Director

JP:kw



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Acknowledgement of Addenda

Synagro acknowledges receipt of Addendum 1, dated September 9, 2022.



ADDENDUM NO. 1

Date of Issue: 9 September 2022


To all prospective bidders of record on the Work titled: **WASTEWATER BIOSOLIDS HAULING & DISPOSAL SERVICES**

The Request for Services is modified as follows. This Addendum is part of the Request for Services and modifies the original documents.

Acknowledge receipt of this Addendum by submitting a signed copy of this addendum with the Bid. Failure to do so may subject the Bidder to disqualification.

This Addendum consists of:

- 4 pages including this page, and
- A conformed copy of the "**AGREEMENT FOR CONTRACTOR AND/OR OTHER SERVICES**", incorporating the changes described in pages 2 thru 4 of this Addendum.



Signature Of Bidder To
Acknowledge Receipt Of Addendum

Emil Kneis, Sales Support Manager

CHANGES TO “AGREEMENT FOR CONTRACTOR AND/OR OTHER SERVICES”:

Item AD1-1 **REPLACE:** Paragraph 12 - FORCE MAJEURE in its entirety as follows:

“12. FORCE MAJEURE/UNCONTROLLABLE CIRCUMSTANCES

Neither Party shall be liable to the other Party for breach or for failure or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its reasonable control, including, but not limited to: fires; floods; strikes (except any strikes involving a Party’s personnel); a change in Federal, State, or local law or ordinance; orders or judgments of any Federal, State or local court, administrative agency or governmental body; change in permit conditions or requirements; extreme weather conditions including, for example, hurricanes, tornadoes; acts of war, aggression or terrorism (foreign or domestic); equipment failure (other than due to the inadequate maintenance thereof); and acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party’s reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed or (ii) any failure to pay any sums in accordance with the terms of this Contract. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay. Contractor shall promptly provide notice of the need, if any, for additional compensation or for renegotiation of terms in order to mitigate the effects of such event or to comply with a change in law, regulation, or interpretation thereof. Contractor shall be entitled to additional time and compensation if such event delays performance into a season different from that assumed when this Contract was executed. Contractor and District shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances.”

Item AD1-2 **REPLACE:** Paragraph 15 - TERMINATION in its entirety as follows:

“15. TERMINATION

Without limitation to such rights or remedies as the District shall otherwise have by law, the District shall also have the right to terminate this Agreement for any reason upon thirty (30) days' written notice to the contractor. This Agreement may also be terminated by either party upon sixty (60) days' written notice should the other party fail substantially to perform in accordance with this Agreement through no fault of the other or if the project

is stopped for a period of 60 days by conditions beyond the control of the District.

District and Contractor agree in advance that if the District exercises its discretionary right to terminate for convenience, the District will pay Contractor for expenses incurred because of early termination. These expenses include, but are not limited to, recovery of capital costs, percent of lost profits, demobilization, employee severance payments and costs to terminate subcontractors and equipment leases.”

Item AD1-3 **REPLACE:** Paragraph 21 – ATTORNEYS FEES in its entirety as follows:

“21. ATTORNEYS FEES

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

Neither party shall be liable for consequential or punitive damages on any claims arising out of the performance or non-performance of obligations under the Contract.”

Item AD1-4 **REPLACE:** The last two paragraphs at the end of Exhibit A as follows:

“Project Schedule

The District and Contractor shall coordinate efforts to schedule the first date of pick-up of biosolids from the WWTF on or about December 1, 2022.

This agreement shall be in force for a period of three years, commencing on said first date of pick-up.”

Item AD1-5 **REPLACE:** Exhibit D Payment Schedule in its entirety as follows:

“Exhibit D

Payment Schedule

District shall pay the Contractor on a monthly basis for the quantity of biosolids transported and disposed at the unit rate of \$_____per ton. The unit rate includes all incidental costs including but not limited to taxes, permits and insurance. Invoices shall be sent to the District for the previous calendar month's quantities and the District will issue payment within 30 calendar days from receipt of the invoice.

Any invoice amount not paid in full within thirty (30) days after the date of said invoice shall bear interest at the rate of one and one-half percent (1.5%) per month on the unpaid balance thereof computed from the date of the invoice. If there are disputes regarding the contract, District agrees to promptly pay any undisputed amounts."

Quantities stated in the invoices shall be certified by the Contractor as being correct and documented by weigh tags from certified scales."

END OF ADDENDUM NO. 1



I. Proposal Form

Synagro's completed Proposal Form for biosolids hauling and disposal services is attached.

IX. PROPOSAL FORM

Cost per wet ton to pick up, transport and dispose of the Carmel Area Wastewater District's treatment plant biosolids, including the rental of containers

ITEM NO.	DESCRIPTION OF WORK	EST. QTY. IN TONS (annually)	UNIT PRICE (price per ton)	TOTAL COST
1	Preferred Method: Furnish all applicable labor, materials, equipment, disposal site, permits (if necessary), fees, regulatory reports, monthly disposal reports and other appurtenances of services to receive, transport and legally dispose of approximately 2,000 tons annually of wastewater biosolids at a permitted disposal site.	1,200 - 1,500	\$ 89.77	\$121,189.50
2	Alternate Method:	1,200 - 1,500	\$ No Bid	\$ No Bid
TOTAL BID				\$121,189.50

Item No.:

1. Preferred Method with replacement trailer on site at all times
 2. Alternate Method: "one trailer" with 2 hr maximum return time
- If Alternate Method is proposed state maximum turnaround time:
 N/A hrs

Additional Costs:

a. Surcharge for Holiday/Weekend pickup? Yes / No Amount: _____

Submitted on September 13, 2018 ~~22~~

By 
Proposer's Signature

By: Synagro West, LLC
Name of Firm/Company

By Emil Kneis
Name of Person Authorized to Sign

Title Sales Support Manager

Business Address 435 Williams Court, Suite 100
Baltimore, MD 21220

Phone No. 650-219-6380 Email jpugliaresi@synagro.com

X. Separate File to be emailed with the CAWD biosolids analytical report

October 20, 2021

Delegation of Authority

FROM: Matt Robertson, Chief Commercial Officer

TO: Emil Kneis, Sales Support Manager

In consideration of the continued closing of our corporate office in response to the COVID-19 pandemic and in anticipation of continued disruption in normal company procedures, I, Matt Robertson as Chief Commercial Officer of Synagro Technologies, Inc. and all its affiliates and subsidiaries, hereby delegate to you, Emil Kneis, authority to sign binding bids and awarded contracts as an officer or as an authorized person. Also, I delegate to you the authority to sign as an officer or authorized person on any business-related application and other agreements as necessary to provide uninterrupted service to current and new customers. Such authority does not alter our internal approval processes. This delegation of authority is valid from the date of this letter until revoked by me.



Matt Robertson

Chief Commercial Officer

Date 11/1/2021





2. Qualifications and Experience

Founded in 1986, Synagro’s core business is the environmentally sound and economically viable management of municipal biosolids, including project development, operations and biosolids product distribution. Through this focus, Synagro has grown to be North America’s leading provider of high-quality, cost-effective biosolids management and beneficial use solutions. We have been successfully meeting the biosolids management needs of hundreds of generators for more than 40 years. Synagro’s experience in all areas of biosolids management is unparalleled.

Synagro annually manages more than 14 million tons of wastewater biosolids and other organic by-products. Synagro employs a team of 750+ professional engineers, soil scientists, agronomists, construction managers, financial managers and the largest, most diverse operational staff in the industry. Our team is dedicated to working with our clients to find the right solution to their organic residuals management challenges. Synagro, and its subsidiaries, are at the forefront of the environmental movement to safely process and market organic residual materials for beneficial uses.



Synagro owns no proprietary technology which enables us to offer nearly all commercially viable processing options and product marketing channels for biosolids and organic residuals and allows us to develop projects that fit a municipality’s unique needs. Our breadth of experience developing, building, financing as necessary, and operating and maintaining the complete range of biosolids options listed below is unique to Synagro.

- Heat-drying and pelletization
- Composting
- Incineration
- Digestion
- Product marketing
- Dewatering (installation and operation)
- Mobile dewatering
- Land application and reclamation
- Lagoon and digester cleaning
- Alkaline stabilization
- Rail transportation

Synagro currently operates 12 heat-drying facilities (with two more facilities under construction), three thermal processing facilities serving multiple regional generators, six composting facilities; five of which provide an outlet for numerous generators, more than a dozen alkaline stabilization facilities, and in excess of 75 permanent and mobile dewatering facilities.



In addition, we provide final product distribution and marketing as a key component of many of these projects. Our Product Sales and Marketing team is responsible for successfully managing approximately 300,000 tons per year of AllGro[®] compost and 170,000 tons of Granulite[®] fertilizer pellets (heat-dried biosolids). We have unrivalled understanding of the markets for these products and continuously work to broaden the suite of outlets for these materials. As an example, Synagro pioneered the use of heat-dried biosolids as an alternative fuel resource in cement manufacturing. When Synagro operates a facility, we include product distribution services in our operation; however, we also work with municipally operated facilities to assist in managing their products.

In December 2020, Synagro was acquired by West Street Infrastructure Partners III, an infrastructure investment fund managed by Goldman Sachs Merchant Banking Division from EQT, a Swedish private equity firm. Founded in 1869, The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm. Goldman Sachs Merchant Banking Division (MBD) is the primary center for the firm's long-term principal investing activity. MBD is one of the leading private capital investors in the world with investments across private equity, infrastructure, private debt, growth equity and real estate.

References

The following are a few of Synagro's municipal biosolids composting project references. Additional references can be provided upon request.

Orange County Sanitation District

10844 Ellis Avenue

Fountain Valley, CA 92708

Tom Meregillano, Regulatory Specialist; 714-593-7457; tmeregillano@ocsd.com

Years of service with customer: 31 years

Annual contract value (approx.): \$4,700,000

South Orange County Wastewater Authority

34156 Del Obispo St.

Dana Point, CA 92629

Jim Burror, Director of Operations; 949-234-5402; jburror@socwa.com

Years of service with customer: 19 years

Annual contract value (approx.): \$3,500,000





City of Fresno
5607 W. Jensen Avenue
Fresno, CA 93706
Ricky Staggs, Chief of Operations; (559) 621-5190; rick.staggs@fresno.gov
Years of service with customer: 15 years
Annual contract value (approx.): \$2,750,000

County Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601
Mr. Matt Bao; 562-908-4288; mbao@lacsdc.org
Years of service with customer: 15 years
Annual contract value (approx.): \$9,100,000



3. Compost Facility Options

Synagro Compost Facilities

In concert with the Carmel Area Wastewater District's (CAWD) goals, Synagro is proposing to beneficially use 100% of CAWD's biosolids through composting. We will compost biosolids at our Liberty Composting facility and utilize our SKIC and/or CVC facilities as backup options. Each facility has the permitted capacity to process the entire amount of CAWD's biosolids. Through this approach Synagro is offering both facility diversity and geographic diversity for composting.

As the leading provider of biosolids beneficial use service in California, as well as the United States, Synagro is *uniquely qualified* to provide biosolids management services for the CAWD. Synagro's mission and core business purpose is the management of municipal biosolids with a focus on providing beneficial use options. Biosolids is not part of our business, it is our business! We have been successfully meeting the biosolids management needs of generators for over 40 years. More than 600 government entities across the United States rely on Synagro as their biosolids management partner. Synagro has more than 700 dedicated employees, providing a deep talent base and understanding of our industry. Our customers are supported by this specialized pool of resources with unparalleled knowledge, skills, and ability in biosolids management.

In California, Synagro has four compost facilities, one heat drying and pelletization facility and tens of thousands of acres of farmland serving our customers. In addition, we have over 75 employees focused on in-state biosolids service. We have been providing service to over 150 customers in California including some of the largest municipalities such as Los Angeles County, Orange County, South Orange County Wastewater Authority, City of Los Angeles, Sacramento, East Bay MUD, City of San Francisco, City of Fresno, and many more. Synagro's compost facilities in workable proximity to the City, coupled with our sole focus on biosolids beneficial use, make us the *best qualified* firm to provide the City's biosolids management service.

Synagro's available composting facilities for management of this contract are highlighted below.

Liberty Composting

Facility Description and Operations Plan:

Liberty Composting, Inc. is a compost facility owned and operated by Synagro West, LLC as a result of its acquisition on July 18, 2022. Synagro receives from 150,000 to 200,000 tons per year of biosolids, manure, agricultural and food wastes at the site. The material is composted through either open windrow or aerated static pile (ASP) processing. Liberty's finished compost product is sold into the local agricultural market in bulk.



The facility is located in Lost Hills, California just west of Highway 5. It is permitted to receive up to 786,000 tons per year of feedstock which is far in excess of the current inbound of 150,000-200,000 tons per year.

Liberty Compost, as the current destination for the District's material, will be the primary location for receipt of material going forward. No changes to the existing operation are anticipated.

South Kern Compost Manufacturing Facility

Project Description:

Seated approximately 50 km southwest of Bakersfield, California, South Kern Compost Manufacturing Facility (SKIC) was commissioned in 2006 to alleviate Synagro's Los Angeles area customer's concerns about long-term viability of land application of Class B biosolids in Southern California. Beyond this objective, SKIC aimed to meet the highest standards in addressing air quality and odor control while expanding regional biosolids and organics recycling capacity.



South Kern Compost Manufacturing Facility. Synagro utilizes an enclosed biosolids receiving and mixing building along with biofiltration in its compost system that controls VOCs and odors for the surrounding area.

SKIC was originally designed to utilize a state-of-the-art Engineered Negative Aerated Static Pile composting technology to blend and compost up to 400,000 tons annually of treated biosolids in combination with up to 270,000 tons annually of wood wastes (i.e., agricultural and green material) and other available carbon-rich sources, into Class A - Exceptional Quality (EQ) composted soil amendment.

- The SKIC design includes an enclosed biosolids receiving and feedstock mixing building, along with the Engineered Negative Aerated Static Pile compost system, including Biofiltration to control Volatile Organic Compounds (VOC's) and odors by over 80%.
- In the first quarter of 2016 the facility has been converted from negative Aerated Static Pile (ASP) to positive ASP. The benefits of this conversion include:
 - o Reduced electric consumption and improved energy efficiency
 - o Lower equipment repair and maintenance costs due to less materials movement during the compost process
 - o More efficient biofilter utilization
 - o Less water handling which simplifies pond management
 - o Continued compliance and leadership with BACT



- We have also secured County approval to utilize pre-consumer food waste for a portion of our amendment needs. The benefits of this approval include:
 - o Lower amendment costs
 - o Solution for removal of organics from landfill

In addition, the compost facility has lined asphaltic concrete composting pads, a water collection system and lined retention basin to ensure that all process water and contact stormwater is collected and contained.

Central Valley Compost Facility

Project Description:

The Central Valley Composting was opened in the fall of 2005. The facility is located in Dos Palos, CA and serves the Central Valley of California. The facility processes 375 tons of biosolids and greenwaste per day, producing a beneficial soil amendment (or compost). The finished compost is used by farmers, horticulturalists, landscapers, nurseries, and product blenders who distribute and market composted products in retail stores.



Central Valley Compost Facility. At our Central Valley Compost facility, Synagro utilizes a mobile chip and grind operation for inbound feedstock size reduction.

The composting operation is conducted on a 32-acre lined compost operations area that includes 27.5 acres dedicated to composting and 2 acres for a storm water retention basin. A mobile chip and grind operation is used when necessary for inbound feedstock size reduction. The composting operation is conducted over a soil cement-lined operations area that slopes and drains to a contained storm water retention basin. Upon arrival, feedstock materials (biosolids & greenwaste) are mixed within the lined operations area and formed into windrows approximately 500 feet in length. Following windrow construction, the windrows are mixed and aerated using a windrow turner in order to meet pathogen reduction process requirements per California regulations. Once pathogen reduction has been achieved (up to 40 days after initial windrow formation and mixing), the compost may remain in the windrow for up to an additional 80 days, at which time the material will be screened and sold to agricultural customers.

Permit information for each of Synagro’s proposed compost facilities are attached as documentation that these facilities operate in accordance with all regulations and have the capacity to manage CAWD’s biosolids.



SB 1383 Procurement Compliance

Beginning January 1, 2022, SB 1383 requires cities and counties (i.e., “Jurisdictions”) to procure annually a quantity of recovered organic waste products. These procurement requirements will strengthen California’s green, self-sustaining economy. Demand for these products will drive infrastructure investment and create new green collar jobs in the state. CalRecycle will assign an annual procurement target to each jurisdiction based on its population. Jurisdictions can cost-effectively fulfill their SB 1383 procurement requirement through the use of Synagro’s STA Certified Class A Exceptional Quality compost.

Jurisdictions can use compost in a variety of applications, such as land used for agriculture, landscaping in city parks, golf courses, on center divides of roads and highways, public giveaways, and in community or school gardens. Additionally, compost can be used in civil engineering applications like erosion control along roadways. Compost also provides many direct and indirect benefits when used as a component of systems and treatments designed for:

- Carbon sequestration
- Soil water retention
- Fire remediation
- Storm water management

Local use of compost generated from local organics provides the public with an opportunity to see the benefit of recycling this material, while also helping replenish nutrients and carbon for healthy soils on the jurisdiction’s properties. Synagro stands ready with multiple distribution and discount options for AllGro® compost enabling the jurisdiction to be compliant with SB 1383’s procurement requirements and avoid mark-ups on future projects nutritive soil amendment and ground cover needs

SWIS Facility/Site Activity Details

Liberty Composting Inc. (15-AA-0287)

Summary	Details	Activities 1	Inspections 353	Enforcement Actions 1
Documents 137				

Activity

Composting Facility (Other)

Classification

Solid Waste Facility

Category

Composting

Operational Status

Active

Regulatory Status

Permitted

Inspection Frequency

Monthly

Max. Permitted Throughput

786,000

Volume Unit Type

Tons per year

Remaining Capacity

--

Remaining Capacity Date

--

Max. Permit Capacity

1,310,000

Capacity Unit Type

Cubic Yards

Total Acreage

163.00

Disposal Acreage

--

Permitted Elevation

--

Elevation Type

--

Permitted Depth

--

Depth Type

--

WDR Landfill Class

--

Waste Types

Sludge (BioSolids)

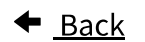
Manure

Green Materials

Food Wastes

Agricultural

CalRecycle Contact: [Christine Karl](#) (916) 341-6405

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SWIS Facility/Site Activity Details

South Kern Industrial Center Compost Fa (15-AA-0381)

Summary	Details	Activities 1	Inspections 200	Enforcement Actions 0
Documents 108				

Activity

Composting Facility (Other)

Classification

Solid Waste Facility

Category

Composting

Operational Status

Active

Regulatory Status

Permitted

Inspection Frequency

Monthly

Max. Permitted Throughput

5,700

Volume Unit Type

Tons per day

Remaining Capacity

--

Remaining Capacity Date

--

Max. Permit Capacity

670,000

Capacity Unit Type

Tons per year

Total Acreage

744.00

Disposal Acreage

--

Permitted Elevation

--

Elevation Type

--

Permitted Depth

--

Depth Type

--

WDR Landfill Class

--

Waste Types

Sludge (BioSolids)

Manure

Green Materials

Agricultural

CalRecycle Contact: [Christine Karl](#) (916) 341-6405

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SWIS Facility/Site Activity Details

El Nido Composting Facility-Synagro West (24-AA-0011)

Summary	Details	Activities 1	Inspections 156	Enforcement Actions 0
Documents 67				

Activity

Sludge Composting Facility

Classification

Solid Waste Facility

Category

Composting

Operational Status

Active

Regulatory Status

Permitted

Inspection Frequency

Monthly

Max. Permitted Throughput

355

Volume Unit Type

Tons per day

Remaining Capacity

--

Remaining Capacity Date

--

Max. Permit Capacity

149,100

Capacity Unit Type

Cubic Yards per year

Total Acreage

35.00

Disposal Acreage

--

Permitted Elevation

--

Elevation Type

--

Permitted Depth

--

Depth Type

--

WDR Landfill Class

--

Waste Types
Sludge (BioSolids)
Manure
Agricultural

CalRecycle Contact: [Harprit Mattu](#) (916) 341-6119

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4. Biosolids Spill Control Plan

Synagro – West Region	
Subject: Biosolids Spill Response Plan	Effective Date: November 1, 2004
Approved by: EHS&T Manager; Technical Services Director	Last Review/Revision: 02/17/2017

A copy of this document shall be maintained at all times in all transport vehicles carrying biosolids on behalf of Synagro and/or its subsidiaries and be readily available in the event of a spill.

Biosolids are non-hazardous and non-toxic. If a spill occurs, there is no need for special equipment or emergency procedures beyond those outlined in this plan. Biosolids are processed solids, primarily organic, that are used for agricultural fertilizers and soil amendments. Biosolids are produced in water reclamation or wastewater treatment plants and transported to farms or to composting facilities.

Biosolids spilled onto pavement pose a potential road hazard because they can create wet, slick conditions for motor vehicles, and/or can obstruct traffic flow. If biosolids remain on the surface for a sufficient time they could be a source of potential contamination of nearby storm drains, waterways, or ground water. Biosolids should be thoroughly removed so that no significant residues remain to be washed into any storm drain or waterway by surface water (rain, runoff, etc.). All spilled biosolids must be returned to the trailer from which they spilled, or be loaded into another appropriate transport vehicle and delivered to an approved location.

GENERAL INFORMATION

- A. Biosolids characteristics are:
 - a. Solids content: 2% - 95%
 - b. Consistency: Moist to dry paste or mush up to about 40% solids: dirt-like when solids exceed 45%. Can also be in liquid form.
 - c. Volatile solids: 40% - 60+% (percentage of total solids)
 - d. pH: 5 – 10, most commonly about 7.5
 - e. Chemical character: NON-HAZARDOUS - Processed organic residual solids from domestic wastewater treatment facilities, containing nitrogen, phosphorous, trace metals, and some pathogenic organisms.
- B. Drivers should make sure they always have the following safety equipment in/on their vehicle at all times while transporting biosolids:
 - a. First Aid Kit
 - b. Reflective triangles
 - c. Fire Extinguisher
 - d. Push Broom (to sweep up debris and biosolids from roadway)
 - e. Shovel (use to prevent biosolids from draining into waterways / ditches)





- C. Personnel cleaning up a spill must follow basic personal hygiene procedures in handling biosolids.
- Wear gloves for shoveling, sweeping, or handling biosolids.
 - Wash hands (and, as necessary, arms, face, etc.) with waterless anti-bacterial hand cleaner or mild soap and water following spill clean-up and prior to eating or drinking.

QUICK REFERENCE GUIDE TO BIOSOLIDS SPILL CLEANUP PROCEDURES

- 1) INFORMATION ABOUT BIOSOLIDS:** Biosolids are the non-hazardous organic material remaining from the wastewater treatment process. The material is highly treated, nutrient-rich, mud-like, black/brown in color, organic fertilizing material which is considered Non-hazardous material per EPA and state law.
- 2) SAFE HANDLING PRECAUTIONS:** You may be exposed to biosolids during loading, unloading and spills through inhalation or ingestion. To prevent this, the following precautions are recommended:
 - Wear personal protective equipment (PPE)
 - Leather gloves
 - Boots (optional, but recommended during spill cleanup)
 - Liquid repellent coveralls (optional, but recommended during spill cleanup)
 - Wash hands with soap after handling biosolids
 - Disinfect and cover cuts
 - Don't eat, smoke, or chew around biosolids
- 3) MANAGEMENT OF CLEAN UP ACTIVITIES: CALLS TO MAKE IMMEDIATELY AFTER SPILL-** Immediately notify your Supervisor. Independent carriers (IC) must also notify the appropriate Synagro Project Manager immediately. Then notify highway patrol (911) if spill occurred on public right-of-way. Give location and amount of spill to individual(s) contacted. If the spill occurs on State Highways or Interstates, the state DOT offices will most likely take the lead on providing equipment and crew to clean up the spill, however, check with your Supervisor. If possible, SYNAGRO labor and equipment are to be utilized. The Project Manager shall also communicate with the authorities and the public on the scene, answering questions and advising of the clean-up activities.

If hauling truck and trailer are not disabled -

- Minimum of 2 laborers (more depending on size of spill).
- Class B, rubber tire front-end loader (this may not be required if spill is 2 cubic yards or less).
- Dump truck with sand
- Shovels
- Brooms
- Traffic Cones

If hauling truck and/or trailer are disabled -





- Same as above, plus a hauling truck and/or trailer as required.

4) **HALT SOURCE OF SPILL:** Such as a ruptured container or damaged transport unit. The first SYNAGRO representative (whether IC, operator, or manager) at the scene will begin procedures to halt the spill and initiate clean-up activities.

5) **CONTAIN SPILL:** Form a barrier. Sufficient quantities of straw shall be used for such purposes. Earthen barriers may be constructed to augment the straw bale containment area. The Project Manager or the person in charge on the spill site will advise the clean-up personnel where to get the straw or other items necessary to complete the clean-up operation, i.e. local farmers, farm supply center, nursery, etc.

6) **CLEAN UP:** At the spill site, the driver and/or clean-up crew shall perform the

following clean-up procedures:

1. Park the hauling truck on the side of the road, if possible.
2. Administer emergency first aid, as appropriate, if personal injuries are encountered.
3. Place traffic cones, reflectors, and/or flares to divert traffic around the spill site.
4. Determine the extent of the spill and take photos of spill and final clean-up.
5. Spread sand over and around biosolids to absorb moisture and prevent movement into storm drains or other waterway inlets.
6. Move biosolids into a pile using shovels and brooms.
7. Using the front end loader, reload piled biosolids into the hauler's truck (if not disabled) or into another available truck (if the hauler's truck is disabled). If the trailer is disabled, transfer to new trailer. For very small spills (2 cubic yards or less) use of the front end loader may not be necessary; biosolids can be shoveled into a small truck for transport back to the plant.
8. Final clean-up is by means of shovels and brooms. At no time should any biosolids be hosed down into any storm drains. Do not wash off tools or trucks at the spill location.
9. Cooperate with law enforcement and/or fire department personnel responding to the spill. Inform them of the non-hazardous nature of the spilled material and actions to be carried out according to this plan.

7) **FINAL CLEAN UP:** Disposal of spilled biosolids following clean-up shall be as follows:

1. If not disabled, the hauler's truck may proceed to the original destination.
2. Any biosolids that have been loaded into a pick-up truck are to be returned to the Plant and loaded into the next available trailer or taken to the original destination.
3. Following clean-up and disposal of the spilled biosolids, all equipment used for spill response is to be returned to its originating location for cleaning.
4. The ultimate goal will be to restore the spill area to its original condition, if possible.

SPILL RESPONSE - NOTIFICATION & RESPONSIBILITIES

Driver - The following assumes the driver is unhurt and is able to contact the Facility's Spill Response Coordinator (see definition below).

