



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

December 19, 2019
Thursday
9:00AM



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES November 21st, 2019

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

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

Absent: None

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Rob Wellington, Wellington Law Offices, CAWD Legal Counsel
Peter McKee, President Pebble Beach Community Service District (PBCSD)
Nick Becker, District Engineer, PBCSD
Matthew Allen, Senior Environmental Scientist, California State Parks
Margaret Robbins, Public Participant
Dick Stott, Carmel Valley Association member, Public Participant
Jens Pedersen, Public Participant

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

- 1. Amendment added for the inclusion of a closed session on November 21, 2019*
- 2. Add Special Board Meeting to agenda with a date of November 22, 2019*
- 3. Correction on page 5 of the Agenda to update PBCSD meeting with a date of Friday, December 13th*
- 4. Addition of the October 2019 Hayashi Wayland Bank Statement Review*

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

Minutes of the CAWD Regular Board meeting held November 21, 2019 – 9:00 a.m.

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

Mr. Allen on behalf of California State Parks spoke in gratitude of the Hatton Canyon Access Road Grading Project.

The Board voted unanimously to move Item #29 of the regular Agenda to be presented directly after the Consent Calendar/Agenda.

ACTION ITEMS BEFORE THE BOARD

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

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

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

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Rachel, the Board unanimously approved the Regular Meeting Minutes of October 31st, 2019, and enacted the following Consent Calendar items:

- 3.** Approve Regular Board Meeting Minutes of October 31, 2019 and Pension Committee Meeting Minutes of November 7, 2019
- 4.** Receive and Accept Bank Statement Review by Hayashi Wayland – October 2019
(Not received at time of Board packet build)
- 5.** Receive and Accept Schedule of Cash Receipts and Disbursements – October 2019
- 6.** Approve Register of Disbursements - Carmel Area Wastewater District – October 2019
- 7.** Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – October 2019
- 8.** Receive and Accept Financial Statements and Supplementary Schedules – October 2019

Minutes of the CAWD Regular Board meeting held November 21, 2019 – 9:00 a.m.

9. Receive and Accept Collection System Superintendent's Report
October, September & August 2019
10. Receive and Accept Safety And Regulatory Compliance Report – October 2019
11. Receive and Accept Treatment Facility Operations Report –
October (partial), September & August 2019
12. Receive and Accept Laboratory/Environmental Compliance Report – October 2019
13. Receive and Accept Capital Projects Report/Implementation Plan – October 2019
14. Receive and Accept Project Summaries
15. Receive and Accept Plant Operations Report – October 2019
16. Receive and Accept Maintenance Projects Report – October 2019
17. Receive Principal Engineer Monthly Report General Engineering – October 2019

ACTION ITEMS BEFORE THE BOARD

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

COMMUNICATIONS

29. The General Manager's report on the Carmel River Free Project was moved directly after Consent Agenda

General Manager's Report

- Carmel River FREE Update – *Oral Report by General Manager, Barbara Buikema*

Public comment was taken

RESOLUTIONS

18. **Resolution No. 2019-54**; A Resolution Adopting The CAWD/PBCSD Reclamation

Minutes of the CAWD Regular Board meeting held November 21, 2019 – 9:00 a.m.

Project Audit For The Year Ending 06-30-19 – *Report by General Manager, Barbara Buikema*

Board Action

Following a motion made by Director Rachel and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-54 to adopt the CAWD/PBCSD Reclamation Project Audit for the year ending June 30, 2019.

19. Resolution No. 2019-55; A Resolution Accepting Completed Project And Directing The General Manager To File A Notice Of Completion For The Monte Verde Extension And Second Avenue Sewer Line Replacement Project And Approve Total Project Cost Changes In The Amount Of \$9,557.13 (Project #19-11) – *Report by Principal Engineer, Rachél Lather*

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-55 to file a Notice of Completion with the County of Monterey for the Monte Verde Extension and Second Avenue Sewer Line Replacement Project and approved cost changes in the amount of \$9,557.13.

20. Resolution No. 2019-56; A Resolution Selecting A President And President Pro Tem, And Appointing A Secretary And Secretary Pro Tem Of The Carmel Area Wastewater District, For A Term Of One Year Commencing On December 13, 2019 – *Report by Board Secretary, Domine Barringer*

Board Action

Following a motion for the President and President Pro-Tem made by Director Siegfried and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-56 to select Director Ken White as President and Director Robert Siegfried as President Pro-Tem.