1. The driver will park the truck on the side of the road if possible and place traffic cones and reflectors to divert traffic around the spill.
2. The driver will remain with the truck and spilled material, unless it is necessary to leave temporarily in order to contact the Facility Spill Response Coordinator.
3. The driver will contact the Facility Spill Response Coordinator immediately. The driver will also



complete the “Driver’s Vehicle Accident” report form and provide the Spill Response Coordinator with the information on the form to record details of the accident. Be sure to diagram and photograph and describe the accident or spill.

4. The driver will assist with traffic control and clean-up and will NOT leave the scene of any spill, not even a small one, until it is reported to the Spill Response Coordinator and cleaned up. Note: Call the Spill Response Coordinator first; then notify the Dispatcher and/or Project Manager; then call 911.
5. If the spill occurs on State Highways or Interstates, then the state DOT office will most likely take the lead on providing equipment and crew to clean up the spill. However, check with your Supervisor.
6. Do not move equipment if its position is helpful to traffic control or containment unless leaving it where it is will create a hazard.
7. While awaiting police and/or cleanup crew, help the other party (or parties), if safely able to do so.
8. Don’t give statements or sign anything other than bona fide papers presented by a law enforcement officer or public health officials.
9. In accidents involving a fatality, don’t talk or give any statements until you are represented by an attorney. You have this right by law.
10. Don’t admit responsibility or agree to pay for anything.
11. Don’t argue responsibility for the accident. Be courteous.
12. Contract Hauler Responsibilities - Hauler is required to notify Synagro immediately after a spill and upon completion of clean-up of all spills. Hauler is required to complete and forward a copy of the spill response form to Synagro.

Clean-Up Crew -The clean-up crew will perform the following clean-up procedures:

1. Place traffic cones, reflectors, and/or flares, as appropriate, to divert traffic around the spill site.
2. Spread sand around biosolids to absorb moisture and prevent movement into storm drains or other waterways. Place sandbags at storm drains and other waterway inlets. Clean un-weathered wheat or other small grain straw can also be used as an absorbent and temporary drain block.
3. Move biosolids into a pile using shovels and brooms.
4. Using the rubber-tired loader or equivalent, reload piled biosolids into the truck, if it isn’t disabled, or into a replacement truck for hauling to the appropriate destination. For small spills, use of the loader may not be necessary. Biosolids can be shoveled into a truck for transport to the reuse site.
5. Final clean-up is by means of shovels and brooms for small spills and a street sweeper for larger spills.

Pick up all accumulations of biosolids. Police the area and pick up all biosolids. Do not hose down or wash significant amounts of biosolids into any storm drain, drainage ditch, stream, or other waterway. Do not wash off tools or trucks at the spill location. Follow instructions from the local health official(s) on site at the spill location.



Spill Response Coordinator - The Spill Response Coordinator will normally be the Manager for the land application destination. He/she will notify the state police or local jurisdiction officials, the State Department of Transportation, or any other agencies as appropriate, as well as the customer. The Manager will also notify the project area Technical Services Manager who will, in turn will notify the County Health Department, EPA or other regulatory agencies.

The Spill Response Coordinator assumes complete responsibility for directing all activities associated with the clean-up of a spill. He/she will:

1. Designate and dispatch a clean-up crew plus necessary equipment to the spill site to clean-up the spill and notify the appropriate agencies.
2. Photograph the spill and final clean up.
3. Inform the producing facility's contact person of the spill, as well as the project area's Technical Services Manager and the EHS&T Director.
4. Load spilled biosolids back into the haul vehicle, if it is operable. If the vehicle is unable to complete the trip to the delivery destination, load the spilled material into an alternate vehicle.
5. Dispatch another truck and/or trailer to the spill location if the hauling truck and/or trailer is/are disabled.
6. Dispatch some or all of the following to the spill location:
 - a. Minimum of two-person clean-up crew (more personnel as needed; dependent on size of spill).
 - b. An appropriate rubber-tired loader or equivalent to pick up spilled material (may not be required for a small spill). Coordinator will have discretion to select the most efficient loading option based on equipment availability and spill size.
 - c. Sand and sandbags and/or fresh small-grain straw (e.g., wheat straw), or alternative absorbents and drain blocking material
 - d. Street sweeper
 - e. Additional shovels, brooms, traffic cones and/or flares
7. Oversee and coordinate retrieval of any damaged or disabled transportation equipment involved in the spill.
8. Contact the project area Technical Services Manager during the clean-up if any unusual situations arise, or if the Spill Response Coordinator requires special assistance.
9. Provide liaison and coordinate with agencies that may respond to the spill whether expressly notified by Synagro or not. Such agencies may include:
 - f. Highway Patrol or State Police
 - g. Local (municipal or county) law enforcement
 - h. Local fire department(s)
 - i. State Department of Transportation
 - j. State Department of Fish and Game
 - k. State Department of Forestry
 - l. Others as deemed required
10. After clean-up, transport spilled biosolids to the designated use or processing site, whether the original vehicle or a substitute truck / trailer is used.
11. Transport all equipment used for spill response to the wastewater plant or to the destination



site, whichever is nearer, for cleaning after completing clean-up and removal of the spilled biosolids. Truck beds and other equipment should be hosed down at the field or the processing site.

12. The ultimate goal will be to restore the spill area to its original condition, if possible.

FOLLOW UP NOTIFICATION AND REPORTS

Additional responsibilities of the Spill Response Coordinator require that he/she:

1. Notify the Area Director immediately following completion of the spill clean-up, and ensure the load data and spill response section of the “Driver’s Vehicle Accident Report” is completed.
2. Inspect the site after clean-up and attest to the adequacy of the clean-up. Take necessary photos.
3. Maintain a log of pertinent information about the biosolids spill.
4. Complete a descriptive incident report and forward copies to the Regional Vice President, EHS&T Manager, project area Technical Services Manager and the producing plant’s contact person within 24 hours of any spill.
5. Immediate Notification: Synagro must notify the affected Plant Superintendent in the event of a spill if 1) someone is seriously injured or killed, 2) if there is a public health concern, 3) if 2 tons or more is spilled or (4) if there is media coverage of the spill.
6. The project area Technical Services Manager will complete and transmit the required information to the appropriate regulatory agency, within five (5) days of spills involving entry of biosolids into storm drains (unless other requirements supersede this time-frame) and include the following additional information:
 - a. Waterways or ground water affected
 - b. Written confirmation of the previous telephone notifications



5. Proposed Surcharges

Synagro proposes the following adjustments to the service fees as follows:

CPI. All Agreement Prices shall be adjusted as follows:

All Agreement Prices shall be adjusted annually beginning on October 1, 2023 based on the Non-Seasonally Adjusted Consumer Price Index established by the United States Department of Commerce, Bureau of Labor Statistics, for San Francisco Bay Area with the CPI immediately preceding the Commencement Date being the base index. Said adjustment shall apply to all fees contained herein, and shall be based on the following formula:

New Price = (Price Adjustment) x First Year Agreement Price

Price Adjustment = $1 + \left(\frac{\text{Current CPI} - \text{Base CPI}}{\text{Base CPI}} \right)$

CPI = _____.

Base CPI = _____.

Once the CPI is available, the price adjustment shall take effect retroactively, where applicable, as of the dates specified above for price adjustments. No New Price shall ever be lower than any existing current Agreement Price in effect immediately before the annual adjustment.



Fuel Surcharge Adjustment

All Agreement Prices shall be adjusted monthly for a fuel surcharge (“Fuel Surcharge Adjustment”) to reflect any increased change in diesel fuel prices, in accordance with the table below, if the cost of retail on-highway diesel fuel (Department of Energy, Energy Information Administration – California - Ultra Low Sulfur (15 ppm and Under) is at, or exceeds, \$6.20 per gallon (Base Price).

The Fuel Surcharge Adjustment will be based on the following chart and the Retail On-Highway Diesel Price – California - Ultra Low Sulfur (15 ppm and Under) as published by the U.S. Department of Energy’s Energy Information Administration for September 5, 2022 and will be applied to the then current fixed or unit fee, as applicable. The Fuel Surcharge Adjustment will be no more than once a calendar month beginning with the second calendar month following the Commencement of Services and shall be adjusted as of the first day of each month. Fuel Surcharge Adjustment will then be applied as follows:

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
< \$(Base Price)	None
Base Price to Base Price plus \$.099	0.5 %
Base Price plus \$0.10 to Base Price plus \$0.199	1.0 %
Base Price plus \$0.2 to Base Price plus \$.0299	1.5 %

For each \$0.10/gallon increase thereafter add 0.5%

EXAMPLE:

Base Price = \$6.20 / Gallon

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
≤ \$6.20 (Base Price)	None
\$6.21 - \$6.299	0.5 %
\$6.30 - \$6.399	1. %
\$6.40 - \$6.499	1.5 %

Note 1 - Fuel Rate based on DOE EIA monthly retail on-highway diesel prices (California - Ultra Low Sulfur (15 ppm and Under))

RESOLUTION NO. 2022-64

RESOLUTION ACCEPTING THE LOWEST RESPONSIVE AND RESPONSIBLE BID FOR BIOSOLIDS HAULING & DISPOSAL SERVICES FOR THREE YEARS AND AWARDING THE CONTRACT TO SYNAGRO WEST, LLC AT AN INITIAL RATE OF \$89.77/TON AT AN ESTIMATED DISPOSAL OF BIOSOLIDS BETWEEN 1,200 TO 1,500 TONS. THE AVERAGE DISPOSAL TONNAGE OF 1,350 WOULD AMOUNT TO FEES OF \$121,189.50 AND 1,500 TONS WOULD AMOUNT TO FEES OF \$134,655.

-oOo-

WHEREAS, the Board of Directors authorized solicitation for bids by adopting Resolution 2022-45 for the 2022 Biosolids Hauling & Disposal Services contract for three years on July 28, 2022; and

WHEREAS, there was one complete bid received at the bid opening on September 13, 2022 and the lowest responsive and responsible bid was determined to be Synagro with an initial rate of \$89.77/ton for a three year period.

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

1. That the Board accepts the bid of the lowest responsive and responsible bidder, Synagro West, LLC (Synagro), and awards the contract for the above-mentioned services to said bidder at the initial rate of \$89.77/ton.
2. The Board accepts that all Agreement Prices shall be adjusted annual beginning on October 1, 2023, based on the Non-Seasonally Adjusted Consumer Price Index for San Francisco Bay Area.
3. The Board accepts that all Agreement Prices shall be adjusted monthly for a fuel surcharge to reflect any increased change in diesel fuel prices if the cost of retail on-highway diesel fuel is at or exceeds \$6.20 per gallon (base price). Fuel Rate is based on the U.S. Energy Information Administration monthly retail on-highway diesel prices (CA – Ultra Low Sulfur (15 ppm and under)).
4. That the Board authorizes and directs the General Manager to execute a written contract with the successful bidder, Synagro, for an initial amount not to exceed \$89.77/ton, including fuel adjustments linking costs to U.S. Energy Information Administration Index; and Consumer Price Index (CPI) being adjusted annually beginning on October 1, 2023, based on the Non-Seasonally Adjusted CPI established by the United States Department of Commerce, Bureau of Labor Statics, for San Francisco Bay Area with the CPI immediately preceding the commencement date being the base index.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 8, 2022, by the following vote:

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

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

Staff Report



TO: Board of Directors

FROM: Domine Barringer, Secretary to the Board

DATE: December 8, 2022

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 30, 2022.

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 30, 2022.

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 30, 2022.



**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, President	Joyce Stevens, Vice-President
2001-02	Charlotte Townsend, President	Joyce Stevens, Vice President
2002-03	Joyce Stevens, President	Robert Kohn, Vice-President
2003-04	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
2019-20	Ken White, President	Robert Siegfried, President Pro-Tem
2020-21	Ken White, President	Robert Siegfried, President Pro-Tem
2021-22	Ken White, President	Robert Siegfried, President Pro-Tem
2022-23		

RESOLUTION NO. 2022-65

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 30, 2022

-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 their successor is elected);

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

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

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

5. That each of the above terms of office or appointments shall commence on December 30, 2022; 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 December 8, 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Carmel Area Wastewater District (CAWD)/Pebble Beach Community Special District (PBCSD) Reclamation Project Audit For Years Ended June 30, 2022 and 2021

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving the CAWD/PBCSD Reclamation Project Audit For Years Ended June 30, 2022 and 2021.

DISCUSSION

The CAWD/PBCSD Reclamation Project Audit June 30, 2022 and 2021 was approved at the Reclamation Management Committee (RMC) at its November 15, 2022, meeting. A copy of the Reclamation Project Audit is attached.

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

FUNDING

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

**Carmel Area Wastewater District/
Pebble Beach
Community Services District
Reclamation Project**

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

Carmel, California

Annual Financial Report

For the Years Ended June 30, 2022 and 2021

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Annual Financial Report
For the Years Ended June 30, 2022 and 2021**

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Members
Carmel Area Wastewater District/Pebble Beach Community Services District Reclamation Project
Carmel, California

Opinion

We have audited the accompanying financial statements of the Carmel Area Wastewater District ("CAWD")/Pebble Beach Community Services District ("PBCSD") Reclamation Project (the "Project"), as of and for the year ended June 30, 2022 and the related notes to financial statements, which collectively comprise the Project's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Project, as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Project, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As described in Note 1, the financial statements present only the Project and do not purport to, and do not, present fairly the financial position of the CAWD, the PBCSD, the Monterey Peninsula Water Management District, or the Pebble Beach Company, as of June 30, 2022 and 2021, the changes in its financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Project's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Project's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 historical 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

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

2021 Financial Statements

The Project's basic financial statements for the year ended June 30, 2021 were audited by other auditors whose report thereon dated September 15, 2021, expressed an unmodified opinion.

A handwritten signature in black ink that reads "The Pen Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
November 16, 2022

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**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022**

The following discussion and analysis is 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, 2022. 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 2021-22 are as follows:

- Water Sales revenue increased 5.6% over the prior year with a corresponding increase of 7.7% over the budget.

Total amount of water sold was 5.0% higher than in fiscal year 2020-21. Last year total water sales included 1,025 acre-feet (AF) of reclaimed water. That figure contrasts with 1,077 AF of reclaimed water for the current year.

- Net Non-operating expenses decreased 18.7% over the prior year primarily due to a decrease in Bond and Letter of Credit carrying costs of 41.8% and bond interest expense due to the Monterey Peninsula Water Management District of 75.0%.
- Long-term obligations include the bonds issued in 1992 that mature in 2022 with the final principal payment of \$2.6M due July 1, 2022. The Project has been able to take advantage of lower interest rates over the last several years – the interest due remained low during the entire fiscal year. The long-term obligation from the Monterey Peninsula Water Management District for \$1M matured in October 2021. The final payment for bond carrying costs of \$552,000 is due June 2023.
- Total operating expenses less amortization was 22.9% higher than the prior year as follows:
 - Plant operating expenses were 22.3% higher than in fiscal year 2020-21 and 7.2% over budget. Briefly the reasons they were so close:
 - Plant labor expenses were 12.4% higher than in 2021, reflected most significantly in the Plant Engineer up 192.7%, plant operators up 16.7%, and safety officer up 26.5%.
 - Electricity costs increased 4.4% over prior year and 2.6% over budget.
 - Chemical costs were up 61.0% from 2021 and 26.6% from budget. Timing is one culprit, but more specifically we continue to experience supply chain delivery issues and severe inflationary pressure on chemicals. We now find that supplies run out and are delivered on nearly the same day. It means that we must be continually on top of supply issues.
 - Operating Supplies were 8.4% over budget and 30.6% above prior year. Primary overages in plant pump parts (81.2%), Cartridge filters (146.3%), and Reverse Osmosis membrane elements (100%).
 - Contractual services were under budget by 15.1% and over prior year actual by 6.0%. System software/IT consulting increased 63.4% over prior year.
 - Distribution costs were 6.4% below budget and 30.2% higher than prior year 2021-22. Pebble Beach Community Services District (PBCSD) administrative and engineering salaries were under budget 20.0% while staff salaries were under budget 0.2%. Utilities were 12.5% greater than prior year and 12.7% under budget. Other O&M expenses were 35.2% greater than prior year and 15.6% under budget.

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022

- Pebble Beach Company and Independent Golf Club Users liaison expenses were 5.0% over budget and 22.9% greater than prior year.
- Carmel Area Wastewater District (CAWD) administrative salaries and other expenses were 21.4% over budget and 27.9% greater than prior year. Primary overages were in salaries, specifically Admin Service Coordinator over budget 84.8%.
- Monterey Peninsula Water Management District (MPWMD) general and administrative costs were 18.6% over budget and 2.8% 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 of Pebble Beach Company, the Independent Reclaimed Water Users Group (IRWUG) 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 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 (Cal-Am) potable water increases are projected well into the future and the value of water on the Monterey Peninsula in general is 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 Cal-Am 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.

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022**

Current assets increased 14.2% from the prior year. Cash on hand increased 10.0%; and Accounts Receivables from water sales increased 21.0%. The Project does not provide an allowance for doubtful accounts because all receivables are collected within 60 days of each fiscal year end.

Current liabilities decreased 5.3% from the prior year. Trade and affiliates payables increased 23.4% from prior year, largely due to timing. Water sales were slightly higher than prior year (5.5%) although the per acre increased 8.2%. Accounts payables, trade and between Project partners, increased 23.4%.

In May 2019, the Project entered into a lending agreement with the Monterey Peninsula Water Management District (MPWMD) for \$1M. In fiscal year 2020-21 this required one principal payment of \$500K and two interest payments totaling \$22,875. The final principal and interest payment was scheduled for October 2021. The second major debt taken on by the Project is the Certificates of Participation (COP) finance in 1992 in the amount of \$33.9M. The COPs will mature in 2022, with a final payment July 2022, but until then bear interest at a variable rate. Given the current low interest rate environment this has been remarkably low cost money for the Project.

Noncurrent liabilities decreased 100% because of the final payment on the bonds was due July 1, 2022, and all amount due to MPWMD were paid off. There are no further long-term liabilities.

Construction-in-Progress included \$152K for the SCADA Migration Project, \$125K for the Sulfuric Acid Tank, \$116K for the Electrical/Mechanical Rehab Project and \$94K for Forest Lake Mixers.

With the implementation of the "Amended and Restated Construction & Operation Agreement" in June 2013, 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:

	June 30, 2022	June 30, 2021	\$ Change	% Change	June 30, 2020
Assets					
Current assets	\$ 3,206,464	\$ 2,808,159	\$ 398,305	14.2%	\$ 2,504,993
Noncurrent assets:					
Restricted cash	1,175	1,176	(1)	-0.1%	1,176
Water rights, net	37,198,823	38,759,314	(1,560,491)	-4.0%	37,947,686
Construction in progress	505,755	338,903	166,852	49.2%	2,674,387
Total assets	<u>40,912,217</u>	<u>41,907,552</u>	<u>(995,335)</u>	<u>-2.4%</u>	<u>43,128,242</u>
Liabilities					
Current liabilities	4,064,065	4,290,782	(226,717)	-5.3%	4,483,941
Long-term debt	-	3,152,000	(3,152,000)	-100.0%	6,704,000
Total liabilities	<u>4,064,065</u>	<u>7,442,782</u>	<u>(3,378,717)</u>	<u>-45.4%</u>	<u>11,187,941</u>
Net Position					
Net investment in capital assets	34,553,753	32,395,393	2,158,360	6.7%	33,122,073
Restricted for debt service	1,175	1,176	(1)	-0.1%	1,176
Unrestricted	2,297,199	2,068,201	228,998	11.1%	(1,182,948)
Total net position	<u>\$ 36,852,127</u>	<u>\$ 34,464,770</u>	<u>\$ 2,387,357</u>	<u>6.9%</u>	<u>\$ 31,940,301</u>

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022**

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 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 2021-22 were as follows:

- Forest Lake Slide Gates \$ 15,960
- Forest Lake Chemical System \$ 172,428

There are four electric gate operators on the outlet structure that should be replaced/rehabbed every fifteen years. At the start of this budget year one of the operators had failed and two had issues with their controls. The Forest Lake Chemical System is for dosing to the reservoir to prevent any biological growth.

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:

	June 30, 2022	June 30, 2021	June 30, 2020
Carmel Area Wastewater District	\$ 39,712,653	\$ 39,712,653	\$ 39,697,306
Pebble Beach Community Services District	27,899,845	27,711,456	25,171,006
MPWMD	29,056	29,056	29,056
Open space users	1,459,777	1,459,777	1,459,777
Cal-Am	853,726	853,727	853,727
Total water resale rights	\$ 69,955,057	\$ 69,766,669	\$ 67,210,872

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 and have a maturity date of July 2022. 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 fiscal guarantor to the COP debt. The Certificate of Participation variable interest rate increased slightly due to the interest rate environment from \$3,450 in 2020-21 to \$5,957 in 2021-22, or a 72.6% increase.

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022**

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

	2022	%	2021	%	2020
		Change		Change	
Changes in Net Position					
Operating Revenues	\$ 7,220,935	5.6%	\$ 6,838,738	-3.2%	\$ 7,063,288
Operating Expenses	(2,895,612)	22.9%	(2,356,918)	-5.9%	(2,504,551)
Amortization	(1,748,879)	0.3%	(1,744,169)	3.8%	(1,680,274)
Operating income/(loss)	<u>2,576,444</u>	-5.9%	<u>2,737,651</u>	-4.9%	<u>2,878,463</u>
Interest revenue	(13,962)	-718.9%	2,256	-93.3%	33,923
Subsidy from PBCo	-	n/a	-	n/a	-
PBCo (withdrawal)	-	n/a	-	n/a	-
Non-operating expenses	(175,125)	-18.7%	(215,438)	-37.1%	(342,576)
Non-operating contrib/withdrawal	-	n/a	-	-100.0%	(72)
Other	-	n/a	-	n/a	-
subtotal	<u>(189,087)</u>	-11.3%	<u>(213,182)</u>	-30.9%	<u>(308,725)</u>
Change in net position	2,387,357	-5.4%	2,524,469	-1.8%	2,569,738
Net position, beginning	<u>34,464,770</u>	7.9%	<u>31,940,301</u>	8.7%	<u>29,370,563</u>
Net position, ending	<u>\$ 36,852,127</u>	6.9%	<u>\$ 34,464,770</u>	7.9%	<u>\$ 31,940,301</u>

Budget Highlights/Variations

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, 2022, the following budget variances were noted:

- Water sales were over budget 3.2%. Budgeted reclaimed water sales were 1,000 AF while actual sales were 1,077 AF.
- Net investment earnings were 146.3% less than budget.
- CAWD Plant operating expenses were 1.5% over budget. The two largest cost centers (Salaries/Benefits -3.1% and Electricity -2.6%) tracked closely to budget. Chemicals tracked 26.6% over budget due largely to supply chain issues and inflationary pressures.
- Plant distribution costs were 6.4% under budget. Admin labor costs were 20.0% under budget and field labor was 0.2% under budget. O&M costs were 15.6% under budget.
- CAWD general and administrative salary costs were 46.9% over budget along with other miscellaneous costs over budget 7.7%. MPWMP salaries were 27.4% over budget while other administrative costs were 18.6% over budget.

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2022**

- Potable water costs (including meter charges) were 26.2% under budget. There were not any purchases made of potable water.
- Bond carrying costs were 38.1% under budget and letter of credit costs were 8.0% under budget. Interest rate environment this fiscal year was very low and continued to be favorable to the project.
- Interest income on reserves was 56.8% under budget, again, reflecting the low interest rate environment.
- Monterey Peninsula Water Management user fee was 14.2% 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 although the drought in California has resulted in reduced plant influent as conservation efforts by the public increase.

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

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Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Statements of Net Position
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,387,574	\$ 1,260,428
Investments (Note 3)	266,557	265,008
Accounts receivable - water sales (Note 4)	1,528,782	1,262,642
Accounts receivable - other (Note 4)	23,551	20,081
Total current assets	<u>3,206,464</u>	<u>2,808,159</u>
Noncurrent assets:		
Capital assets (Note 5):		
Construction in progress	505,755	338,903
Water resale rights, net of amortization	37,198,823	38,759,314
Capital assets, net	<u>37,704,578</u>	<u>39,098,217</u>
Cash restricted for debt service (Note 3)	1,175	1,176
Deposits	3,975	-
Total noncurrent assets	<u>37,709,728</u>	<u>39,099,393</u>
Total assets	<u>40,916,192</u>	<u>41,907,552</u>
LIABILITIES		
Current liabilities:		
Accounts payable - trade (Note 6)	158,923	100,127
Accounts payable - affiliates (Note 6)	753,142	638,655
Bonds payable, due within one year (Note 7)	2,600,000	2,500,000
Advance from MPWMD, due within one year (Note 8)	-	500,000
Advance from Pebble Beach Company, due within one year (Note 8)	552,000	552,000
Total current liabilities	<u>4,064,065</u>	<u>4,290,782</u>
Noncurrent liabilities:		
Long-term debt, net of current portion (Note 7):		
Bonds payable, due in more than one year (Note 7)	-	2,600,000
Advance from Pebble Beach Company, due in more than one year (Note 8)	-	552,000
Total long-term debt, net of current portion	<u>-</u>	<u>3,152,000</u>
Total noncurrent liabilities	<u>-</u>	<u>3,152,000</u>
Total liabilities	<u>4,064,065</u>	<u>7,442,782</u>
NET POSITION		
Net investment in capital assets (Note 10)	34,553,753	32,395,393
Restricted for debt service	1,175	1,176
Unrestricted	2,297,199	2,068,201
Total net position	<u>\$ 36,852,127</u>	<u>\$ 34,464,770</u>

See accompanying Notes to Financial Statements.

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**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2022 and 2021**

	2022	2021
OPERATING REVENUES		
Water sales	\$ 3,104,935	\$ 2,718,134
Fixed cost charge	4,116,000	4,120,604
Total operating revenues	7,220,935	6,838,738
OPERATING EXPENSES		
Plant operating costs	2,148,504	1,757,523
Distribution costs	514,914	395,403
General and administrative	227,214	196,979
Potable water purchases	4,980	7,013
Monterey Peninsula Water Management District user fee	77,184	72,776
Amortization (Note 5)	1,748,879	1,744,169
Total operating expenses	4,721,675	4,173,863
Operating income	2,499,260	2,664,875
NONOPERATING REVENUES (EXPENSES)		
Bond carrying costs	(41,970)	(72,161)
Interest expense - Pebble Beach Company	(44,931)	(46,718)
Interest expense - Monterey Peninsula Water Management District	(5,083)	(20,333)
Interest expense - bonds	(5,957)	(3,450)
Investment earnings (loss)	(13,962)	2,256
Total nonoperating revenues (expenses)	(111,903)	(140,406)
Changes in net position	2,387,357	2,524,469
Net position, beginning of year	34,464,770	31,940,301
Net position, end of year	\$ 36,852,127	\$ 34,464,770

See accompanying Notes to Financial Statements.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,951,325	\$ 6,356,180
Payments for operating expenses	<u>(2,803,488)</u>	<u>(2,722,853)</u>
Net cash provided by operating activities	<u>4,147,837</u>	<u>3,633,327</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on bond debt	(2,500,000)	(2,400,000)
Principal paid on Pebble Beach Company debt	(552,000)	(552,000)
Principal paid on Monterey Peninsula Water Management District loan	(500,000)	(500,000)
Interest paid on long-term debt	(55,971)	(70,501)
Bond carrying costs	(41,970)	(72,161)
Additions to water resale rights	<u>(355,240)</u>	<u>(220,313)</u>
Net cash (used in) capital and related financing activities	<u>(4,005,181)</u>	<u>(3,814,975)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	6,490	2,256
Proceeds from sale and maturities of investments	135,999	-
Purchase of investments	<u>(158,000)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(15,511)</u>	<u>2,256</u>
Net increase (decrease) in cash and cash equivalents	127,145	(179,392)
Cash and cash equivalents, beginning of year	1,261,604	1,440,996
Cash and cash equivalents, end of year	<u>\$ 1,388,749</u>	<u>\$ 1,261,604</u>
FINANCIAL STATEMENT PRESENTATION		
Cash and cash equivalents		
Current assets:		
Cash and cash equivalents	\$ 1,387,574	\$ 1,260,428
Restricted cash and cash equivalents:		
For debt service	<u>1,175</u>	<u>1,176</u>
Total cash and cash equivalents	<u>\$ 1,388,749</u>	<u>\$ 1,261,604</u>

(Continued)

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Statements of Cash Flows (Continued)
For the Years Ended June 30, 2022 and 2021**

	2022	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 2,499,260	\$ 2,664,875
Adjustments to reconcile operating income to net cash provided by operating activities:		
Amortization	1,748,879	1,744,169
Changes in operating assets and liabilities:		
(Increase)/decrease in assets:		
Accounts receivable	(269,610)	(482,558)
Deposits	(3,975)	-
Increase (decrease) in liabilities:		
Accounts payable	173,283	(293,159)
Net cash provided by operating activities	\$ 4,147,837	\$ 3,633,327
SUPPLEMENTAL DISCLOSURES		
Non-cash investing and financing activities:		
Unrealized gains (losses) on investments	\$ (20,452)	\$ (4,927)

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NOTES TO FINANCIAL STATEMENTS

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**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Index to the Notes to Financial Statements
June 30, 2022 and 2021**

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:

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**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements
June 30, 2022 and 2021**

Note 1 – Defining the Reporting Entity

Reporting Entity

The Carmel Area Wastewater District/Pebble Beach Community Services District 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 reclamation project as well as any operating deficiencies. The debt obligations incurred by MPWMD to finance the construction 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, then from payments through 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 the Forest Lake Reservoir located in Pebble Beach, which provides up to 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. In 1998, PBCSD purchased the Reservoir from the California-American Water Company.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 1 – Defining the Reporting Entity (Continued)

Reporting Entity (Continued)

Rehabilitation and reservoir expansion was completed in 2009 in accordance with State Water Resources Division of Safety of Dams requirements. Construction costs of \$13,052,530 were financed 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 in 2006 and 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 total cost of the MF/RO project was \$21,379,792, which was financed through the sale of water entitlements owned by PBCo to residential property owners within the Pebble Beach community.

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 and 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 Pebble Beach. 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 the 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 Green Waste 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 tertiary treated water produced by the Project is owned by MPWMD.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 1 – Defining the Reporting Entity (Continued)

Reporting Entity (Continued)

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 members from the Cypress Point Golf Course, Poppy Hills Golf Course, and the Monterey Peninsula Country Club.

Note 2 – Summary of Significant Accounting Policies

A. 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) as applicable to governments. The Project is an enterprise (proprietary) fund of MPWMD.

B. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

“Measurement focus” is a term used to describe which transactions are recorded within the various financial statements. “Basis of accounting” refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the “economic resources measurement focus,” and the “accrual basis of accounting.” Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 and water resale rights. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

C. 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.

Risk Disclosures – Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
- Overall
- Custodial Credit Risk
- Concentration of Credit Risk

Investment Valuation – GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

D. 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). When applicable, construction projects cash is an escrowed account for receipt of water entitlement sales by PBCo, who is entitled to reimbursement for its cash advances.

Sometimes the Project will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the Statement of Net Position, a flow assumption must be made about the order in which the resources are considered to be applied.

When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first and then unrestricted resources, as necessary.

E. Accounts Receivable and Allowance for Doubtful Accounts

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

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

F. 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 GASB Statement No. 60, *Intangible Assets*, which specifies that an intangible asset shall be amortized over its useful life, unless that life is determined to be indefinite.

G. Net Position

Net position of the Project is classified into three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation plus deferred amounts on refunding, and reduced by the outstanding balances of notes or borrowing that are attributable to the acquisition of the asset, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.

Restricted Net Position – This component of net position consists of net position with constrained use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of “net investment in capital assets,” or “restricted net position”.

H. 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.

I. Implementation of New GASB Pronouncements for the Year Ended June 30, 2022

During fiscal year ended June 30, 2022, the Project implemented the following new GASB Pronouncements:

- In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement did not have a significant effect on the Project’s financial statements for the year ended June 30, 2022.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

I. Implementation of New GASB Pronouncements for the Year Ended June 30, 2022 (Continued)

- In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this Statement did not have a significant effect on the Project's financial statements for the year ended June 30, 2022.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the Project's financial statements for the year ended June 30, 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the Project's financial statements for the year ended June 30, 2022.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the Project's financial statements for the year ended June 30, 2022.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Upcoming Governmental Accounting Standards Implementation

The Project is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 is effective for the Project’s fiscal year ending June 30, 2023.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the Project’s fiscal year ending June 30, 2023.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Application of this statement is effective for the Project’s fiscal year ending June 30, 2023.
- In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement is effective for the Project’s fiscal year ending June 30, 2023.
- In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Project’s fiscal year ending June 30, 2024.
- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Project’s fiscal year ending June 30, 2025.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 3 – Cash and Investments

Cash and investments at June 30, 2022 and 2021 are classified in the accompanying financial statements as follows:

	2022	2021
Statement of Net Position:		
Current assets:		
Cash and cash equivalents	\$ 1,387,574	\$ 1,260,428
Restricted cash and cash equivalents:		
For debt service	1,175	1,176
Investments	266,557	265,008
Total cash and investments	\$ 1,655,306	\$ 1,526,612
Cash and investments consist of the following:		
Deposits with financial institutions:		
Checking accounts	\$ 1,166,418	\$ 1,180,411
Money market accounts	220,977	79,846
Monterey County Investment Pool	1,354	1,347
Municipal bonds	-	15,400
Negotiable certificates of deposit	266,557	249,608
Total cash and investments	\$ 1,655,306	\$ 1,526,612

Demand Deposits

As of June 30, 2022, the carrying amount of demand deposits was \$1,166,418 and the bank balance was \$1,178,143 compared to \$1,180,411 and \$1,181,288 at June 30, 2021, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the Project's name as discussed below under *Disclosures Relating Custodial Credit Risk*.

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. One of the ways that the Project manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

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 distribution of the Project's investments by maturity.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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 distribution of the Project's investments by maturity at June 30, 2022.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months
Monterey County Investment Pool	\$ 1,354	\$ 1,354	\$ -	\$ -	\$ -
Negotiable certificates of deposit	266,557	-	266,557	-	-
Money market accounts	220,977	220,977	-	-	-
Total	\$ 488,888	\$ 222,331	\$ 266,557	\$ -	\$ -

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 distribution of the Project's investments by maturity at June 30, 2021.

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months
Monterey County Investment Pool	\$ 1,347	\$ 1,347	\$ -	\$ -	\$ -
Municipal bonds	15,400	-	-	-	15,400
Negotiable certificates of deposit	249,608	-	249,608	-	-
Money market accounts	79,846	79,846	-	-	-
Total	\$ 346,201	\$ 81,193	\$ 249,608	\$ -	\$ 15,400

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.

The Project's investments were rated according to the following table at June 30, 2022:

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	AA	Not Rated
Monterey County Investment Pool	\$ 1,354	N/A	\$ -	\$ -	\$ 1,354
Negotiable certificates of deposit	266,557	N/A	-	-	266,557
Money market accounts	220,977	N/A	-	-	220,977
Total	\$ 488,888		\$ -	\$ -	\$ 488,888

The Project's investments were rated according to the following table at June 30, 2021:

Investment Type	Total	Minimum Legal Rating	Rating as of Year End		
			AAA	AA	Not Rated
Monterey County Investment Pool	\$ 1,347	N/A	\$ -	\$ -	\$ 1,347
Municipal bonds	15,400	N/A	-	15,400	-
Negotiable certificates of deposit	249,608	N/A	-	-	249,608
Money market accounts	79,846	N/A	-	-	79,846
Total	\$ 346,201		\$ -	\$ 15,400	\$ 330,801

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 3 – Cash and Investments (Continued)

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 deposit 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 \$807,374 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 informal 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.

Fair Value Measurement

The Project categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets and Level 3 inputs are significant unobservable inputs.

Investments classified in Level 2 are valued using the following inputs:

- Quoted prices for similar assets or liabilities in active markets based on matrix pricing;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The Project has no investments categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 3 – Cash and Investments (Continued)

Fair Value Measurement (Continued)

The following is a summary of the fair value hierarchy of investments held by the Project as of June 30, 2022:

	Fair Value Measurement Using	
	Significant Other Observable	
	Inputs (Level 2)	June 30, 2022
Investments by fair value level		
Negotiable certificates of deposit	\$ 266,557	\$ 266,557
Total investments by fair value level	\$ 266,557	266,557
Investments not subject to fair value hierarchy:		
Monterey County Investment Pool		1,354
Money market accounts		220,977
Total investments not subject to fair value hierarchy		222,331
Total investments		\$ 488,888

The following is a summary of the fair value hierarchy of investments held by the Project as of June 30, 2021:

	Fair Value Measurement Using	
	Significant Other Observable	
	Inputs (Level 2)	June 30, 2021
Investments by fair value level		
Negotiable certificates of deposit	\$ 249,608	\$ 249,608
Municipal bonds	15,400	15,400
Total investments by fair value level	\$ 265,008	265,008
Investments not subject to fair value hierarchy:		
Monterey County Investment Pool		1,347
Money market accounts		79,846
Total investments not subject to fair value hierarchy		81,193
Total investments		\$ 346,201

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 3 – Cash and Investments (Continued)

Investment in County Investment Pool

The Project is a participant in the Monterey County Investment Pool (Pool). These pooled funds are carried at amortized cost which approximates fair value. 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 County is authorized to deposit cash and invest excess funds by California Government Code Section 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. The Pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the Pool. The fair value of participants' position in the Pool is the same as the value of the Pool shares.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follows. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

Annual reports of the investment pool may be obtained from the Monterey County Treasurer, Post Office Box 891, Salinas, California 93902.

Note 4 – Receivables

At June 30, receivables consist of the following:

	June 30, 2022	June 30, 2021
Water sales - due from Pebble Beach Co. and affiliated golf courses	\$ 1,528,782	\$ 1,262,642
Due from CA WD	-	483
Due from customers	23,551	19,598
Total	\$ 1,552,333	\$ 1,282,723

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, 2022.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

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 outlays have been capitalized into this account.

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2022
Capital assets, not being depreciated:					
Construction in progress	\$ 338,903	\$ 355,240	\$ -	\$ (188,388)	\$ 505,755
Total capital assets, not being depreciated	338,903	355,240	-	(188,388)	505,755
Capital assets, being amortized:					
Water resale rights	69,766,669	-	-	188,388	69,955,057
Total capital assets, being amortized	69,766,669	-	-	188,388	69,955,057
Less accumulated amortization:					
Water resale rights	(31,007,355)	(1,748,879)	-	-	(32,756,234)
Total accumulated amortization	(31,007,355)	(1,748,879)	-	-	(32,756,234)
Total capital assets being amortized, net	38,759,314	(1,748,879)	-	188,388	37,198,823
Total capital assets, net	\$ 39,098,217	\$ (1,393,639)	\$ -	\$ -	\$ 37,704,578

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2021
Capital assets, not being depreciated:					
Construction in progress	\$ 2,674,387	\$ 220,313	\$ -	\$ (2,555,797)	\$ 338,903
Total capital assets, not being depreciated	2,674,387	220,313	-	(2,555,797)	338,903
Capital assets, being amortized:					
Water resale rights	67,210,872	-	-	2,555,797	69,766,669
Total capital assets, being amortized	67,210,872	-	-	2,555,797	69,766,669
Less accumulated amortization:					
Water resale rights	(29,263,186)	(1,744,169)	-	-	(31,007,355)
Total accumulated amortization	(29,263,186)	(1,744,169)	-	-	(31,007,355)
Total capital assets being amortized, net	37,947,686	(1,744,169)	-	2,555,797	38,759,314
Total capital assets, net	\$ 40,622,073	\$ (1,523,856)	\$ -	\$ -	\$ 39,098,217

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 5 – Capital Assets (Continued)

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
CAWD (plant)	\$ 39,712,652	\$ 39,712,653
PBCSD (distribution system)	27,899,845	27,711,456
MPWMD (software)	29,056	29,056
Open space users (irrigation systems)	1,459,777	1,459,777
Cal-Am (pump station partial ownership)	853,727	853,727
Total water resale rights	<u>69,955,057</u>	<u>69,766,669</u>
Construction in progress	<u>505,755</u>	<u>338,903</u>
Total	<u>\$ 70,460,812</u>	<u>\$ 70,105,572</u>

Note 6 – Payables

At year end, payables consist of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Accounts payable - trade:		
Vendors for operating expenses	\$ 158,923	\$ 100,127
Total	<u>\$ 158,923</u>	<u>\$ 100,127</u>
Accounts payable - affiliates:		
PB Co. (debt service reimbursement)	\$ -	\$ 255,316
MPWMD (salaries, software, fee)	-	115,545
CAWD (operations and maintenance)	-	60,481
PBCSD (operations and maintenance)	753,142	207,313
Total	<u>\$ 753,142</u>	<u>\$ 638,655</u>

Note 7 – Long-Term Debt

Long-term debt activity for the year ended June 30, 2022 was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Publicly-offered:					
1992 Certificates of participation	\$ 5,100,000	\$ -	\$ (2,500,000)	\$ 2,600,000	\$ 2,600,000
Total long-term debt	<u>\$ 5,100,000</u>	<u>\$ -</u>	<u>\$ (2,500,000)</u>	<u>\$ 2,600,000</u>	<u>\$ 2,600,000</u>

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 7 – Long-Term Debt (Continued)

Long-term debt activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Publicly-offered:					
1992 Certificates of participation	\$ 7,500,000	\$ -	\$ (2,400,000)	\$ 5,100,000	\$ 2,500,000
Total long-term debt	<u>\$ 7,500,000</u>	<u>\$ -</u>	<u>\$ (2,400,000)</u>	<u>\$ 5,100,000</u>	<u>\$ 2,500,000</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 computed. The COPs accrue interest at a variable rate determined weekly, as provided in the official statement of the COPs.

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 Bond 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 not 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 2021, the interest rate was 0.04% per annum. Interest expense for the year was \$3,450 as compared to the anticipated 1992 issuance annual 2.3% interest rate. Consequently, the interest column below is revised using a more current and conservative fixed annual rate of 1%, which is presented for information purposes only.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 7 – Long-Term Debt (Continued)

Scheduled COP Bond Payments (Continued)

Future principal and estimated interest payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,600,000	\$ 26,000	\$ 2,626,000
Total	\$ 2,600,000	\$ 26,000	\$ 2,626,000

Note 8 – Advances Payable

Advances payable activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Direct borrowings and placements:					
Advance from MPWMD	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Advance from Pebble Beach Co.	1,104,000	-	(552,000)	552,000	552,000
Total long-term debt	\$ 1,604,000	\$ -	\$ (1,052,000)	\$ 552,000	\$ 552,000

Advances payable activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Direct borrowings and placements:					
Advance from MPWMD	\$ 1,000,000	\$ -	\$ (500,000)	\$ 500,000	\$ 500,000
Advance from Pebble Beach Co.	1,656,000	-	(552,000)	1,104,000	552,000
Total long-term debt	\$ 2,656,000	\$ -	\$ (1,052,000)	\$ 1,604,000	\$ 1,052,000

Advance from Monterey Peninsula Water Management District

Repayment of a \$1,000,000 advance from the Monterey Peninsula Water Management District dated May 21, 2019, for the recycled water storage tank rehabilitation project, to be repaid over two years with interest at 3.05% per annum. The final payment was made in October 2021.

Advance from Pebble Beach Company

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

Future payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 552,000	\$ -	\$ 552,000
Total	\$ 552,000	\$ -	\$ 552,000

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 9 – 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 Project (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 Project (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.

**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

Note 10 – Net Investment in Capital Assets

At June 30, the net investment in capital assets portion of net position consisted of the following:

	2022	2021
Net investment in capital assets		
Capital assets, nondepreciable	\$ 505,755	\$ 338,903
Capital assets, depreciable/amortizable, net	37,198,823	38,759,314
Current portion of long-term obligations:		
Bonds payable	(2,600,000)	(2,500,000)
Advance from MPWMD	-	(500,000)
Advance from PBCo	(552,000)	(552,000)
Long-term debt, excluding current portion:		
Bonds payable	-	(2,600,000)
Advance from PBCo	-	(552,000)
Unspent bond proceeds	1,175	1,176
Total net investment in capital assets	\$ 34,553,753	\$ 32,395,393

OTHER INFORMATION

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**Carmel Area Wastewater District/Pebble Beach Community Services District
Reclamation Project
Budgetary Comparison Information
Resources and Charges to Appropriations
For the Year Ended June 30, 2022**

	Budget (unaudited)	Actual	Variance with Budget Positive (Negative)
Resources (Inflows)			
Water sales	2,884,000	\$ 3,104,935	\$ 220,935
Fixed cost charge	4,116,000	4,116,000	-
Investment earnings	30,170	(13,962)	(44,132)
Amounts available for appropriation	<u>7,030,170</u>	<u>7,206,973</u>	<u>176,803</u>
Charges to Appropriations (Outflows)			
Plant operating costs	2,004,877	2,148,504	(143,627)
Distribution costs	550,250	514,914	35,336
General and administrative	197,317	227,214	(29,897)
Potable water purchases	6,750	4,980	1,770
Bond and LC carrying costs	53,800	41,970	11,830
Interest expense - PB Co.	70,000	44,931	25,069
Interest expense - MPWMD	7,625	5,083	2,542
Interest expense - bonds	18,200	5,957	12,243
MPWMD user fee	90,000	77,184	12,816
Principal reduction payment - PB Co.	552,000	552,000	-
Principal reduction payment - bonds	2,500,000	2,500,000	-
Water resale rights - capital purchases/projects	1,124,650	355,240	769,410
Total charges to appropriations	<u>7,175,469</u>	<u>6,477,977</u>	<u>697,492</u>
Budgetary surplus (deficit)	<u>\$ (145,299)</u>	<u>728,996</u>	<u>\$ (520,689)</u>
Reconciliation of budgetary to GAAP basis			
Less: amortization - noncash expense		(1,748,879)	
Add: principal payments - PB Co.		552,000	
Add: principal payments - bonds		2,500,000	
Add: additions to water resale rights/capital purchases		355,240	
Change in net position		<u>\$ 2,387,357</u>	

See accompanying Notes to the Basic Financial Statements.

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RESOLUTION NO. 2022-66

A RESOLUTION ADOPTING THE CARMEL AREA WASTEWATER DISTRICT (CAWD)/PEBBLE BEACH COMMUNITY SERVICES DISTRICT (PBCSD) RECLAMATION PROJECT AUDIT FOR THE YEARS ENDED JUNE 30,2022 AND 2021

-oOo-

WHEREAS, the attached CAWD/PBCSD Reclamation Project Audit for the years ended June 30, 2022 and 2021, was approved at the Technical Advisory Committee group level and final approval was given by the Reclamation Management Committee (RMC) at its November 15, 2022, 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 years ended June 30, 2022 and 2021.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 8, 2022, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary of the Board

Staff Report



To: Board of Directors
From: Barbara Buikema, General Manager
Date: December 8, 2022
Subject: Health Insurance Benefits 2023-Increase of 5%

RECOMMENDATION

It is recommended the Board pass a resolution to ratify actions of the Salary and Benefits Committee in approving a 2.5% health insurance increase for the District.

DISCUSSION

Health Insurance renews on a calendar year basis; therefore, the District has negotiated with employees on an annual basis for this one item.

The District offers both the Health Savings Account (HSA) 3000 plan or high deductible health savings plan and a classic PPO or preferred provider plan. The premium increase on both plans is 5.00% for 2023. The District funding formula offers 100% employee-only premium and 90% of dependent coverage based upon the HSA plan premium. In addition, the District offers a lump sum amount to allow employees to fund their health savings account or to offset the higher cost of the PPO plan.

Base Plan – Anthem HSA 3000

	2023	2022	\$ Increase	% Increase
EE Only	\$771.13	\$734.41	\$36.73	5.00%
EE + 1 Dep	\$1,542.25	\$1,468.81	\$73.44	5.00%
EE + 2 or more	\$2,004.91	\$1,909.43	\$95.48	5.00%

The health insurance premium is effective January 1, 2023. The Salary & Benefits Committee met on December 1, 2022, and agreed to accept 2.50% of the increase, sharing the other 2.50% in a 50/50 split with staff. Staff understands that this item must be approved by the full board at their regular December meeting.

The attached worksheet shows how the costs are distributed over a single monthly billing period. The Committee not only discussed the percentage increase, but also reviewed the monthly employee contribution and the Net Out of Pocket Max.

FISCAL IMPACT

The premium increase amounts to an additional \$1,852.94 per month for 2023. The District will accept 50% of that amount or \$926.47 per month (\$11,117/year). The 2022-23 budget allowed for a 6.75% premium increase.

**Blue Cross
2023**

Employee	Plan	Plan Coverage	01/01/23 Premium			District contribution				Employee		HSA	HRA	Nov-22 Bill	% Change
			EE	Dependent	total	100.0%	90.0%	Other	Total	Excess	(Employee)				
			EE Base	Base Dep	Contribution	Contribution	(Owe)	(Contribution)							
Ange	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Blevins	Classic PPO	EE	987.61	0.00	987.61	771.13	0.00	161.00	932.13	(55.48)	(55.48)	161.00	909.41	2.50%	
Bowman	Classic PPO	EE+Family	987.61	1580.17	2567.78	771.13	1,110.40	329.25	2210.78	(357.00)	(357.00)	161.00	2,156.93	2.50%	
Buikema	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Cristi	CompleteCare-COBRA	EE+1	428.00	0.00	428.00	428.00	0.00	0.00	428.00	0.00	0.00	161.00	428.00	0.00%	
DayEngle	Anthem Lumenos 3000 PPO	EE+Family	771.13	1233.78	2004.91	771.13	1,110.40	329.25	2210.78	205.87	0.00	205.87	2,156.93	2.50%	
Deeth	Classic PPO	EE+Family	987.61	1580.17	2567.78	771.13	1,110.40	329.25	2210.78	(357.00)	(357.00)	161.00	2,156.93	2.50%	
DeOcampo	Anthem Lumenos 3000 PPO	EE+1	771.13	771.12	1542.25	771.13	694.01	262.30	1727.44	185.19	0.00	185.19	1,685.37	2.50%	
Dias	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Dixon	Anthem Lumenos 3000 PPO	EE+Family	771.13	1233.78	2004.91	771.13	1,110.40	329.25	2210.78	205.87	0.00	205.87	2,156.93	2.50%	
Foley	Classic PPO	EE+Family	987.61	1580.17	2567.78	771.13	1,110.40	329.25	2210.78	(357.00)	(357.00)	161.00	2,156.93	2.50%	
Garrison	Classic PPO	EE+Family	987.61	1580.17	2567.78	771.13	1,110.40	329.25	2210.78	(357.00)	(357.00)	161.00	2,156.93	2.50%	
Grover	Anthem Lumenos 3000 PPO	EE+1	771.13	771.12	1542.25	771.13	694.01	262.30	1727.44	185.19	0.00	185.19	1,685.37	2.50%	
Hooks	Anthem Lumenos 3000 PPO	EE+1	771.13	771.12	1542.25	771.13	694.01	262.30	1727.44	185.19	0.00	185.19	1,685.37	2.50%	
Lather	CompleteCare	CH only	428.00	0.00	428.00	428.00	0.00	0.00	428.00	0.00	0.00	161.00	428.00	0.00%	
Lauer	Anthem Lumenos 3000 PPO	EE+Family	771.13	1233.78	2004.91	771.13	1,110.40	329.25	2210.78	205.87	0.00	205.87	2,156.93	2.50%	
Lopez	Classic PPO	EE	987.61	0.00	987.61	771.13	0.00	161.00	932.13	(55.48)	(55.48)	161.00	909.41	2.50%	
Millington	Anthem Lumenos 3000 PPO	EE+1	771.13	771.12	1542.25	771.13	694.01	262.30	1727.44	185.19	0.00	185.19	1,685.37	2.50%	
Mui	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Napier	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Schmidt	Anthem Lumenos 3000 PPO	EE+Family	771.13	1233.78	2004.91	771.13	1,110.40	329.25	2210.78	205.87	0.00	205.87	2,156.93	2.50%	
Skinkle	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Steele-Freitas	Classic PPO	EE	987.61	0.00	987.61	771.13	0.00	161.00	932.13	(55.48)	(55.48)	161.00	909.41	2.50%	
Treanor	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Waggoner	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
Weidner-Holland	Anthem Lumenos 3000 PPO	EE+1	771.13	771.12	1542.25	771.13	694.01	262.30	1727.44	185.19	0.00	185.19	1,685.37	2.50%	
Young	Anthem Lumenos 3000 PPO	EE	771.13	0.00	771.13	771.13	0.00	161.00	932.13	161.00	0.00	161.00	909.41	2.50%	
			36,761.01	20,134.25	12,353.25	5,877.50	38,365.00	1,603.99	(1,594.44)	3,198.43	0.00		37,451.21	2.44%	

Base Plan=Anthem Lumenos 3000 PPO

	2022	2023	#5070.005	7,873.68
EE	\$734.41	\$771.13	#5070.006	26,145.95
EE+1	\$1,468.81	\$1,542.25	#5070.007	2,741.38
EE+Family	\$1,909.43	\$2,004.91		36,761.01

Classic PPO

EE	\$940.58	\$987.61
EE+1	\$1,881.16	\$1,975.22
EE+Family	\$2,445.50	\$2,567.78

	HDP			PPO		
	EE	EE+1	EE+FAM	EE	EE+1	EE+FAM
Deductible	3,000.00	6,000.00	6,000.00	500.00	1,000.00	1,000.00
Coinurance 80%-20%	2,000.00	4,000.00	4,000.00	3,000.00	6,000.00	6,000.00
Out of Pocket Max	5,000.00	10,000.00	10,000.00	3,500.00	7,000.00	7,000.00
HSA/HRA/(OWE)	1,932.00	3,147.60	3,951.00	(665.76)	(2,973.36)	(4,284.00)
Net Out of Pocket Max	3,068.00	6,852.40	6,049.00	4,165.76	9,973.36	11,284.00

RESOLUTION NO. 2022-67

A RESOLUTION RATIFYING THE RECOMMENDATION OF THE SALARY AND BENEFITS COMMITTEE FOR THE DISTRICT TO ACCEPT A 2.5% INCREASE OF A FULL 5.0% INCREASE AND THE EMPLOYEES AGREE TO ACCEPT THE REMAINING 2.5% IN HEALTH INSURANCE RATES EFFECTVE JANUARY 1, 2023

-oOo-

WHEREAS, the Board of Directors agrees to accept a 2.5% increase in health insurance rates for calendar year 2023; and

WHEREAS, the District recognizes that the full increase is 5.0% and agrees to split said increase 50/50 with employees; and

WHEREAS, the Salary and Benefits Committee agreed to accept said rate increase effective January 1, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Carmel Area Wastewater District, does determine, find and order as follows, that the Salary and Benefits Committee’s decision to approve the health insurance rate increase of 2.5% was appropriate and ratifies their decision for 2023.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 8, 2022, by the following vote:

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

Ken White, President of the Board

ATTEST:

Domine Barringer, Secretary to the Board

General Manager's Oral Report

Other Items Before the Board

STAFF REPORT



To: Board of Directors

From: Domine Barringer, Board Secretary

Date: December 8, 2022

Subject: 2023 -Board Member Committee
Assignments, Pebble Beach Community Service District Board
(PBCSD) Meetings, Quarterly Special District Association Meetings
(SDA), and the Conference Schedule

RECOMMENDATION

Requesting the Board of Directors to designate committee assignments to the newly appointed board member and pass a motion accepting the entirety of all committee assignments, regular monthly attendance at the PBCSD meetings, and the quarterly Special District Association meetings as listed in the attached tables in 2023.