Board Action

Following a motion for the Secretary and Secretary Pro-Tem made by Director Townsend and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-56 to select Domine Barringer as the Secretary and Kristina Pacheco as the Secretary Pro-Tem.

ACTION ITEMS BEFORE THE BOARD

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

OTHER ITEMS BEFORE THE BOARD

- 21.** CAWD Pension Plan – Actuarial Review by Nicolay Consulting July 1, 2019
Report by General Manager, Barbara Buikema
Action Required-Requesting A Motion to Accept

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Siegfried, the Board unanimously accepted the CAWD Pension Plan.

- 22.** **The viewing of the Vac Con truck was moved to before Closed Session**
~~View new Vac Con truck–No written report~~
~~Informational Only–No Action Required~~

INFORMATION/DISCUSSION ITEMS

- 23.** *PBCSD 10-25-19 Regular Board Meeting – Report by Acting General Manager, Rachél Lather*
Informational Only – No Action Required
- 24.** *Retirement Pension Plan Trustee 11-7-19 Meeting – Report by General Manager, Barbara Buikema*
- *Hastie Power Point File*
- Informational Only – No Action Required*
- 25.** *Acting General Manager Report – Report by Rachél Lather*
Informational Only – No Action Required
- 26.** *General Manager Quarterly Progress Report – Report by General Manager, Barbara Buikema*
Informational Only – No Action Required
- 27.** *Summary of Monterey County Treasurer Report dated 09-30-19– Report by General Manager, Barbara Buikema*
- 28.** *Update on Mr. Larsen Connection In Carmel Highlands – Oral Report by Collections Superintendent, Daryl Lauer*
Informational Only – No Action Required

STAFF & BOARD MEMBER REPORTS

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

COMMUNICATIONS

29. The General Manager’s report on the Carmel River Free Project was moved directly after Consent Agenda

General Manager’s Report

- ~~Carmel River FREE Update – Oral Report by General Manager, Barbara Buikema~~
- Coastal Commission Update – Oral Report by General Manager, Barbara Buikema

30. Announcements On Subjects Of Interest To The Board Made By Members Of The Board Or Staff

Oral reports or announcements from Board President, Directors or staff concerning their activities and/or meetings or conferences attended.

- Invitation to Board for a tour of the Hatton Canyon Access Road Grading Project after the December Board meeting
- Special meeting scheduled for the Salary & Benefits Committee on November 22 at 9:00 a.m.
- Board commits to providing \$20/person to staff for food for the Carmel Area Wastewater District holiday party

22. The viewing of the Vac Con truck was moved to before Closed Session

View new Vac Con truck - Viewing of Truck - *No written report
Informational Only – No Action Required*

Board and staff stepped out at 9:57 am to view the truck and came back in at 10:15 a.m.
Director Townsend remained inside.

31. 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.*

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Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

The Board adjourned to closed session at 10:15 a.m. and after a brief recess the Board convened in closed session at 10:17 a.m. The Board came out of its closed session at 11:01 a.m. and Legal Counsel announced that the Board had taken up the matter agendaized for the closed session (Anticipated Litigation), received information and no reportable action was taken.

32. ADJOURNMENT

*There being no further business to come before the Board, the President adjourned the meeting at 11:01 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, **December 19, 2019** or an alternate acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923. NOTE: Staff reports and materials regarding these agenda items are available for public review Monday through Wednesday of the week immediately prior to the Board Meeting at the District Office or at www.cawd.org. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District Office during normal business hours. Documents distributed at the meeting will be made available in the same manner.*



CARMEL AREA WASTEWATER DISTRICT (CAWD) SPECIAL BOARD MEETING MINUTES November 22, 2019

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

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

Absent: None

Others:

Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Robert Wellington, Wellington Law Offices, CAWD District Legal Counsel

OPENING SESSION

Appearances/Public Comments:

There were no appearances or public comments.

Agenda Changes:

There were no agenda changes.

Discussion:

Following the roll call (all Board Members were present), the Board received information from staff regarding the status of the County's proposed CRFREE Project and the related pipeline undergrounding by CAWD, and a recent meeting about these projects with Supervisor Adams. The Board discussed with the General Manger and staff various options for proceeding to work on these matters with the County. Upon suggestion from a Board Member, the Board President appointed himself and the President Pro-Tem to an ad hoc committee to work with the General Manager and staff on these ongoing matters.

ADJOURNMENT: *There being no further business to come before the Board, President White adjourned the meeting at 10:36 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, December 19, 2019 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.*

As Reported To:

Domine Barringer, Secretary to the Board

APPROVED:

Ken White, President



CARMEL AREA WASTEWATER DISTRICT (CAWD)
SPECIAL BOARD MEETING MINUTES
SALARY & BENEFITS COMMITTEE
November 25, 2019

CALL TO ORDER - ROLL CALL The meeting was called to order at 1:30 p.m.

Present: President Ken White, Committee member; Director Michael Rachel, Committee member

Absent: none

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Mark Napier, Collection Worker I, CAWD

OPENING SESSION

1. Appearances/Public Comments:

Mr. Treanor provided comments and clarification in support of the Employee Proposal #1.

2. Agenda Changes:

There were no agenda changes.

The Committee convened to closed session at 2:00 p.m.

CLOSED SESSION

1. The Committee discussed the Employee Proposal #1 dated 11-18-19 and gave instruction to the General Manager to respond to Employee Negotiators.
2. The Committee discussed General Manager compensation & requested additional documentation from the General Manager – no further action was taken at this time.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 3:00 p.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, December 19, 2019 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

As Reported To:

Kristina Pacheco, Secretary to the Board

APPROVED:

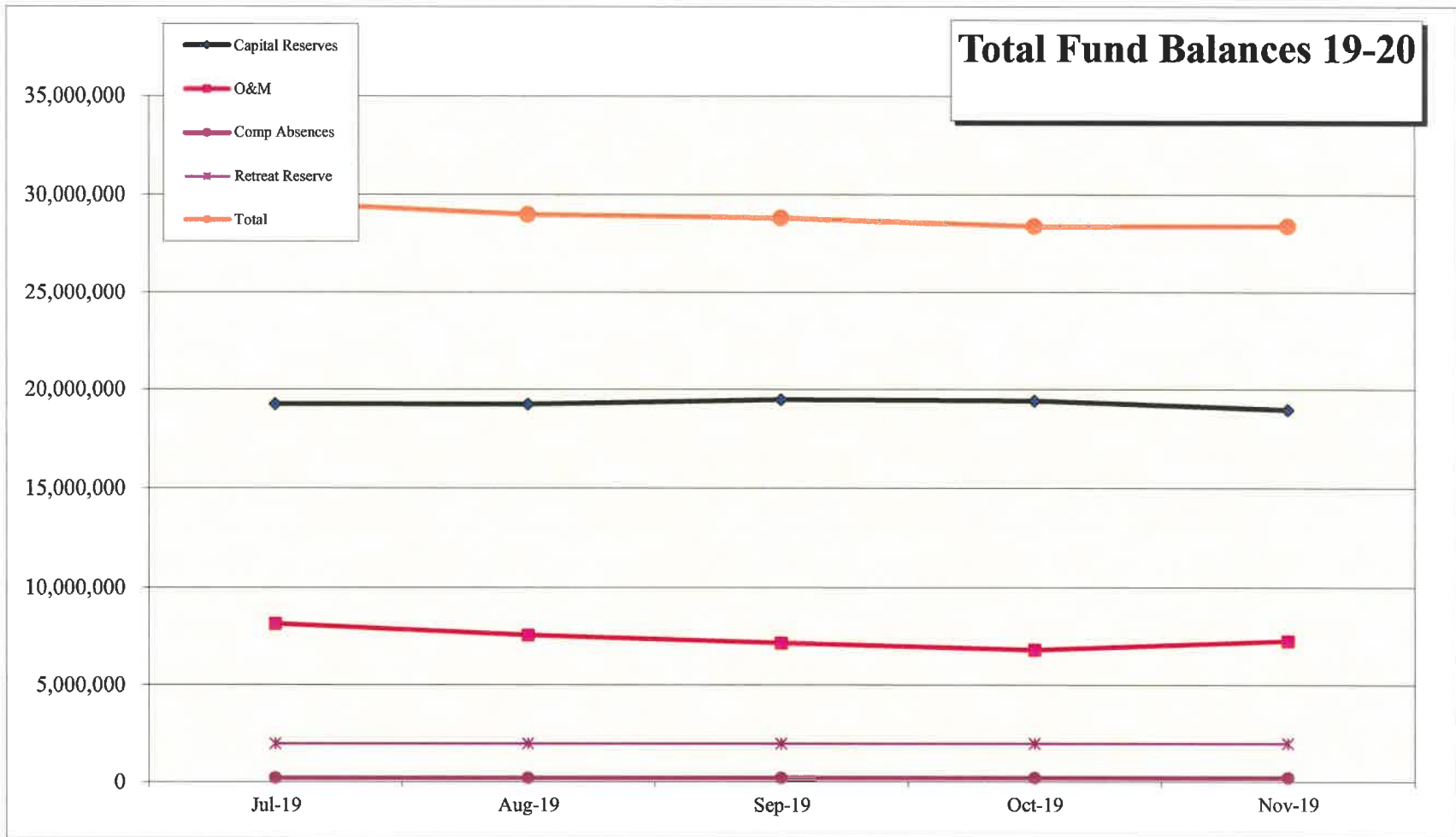
Ken White, President

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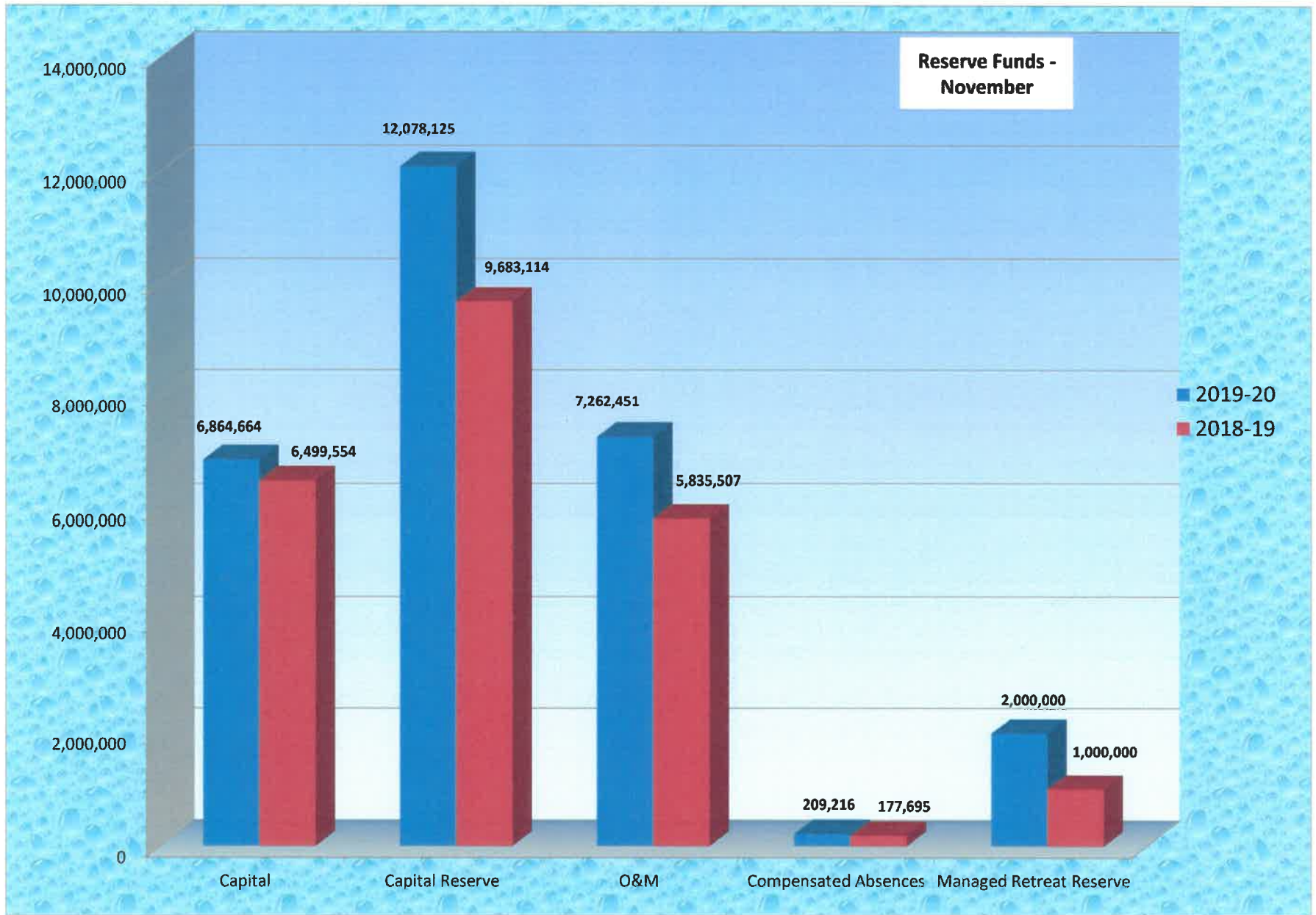
Pending receipt of H&W Independent Accountant's Report – not received at time of Board Packet build.