The 2023 Conferences are attached for general information and possible participation. Please contact either Domine Barringer or Kristina Pacheco for assistance with registration for conferences that you would like to attend.

DISCUSSION

Attached are the following schedules for the 2023 calendar year for the Board's consideration:

- a. Committee Assignments
- b. PBCSD Board Meetings assignments
- c. Quarterly Special District Association Meetings
- d. Conference Schedule



Carmel Area Wastewater District

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

TO: Board of Directors
FROM: Domine Barringer, Board Secretary
DATE: December 8, 2022
SUBJECT: Committee Assignments for 2023

In 2023 there are two new ad hoc committee assignments being added. The Ejector Pump Committee and the Codification Committee have been added.

The Ejector Pump Committee will be responsible for developing a District policy regarding how to address residents who have plumbing fixtures located below the level of the District main sewer line. The plumbing codes, specific criteria on the type and size of pump, the installation of pump, how they will be managed, who has ownership and maintenance of the pump will all be addressed in the new policy.

The Codification Committee will be responsible for reviewing a red line draft of the new codification for the District. This committee will need to have at least one meeting with the vendor, American Legal, to clarify and finalize the codification for the District.

2023 COMMITTEE ASSIGNMENTS:

Committee	2022 Members	2023 Members
Budget & Audit	D'Ambrosio Siegfried	
Pension	Rachel Siegfried Wellington	
Reclamation Management	New Appointment White	
Salary & Benefits	White Rachel	
Special Districts' Association	Rotated by all members	
CRFREE (ad hoc)	White Siegfried	
Sea Level Rise (ad hoc)	Siegfried D'Ambrosio	
Tree & Trail Committee (ad hoc)	D'Ambrosio Siegfried	
Construction Committee (ad hoc)	White Rachel	
Real Estate Committee (ad hoc)	White Siegfried	
Ejector Pump Committee (ad hoc)	TBD	
Codification Committee (ad hoc)	TBD Wellington	



Carmel Area Wastewater District

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

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

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

ATTENDANCE AT PBCSD BOARD MEETINGS FOR 2023

It is important for at least one Carmel Area Wastewater District (CAWD) Board Member to attend the Pebble Beach Community Services District's (PBCSD) regular Board Meetings, held the final Friday of every month at 9:30 a.m., and if possible, any special meetings during the assignment period, with the standard stipend compensation.

Members may provide an oral report at the next CAWD Board Meeting which follows their attendance at the PBCSD meeting.

Assignments are for a period of one month. It is the responsibility of the assigned Member to get a substitute if the Member cannot attend.

Month	Member Attendee
January 27th	Ken White
February 24th	Greg D'Ambrosio
March 31st	Mike Rachel
April 28th	Bob Siegfried
May 26th	New Appointment
June 30th	Ken White
July 28th	Greg D'Ambrosio
August	No PBCSD Meeting
September 29th	Mike Rachel
October 27th	New Appointment
November	No PBCSD Meeting
December 8th	Bob Siegfried

STAFF REPORT



To: Board of Directors

From: Domine Barringer, Board Secretary

Date: December 8, 2022

Subject: 2023 Conference Schedule

RECOMMENDATION

This is informational only – no action required.

DISCUSSION

The 2023 Conferences are attached for general information and possible participation.

- ACWA-Association of California Water Agencies
- CSDA-California Special Districts Association
- CASA-California Association of Sanitation Agencies
- CWEA-California Water Environment Association

	2023 Conferences			
Organization	Description	Link to Conference Website Landing Page	Location	Date(s)
CASA	Winter Conference	https://casaweb.org/events/2023-winter-conference/	Palm Springs, CA	January 25 -27
CWEA	P3S Conference	https://www.cwea.org/conferences/p3s-conference/	Monterey, CA	January 30-February 1
CASA	Wash DC Policy Forum	https://casaweb.org/events/2023-washington-dc-policy-forum/	Washington DC	Feb 27-Mar 1
CWEA	*Annual Conference	https://www.cwea.org/conferences/cwea-annual-conference/	San Diego, CA	April 18-21

ACWA	Spring Conference	https://www.acwa.com/events/2023-spring-conference-exhibition/	Monterey, CA	May 9-11
CSDA	Legislative Days	https://legislatedays.csdanet/home	Sacramento, CA	May 16-17
CASA	68 th Annual Conference	https://casaweb.org/events/2023-65th-annual-conference/	San Diego, CA	August 9-11
CSDA	Annual Conference	https://www.csdanet/annualconference/home?_ga=2.102638921.976300712.1668800351-20667678.1668800351	Monterey, CA	August 28-31
WateReuse	California Annual Conference	Conferences WateReuse Association	Indian Wells, CA	November 5-7
WateReuse	Symposium	https://watereuse.org/news-events/conferences/2023-watereuse-symposium/	Atlanta, GA	March 5-8
ACWA	Fall Conference	https://www.acwa.com/events/2023-fall-conference-exhibition/	Indian Wells, CA	November 28-30

Note: This report in an electronic format you can hover the mouse over the hyperlink, and press the “Control” key on the keyboard the cursor will change from an error to a “hand”-click and the link will populate the website landing page.

**The Next 50 Years Annual Pretreatment, Pollution Prevention, and Stormwater Conference Brochure:
<https://cwea-webstorage1.blob.core.windows.net/cwea-website/conferences/2023-CWEA-P3S-Conference.pdf>*



Carmel Area Wastewater District

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

TO: Board of Directors

FROM: Domine Barringer, Board Secretary

DATE: December 8, 2022

SUBJECT: Quarterly Special Districts Association for 2023

The California Special Districts Association (CSDA) is a 501c(6), not-for-profit association that was formed in 1969 to promote good governance and improve core local services through professional development, advocacy, and other services for all types of independent special districts. You can visit their website at [California Special District Association \(CSDA\)](#).

The CSDA holds a quarterly dinner meeting to inform the attendees about current or new information impacting Special Districts. This membership provides collaboration with other special districts and administrative resources that can be used in day-to-day operations.

Below is the suggested rotation of the board members. The actual dates will be provided when they become available. It is the responsibility of the assigned Member to get a substitute if the Member cannot attend.

SUGGESTED QUARTERLY SPECIAL DISTRICTS ASSOCIATION ATTENDANCE

Date	2022 Members	2023 Members
January 17,2023	Ken White	Ken White
April TBD, 2023	Greg' D'Ambrosio	Greg' D'Ambrosio
July TBD, 2023	Mike Rachel	Mike Rachel
October TBD, 2023	Bob Siegfried	Bob Siegfried
January TBD,2024	Charlotte Townsend	New Appointment

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Ad Hoc Committee Creation-Codification & Ejector Pump Policy

RECOMMENDATION

Staff recommends that the Board authorize creation of and appoint membership for two ad hoc committees: (1) Codification Project, and (2) Ejector Pump Policy

DISCUSSION

Staff has reached the point on the Codification Project and the Ejector Pump Policy where we believe it is time to bring in Board committee members to comment. These two Ad Hoc committees will not be permanent standing committees and do not fall under the Brown Act rules.

The Codification Project was initiated to streamline the process of researching and compiling all authoritative board Ordinances/Resolutions in one place in a systematic and searchable manner. The project will help to deter the Board from enacting redundant or inconsistent new ordinances and lets the board view the body of law as a whole and note any gaps in coverage which may need legislation. Finally, this project will be posted on our website and provide a considerable degree of transparency to the public.

The Ejector Pump Policy is to provide a plan for two proposed current projects (1) Carmel Meadows Pipeline, and (2) Pescadero Area Pipe Relocation with guidance on the usage of ejector pumps and the District's responsibility in servicing, and will also set the parameters for any future use of ejector pumps in a project.

FUNDING

None, at this time

STAFF REPORT

TO: Board of Directors

FROM: Daryl Lauer, Collection Superintendent

DATE: December 8, 2022

SUBJECT: Proposed Removal of Sewer Lines Without
Maintenance Access from District maps



RECOMMENDATION

Staff recommends that the Board pass a motion authorizing staff to notify the affected Carmel Woods neighborhood and take steps to remove these line segments from District maps.

DISCUSSION

There are four 6" sewer lines located in the Carmel Wood's area that do not have adequate access for maintenance. Each sewer line collects sewage from 3-4 homes and is located in the backyards or side yards of these homes. These sewer lines do not have manholes for staff to access for cleaning or video recording of the pipe condition. Depending on the line segment, equipment must be either dragged downhill from a road or uphill from a road to access the end of line cleanout. The end of line cleanout is the only point of access and requires that we hand rod from that point to the connection in the road in order to clean and video the line. (See attached map of pipeline locations)

All these line segments are in poor shape. Several have holes or breaks in the pipe, and all have root intrusions, due to age and lack of maintenance. This area has some of the oldest sewer lines in the District and were not built to District standards.

Staff have searched our records for easements on the parcels where the sewer line are located, and none were found. In the past the District has noted these lines on our maps to

be maintained but there is no indication that the lines were accepted as public sewers. There are two options for these four-line segments:

First option:

The District does not have easements to perform maintenance or repair work or manholes to access lines on the affected parcels. The District can label these as private line segments and stop any future maintenance of the pipelines. We can reach out to 3-4 homeowners on each line segment and let them know that they are responsible for the repairs and maintenance, and we remove them from the District maps.

Second option:

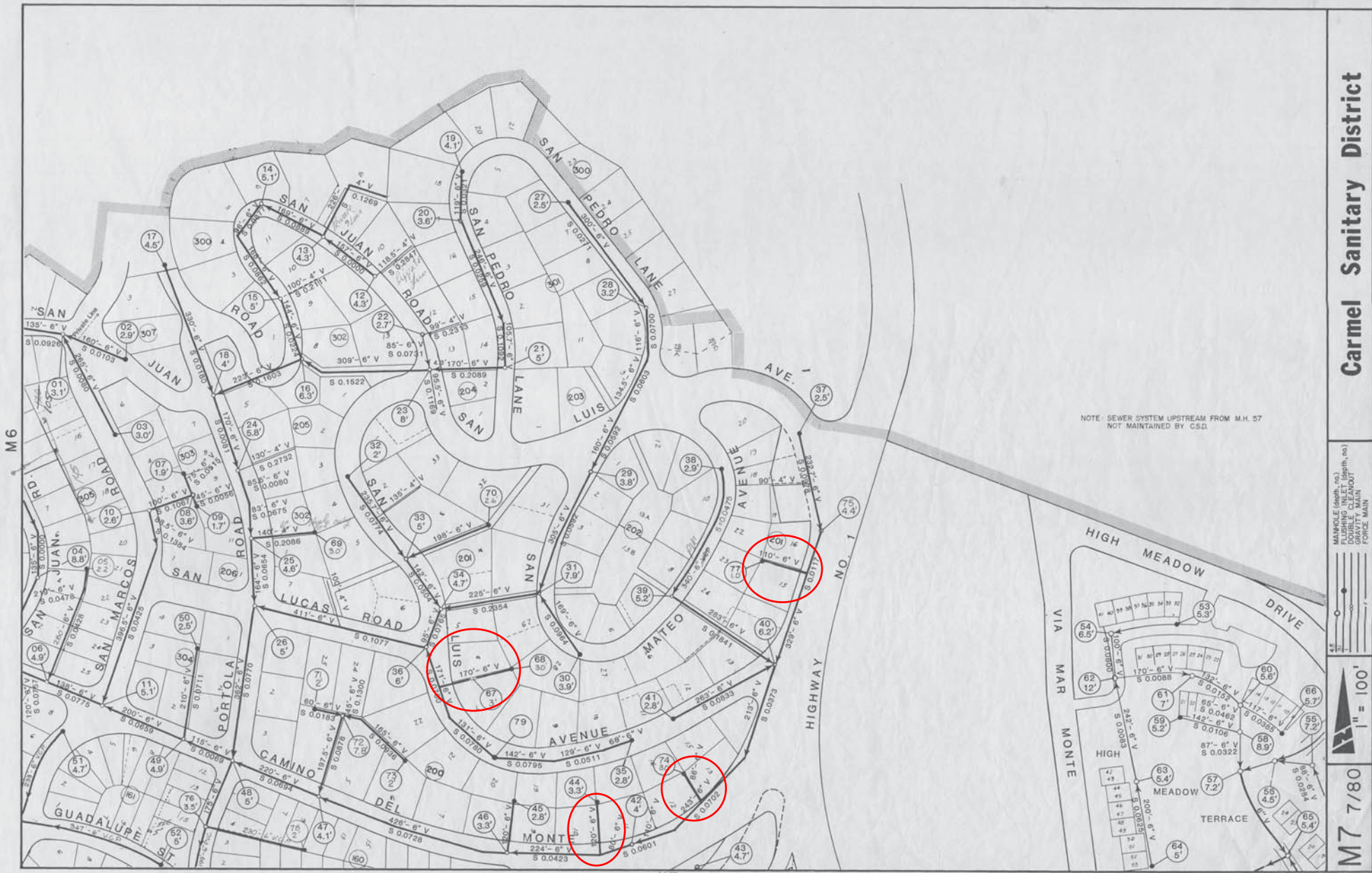
The District can assume ownership of these line segments without easements and construct manholes where they connect to the District main line in the street. This option for installing four new manholes will cost the District an estimated cost of \$60,000 plus repair costs of the 6-inch lines once a proper cleaning and inspection is performed. With the defects that exist in the combined 460 feet of 6" pipe the replacement cost is estimated be \$140,000 plus cost of manhole installation, totaling \$200,000. The District would need to obtain easements from the homeowners prior to construction of improvements.

STAFF RECOMMENDATION

Advise homeowners that they are connected to a private collection line that is not District owned and the District will no longer maintain or respond to spills on their private lines.

Attached:

Historical Map M7 - Carmel Sanitary District
CAWD GIS Maps – 4 Locations in Carmel Woods



NOTE: SEWER SYSTEM UPSTREAM FROM M.H. 57
NOT MAINTAINED BY C.S.D.

Carmel Sanitary District

M7 7/80

1" = 100'

M8

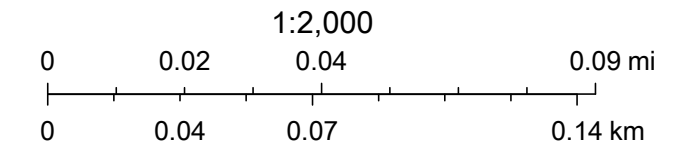
MANHOLE (depth, no.)
FLUSHING INLET (depth, no.)
GRAVITY MAIN
FORCE MAIN

CAWD GIS Maps



10/6/2022, 12:24:55 PM

- | | | | |
|-------------------------|-----------------------|-----------|------|
| CAWD Service Area | ● Flushing Inlet (FI) | Mains | APNs |
| Active Assets | ● CAWD (MH) | — CAWD | |
| ● Tee | ● Private (FI) | — PRIVATE | |
| ■ Double Cleanout (DCO) | ● Private (MH) | — Streets | |



TIGEO

Information/Discussion Items

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Carmel Area Wastewater District (CAWD) Financial Audit for Fiscal Year Ending 06-30-22

RECOMMENDATION

It is recommended that the Board of Directors accept the Carmel Area Wastewater District's (CAWD's) Annual Financial Statements and Independent Audit Report for the fiscal year ended June 30, 2022 prepared by The Pun Group LLC as meeting the requirements for an annual independent financial audit.

DISCUSSION

The attached audit report gives the District a "clean" or unqualified opinion on the 06-30-22 statements.

There were no significant recommendations from this year's audit – the accounting "books" and internal controls are appropriate.

This was the first year of engagement with The Pun Group. It was interesting because the entire engagement was done electronically – the auditors did not come to our office. We suspect this is the future as auditors consolidate and manage their costs. In the past, the Budget Committee has met with the auditor, which did not happen this year because of the "new" electronic procedure. However, the board or staff can arrange a ZOOM call with the audit team if so desired.

To best review the District's audited financial statement staff would direct readers first to the Management Discussion & Analysis in the front of the report, which is the District's summary and analysis of where we were during the prior year and factors that could potentially affect us going forward.

Under Separate Cover: CAWD Audit for year ended 06-30-22

FUNDING

Preparation of the annual audit was a budgeted expense for 2021-2022 in the amount of \$22,550.

From: David Scopp <dWSCOPP@gmail.com>
Sent: Tuesday, November 1, 2022 1:25 PM
To: lundquist@co.montereyca.us; JohnjBorelli@gmail.com; Daryl Lauer
Cc: zeppz@co.montereyca.us; jensennfl@co.montereyca.us; Rachel Lather; Downstream Distribution Group; Keith Porter; Tobi; eroka@comcast.net; Gail Dryden; Deborah Ju; davaieille@comcast.net; Larry Purcell; Kmbhph.18@gmail.com
Subject: CAWD File No. PLN220055
Attachments: CM Letter in OPO to CAWD Plan.pdf

[Some people who received this message don't often get email from dWSCOPP@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon Mr. Lundquist, Mr. Borelli, and Mr. Lauer:

Please find attached a letter in opposition to the above-captioned CAWD plan. The attached letter is unanimously signed by the Carmel Meadows residents who would be directly impacted by the installation of the grinder pumps and lift pump as well as the Carmel Meadows Association Chairman, Larry Purcell.

Thank you in advance for your attention to this matter.

Respectfully,
David W. Scopp

CARMEL MEADOWS NEIGHBORS

VIA ELECTRONIC MAIL ONLY

November 1, 2022

Monterey County Housing and Community Development
c/o Erik V. Lundquist, AICP, Director
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901-4527
Email: lundquist@co.montereyca.us

Carmel Unincorporated/Highlands Land Use Advisory Committee
c/o John Borelli, Chair
73 Fern Canyon Road
Carmel, CA 93923
Email: JohnjBorelli@gmail.com

Carmel Area Wastewater District
c/o Daryl Lauer, Collections Superintendent
3945 Rio Road
Carmel-By-The-Sea, CA 93922
Email: lauer@cawd.org

***Re: Carmel Area Wastewater District
File No. PLN220055***

Dear Mr. Lundquist, Mr. Borelli, and Mr. Lauer:

We appreciate the efforts of Carmel Area Wastewater District (“CAWD”) to improve the sewage system in our neighborhood. Nevertheless, we respectfully oppose the current CAWD plan because it unfairly impacts numerous households and is not the most feasible alternative for the neighborhood. Therefore, we request that a third-party, independent engineering analysis be performed to evaluate the feasibility of alternative plans.

1. Background

The existing sewer line is a simple gravity line that flows west, requiring no pumps or control panels. In contrast, the proposed sewer line would pump wastewater east to the bottom of Mariposa Court, where it would combine with several other pipelines and get pumped up Mariposa Court to a line that flows west again. The new system would include the installation of grinder pumps on four properties—2795, 2805, 2815 and 2825 Ribera Road (together, the “Grinder Pump Properties”)—and a four-foot diameter by 13-foot-deep lift pump and control panel between two properties—2955 and 2935 Ribera Road (together, the “Lift Pump Properties”)—at the bottom (north end) of Mariposa

Re: Carmel Area Wastewater District

November 1, 2022

Page 2

Court. There would also be a sizable control panel for the lift pump at the end of Mariposa Court. The lift pump would service approximately 52 homes.

During the Carmel Unincorporated/Highlands Land Use Advisory Committee (“CULUAC”) meeting on October 17, 2022, CAWD estimated that construction would take approximately three months. In addition to the installation of the grinder pumps and lift pump, the construction would include over 2,000 linear foot alignment of 4-inch diameter HDPE pipe that would require a 4-foot-wide pavement restoration as well as the rebuilding of underground and aerial sewer. The construction would cause audible noise and detectible odors. (Carmel Meadows Final ISMND.) And there would be a “temporary interruption of [sewage] service” to the residents. (SRT Consultants Memorandum dated August 27, 2019 (“SRT Consultants Memo”).)

During the October 17, 2022 meeting, CAWD Principal Engineer Rachel Lather represented that CAWD could replace the laterals on the approximately 13 north Ribera Road homes west of Mariposa Court. During the October 26, 2022 site meeting, however, CAWD retracted this offer.

While we appreciate CAWD’s efforts to improve the sewage system, the imminence of the reliability issues may have been exaggerated, and capacity may be the driving force.¹ In addition, as discussed below, CAWD consultants deemed the current plan “fatally flawed” and recommended replacing the current line instead.

¹ The HDR Engineering opinion letter dated February 5, 2003 concluded: “[I]t is our opinion that the above-grade sections of the pipeline can continue to be operational, and be safe from future catastrophic failure if the current topography of the area, and drainage conditions are maintained.”

The HDR Engineering opinion letter dated April 20, 2003 (“HDR Engineering Letter”) was primarily concerned with future capacity, not reliability. The letter concluded: “The existing sewer line is not in immediate danger of failing.” Further, “[t]he absence of problems with roots and the absence of obvious leakage at the joints suggest that the buried portions of the sewer are in reasonably good condition for their age. . . . [¶] It appears that the elevated sections of the current sewer are relatively stable and that future movement will take place slowly as the result of creep.” *To extend reliability, the HDR Engineering Letter recommended maintenance.*

The Kennedy/Jenks Consultants letter dated June 14, 2013 stated: “We are not aware of any incidents where the pipe needed to be repaired or replaced. Therefore, with regard to the serviceability of the existing pipeline, the system has performed well.”

The Kennedy/Jenks Consultants Final Technical Memorandum dated July 16, 2013 (“the Final Technical Memorandum”) concluded that there was “[v]ery little exterior corrosion on the 6-inch ductile iron pipeline. Furthermore, *“failure is not imminent”* for the framing support structures. (Italics added.) “From the video that was obtained the sewer appeared to be in good condition with a few cracks and general grit accumulation throughout. . . . This investigation failed to locate cracks on the exterior, *leading to the opinion that the pipe is sound.* What appear to be cracks on the interior may be formations created by scum accumulation.” Finally, the “concrete of the existing foundations appeared to be in good condition and did not show signs of deterioration that often include flaking or loss of integrity.” (Italics added.)

Re: Carmel Area Wastewater District

November 1, 2022

Page 3

2. The Plan Unnecessarily Impacts Residents Adversely.

The Mariposa Court lift pump may cause detectable odor, audible sound, and aesthetic nuisances for the Lift Pump Properties. Indeed, the SRT Consultants Memo recognizes that the pump will cause “impact to the adjacent residents.” During the October 17, 2022 CULUAC meeting, Ms. Lather stated that there could be intermittent detectable odors caused by the new pump. She described a pump in Santa Cruz that had odor issues but said that as long as the fluid is moving, it should not be a problem. Nevertheless, when the pump is backed up or other problems inevitably occur, there will be a sewage odor. There would also be a consistent audible noise. (Carmel Meadows Final ISMND.) Finally, the proposed site for the control panel at the bottom of Mariposa Court is obtrusive: it is the first thing seen upon arrival at the Lift Pump Properties and is an immediate reminder that there is a sewage pump below. We are concerned that these issues could devalue the Lift Pump Properties.

The sewage line servicing 2955 Ribera Road would not be repaired or replaced as part of this plan, yet the sewershed, control panel, and lift pump would be adjacent to this property. Thus, the full-time residents with young children would not enjoy the benefits of the new sewage system yet would incur a sizable portion of the costs, including the potential odor, sound, eyesore, and possible devaluation of their greatest asset.

We also oppose the installation of grinder pumps on the Grinder Pump Properties because it would require those households to assume the responsibility for maintenance and costs of a system that they do not desire, there may be odor and sound issues, and it could reduce the value of the properties.

The Grinder Pump Properties would incur the burden of maintaining the grinder pumps.² The grinder pumps have flashing lights and alarms that go off if the system malfunctions. The system requires flushing with water for 10 minutes before absences from the homes. With the current drought and high costs of water, residents attempt to monitor their water use. This burden of maintenance could pose practical problems for part-time residents.

In addition, the Grinder Pump Properties would unfairly incur costs associated with maintenance of the grinder pumps as well as increased electricity bills associated with the pumps. The life expectancy of the grinder pumps is only 15 years, and it appears that residents would be responsible for maintaining them and replacing them after failure. (Carmel Meadows Final ISMND.) In addition, the plans indicate that the deference period would terminate after changes in ownership.

² The SRT Consultants Memo states: “the ownership and maintenance of these pump stations need to be negotiated between the district and the homeowners prior to construction. A possible option would be for the district to install the pump stations, provide instructions/education, and maintain them at no cost to the homeowner for 3 to 5 years. After this transitional period, the residents would take ownership of the pump station and assume responsibility for their maintenance.”

Re: Carmel Area Wastewater District

November 1, 2022

Page 4

This financial responsibility is unfair, even with the proposed deference period for the maintenance responsibility.

Finally, construction would occur in many backyards and could damage landscaping.

3. The Current Plan May Not Be the Most Feasible, and We Therefore Request an Independent Feasibility Analysis.

While we are sympathetic to the fact that CAWD has spent time and money developing the current plan, it may not be the most feasible plan. In addition to the adverse impacts on residents described in this letter, the Kennedy/Jenks Consultants described the plan as “fatally flawed” and instead recommended removal and replacement of pipe in place.

Therefore, we respectfully request that a third-party, independent engineering analysis be performed to evaluate alternative plans, including the alternatives considered in the Final Technical Memorandum and the HDR Engineering Letter:

- Alternative 1: Spot Repairs to the Existing Gravity Sewer. This alternative would consist of repairing the highest risk areas of the pipeline. According to the Final Technical Memorandum, “[t]he only area where significant slope movement was observed was along Reach 4, between S622 [N of 2855 Ribera Rd.] and MH S616 [N of 2845 Ribera Rd.]” *This could be remedied with simple plate piles in the existing slope.* This is the least expensive option.
- Alternative 2: Removal and Replacement of Pipe in Place. This alternative would remove the entire section of pipe from T603 [N of 2925 Ribera Rd.] to manhole S615 [N of 2785 Ribera Rd.] where the pipe transitions from aerial to buried (approximately 1,300 LF of ductile iron pipe). The pipe would be replaced with new restrained joint pipe and engineered foundation within the current alignment. This is the second-least expensive option, and *it is option recommended in the Final Technical Memorandum.*
- Alternative 3: New Lift Station and Force Main. This appears to be the basis for the current plan. In addition to the installation of the lift station and grinder pumps, this alternative includes 2,230 linear foot alignment of 4-inch diameter HDPE pipe that would require a 4-foot-wide pavement restoration (more than any other alternative, which would maximize interruptions in traffic flow). It would also require the rebuilding of 160 linear feet of sewer from T604 [2925 Ribera Rd.] to T608 [Mariposa Ct.] and replacement of the aerial sewer from MH S618 [N of 2805 Ribera Rd.] to MH S615 [N of 2785 Ribera Rd.]. This is the third-most-expensive option for capital cost and is even more expensive when factoring in the annual O&M costs of approximately \$21,000 per year for operating and maintaining a pump

Re: Carmel Area Wastewater District

November 1, 2022

Page 5

station. The Final Technical Memorandum concluded that due to the high capital cost of Alternative 3, it is “fatally flawed resulting in removal from further analysis.”

- *We request that the analysis of this alternative include moving the lift station north and west or east, away from the Lift Pump Properties, and concealing the control station in order to alleviate all potential for odor, sound, and aesthetic issues.³ We also request that CAWD assume all responsibility and costs for any needed grinder pumps.*
- **Alternative 4: Horizontal Directional Drill (HDD).** This alternative would include a 2,000 linear foot HDD from T608 [Mariposa Ct.] to the Calle La Cruz wet well. The alignment would be a straight line beneath existing private property to the wet well. It would include re-sloping the sewer line to drain downhill from T604 [N of 2925 Ribera Rd.] to T608 [Mariposa Ct.] and replacement of the aerial section from S618 [N of 2805 Ribera Rd.] to S615 [N of 2785 Ribera Rd.], to convey sewer from MH S617 [2805 Ribera Rd.]. This alternative is the most expensive alternative due to the easement acquisition and the high cost of horizontal directional drilling through bedrock.
- **Gravity Sewer Options 1-4 Described in HDR Engineering Letter**

In addition to the foregoing alternatives, the third-party analysis could include any other alternatives identified by the independent engineer.

4. Notice

Notice for the November 7, 2022 meeting was inadequate since, upon information and belief, only the properties on the north side of Ribera Road received notice. This does not include all of the affected properties, including 2940 Ribera Road, which is across from Mariposa Street and other properties impacted by construction.

5. Conclusion

We request that an independent, third-party analysis of alternatives be performed in order to provide a solution that better balances the interests of the CAWD, the county, the environment, and the neighborhood. The current plan unfairly burdens six homes: the Mariposa Court pump may reduce the value of the Lift Pump Properties because there may be odor and audible noise issues,

³ In fact, the SRT Consultants Memo recommends a siting north of Mariposa Court and away from the homes: “The advantage of this siting is that construction of the paved road can be avoided *and impact to the adjacent residents will be minimized.*” (Italics added.) The memo continues that the disadvantage of doing this would be that CAWD would have to undergo a longer permitting process and more mitigation requirements during construction. Thus, it appears that CAWD has prioritized convenience over impact to residents in choosing the location at the bottom of Mariposa Court.

Re: Carmel Area Wastewater District
May 9 2011
Page 6

and the control panel will be an eyesore, and the Grinder Pump Properties would be unfairly burdened with the costs and responsibility of maintenance of the grinder pumps, and their properties may also be devalued. In addition, the Final Technical Memorandum concluded that current plan is fatally flawed and, instead, recommended Alternative 2 (Removal and Replacement of Pipe in Place).

Thank you for attention to this matter.

Respectfully,

David Lepp
Name: David Lepp

Karl Porter
Name: Karl Porter

Lori Porter
Name: Lori Porter

John Porter
Name: John Porter

Michelle Porter
Name: Michelle Porter

Sue Barnes
Name: Sue Barnes

Sue Barnes
Name: Sue Barnes

Stan and Gail Dryden
Name: Stan and Gail Dryden

Deborah A-Vieille
Name: Deborah A-Vieille

Deborah A-Vieille
Name: DEBORAH A. Vieille

Larry Porcari
Name: Larry Porcari

LARRY PORCARI CMA CHAIRMAN
Name: LARRY PORCARI CMA CHAIRMAN

Karen Helton
Name: Karen Helton

cc: Zoe Lepp, Associate Planner at County of Monterey (zlepp@co.monterey.ca.us)
Fionna Jensen, Associate Planner at County of Monterey (fjensennf@co.monterey.ca.us)
Rachel Luther, Principal Engineer (luther.r@clw.org)

From: [David Scopp](#)
To: [Lundquist, Erik](#); [JohnBorelli@gmail.com](#); [Daryl Lauer](#)
Cc: [zeppz@co.monterey.ca.us](#); [jensennfi@co.monterey.ca.us](#); [Rachel Lather](#); [Downstream Distribution Group](#); [Keith Porter](#); [Tobi](#); [eroka@comcast.net](#); [Gail Dryden](#); [Deborah Ju](#); [davaieille@comcast.net](#); [Larry Purcell](#); [Kmbhph.18@gmail.com](#); [Charles R. Keller](#); [Carol Keller](#)
Subject: Fwd: CAWD File No. PLN220055
Date: Wednesday, November 2, 2022 8:24:38 PM
Attachments: [CM Opposition to CAWD Plan.pdf](#)
[image001.png](#)

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Dear Mr. Lundquist, Mr. Borelli, and Mr. Lauer:

Carmel Meadows residents, Chuck Keller, Esq. and Carol Keller, requested to sign the letter in opposition to the above-captioned plan. Accordingly, attached is a copy of the letter with the additional signatures.

The only revision is the addition of the new signatures.

Thank you for your attention to this matter.

Respectfully,
David W. Scopp

Begin forwarded message:

From: "Lundquist, Erik" <LundquistE@co.monterey.ca.us>
Subject: RE: CAWD File No. PLN220055
Date: November 1, 2022 at 3:22:43 PM PDT
To: David Scopp <dWSCOPP@gmail.com>

David

I have received your letter.

Thank you
-Erik

Erik V. Lundquist, AICP
Director of Housing & Community Development
County of Monterey Housing & Community Development
831-755-5154 | lundquiste@co.monterey.ca.us



From: David Scopp <dWSCOPP@gmail.com>
Sent: Tuesday, November 1, 2022 1:45 PM
To: Lundquist, Erik <LundquistE@co.monterey.ca.us>
Subject: Fwd: CAWD File No. PLN220055

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

Hello Mr. Lundquist:

Please see below. I mis-typed your email address in the original email.

Respectfully,
David W. Scopp

Begin forwarded message:

From: David Scopp <dWSCOPP@gmail.com>
Subject: CAWD File No. PLN220055
Date: November 1, 2022 at 1:25:16 PM PDT
To: lundquist@co.montereyca.us, JohnjBorelli@gmail.com, Daryl Lauer <lauer@cawd.org>
Cc: zeppz@co.monterey.ca.us, jensennfl@co.monterey.ca.us, Lather@cawd.org, downstream@cawd.org, Keith Porter <kporter2546@gmail.com>, Tobi <trslavet@gmail.com>, eroka@comcast.net, Gail Dryden <gddryden@gmail.com>, Deborah Ju <dsju371@gmail.com>, davaieille@comcast.net, Larry Purcell <ldpurcell41@gmail.com>, Kmbhph.18@gmail.com

Good Afternoon Mr. Lundquist, Mr. Borelli, and Mr. Lauer:

Please find attached a letter in opposition to the above-captioned CAWD plan. The attached letter is unanimously signed by the Carmel Meadows residents who would be directly impacted by the installation of the grinder pumps and lift pump as well as the Carmel Meadows Association

Chairman, Larry Purcell.

Thank you in advance for your attention to this matter.

Respectfully,
David W. Scopp

From: Gail Dryden <gddryden@gmail.com>
Sent: Wednesday, November 2, 2022 1:37 PM
To: Downstream Distribution Group; johnjborelli@gmail.com; lundquist@co.monterey.ca.us; Daryl Lauer
Cc: dwscopp@gmail.com; Ldpurcell41@gmail.com
Subject: CAWD Wastewater Project on Ribera Road
Attachments: sewerlinecomments.docx

Follow Up Flag: Follow up
Flag Status: Flagged

This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This email pertains to File No. PLN220055.
Please find attached my comments.
Gail Dryden
homeowner, 2795 Ribera Road, Carmel, CA

--

A balanced diet is **dark** chocolate in both hands.

Comments from Gail (Stan) Dryden, homeowner at 2795 Ribera Road, Carmel, CA regarding the CAWD plan to replace the sewer line as per File No. PLN220055

We were notified of a meeting to introduce neighbors to the need for a sewer replacement line in April 2022. We attended the meeting via Zoom to have the plan explained and subsequently, David Lauer came to our property to show us what was planned. We were under the impression from the Zoom meeting and the site visit that this was the only acceptable way to replace the existing sewer line and that it was critically necessary to move forward with this as soon as possible.

We trusted the District in this finding. There is a term, "Trust, but verify." Thankfully, a neighbor, David Scopps, has done some research trying to verify the need and efficacy of this project. The project as presented to affected neighbors has been shown to be lacking in transparency and is most likely NOT the best solution for our neighborhood.

As outlined in the letter of October 31, 2022 signed by affected neighbors there are alternatives that need to be considered thoroughly before anything as disruptive and permanently obtrusive is undertaken. There are, at a minimum, three alternatives that need to be explored more completely by CAWD with notification and input from neighbors before a final plan is put forward.

In the spring I was lead to believe that this project was needed very soon and that there was no other good choice. Clearly, that is not the case. An up-to-date, independent analysis of the current situation is necessary prior to any sewer line construction work in our neighborhood.

STAFF REPORT

To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Summary of Monterey County Treasurer
Report dated 09-30-22



RECOMMENDATION

Action required – requesting acceptance of report.

DISCUSSION

The U.S. economy during this period (July 1, 2022 – September 30, 2022) was characterized by high inflation with consumer price index rising 8.3% over the past year. Gasoline and energy prices fell, but rents rose the most since 1991 and food prices continued to rise. The labor market cooled slightly during the quarter but remained strong and continued out of balance, with demand for workers substantially exceeding the supply. The Federal Reserve remained committed to bring inflation down by aggressively increasing its target rate by an additional 0.75% bringing the rate to 3.25%.

On September 30, 2022, the Monterey County investment portfolio contained an amortized book value of \$2,472,453,418 spread among 260 separate securities and funds. The par value of those funds was \$2,479,457,264 with a market value of \$2,382,359,729 or 96% of amortized book value. The portfolio's net earned income yield for the period was 1.06%. The portfolio produced an estimated quarterly income of \$6,528,970 that will be distributed proportionally to all agencies participating in the investment pool. The investment portfolio had a weighted average maturity of 450 days. The County Treasury continues to utilize short term debt to provide portfolio liquidity and enhanced investment opportunities.

PORTFOLIO CHARACTERISTICS			
	03-31-22	06-30-22	09-30-22
Total Assets	\$2,419,914,130	\$2,713,566,160	\$2,479,457,264
Market Value	\$2,371,225,548	\$2,638,757,893	\$2,382,359,729
Days to Maturity	505	482	450
Yield	0.40%	0.71%	1.06%
Estimated Earnings	\$2,375,762.59	\$4,603,441	\$6,528,970

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 09-30-22	
Corporate Notes	12.7%
Overnight Liquid Assets	19.9%
US Treasuries	41.9%
Federal Agencies	14.8%
Commercial Paper	4.0%
Negotiable CDs	4.2%
Supranationals	2.3%
Municipal Bonds	<0.1%
Asset Backed Securities	<0.1%

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

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

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

STAFF REPORT

To: Board of Directors

From: Dan Deeth, Purchaser/Plant Asset
Coordinator

Date: December 8, 2022

Subject: Surplus Property & Disposition Report - December 2022



RECOMMENDATION

Receive Report- Informational only; no action required.

BACKGROUND

Staff has been working toward reducing surplus inventory. As part of the surplus policy staff is required to provide the board with a summary. The goal is to provide a transparent and fair method to dispose of surplus items while maximizing the value received from the sale of the surplus inventory. The 2022 Surplus Property Surplus and Disposition Report contains a summary of the items sold during 2022. These assets have been deemed no longer useable/utilized at the District. The Maintenance team completed a thorough inventory review and pulled items for resale at GovDeals.com.

DISCUSSION

- GovDeals (3rd party website) to handle the transactions. www.GovDeals.com is an online marketplace for governmental agencies to sale surplus assets to the public on a secure and transparent platform. GovDeals posts the items on their website and the fees are all paid by the buyer of the item. By using a 3rd party site it eliminates even the perception of unfair sales.
- Maintenance staff selected the items and tagged them to post on the website. Higher value items had a reserve and lower value items had no reserve. Many of the items we identified as recycle or having little value were sold.
- The sale of these items created more space near the old Chemical building and will allow us to store current inventory. Supply chain challenges have created long lead times and led to an increase in critical inventory for CAWD equipment.

- The reserve value reflected what the District would receive if advertised locally and the item would be re-advertised if it did not meet the reserve. The higher value items such as the truck and travel trailer sold for more than the estimated value. The travel trailer sold for more than the cost the District paid.
- Disposal Asset forms were completed for the capitalized assets and provided to the Principal Accountant so the items could be removed from the asset registry. The surplus policy follows the purchasing policy approval limits and surplus items were authorized following the estimated sale price.
- The District received \$35K in the disposition of assets in 2022 which were posted to the general fund(see detailed list below).

2022 Carmel Area Wastewater District Sold
Items through GovDeals.com

<https://www.govdeals.com/>

Description of Equipment/Vehicle	Sold Amount
2013 Bullet Trailer	\$18,200
2007 Ford F-250 SD	\$12,200
Dustless Sand Blaster	\$1,925
Backflow Preventor	\$418
Se-Eurodrive Motor	\$400
Air Dryer	\$365
Compressor	\$260
Compressor	\$260
Tool Box -Collections	\$180
Control Valve	\$160
Pipe Bender	\$156
Impact Wrenches	\$97
Tool Box -Collections	\$90
40 Foot Extension Ladder	\$62
Parts Washer	\$62
Vent fans	\$62
Breaker Hoist	\$50
Sand Blaster	\$22
Portable Eye Wash	\$20
Waste water pumps	\$20
Ratchet	\$14
Hole Shooter	\$13
Total	\$35,036

FUNDING:

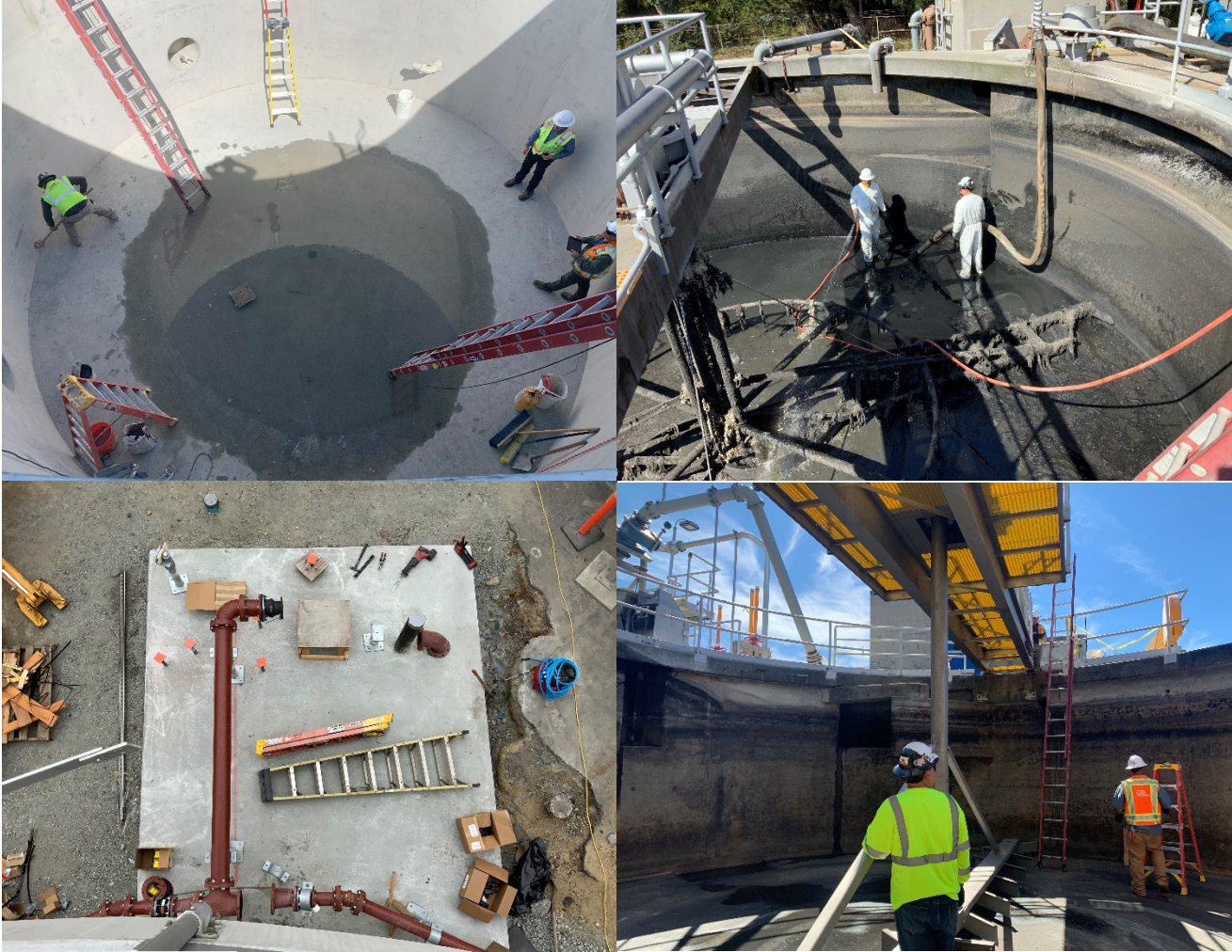
Revenue deposited in the District's General Fund

Carmel Area Wastewater District
WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project

Construction Progress Report

October 13th, 2022

Prepared by: Patrick Treanor, Plant Engineer
Contractor: Clark Bros Inc (CBI)



Section 1: Project Summary

Project Summary			
General Contractor		Clark Bros Inc	
Contract Value			
Contract Bid Amount		\$7,291,500	
Change Orders Issued to Date		1	
Value Added Change Order Cost ⁽¹⁾	% of Bid Amount	\$43,899.09	0.60%
Non Value Added Change Order Cost ⁽²⁾	% of Bid Amount	\$62,899.38	0.86%
Total Change Order Cost	% of Bid Amount	\$106,798.47	1.5%
Current Contract Value		\$7,367,539.54	
Open/Pending Potential Change Orders (PCO)		1	
Contract Time			
Notice To Proceed		September 7 th , 2021	
Original Contract Time		550 Calendar Days	
Calendar Days Elapsed		400 Days	
Weather Days: Accepted to Date		0 Days	
Contract Change Order(s) Time Extension		0 Days	
Current Contract Completion Date		March 11 th , 2023	
Contract Progress Summary			
Total Project Time Expended		73%	
Total Project Construction Cost Expended		51% (not including retention)	

Notes:

1. Value Added Change Orders include: District Requested Additional Work and Betterments
2. Non Value Added Change Orders include: Design Issues, and Unforeseen/Differing Site Conditions

Section 2: Work Performed This Month

2.1 General

Work this month centered around completing the installation of the new Grit Tank collector, and also finish work and piping on the Sludge Tank. CAWD and Clark Bros are finding ways to continue progress on mechanical equipment installation as much as possible despite delays in Motor Control Center (MCC) equipment procurement (See Section 3).

2.1.1 Submittals

Submittals reviewed this month included equipment O&M Manuals, and equipment factory tests.

2.1.2 PLC Programming

PLC programming by Frisch Engineering is in progress.

2.2 Site Work

2.2.1 Potholing/Locating Existing Utilities

None.

2.3 Sludge Holding Tank Replacement

Work included concrete finishing and installation of above ground piping, and electrical conduits. The sludge mixing pump was delivered and is in the process of being installed.

2.4 Influent Pump Station Rehab

Clark Bros poured the concrete foundation pad for new Influent Pump #4. The new high flow Influent Pumps were delivered onsite. Further progression of work in this area is pending arrival of the MCC.

2.5 Headworks Rehab

The old Grit Tank collector was demolished, tank was cleaned, and the new Grit Tank collector mechanism and structure was installed. Bypass piping was setup by Clark Bros to facilitate taking the Grit Tank offline for several weeks during the construction of the new collector. The new collector is now online and working.

2.6 Chlorination Building Rehab/3W System Improvements

Clark Bros worked on piping for the 3W system bladder tank. They completed installation of new piping that was a “value-add” change order at the chlorination building waste sump.

2.7 Effluent Pump Station Rehab

No work observed.

Section 3: Project Issues

In March 2022, Clark Bros informed CAWD of delays in procurement of the Motor Control Center (MCC) equipment. The Clark Bros schedule provided soon after this notice showed MCC equipment arriving in mid-September, which had only a minor impact on the overall project completion schedule. The current estimates being provided by Clark Bros show first round of MCC deliveries arriving onsite in December 2022.

CAWD sent a notice to Clark Bros on September 7th, 2022 stating that CAWD will incur financial loss if the work is not completed in the Contract Time, and reaffirming that there hasn't been a change to the Contract Time stipulated in the Agreement.

Clark Bros is working diligently with the supplier in getting the MCC onsite without significant delay.

Section 4: RFI and Submittals Review Summary

The following table contains a summary of RFI/Clarifications and Submittals to date:

	Total Number Processed	Number Received in Current Month
RFI/Clarifications	39	3
Submittals	153	3

Section 5: Change Order Summary

Potential change orders (PCOs) are being generated for differing site conditions, owner requested changes, and design issues.

	Total Number Processed to Date	Open PCO Pending Quote/Approval	Number Generated in Current Month	Total Cost Approved to Date
Potential Change Orders (PCO)	8	1	0	NA
Change Orders	2	0	0	\$106,798.47

Section 6: Project Schedule and Budget

6.1 Schedule

The schedule is currently being revised in light of the new and changing information regarding delays in MCC equipment procurement. At this point the MCC deliveries have been a moving target.

6.2 Budget

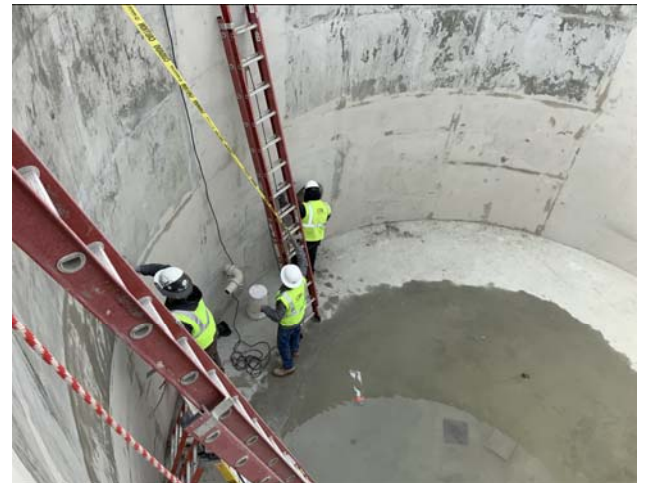
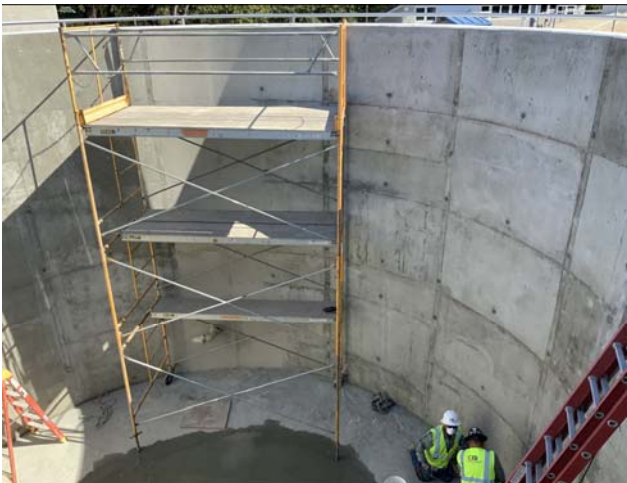
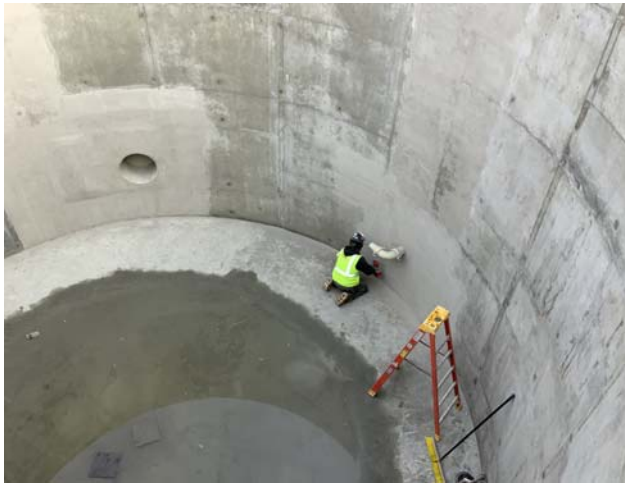
At this time the approved change orders amount to 1.5% of the project cost. The project management team is continually monitoring the costs of potential changes to manage costs.