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

	Capital Fund	Capital Improvement Reserve	General O & M Fund	Compensated Accruals Reserve	Defend or Managed Retreat Reserve	COUNTY Total Fund Balance	Union Bank Bank O & M Balance	Union Bank Bank PR Balance	L.A.I.F. Balance
BALANCE BEGINNING OF MONTH	\$7,315,029	\$12,078,125	\$6,812,086	\$209,216	\$2,000,000	\$28,414,455	\$339,606	\$117,809	\$1,172,188
Receipts:									
User Fees							16,433		
Property Taxes							488,795		
PBCSD Treatment Fees							93,057		
Reclamation O & M reimbursement							1,560		
Reclamation capital billing							491,806		
Permits							4,661		
PBCSD capital billing							9,062		
Other misc. revenue							(1,100)		
Interest income							73,698	1	
Connection Fees									
Plan Review									
W/C audit refund									
CCLEAN receipts									
Pooled liability dividend									
September Ranch deposits									
Total Receipts	0	0	0	0	0	0	1,177,972	1	0
Fund Transfers:									
Transfers to Union Bank O&M							(225,000)	225,000	
Transfers to Union Bank PR									
Transfer to Defend or Managed Retreat Fund									
Intra-fund transfers for capital expenditures	(450,365)		450,365						
Rebalance Capital and O&M Reserves									
Total Transfers	(450,365)	0	450,365	0	0	0	(225,000)	225,000	0
Disbursements:									
Operations and capital							845,067		
Payroll & payroll taxes								207,541	
Employee Dental reimbursements							3,945		
CALPERS EFT							28,028		
CAWD SAM pension EFT							0		
CAWD pension loans EFT							587		
Home Depot EFT							47		
US Bank EFT							7,360		
Deferred comp contributions EFT								11,158	
PEHP contributions EFT								2,893	
Bank/ADP fees							0	535	
Highlands Bond Debt Service Payment									
Annual County admin billing fee									
Unfunded CALPERS liability									
Void deposit check-NSF									
Total Disbursements	0	0	0	0	0	0	885,033	222,127	0
BALANCE END OF MONTH	6,864,664	12,078,125	7,262,451	209,216	2,000,000	28,414,455	407,544	120,682	1,172,188