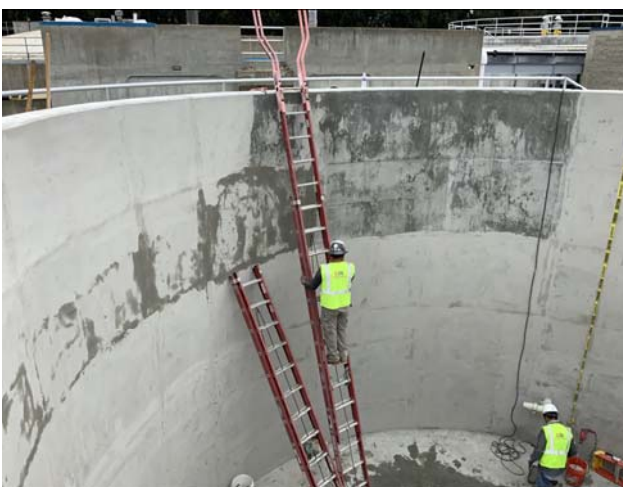
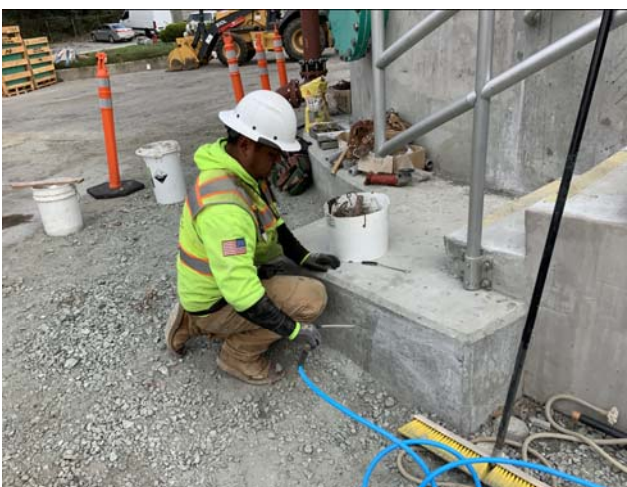
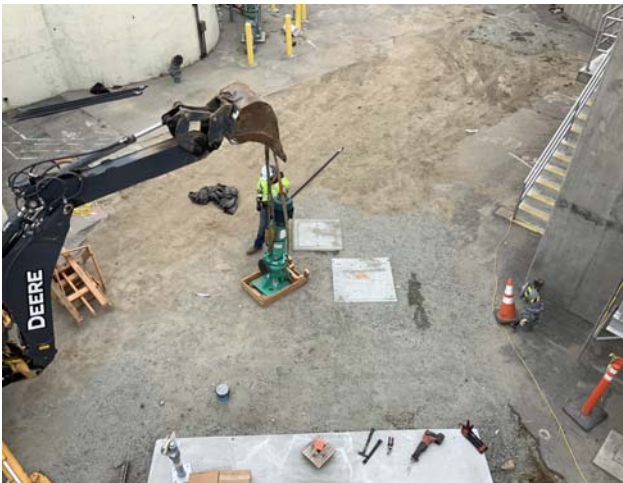
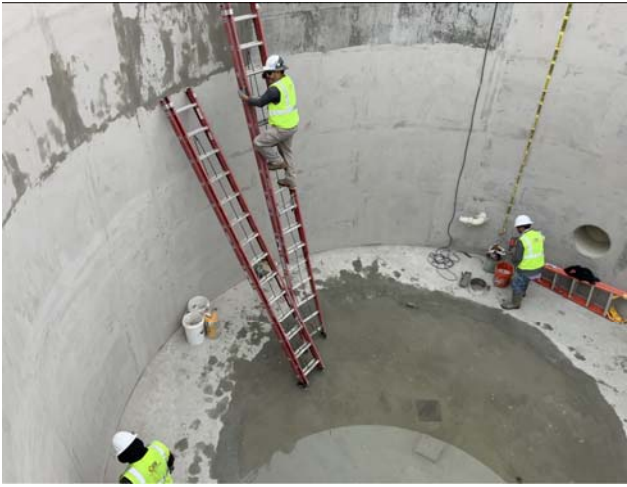
Currently the amount to be paid to CBI is 51% (not including retention) of the total approved budget (57% with retention).

Section 7: Photos

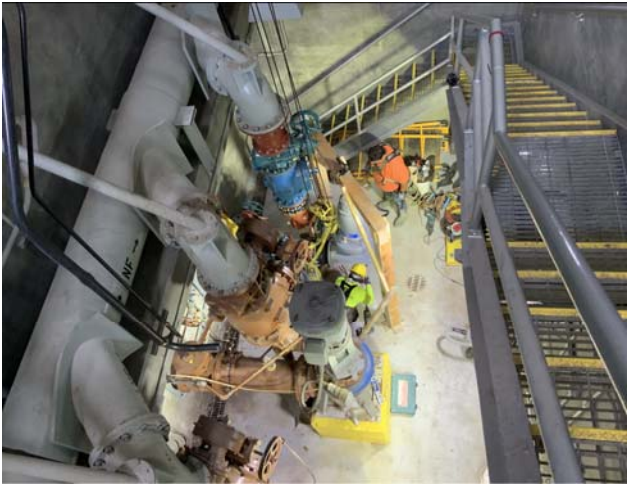
- Sludge Holding Tank Replacement
 - Influent Pump Station Rehab
 - Headworks Rehab
 - Chlorination Building/3W System Improvements
-

Photos:
Sludge Holding Tank
Replacement



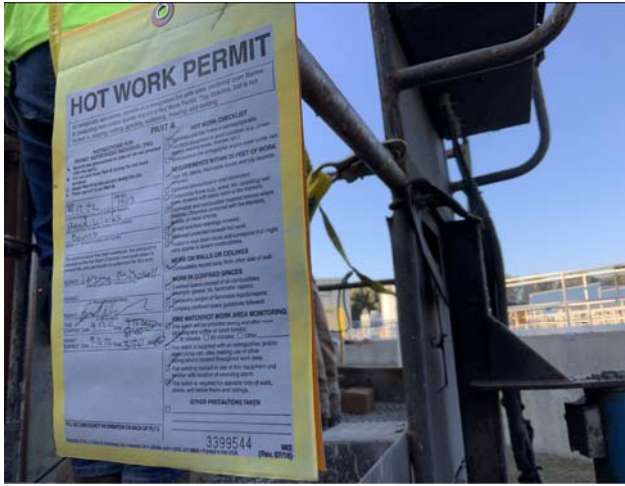


Photos:
Influent Pump Station Rehab



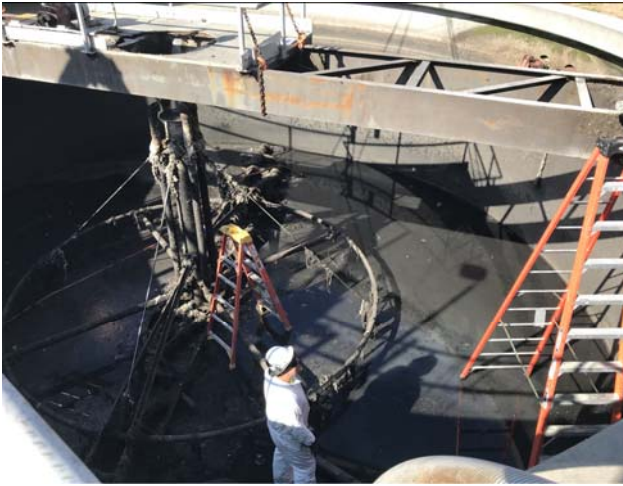


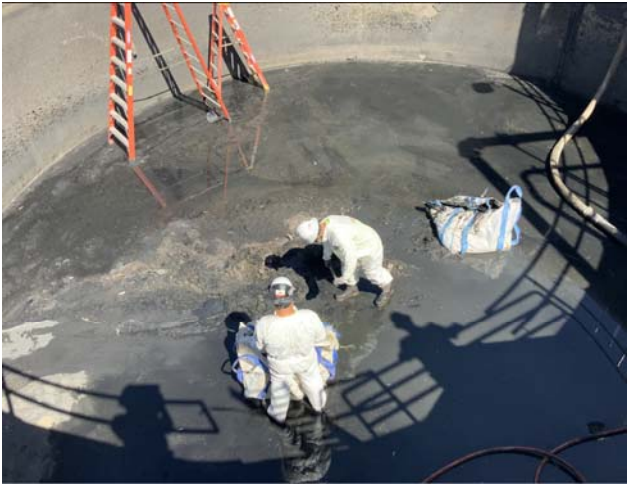
Photos:
Headworks Rehab

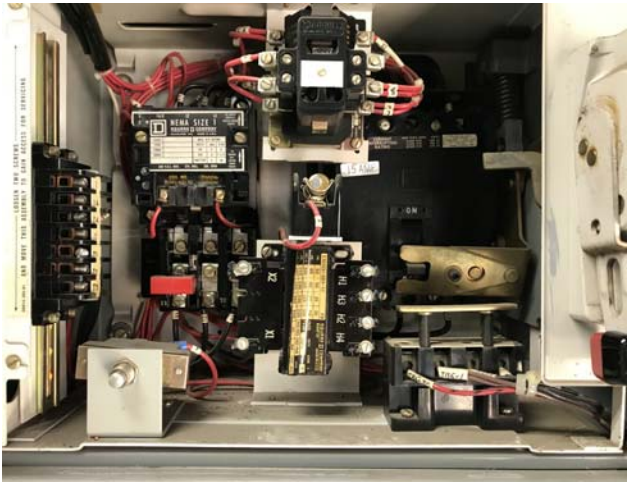




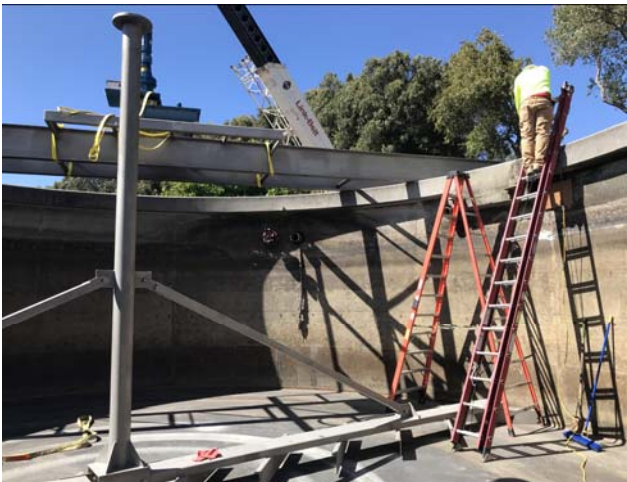


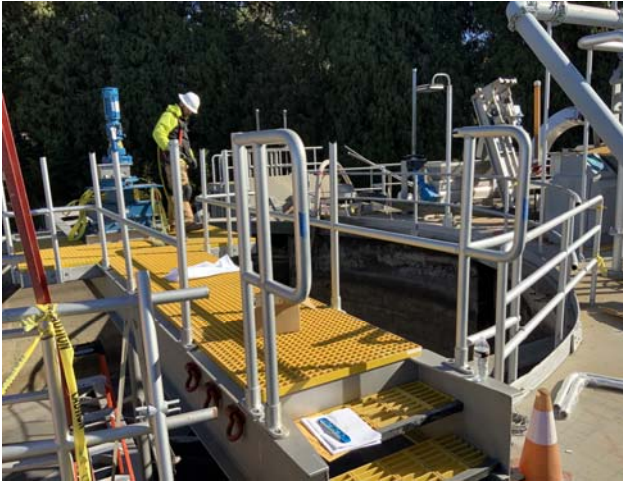


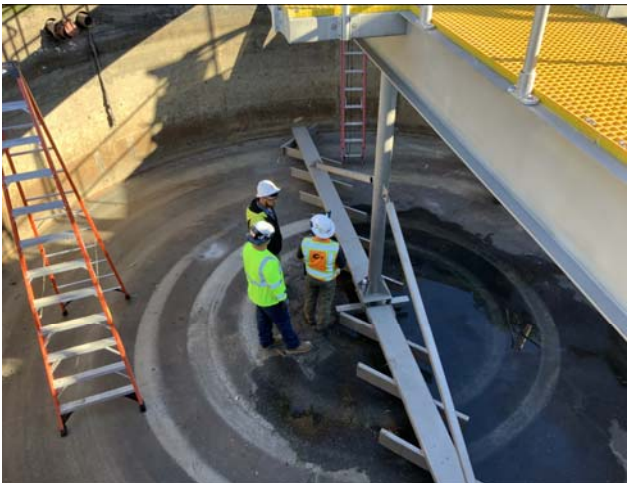
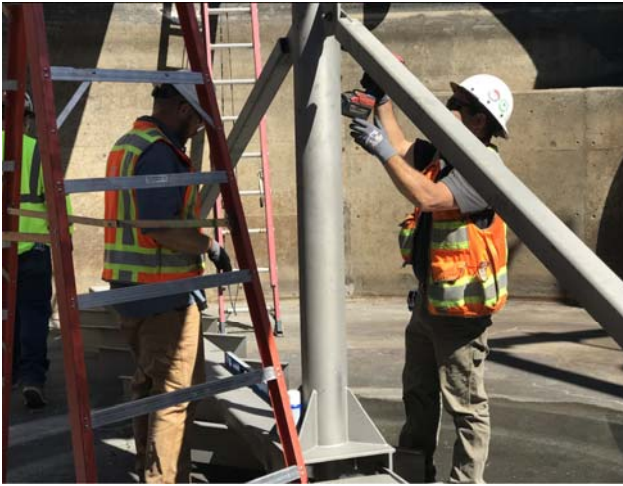




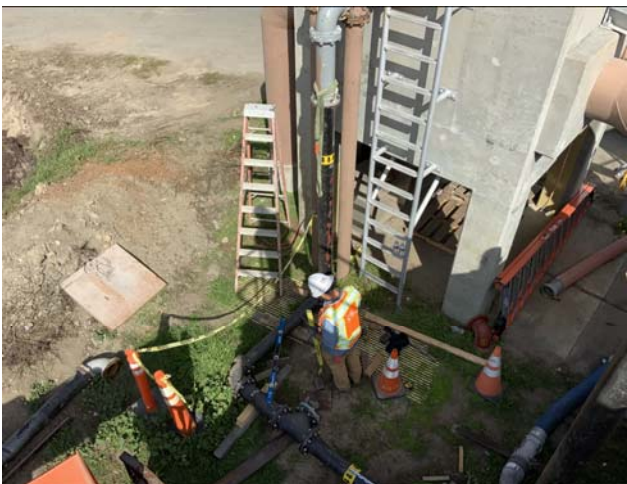














Photos:
Chlorination Building/3W System
Improvements





Carmel Area Wastewater District

WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project

Construction Progress Report

November 7th, 2022

Prepared by: Patrick Treanor, Plant Engineer

Contractor: Clark Bros Inc (CBI)



Section 1: Project Summary

Project Summary			
General Contractor		Clark Bros Inc	
Contract Value			
Contract Bid Amount		\$7,291,500	
Change Orders Issued to Date		1	
Value Added Change Order Cost ⁽¹⁾	% of Bid Amount	\$43,899.09	0.60%
Non Value Added Change Order Cost ⁽²⁾	% of Bid Amount	\$71,838.19	0.99%
Total Change Order Cost	% of Bid Amount	\$115,737.28	1.6%
Current Contract Value		\$7,407,237.28	
Open/Pending Potential Change Orders (PCO)		0	
Contract Time			
Notice To Proceed		September 7 th , 2021	
Original Contract Time		550 Calendar Days	
Calendar Days Elapsed		426 Days	
Weather Days: Accepted to Date		0 Days	
Contract Change Order(s) Time Extension		0 Days	
Current Contract Completion Date		March 11 th , 2023	
Contract Progress Summary			
Total Project Time Expended		77%	
Total Project Construction Cost Expended		53% (not including retention)	

Notes:

1. Value Added Change Orders include: District Requested Additional Work and Betterments
2. Non Value Added Change Orders include: Design Issues, and Unforeseen/Differing Site Conditions

Section 2: Work Performed This Month

2.1 General

Work this month included filling and hydrostatic testing of the new sludge tank, installation of piping and a sludge pump, and installation of an overflow weir at the Headworks. CAWD and Clark Bros are finding ways to continue progress on mechanical equipment installation as much as possible despite delays in Motor Control Center (MCC) equipment procurement (See Section 3).

2.1.1 Submittals

Submittals reviewed this month included hydrostatic testing procedure for the new sludge tank.

2.1.2 PLC Programming

PLC programming by Frisch Engineering is in progress.

2.2 Site Work

2.2.1 Potholing/Locating Existing Utilities

None.

2.3 Sludge Holding Tank Replacement

Work included filling the new sludge tank with water for hydrostatic testing of the new sludge tank; the tank has passed the hydrostatic test although some minor cracks need to be repaired. The sludge tank mixing pump was installed as well as hose bib piping. Electrical conduits were installed for the tank lighting, tank instrumentation, and pump power.

2.4 Influent Pump Station Rehab

Clark Bros did some concrete finishing on the one new Influent Pump concrete pad.

2.5 Headworks Rehab

An existing passive emergency overflow weir was installed back into the Headworks. The existing weir had to be removed to install the new slide gates. Reinstalling the weir was change order work.

2.6 Chlorination Building Rehab/3W System Improvements

No work observed.

2.7 Effluent Pump Station Rehab

No work observed.

Section 3: Project Issues

In March 2022, Clark Bros informed CAWD of delays in procurement of the Motor Control Center (MCC) equipment. The Clark Bros schedule provided soon after this notice showed MCC equipment arriving in mid-September, which had only a minor impact on the overall project completion schedule.

On September 1st, 2022, Clark Bros notified CAWD that the MCC were experiencing further delays beyond what was previously anticipated and the MCC may not be onsite until June of 2023. This procurement schedule would have significant impacts on the project schedule. CAWD sent a notice to Clark Bros on September 7th, 2022 stating that CAWD will incur financial loss if the work is not completed in the Contract Time, and reaffirming that there hasn't been a change to the Contract Time stipulated in the Agreement.

Clark Bros has been working diligently with the supplier in getting the MCC onsite without significant delays. The latest revised estimate for delivery of MCC is Mid-December 2022 for Influent and Headworks MCCs and February 2023 for Chlorination and Effluent MCCs.

Section 4: RFI and Submittals Review Summary

The following table contains a summary of RFI/Clarifications and Submittals to date:

	Total Number Processed	Number Received in Current Month
RFI/Clarifications	40	1
Submittals	154	1

Section 5: Change Order Summary

Potential change orders (PCOs) are being generated for differing site conditions, owner requested changes, and design issues.

	Total Number Processed to Date	Open PCO Pending Quote/Approval	Number Generated in Current Month	Total Cost Approved to Date
Potential Change Orders (PCO)	9	0	1	NA
Change Orders	3	0	1	\$115,737.28

Section 6: Project Schedule and Budget

6.1 Schedule

The schedule is currently being revised in light of the new and changing information regarding delays in MCC equipment procurement. At this point the MCC deliveries have been a moving target.

6.2 Budget

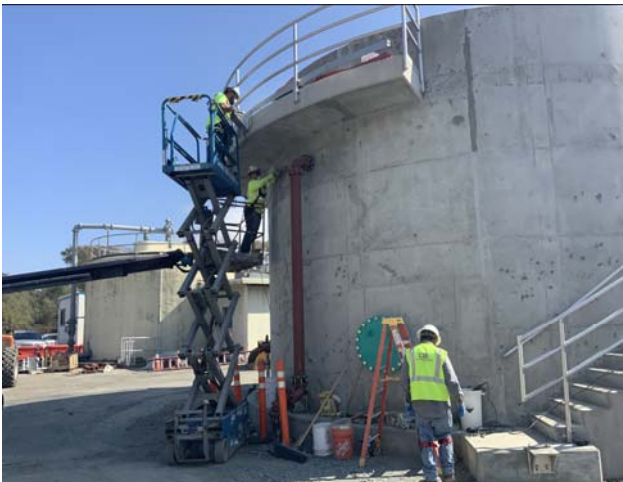
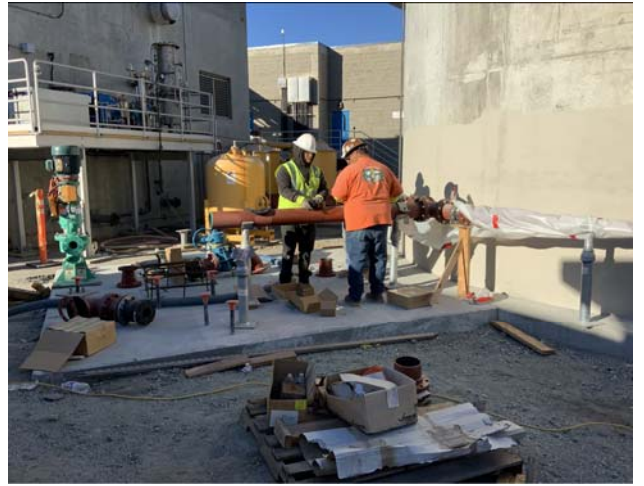
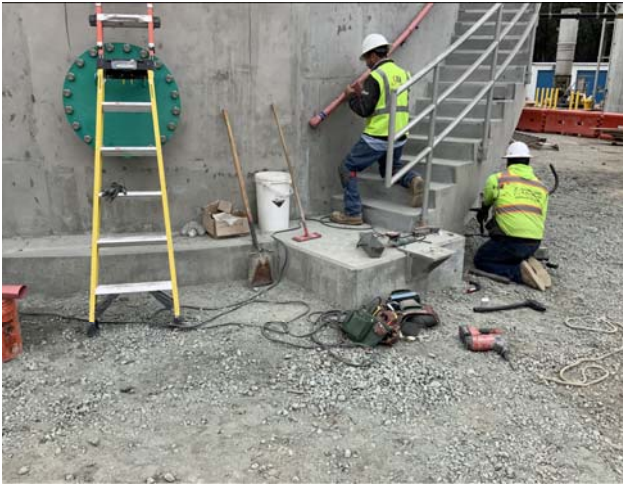
At this time the approved change orders amount to 1.6% of the project cost. The project management team is continually monitoring the costs of potential changes to manage costs.

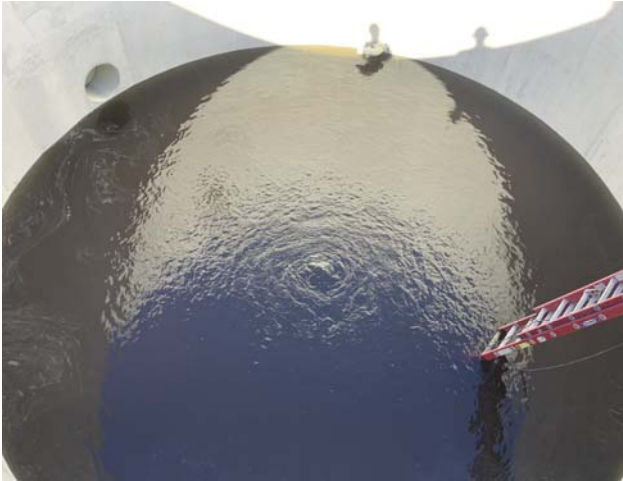
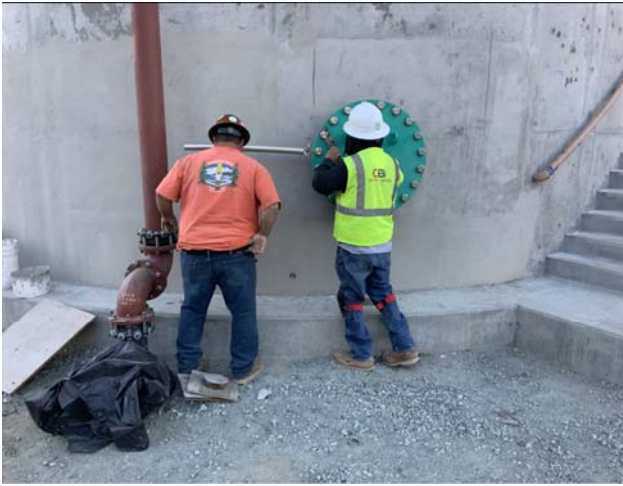
Currently the amount to be paid to CBI is 53% (not including retention) of the total approved budget (59% with retention).

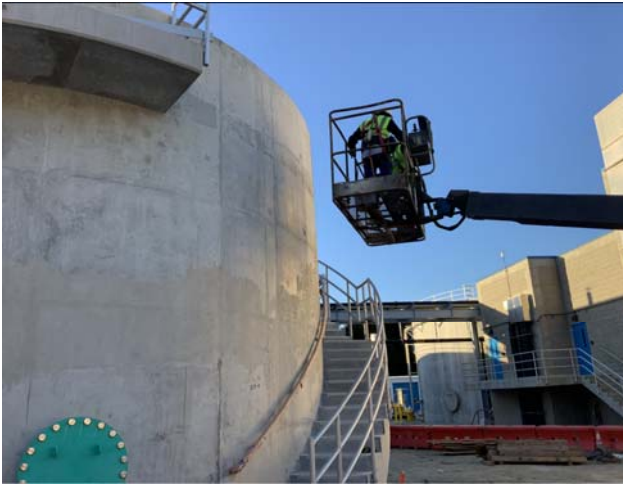
Section 7: Photos

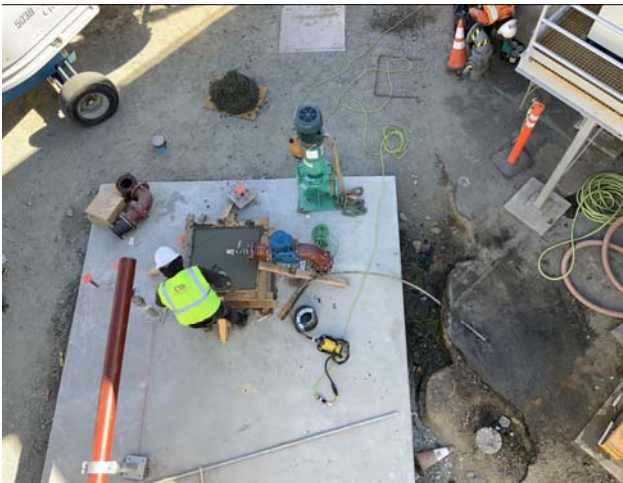
- Sludge Holding Tank Replacement
- Headworks Rehab

Photos:
Sludge Holding Tank
Replacement

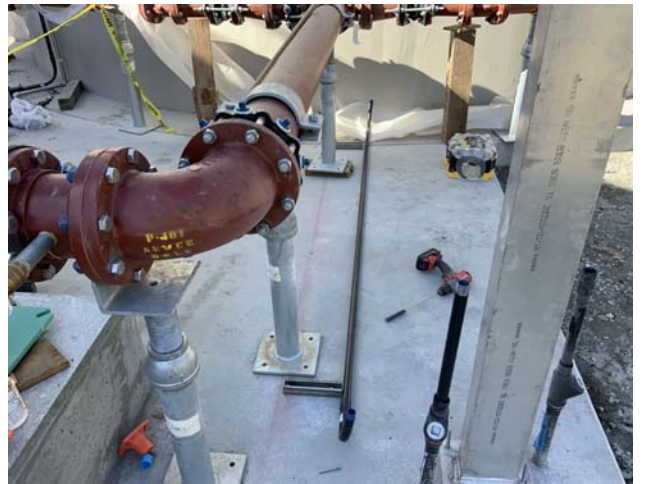






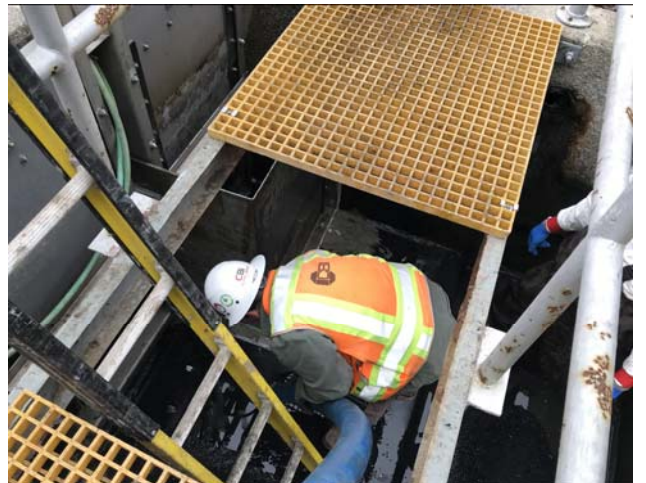
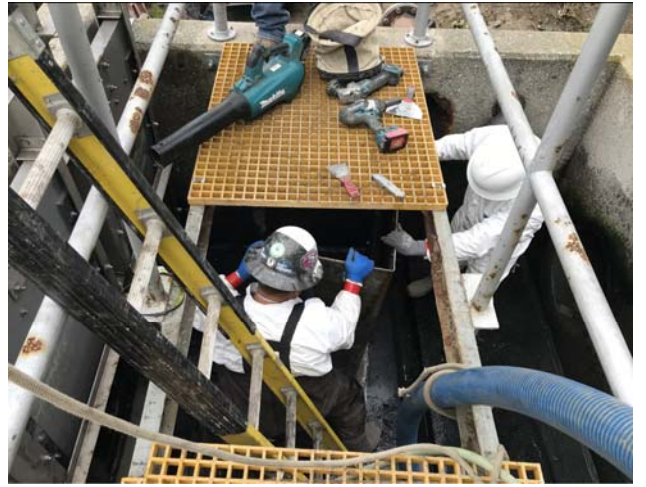


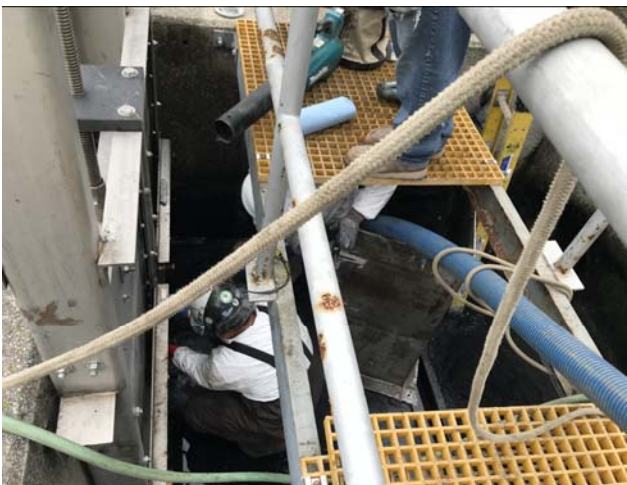
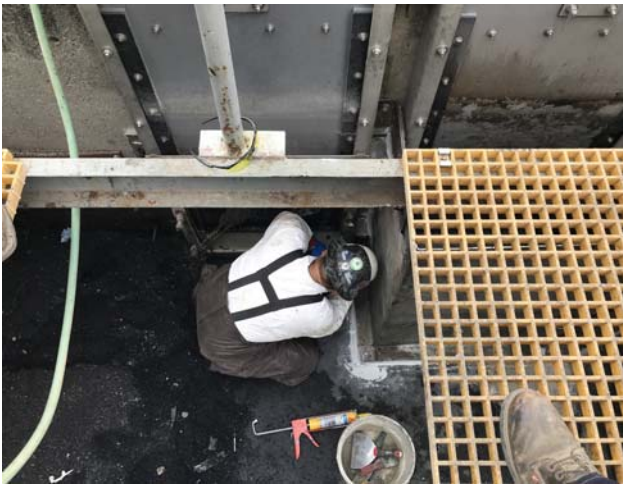
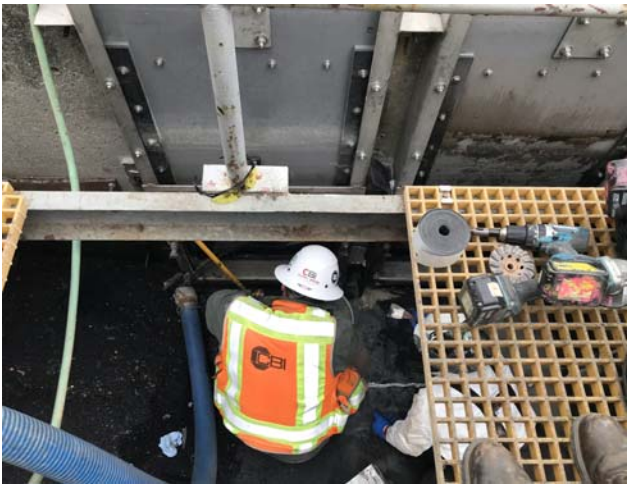


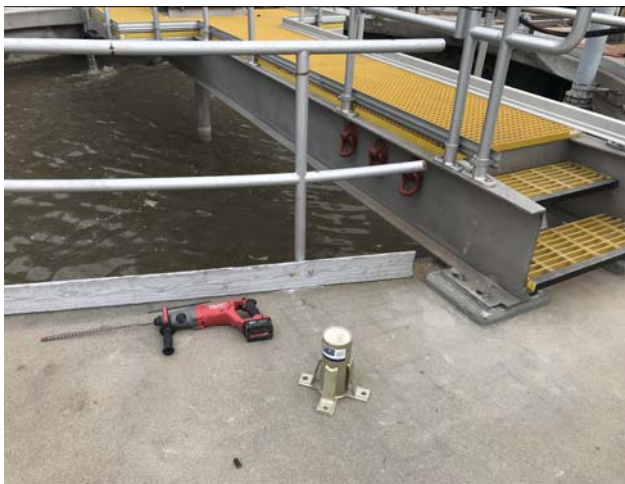
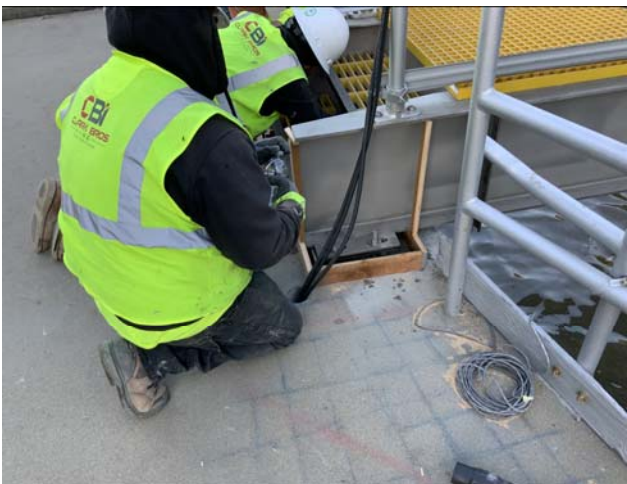




Photos:
Headworks Rehab







STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Pebble Beach Community Services District (PBCSD) – Regular Board Meeting on September 30, 2022

DISCUSSION

Agenda items from the September 30, 2022, meeting that are of specific interest to this District:

- Total cash balance at the end of August 2022 was \$25.4M; of that amount \$19.3M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 80% of District revenues with user fees making up 22% of total actual cost of wastewater operations.
- Total revenues through August 2022 in the cash based budget were \$0.04M of budget. Total expenditures were \$1.0M or 3% of budget.
- Staff provided a report on current CalPERS unfunded liability and PARS Trust. Their Classic plan funding ratio is 106.2% and the PEPRAs plan funding ratio is 107.3%. The PBCSD Classic plan formula is 2.5% at 55 and the PEPRAs plan is identical to CAWD's plan of 2.0% at 62. PBCSD established a post-employment benefits trust in 2018 with a current account value of \$1.8M.
- Average daily wastewater flow of 370,000 gallons per day (GPD) was measured in July & August at the PBCSD-Carmel gate. This represents 32% of the total flow at the Carmel Area Wastewater District (CAWD) treatment facility. The measured PBCSD flow was equal to the five-year average of 366,000 GPD for the month of August. The CAWD total flows were 4% below the five-year average of 1,200,000 GPD for August.
- Total irrigation water demand for the 2022 calendar year through August was 877-acre feet (AF). Total demand for the calendar year is 27% above the 5-year average of 690 AF through August. The 2022 irrigation demand to-date through August is 21% above the August 2021 total to-date demand of 726 AF. The month of July & August reflected a net storage decrease of approximately 33 MG.

- All six alternative source water projects were online and are producing a combined 67,000 GPD. Total production calendar year through mid-September was approximately 12.7 MG.
- The Board authorized procuring materials and entering into an agreement for design and construction services associated with Bird Rock Well No. 2 for an amount not to exceed \$250,000.
- The Board approved negotiations between PBCSD and CAWD to update the 1994 Agreement between the two districts.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July – 22	36.043	24.579	11.464	31.806%
Aug – 22	35.881	24.412	11.469	31.964%
Total	71.924	48.991	22.933	31.88%

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Pebble Beach Community Services District (PBCSD) – Regular Board Meeting on October 28, 2022

DISCUSSION

Agenda items from the October 28, 2022, meeting that are of specific interest to this District:

- Total cash balance at the end of September 2022 was \$23.6M; of that amount \$18.1M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 80% of District revenues with user fees making up 22% of total actual cost of wastewater operations.
- Total revenues through September 2022 in the cash-based budget were \$0.24M of budget. Total expenditures were \$1.8M or 6% of budget.
- Average daily wastewater flow of 359,000 gallons per day (GPD) was measured in September at the PBCSD-Carmel gate. This represents 32% of the total flow at the Carmel Area Wastewater District (CAWD) treatment facility. The measured PBCSD flow was 6% above the five-year average of 339,000 GPD for the month of September. The CAWD total flows were 1% below the five-year average of 1,117,000 GPD for August.
- Total irrigation water demand for the 2022 calendar year through September was 979-acre feet (AF). Total demand for the calendar year is 20% above the 5-year average of 815 AF through September. The 2022 irrigation demand to-date through September is 16% above the September 2021 total to-date demand of 847 AF. The month of September reflected a net storage decrease of approximately 3 MG.

- The three wells were taken out of service around October 5th. The three diversion facilities remained in service until the first significant storm event or until the reservoir reached maximum storage capacity. They are currently producing a combined 22,000 gpd. Total production for the 2022 calendar year through mid-October was 13.6 million gallons.
- The Board approved a revised scope of work for the SCADA System Improvement Project and authorized an amendment to their master agreement with E2 Consulting Engineers, of \$235K to an amount not to exceed \$700K.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July – 22	36.043	24.579	11.464	31.806%
Aug – 22	35.881	24.412	11.469	31.964%
Sept – 22	33.941	23.173	10.768	31.726%
Total	105.865	72.164	33.701	31.834%

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 8, 2022

Subject: Carmel Area Wastewater District (CAWD)/Pebble Beach Community Services District (PBCSD) Reclamation Management Committee Meeting
November 15, 2022

DISCUSSION

The agenda included the following items:

- The annual audited financial report for the year ending 06-30-22 was accepted by the committee. It was a “clean” audit with no adjustments made by the auditor.
- There was a recommendation to increase the Fiscal Year (FY) 22-23 budget by allocating \$250K for implementation of the Bird Rock Well No. 2 Project. A feasibility study by Bierman Hydrogeologic resulted in a recommendation for a second well approximately 200 feet away from Bird Rock Well No. 01. The recommendation that multiple wells in proximity to one another can maximize production from a fractured granite aquifer, minimize well draw-down, and allow for greater recovery between pumping cycles.
- Highlights of the Preliminary Reclamation Project Financial Statements for the three months ended September 30, 2022, were given by CAWD Principal Accountant James Grover.
- Treatment Plant updated steps taken to optimize secondary operation as needed and other maintenance updates taken, including installation of new high-density polyethylene (HDPE) piping for potassium hydroxide dosing pump system.

- PBCSD updated on cathodic protection for the Reclamation pipeline in Carmel. Feasibility investigations were conducted in September and October, and it was determined that the CAWD site remains the most feasible due to presence of power supply and highest potential for corrosion prevention.
- The 2023 meeting schedule was presented with no suggested changes.

**CARMEL AREA WASTEWATER DISTRICT
SUMMARY OF RETIREMENT PENSION PLAN TRUSTEES
MEETING HELD – NOVEMBER 17, 2022**

A meeting of the Retirement Pension Plan Trustees was held on Thursday, November 17, 2022, at 2:30 p.m.

Those Present Included: Rob Wellington, Legal Counsel, Trustee
Robert Siegfried, Director, Trustee
Michael Rachel, Director, Trustee
Barbara Buikema, General Manager, Trustee
William Hastie, Hastie Financial Group
Haley Hitchman, Hastie Financial Group

Note: This meeting was held via ZOOM software

I. 3rd Quarter 2022 Review

U.S. equity markets continued to be extremely volatile as the economy begins to show signs that inflation may have peaked. The October consumer price index as reported at 7.7%, 0.2% less than expected. Hopes that the Federal Reserve would begin to slow the pace of future rate increases when Jerome Powell commented that the Federal Reserve (Fed) would need to see several monthly declines before they would “pivot” and slow the pace of interest rate increases. As a result of his comments the market immediately retreated, and the volatility cycle started once again.

Coupled with interest rate increases seeking to curb inflation, the Fed has taken steps to reduce money supply, seen by many as one of the core reasons for inflation. These actions being taken by the Fed should eventually reduce inflation back to an acceptable level.

What will the future look like? There are two primary lines of thinking. First, the Fed will achieve a “soft landing” by raising interest rates just enough to reduce inflation but not so much that it causes a recession. Annual CPI and core CPI has declined for each of the last three months, and the economy remains strong with the 3rd quarter gross domestic product of 2.6%. The employment market and consumer retail sales remain strong, again indicating the markets are on the way back to recovery. The second line of thought is that the Fed is very late in addressing inflation and will overcompensate by raising interest rates too much thereby driving the economy into a deep recession. This group points to a tightening labor market as the beginning of a slow-down. This line of analysis

feels the Fed should continue raising interest rates until consumer demand is cooled down.

Hastie has made changes to our portfolio that reflect both of the opinions noted above. The goal is to position our portfolio to not fully participate in downcycle markets by:

- Reducing the allocation to stocks and adding “hedges” to minimize portfolio decline when the stock market declines
- Not holding funds that specifically invest in tech stocks. Rising interest rates most negatively affect tech stocks.
- Favoring value stocks over growth stocks
- Adding 3 and 6-month Treasury bills and short-term bonds seeking to reduce the negative effects of rising interest rates and to secure “bond” value.

For the quarter 07-01-22 to 09-30-22 the portfolio total weighted return was (5.17%).

II. 4th Quarter Action Plan

Hastie Financial has recommended multiple changes for the 4th quarter, primarily moving out of tech stocks and mid cap growth. The S&P is in tech sector approximately 30%. Additionally, there was a recommendation to add alternatives to the portfolio because of their negative correlation (AQR Macro Opportunities, Forester Value Fund, and First Trust Merger Arbitrage). The strategy is to minimize or reduce correlation to the stock and bond market. AQR Macro Opportunities is a large cap value stock that aims to deliver returns uncorrelated to stocks and bonds, it has been in the top quartile in every time category over the past 5 years. Forester Value is a large cap value stock that is overweight in consumer defensive and healthcare. First Trust Merger Arbitrage is event driven and seeks returns uncorrelated with the general stock market. In the bond market the strategy is to reduce duration risk by purchasing iShares Treasury Floating Rate Exchange traded funds (ETF) with an effective duration of 0.00, PGIM Ultra Short Bond ETF with an effective duration of 0.1, and U.S. Treasury Bills with principal and return federally guaranteed.

There was a brief discussion of the U.S. Treasuries Yield curve. A negative yield curve or curve inversion is seen as a precursor to a recession; however, there are mixed signals with employment and retail sales both reporting strong numbers.

Portfolio Risk Measures (3-year measure):

	Three Year	S&P 500	Five Year	S&P 500	Ten Year	S&P 500
Beta (a)	0.33		0.34		0.37	
Standard Deviation (b)	6.97	20.30	6.41	18.07	5.55	14.40
Mean	4.68	8.16	4.67	9.24	5.57	11.70
Alpha	1.14		0.40		0.65	

III. Additional Study – Bonds vs. Bond Funds

After the presentation by Hastie Financial, the Pension Committee discussed and decided to issue a Request for Proposals to answer the question “individual bonds vs. bond funds”. This issue has been extensively discussed in the financial literature, but the committee agreed to engage either a financial analyst or academic to respond to the request.

There being no further business, the meeting was adjourned at approximately 3:50 p.m.

Respectfully submitted,
Barbara Buikema, General Manager



H F G Hastie Financial Group

For confidence in your future

CAWD Defined Benefit Plan

3rd Quarter 2022 Performance Review

4th Quarter 2022 Action Plan

Change in Market Value Register

From 7/1/2022 to 9/30/2022

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 (%)	TWR Ann. (%)
Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)	07/01/2022	5,542,638.41	(45,944.24)	(299,860.37)	24,803.30	5,211,937.48	(284,756.69)	09/30/2022	-5.17	
Total	7/1/2022	\$5,542,638.41	(\$45,944.24)	(\$299,860.37)	\$24,803.30	\$5,211,937.48	(\$284,756.69)	9/30/2022	-5.17	

Performance Attribution

From 7/1/2022 To 9/30/2022

Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)

Holdings By Security

Description	Symbol	Start Date	End Date	Beginning Market Value (\$)	Ending Market Value (\$)	Portfolio Avg. Weight (%)	Return % (IRR Gross of Fees)	Est. Return Contribution (%)
Nuveen Floating Rate Income Fund CI I	NFRIX	07/01/2022	09/01/2022	563,014.16	0.00	3.47	5.89	0.20
Neuberger Berman Large-Cap Value Fund Institutional CI	NBPIX	07/01/2022	08/02/2022	764,996.49	0.00	4.85	2.07	0.10
MFS Mid-Cap Value Fund CI I	MCVIX	07/01/2022	08/02/2022	108,503.92	0.00	0.68	6.55	0.04
Fidelity Govt Money Market Capital Reserves CI	FZAXX	07/01/2022	09/30/2022	69,777.49	136,680.43	4.92	0.21	0.01
United States Treas Bills Zero Coupon 0.00000% 03/16/2023	912796YL7	09/15/2022	09/30/2022	0.00	754,099.06	2.38	0.17	0.00
United States Treas Bills Zero Coupon 0.00000% 12/15/2022	912796X79	09/15/2022	09/30/2022	0.00	344,024.34	1.08	0.20	0.00
First Trust Merger Arbitrage Fund CI I	VARBX	09/28/2022	09/30/2022	0.00	510,500.50	0.30	0.00	0.00
PGIM Ultra Short Bond ETF	PULS	09/28/2022	09/30/2022	0.00	510,284.76	0.30	0.00	0.00
iShares Treasury Floating Rate Bond ETF	TFLO	09/28/2022	09/30/2022	0.00	408,444.00	0.24	0.00	0.00
AQR Macro Opportunities Fund CI I	QGMIX	09/28/2022	09/30/2022	0.00	359,819.15	0.21	0.69	0.00
Forester Value Fund CI I	FVILX	09/28/2022	09/30/2022	0.00	359,686.02	0.21	0.65	0.00
Cash Credit (Debit) Balance	CASH	07/01/2022	09/30/2022	0.00	2,455.35	-0.10	0.00	0.00

Bridgeway Small-Cap Value Fund	BRSVX	07/01/2022	09/28/2022	220,605.38	0.00	3.89	-0.25	-0.01
Invesco Dynamic Energy Explr & Prod ETF	PXE	07/01/2022	07/07/2022	85,391.29	0.00	0.07	-9.61	-0.01
Victory Market Neutral Income Fund CI I	CBHIX	07/01/2022	08/02/2022	742,588.80	0.00	4.71	-0.43	-0.02
iShares MSCI Global Energy Producers ETF	FILL	07/01/2022	07/07/2022	335,928.13	0.00	0.27	-7.26	-0.02
Columbia Commodity Strategy Fund Advisor CI	CCOMX	07/01/2022	07/06/2022	266,382.81	0.00	0.26	-5.98	-0.02
Baird Intermediate Bond Fund CI Institutional	BIMIX	07/01/2022	09/14/2022	348,264.88	0.00	5.18	-1.29	-0.07
DFA Short-Duration Real Return Portfolio Institutional CI	DFAIX	07/01/2022	09/28/2022	461,637.33	0.00	8.14	-1.27	-0.10
Alphasimplex Managed Futures Strategy Fund CI Y	ASFYX	07/01/2022	08/02/2022	361,994.18	0.00	2.30	-5.17	-0.12
Oberweis Small-Cap Opportunities Fund	OBSOX	08/02/2022	09/30/2022	0.00	153,946.19	2.01	-9.09	-0.18
PGIM Short Duration High-Yield Income Fund- CI Z	HYSZX	08/02/2022	09/30/2022	0.00	0.00	6.39	-3.82	-0.24
JPMorgan Large-Cap Growth Fund CI I	SEEGX	07/01/2022	09/28/2022	160,451.11	0.00	5.94	-4.29	-0.25
Fidelity Mid-Cap Stock Fund	FMCSX	08/02/2022	09/28/2022	0.00	0.00	3.83	-6.80	-0.26
Schwab U.S. Aggregate Bond ETF	SCHZ	08/02/2022	09/16/2022	0.00	0.00	6.72	-4.45	-0.30
iShares Currency Hedged MSCI EAFE ETF	HEFA	08/02/2022	09/30/2022	0.00	310,616.88	4.02	-8.09	-0.33
iShares Core S&P 500 ETF	IVV	07/01/2022	09/30/2022	653,831.28	303,752.88	11.33	-2.98	-0.34
Columbia Contrarian Core Fund Advisor CI	CORRX	07/01/2022	09/30/2022	399,271.16	346,189.51	6.87	-4.95	-0.34
Vanguard Value Index Fund ETF Shares	VTV	08/02/2022	09/30/2022	0.00	711,438.42	9.41	-10.05	-0.94
Grand Total				\$5,542,638.41	\$5,211,937.48		-4.99	

	Value	Blend	Growth
Large	Russell 1000 Value -5.62%	Russell 1000 Total Return -4.61%	Russell 1000 Growth -3.60%
Mid	Russell Mid Cap Value -4.93%	Russell Mid Cap Total Return -3.44%	Russell Mid Cap Growth -0.65%
Small	Russell 2000 Value -4.61%	Russell 2000 Total Return -2.19%	Russell 2000 Growth 0.24%

Market Environment

- ❑ 75 bps increase in July and Sept
 - Fed funds range: 3.0% - 3.25%
- ❑ Q3 GDP: 2.6%
- ❑ CPI
 - July: 8.5% (5.9% core)
 - Aug: 8.3% (6.3% core)
 - Sept: 8.2% (6.6% core)

Major Market Indices

- ❑ Dow: -6.17%
- ❑ S&P 500: -4.88%
- ❑ Nasdaq: -4.11%
- ❑ MSCI EAFE: -9.36%

Index	1Q 2022	2Q 2022	3Q 2022	YTD to 9/30/22
Bloomberg U.S. Agg Bond	-5.93%	-4.69%	-4.75%	-14.61%
Bloomberg U.S. Corporate Bond	-7.69%	-7.26%	-0.65%	-14.74%
Bloomberg U.S. Government 1 – 3 Yr	-2.50%	-0.52%	-1.54%	-4.50%
Bloomberg U.S. Intermediate Bond	-4.19%	-1.65%	-3.11%	-11.81%
Bloomberg U.S. Government/Credit Long-Term	-10.95%	-12.27%	-9.03%	-28.94%

Market Environment

- Rising interest rates vs. bond prices
 - Interest rate increases forecasted into 2023
- Continued positive correlation with stock market

Actions Taken

- Sold intermediate and short-term duration bond holdings
- Purchased ultra-short duration
- Purchased 3- and 6-month U.S. Treasury bills

Sell:

- JP Morgan Large Cap Growth
- Fidelity Mid Cap
- Bridgeway Small-Cap Value
- Victory Market Neutral
- Baird Intermediate Bond
- Schwab US Aggregate Bond ETF
- PGIM Short-Duration High Yield

 Buy:

- AQR Macro Opportunities*
- Forester Value Fund
- First Trust Merger Arbitrage
- iShares Treasury Floating Rate ETF
- PGIM Ultra Short Bond ETF
- 3- and 6-month U.S. Treasury bills

 Rebalance the rest of the portfolio

* Purchased 9/28/22, sold 10/25/22

STRATEGY: Minimize/reduce correlation to stock and bond market

❑ AQR Opportunities

- Morningstar - Large Value
- Aims to deliver returns uncorrelated to stocks and bonds
- Beta: -0.05
- Top quartile in every time category over the past 5 years

❑ Forester Value

- Morningstar: Long – Short Equity
- Overweight in consumer defensive and healthcare
- Beta: -0.03
- In top two quartiles over the past 5 years

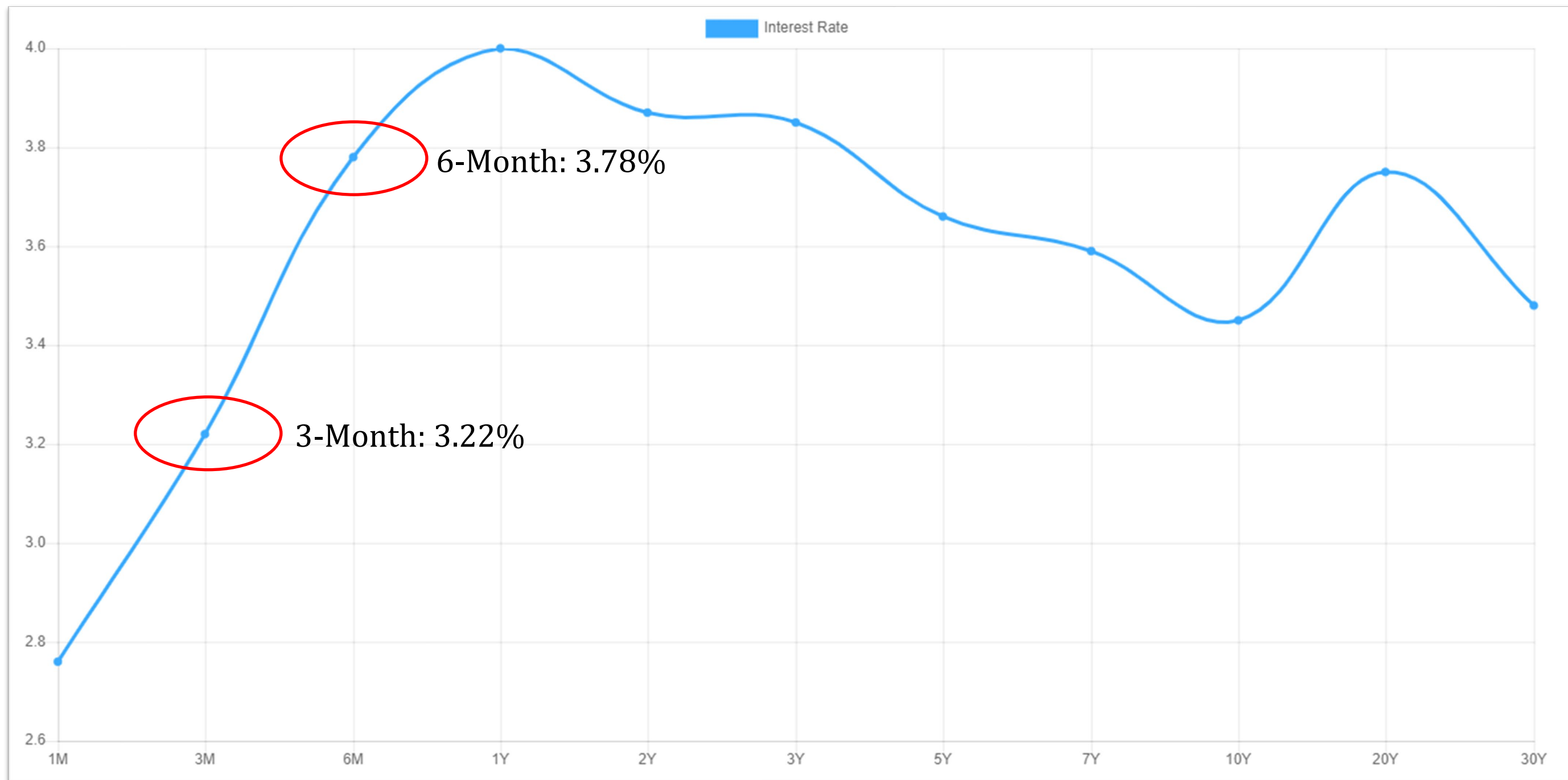
❑ First Trust Merger Arbitrage

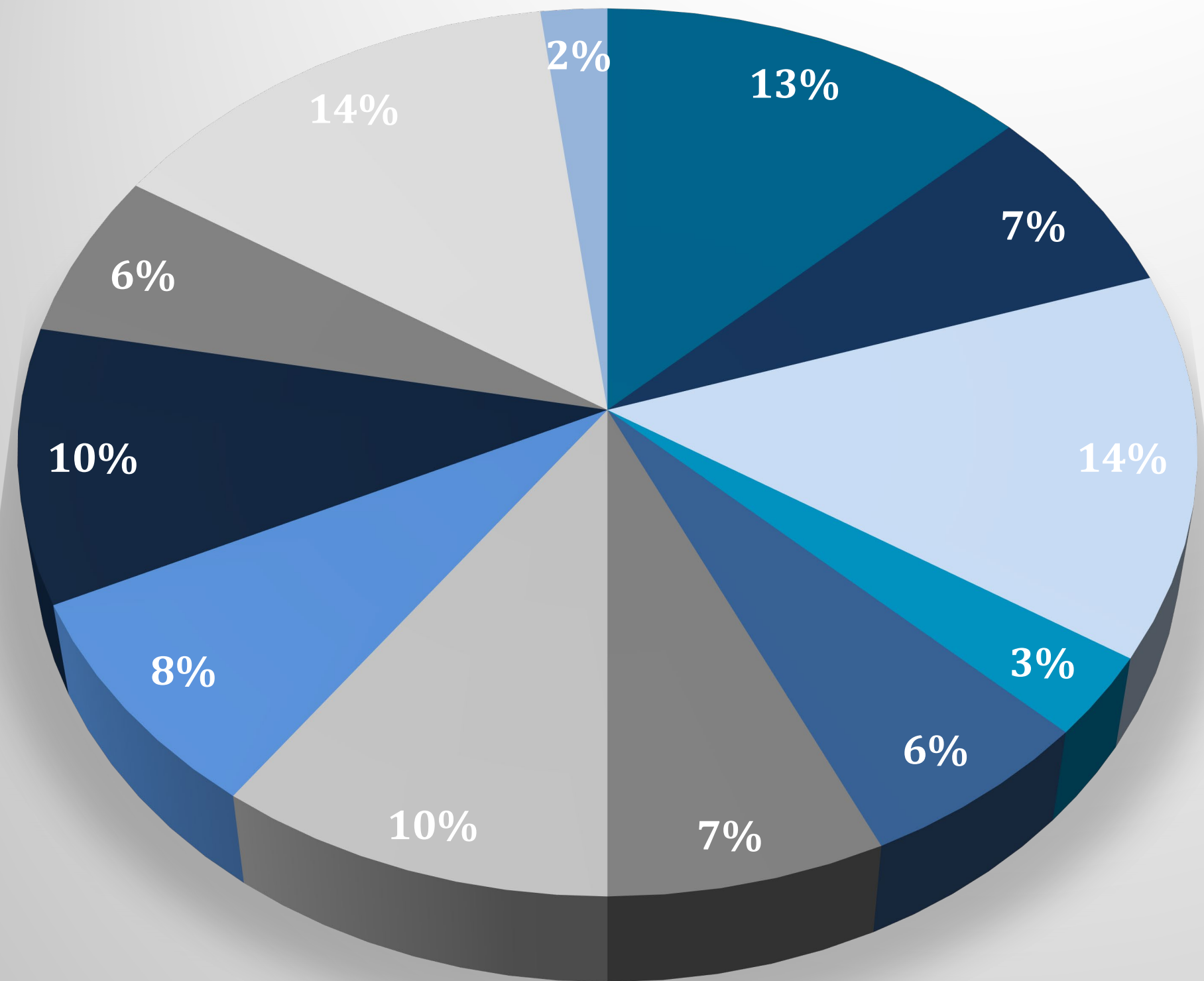
- Morningstar: Event Driven
- In top two quartiles over the past 5 years
- Seeks returns uncorrelated with general stock market

STRATEGY: Markedly reduce duration risk

- ❑ iShares Treasury Floating Rate ETF
 - Effective duration: 0.00
- ❑ PGIM Ultra Short Bond ETF
 - Effective duration: 0.1
- ❑ U.S. Treasury Bills
 - Principal and return federally guaranteed

U.S. Treasuries Yield Curve - 9/15/2022





- iShares Core S&P 500 ETF - 13%
- Columbia Contrarian Core - 7%
- BNY Mellon Dynamic Value Fund- 14%
- Oberweis Small-Cap Growth - 3%
- iShares Currency Hedged EAFE ETF - 6%
- Forester Value Fund - 7%
- First Trust Merger Arbitrage - 10%
- iShares Treasury Floating Rate ETF - 8%
- PGIM Ultra Short Bond ETF - 10%
- 3-Month U.S. Treasury Bill - 6%
- 6-Month U.S. Treasury Bill - 14%
- Cash -2%

BETA:

A measure of volatility (risk) relative to the Standard & Poor's 500 Index. Beta of 1.0 indicates risk equal to that of the Standard & Poor's 500 Index over a given period of time, usually 3, 5 and 10 years. Beta of less than 1.0 indicates risk less than that of the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	0.33	0.34	0.37

Mutual Fund/ETF	3-Year Beta	Net Expense Ratio
iShares Core S&P 500 ETF	1.00	0.03
Columbia Contrarian Core	0.98	0.75
BNY Mellon Dynamic Value Fund	1.01	0.68
Oberweis Small-Cap Growth	1.06	1.25
iShares Currency Hedged EAFE ETF	0.77	0.35
AQR Macro Opportunities	-0.05	1.22
Forester Value Fund	-0.03	1.01
First Trust Merger Arbitrage	0.08	1.81
iShares Treasury Floating Rate ETF	0.00	0.15
PGIM Ultra Short Bond ETF	0.09	0.15

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	6.97	6.41	5.55
Standard & Poor's 500 Index	20.30	18.07	14.40

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	4.68	4.67	5.57
Standard & Poor's 500 Index	8.16	9.24	11.70

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	1.14	0.40	0.65

Announcements on Subjects of Interest to the Board Made by Members of the Board or Staff



A special series celebrating the 50th anniversary of the Clean Water Act.

From Sewage Sludge to Biosolids: Building the Case for Waste

| By Kristen Coyne

Half a century ago, in response to burning rivers and other high-profile environmental disasters, the U.S. Congress passed the Clean Water Act (CWA) as a means to protect waterways from sea to shining sea. Commemorating that landmark legislation, the *Journal of Environmental Quality* this year has published a collection of papers celebrating the CWA. *CSA News* is highlighting some of that work through a three-part series.

Last month, we looked at recent research (<https://doi.org/10.1002/csan.20828>) on how constructed wetlands can decrease nutrient runoff on tile-drained agricultural fields. In this second installment, we examine how the CWA gave birth to and shaped the science around biosolids and present what scientists have learned about how this treated human waste can efficiently fertilize crops, rehabilitate contaminated mines, and boost soil health.

Research over the decades has drawn attention to biosolids' many benefits and improved their application. But while that work has laid many concerns about its safety and efficacy to rest, "forever chemicals" are raising new questions about its use.

Photo by Mike Zimmerman, USEPA



A Superfund site at a former mine in Leadville, CO, before it was treated with biosolids and lime. Photo by Chuck Henry.

When soil scientist Sally Brown first saw it, the area near the Upper Arkansas River outside Leadville, CO, was barren and lifeless. It was so littered with metal-contaminated tailings that the USEPA had named it a Superfund site. One could hardly call the stuff on the ground soil. When Brown tried to grow grass on it, it died. When she tried to populate it with earthworms in a lab, they perished.

As it has done at other Superfund sites, the USEPA could have paid a lot of money to haul the toxic tailings away. Instead, they allowed Brown and her colleagues back in 1998 to spread the area with about a foot of biosolids—specially treated sewage sludge—that had been trucked 100 miles from a Denver wastewater treatment plant and mixed with an equal amount of lime.

Just one year later, the place was transformed. As documented in a 2005 *Journal of Environmental Quality* (JEQ) study, ryegrass carpeted the ground and tests showed decreases in biologically available lead, cadmium, and zinc in the amended soils as well as telltale signs of microbes. The voles and shrews that returned to the area had relatively low levels of cadmium and lead, and minnows exposed to the treated tailings fared far better than the ill-fated control exposed to untreated tailings. It was a veritable ecosystem Cinderella

story with science supplanting the fairy godmother.

“You get to see something barren turn green very easily and simply,” recalled Brown, an SSSA Fellow and professor at the University of Washington who conducted similar research at Superfund sites in Missouri and Idaho. “There was no need to go back and reapply.”

Brown is among a cadre of biosolids boosters who have devoted their careers to what is essentially recycled human poop. Over the decades, they have applied the stuff to crops, rangeland, fire-ravaged forests, contaminated sites, and urban areas and then studied its nutritional and restorative powers. They have worked to ensure its safe and effective use, advising the government on thresholds for trace metals, pathogens, and harmful chemicals. They have partnered with landowners, government agencies, and wastewater treatment facilities (WWTF) to inform best practices and educate anyone they could get to listen about a product most of us are primed to regard with disgust.

Recently, Colorado State University (CSU) soil scientist Jim Ippolito looked back at more

than four decades of biosolids research (<https://doi.org/10.1002/jeq2.20376>) as part of a JEQ special issue commemorating the 50th anniversary of the Clean Water Act (CWA), which paved the way for widespread use of biosolids in the U.S. He and co-author Ken Barbarick, both Fellows of ASA and SSSA, viewed dozens of papers dating to the 1970s. Back then, it was still called sewage sludge in the literature, many farmers were afraid to use it, and lawmakers had yet to amend the CWA to include comprehensive regulations on how to treat and apply it. Ippolito follows the arc of that research through the present, as the focus shifted to soil health, evidence mounted on the many ecosystem services biosolids provide, and decades of data strengthened the case for their long-term benefits. Considering biosolids’ potential for storing carbon and offsetting the planet’s loss of 36 billion tons of soil a year, this research is arguably more critical than ever.

“We have documented proof, not just in Colorado but all over the

DOI: 10.1002/csan.20853



For decades, tailings from mining operations in Colorado were discharged into the Arkansas River, where they settled out in alluvial deposits. These alluvial tailings deposits near a former mine in Leadville, CO were highly acidic with elevated concentrations of cadmium, lead, and zinc. This area had been barren for over 50 years prior to the biosolids remediation. Photo by Mike Zimmerman, USEPA.

country, of the important role that biosolids play,” Ippolito says, “in terms of improving crop growth and plant growth and stabilizing soils and immobilizing heavy metals and trace metals in the environment, so they don’t move into ground water.”

But new challenges have emerged that threaten biosolids’ use. Chief among these are per- and polyfluoroalkyl substances, or PFAS, the “forever chemicals” associated with a wide range of health problems. Used in a wide array of products for decades, they are now found virtually worldwide in animals, water, soil, air, and, of course, our blood and poop. Their presence in biosolids has raised scientific and policy questions and prompted cost-benefit debates that have, in some communities, resulted in restrictions and outright bans.

Here we provide a broad overview of how biosolids research has evolved, highlighting work by some of the leaders in the field and noting the challenges that loom ahead. We’ll start by traveling back in time to the birth of “biosolids.”

When Biosolids Became a Thing

Humans have recycled their solid waste as fertilizer for centuries. Still, before the U.S. Congress passed the CWA, there was little in the way of infrastructure or regulations supporting its use in the country. Essentially, explained Ohio State University (OSU) soil scientist and biosolids expert Nick Basta, “We didn’t *have* any biosolids. We



Biosolids use varies by state. In Florida, more than half of all biosolids generated in the state are processed into the highest class of biosolids, like the product shown here fresh from the Thomas P. Smith Water Reclamation Facility in Tallahassee. Photo by Kristen Coyne.

discharged everything into the rivers or into Lake Erie.”

When it became law in 1972, the CWA’s priority was cleaning up the effluent being released into the nation’s waterways, which required removing the solids. Billions of CWA dollars were spent to build and modernize WWTFs for this purpose. Other than prohibiting its disposal in or near water, the CWA had little to say about sewage sludge at the time.

That, of course, would change because the act led to a surge in sludge production, which almost doubled between 1972 and 1993. “That’s what generated the biosolids,” explains Basta, an ASA and SSSA Fellow. “Then it had to go somewhere, right? So, land became the place.”

Some biosolids were shipped to the landfill or incinerated. But spreading it on land was a relatively cheap alternative that, as a bonus, could fertilize crops and condition soil. In those early days, the surfeit of sludge, imperfect understanding of its constituents, and lack of regulations led to what one researcher once called “the wild west” of biosolids use.



Soil scientist Jim Ippolito (right) has studied biosolids in Colorado for more than three decades. Here he is in 2019 with Liping Li of Henan University of Technology (left) and Travis Banet (center), now a Ph.D. student at the University of Kentucky. The three are at a former mining site that had been treated with biosolids and lime in Leadville, CO. Photo by Jim Ippolito.

“That’s where research came in and said: ‘Stop. You have to clean up the act.’” Basta says. “Get the metals out of the sludge.... We’ve got to make a clean product.”

In 1993 the USEPA, aided by a group of land grant university experts in biosolids supported by the USDA, issued new regulations on treating and applying biosolids, ushering in a new era of biosolids research and use. That year, about one-third of the 5.3 million dry metric tons of biosolids generated in the U.S. was used on land for beneficial use, mostly agriculture. Just five years later, the country was generating 6.9 million dry metric tons of the stuff, and 60% went to beneficial use.

The fate of biosolids varies considerably by state, according to 2018 numbers from the National Biosolids Data Project (NBDP). Connecticut incinerates the bulk of it, for example, while Kentucky sends most to the landfill. In Colorado, by contrast, 86% of biosolids go

to beneficial use, most of it in agriculture.

While scientists have conducted important biosolids research in places like Maryland, Pennsylvania, and Ohio, forces combined to make Colorado a pioneer in the field.

The Colorado Sweet Spot

Not that biosolids research was universally embraced in the state. Ippolito recalls how, as a young researcher green as a soybean shoot, his arguments for biosolids left many farmers skeptical.

“I just remember a lot of people going, ‘Well, that’s interesting, but I’m not gonna put that on *my* land,’” Ippolito recalls.

But eventually scientists found partners in the state’s more progressive pockets, where a reverence for the land bred an open mind for recycling waste, Ippolito says. This included places like Fort Collins, Steamboat Springs, and the Littleton/Englewood area south of

Denver where the USEPA funded a new, CWA-compliant WWTF dubbed South Platte Renew. For decades, CSU researchers have studied and informed the plant’s application of biosolids to some 10,500 acres of farmland it owns.

“Partnering with CSU increases the transparency,” says Blair Corning, deputy director of environmental programs at the plant. “When you go show the city councils or your governing supervisory committee a picture of crops fertilized with biosolids next to crops fertilized with commercial fertilizer, and you can see the difference in the one side versus the other, it really sends a message that, ‘Look: Ph.D.’s are looking at this, and it’s verified that it’s beneficial.”

The diversity of terrain in Colorado provided researchers with a variety of testbeds.

“In Colorado, we have everything,” Ippolito says. “I mean, we grow corn. We actually grow soybeans in Colorado, but we have

prairies. We have short-grass and we have mixed-grass prairies. We have agroecosystems, we have rangelands, pasturelands, disturbed lands, mined lands ... which just makes this state kind of the sweet spot, if you will, for land application of biosolids."

In the early 1990s, CSU began partnering with Fort Collins to study biosolids on city-owned rangeland. Years of overgrazing had opened the door for barrel cactus and prickly pear to usurp the short-grass steppe ecosystem. Barbarick, Ippolito, and others wanted to hone in on the optimum application rate.

After experimenting with a range from zero to 15 dry tons per acre, the researchers found that a sweet spot of 5 dry tons per acre produced

the best bang for the buck for plant productivity. Underground, the chemistry was also encouraging. The biosolids provided plants a healthy dose of nitrogen and phosphorus, no significant increase in trace metals, and boosted soil carbon and microbial activity. The team did a second application in 2002 (reapplying about every seven years seems to work well there, Ippolito says) and continue to monitor the impressive results.

"What we've done is kick-started this system from a baseline of cactus, basically, to something that's palatable to an animal," Ippolito says. "And when you have proper managed grazing, which they do at this site, you can maintain this ecosystem at least for 30 years." The city now

applies all its biosolids, about 580 semi-truck loads per year, in rotation across its 26,000 acres of rangeland.

Generally, Ippolito said he's wary of describing his biosolids results as "resilient" or "sustainable": He finds the words can be used too casually. But he feels confident applying them to this study. "This is the beauty of having long-term research," he says.

Apparently, the cows concur. "The cattle actually prefer the areas that have had biosolids applied," Ippolito says. "I'm guessing it's likely due to improvements in plant growth that we've documented."

Of course, different sites and conditions call for different practices. Use near water and on steep slopes remains off limits while lower application rates are used on crops.

Delivering biosolids for land application to a family farm in Virginia. Photo courtesy of Virginia Biosolids Council.



In a long-term study published in *JEQ* in 2017 (<https://doi.org/10.2134/jeq2016.12.0470>), Ippolito and his co-authors looked at the effects of biosolids on no-till winter wheat in Colorado over 20 years, applying an average of just a few dry tons per acre, depending on that year's nitrogen needs. Ippolito was surprised to see benefits in the soil as deep as 15 cm even though the biosolids were surface-applied. He was even more pleased to see that, in soils typically zinc deficient, the biosolids boosted the wheat's zinc concentrations. With more than a billion people worldwide suffering from zinc deficiency, that's an important bonus. Other research showed biosolids boosted protein in winter wheat better than inorganic fertilizer, making the crop more valuable.

"So here we are," Ippolito says, "sprinkling biosolids out in small doses across the landscape over long periods of time. And we're seeing benefits."

Much of the early work on biosolids focused on getting the recipe right for the plants. "We never ever thought of soil health directly," Ippolito says. "We never said in 1991 that, 'The soil health of this system is going to improve,' as the term 'soil health' wasn't widespread back then."

But biosolids weren't just making healthier, happier plants and cows. Those visible results came from healthier soil, and researchers began to pay more attention to things like physical changes to that soil. The more holistic view has been helping scientists paint a more accurate and compelling case for biosolids.

Sustenance for Soil ... and Soul

Ohio State's Basta has studied biosolids at a variety of sites over

his career, including cities. At a steel mill-turned-Superfund site outside Chicago, he led a 2016 *JEQ* study (<https://doi.org/10.2134/jeq2015.01.0009>) in which researchers applied varying amounts and blends of biosolids and compost to degraded soils. All the treatments improved the soil, supporting native prairie subsequently planted there, but the biosolids outperformed the compost in soil quality, vegetation, and earthworm survivability, according to the study.

Biosolids' benefits to cities stretch far beyond the ground as Basta has been demonstrating through a partnership in Columbus, OH. There city officials are trying to meet sustainability goals by growing more trees, producing more food, controlling stormwater runoff, storing carbon, attracting pollinators, and improving water quality. By applying biosolids to vacant lots, Basta and his students are showing they can contribute to all those goals, he says.

"If you're talking about the Clean Water Act, biosolids here are improving the water quality and reducing the stormwater runoff," he says. "It's stopping erosion. It's increasing infiltration. And we need to document this."

Basta is so passionate about documentation that he designed an entire class at OSU around it. While students learn how to use tools like the Soil Management Assessment Framework (SMAF) to evaluate biological, chemical, and physical changes in soils, they also learn to quantify how biosolids help ecosystems meet our human needs. This is a critical step toward convincing stakeholders to support biosolids, Basta argued.

"We know it makes improvements, but we need the measurements," he says. "Metrics matter."

In Colorado, Ippolito and his colleagues have embraced SMAF in their biosolids research. For example, in one 2021 study he and his coauthors drew on more than two decades of data to compare how biosolids and inorganic nitrogen fertilizer impacted soil health on dryland wheat. They found that biosolids significantly improved soil biological health while the synthetic fertilizer had little effect. Currently Ippolito is investigating the same question through a new, six-year study. So far, the data show significantly better soil health for the biosolids-applied lands.

"You start seeing improvements in carbon. You start seeing improvements in microbial activity. You start seeing improvements in nutrient availability. And the list sort of goes on and on," Ippolito says. "And it's really interesting because we're not really doing too much to this agroecosystem. We are hardly putting any biosolids down. But if you add it up over time, it's causing a really interesting benefit in terms of soil health."

In addition to advancing the science, metrics help communicate the case that biosolids' advantages outweigh potential risks. This is especially critical, says Basta, because of one particular risk on everyone's minds these days: PFAS.

PFAS in Perspective

The practice of applying biosolids to land faces numerous pressures, from urbanization and suburbanization to odor complaints to the USDA's prohibition on its use for organic crops. While the percentage of U.S. biosolids used for agriculture and other beneficial purposes continued to inch up between 2004 and 2018, it remains at about half of all



South Platte Renew treats 20 million gallons of wastewater daily and partners with Colorado State University scientists on biosolids research. Photo courtesy of South Platte Renew.

biosolids, well below what the USEPA had once foreseen. And that was before the PFAS alarm bells reached their fevered pitch.

While hardly the first problematic chemicals to end up in the sewer, PFAS pose the greatest threat to the industry to date, according to SSSA member Ned Beecher, former longtime director of the Northeast Biosolids and Residuals Association.

“PFAS is the set of chemicals of concern that have created the greatest challenge to biosolids management ever—and by far,” says Beecher, now an independent consultant in the field. “I don’t ever see anything reaching the same level of concern.”

Those concerns have led some communities to restrict and even ban their use as the state of Maine did earlier this year. Further muddying matters, the USEPA has been at odds with its own inspector general on the issue. The USDA-affiliated experts group, which includes Ippolito, Brown,

and Basta, has defended the USEPA’s work and called some of the inspector general’s assertions “alarmist.”

“Our industry does not use or produce these chemicals,” Beecher notes. “But the wastewater profession and the biosolids profession are trying to deal with it.”

As they did with heavy metals in the early days of biosolids, scientists today are applying their expertise to the PFAS problem. And the industry recognizes communication and education on the issue is a top priority, Beecher says. While there are a few cases (including in Maine) of heavily industrially contaminated biosolids causing excessive levels on several farms, according to Beecher, the vast majority of biosolids land-applied across the continent are not significantly impacting farm and garden product quality and water bodies.

“When it comes to beneficially using [biosolids],” Beecher says, “the

amount of research, the amount of experience, the decades of work on it, have really demonstrated [their] effectiveness. The measurable benefits overwhelm potential negative impacts, and many, many farmers really benefit and are very happy with biosolids use. . . . We have to continue to communicate that all the time.”

Sally Brown agrees. The University of Washington professor is dedicating more of her time these days to educating the public about the value of biosolids and other exogenous organic matter—“getting people to embrace their waste,” as she put it. This involves highlighting the connections among recycling waste, green urban spaces, environmental justice, quality of life, and the health of the planet. It all starts, she says, with getting your hands dirty.

During a vermiculture project at a prison, for example, Brown was struck by how inmates responded to making soil out of their food scraps.



South Platte Renew operator Matthew Tafoya takes a biosolid sample to test nutrients and percent solids before sending it to farms for land application. Photo by Faustino Salazar.

“To witness that transformation,” she observed, “that leads to enhanced knowledge and decreased fear and an understanding that you are part of the process.”

Brown lives in a corner of the country that is particularly open to that message: Washington has the most robust, long-term

support for biosolids recycling in North America, according to the NBDP. The state applies 77% of its biosolids for beneficial use; almost a quarter of all its biosolids are Class A, most of it “exceptional quality” (EQ), which meets the USEPA’s most stringent metals standards. While Class B biosolids

target agricultural lands and require a site permit in most states, Class A biosolids undergo additional treatment that makes them safe to use even in home gardens. Some communities, including Tacoma, WA, sell these products directly to the public. The rise in the production and use of Class A/EQ biosolids is up nationwide; Florida tops the list with more than half of its product meeting those specifications. At a challenging moment for biosolids, the bump in Class A/EQ use is an encouraging trend. And new findings on their carbon sequestration benefits could add big points to the “for” column of the biosolids tally sheet.

“Soil is the foundation of life,” Brown says. “But this is *the* tool to make soil healthier.”

DIG DEEPER

View the *Journal of Environmental Quality* papers referenced in this article:

- “The Clean Water Act and Biosolids: A 45-Year Chronological Review of Biosolids Land Application Research in Colorado”: <https://doi.org/10.1002/jeq2.20376>
- “Meta-Analyses of Biosolids Effect in Dryland Wheat Agroecosystems” <https://doi.org/10.2134/jeq2016.12.0470>
- “Restoring Ecosystem Function in Degraded Urban Soil Using Biosolids, Biosolids Blend, and Compost” <https://doi.org/10.2134/jeq2015.01.0009>
- “Ecosystem Function in Alluvial Tailings after Biosolids and Lime Addition”: <https://access.onlinelibrary.wiley.com/doi/10.2134/jeq2005.0139a>

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