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



Carmel Area Wastewater District
Disbursements
Nov-19

Date	Check	Vendor	Description	Amount
11/01/19	34311	Culligan Water	C&I exchange service for the lab	17.35
11/01/19	34312	First Alarm	Quarterly billing for Plant	407.64
11/01/19	34313	Keenan & Associates	Health insurance	24,949.70
11/01/19	34314	MetLife-Group Benefits	Life insurance	1,027.74
11/01/19	34315	Patelco Credit Union	Health savings account contributions	4,928.54
11/01/19	34316	Unum Life Ins.	Long-term disability insurance	1,962.47
11/01/19	34317	Vision Service Plan	Vision insurance	727.65
11/12/19	34318	1099Express.com, Inc.	Annual 1099 program renewal	119.00
11/12/19	34319	Acme Analytical Solutions	Acetic acid, phenylarsine oxide, potassium iodate and iodine solution	1,004.28
11/12/19	34320	American Fidelity Assurance Company	Flex accounts	106.92
11/12/19	34321	Atlantic Machinery, Inc.	New Vac-Con truck (CAPITAL)	408,906.94
11/12/19	34322	AT&T CALNET 3	Various phone lines for devices	1,140.89
11/12/19	34323	AT&T	Admin alarm line	184.06
11/12/19	34324	Barbara Buikema	Vision copay	40.00
11/12/19	34325	Beck's Shoes	Employee work boots	359.03
11/12/19	34326	Brain-Based Strategies Consulting	NeuroColor workshop	4,800.00
11/12/19	34327	Buckles-Smith Electric Company	Secondary Clarifier Rehab parts (CAPITAL)	173.98
11/12/19	34328	Carmel Marina Corporation	Admin garbage and Plant rollofs	2,614.01
11/12/19	34329	CAWD/PBCSD Reclamation Project	Reimbursement for tertiary lab PG&E	596.05
11/12/19	34330	Charles DayEngel	Dental	1,274.60
11/12/19	34331	Cintas Corporation	Laundry service	636.99
11/12/19	34332	Coastal Fabrication Company	Waterjet pancake flange	148.32
11/12/19	34333	CWEA	Employee certification	89.00
11/12/19	34334	CDFA-Dept of Food & Agriculture	Annual renderer license renewal for inedible kitchen grease	7,100.00
11/12/19	34335	DKF Solutions Group	Consulting services for SSMP and workbooks, OSHA hazwoper training and SSO spill estimation training	13,921.23
11/12/19	34336	Duke's Root Control	Annual root foaming	65,146.89
11/12/19	34337	Edges Electrical	Electrical parts and supplies	1,742.21
11/12/19	34338	Exceedio	New computer for SCADA	3,533.64
11/12/19	34339	Fastenal Company	Operating, office and safety supplies	1,655.03
11/12/19	34340	Fast Response On-Site Testing	Hearing and fit testing	670.00
11/12/19	34341	Ferguson Enterprises	Operating supplies	331.61
11/12/19	34342	Fisher Scientific	Lab supplies	545.65
11/12/19	34343	F.O.Consulting	Plant tree trimming field review	2,250.00
11/12/19	34344	Glen Hudgens, M.D.	Employee medical exam	120.00
11/12/19	34345	Grainger	Battery disconnect switch	176.06
11/12/19	34346	Greeley and Hansen	Engineering services to develop and validate water pollution control	18,303.10
11/12/19	34347	Hayashi & Wayland Accounting	Bank reconciliations oversight	300.00
11/12/19	34348	ICON Cloud Solutions	Monthly telephone service	591.01
11/12/19	34349	Image Source	Plant copier service	142.69
11/12/19	34350	Inductive Automation	SCADA design consultation	420.00
11/12/19	34351	James Grover	Dental	364.00
11/12/19	34352	Karla Cristi	Dental	175.00
11/12/19	34353	Ken White	Dental	26.00
11/12/19	34354	Kristina Pacheco	Dental	350.40

Carmel Area Wastewater District
Disbursements
Nov-19

Date	Check	Vendor	Description	Amount
11/12/19	34355	Liberty Composting	Sludge hauling	9,446.32
11/12/19	34356	M3 Environmental Consulting	Pre-demolition asbestos and lead paint inspections for WWTP Phase II project (CAPITAL)	1,880.00
11/12/19	34357	Mark Dias	Dental	175.00
11/12/19	34358	MBS Business Systems	Quarterly copier billing for admin.	594.70
11/12/19	34359	McCabe & Company	Coastal Commission consulting	8,000.00
11/12/19	34360	McMaster-Carr	Operating supplies	225.41
11/12/19	34361	MNS Engineers	Upper Rancho Canada Pipe Relocation project (CAPITAL)	2,746.25
11/12/19	34362	Monterey Bay Analytical Services	Monthly lab samples and semi-annual final effluent and biosolids	5,095.00
11/12/19	34363	Motion Industries	Power wedge cog belts	147.48
11/12/19	34364	Nicolay Consulting Group	Actuarial review of the SAM plan	3,589.75
11/12/19	34365	Office Team	Temp service	91.28
11/12/19	34366	Patrick Treanor	Flood-MAR Public Forum meeting expenses	297.26
11/12/19	34367	Peninsula Welding & Medical Supply	Non-liquid cylinders	103.20
11/12/19	34368	Pure Water	Monthly service	200.75
11/12/19	34369	Quill Corporation	Office supplies	192.42
11/12/19	34370	Sage Software	Annual accounting software renewal	2,290.00
11/12/19	34371	Scarborough Lumber (Ace Hardware)	Collection supplies	13.53
11/12/19	34372	Smitty's Janitorial	Monthly service	1,110.00
11/12/19	34373	SRT Consultants	September Ranch cost estimates and permitting plans	42,000.00
11/12/19	34374	Streamline	Website maintenance	400.00
11/12/19	34375	Technical Systems Inc.	Pump Station SCADA Project (CAPITAL)	7,000.00
11/12/19	34376	Toro Petroleum	Gasoline and diesel	6,211.01
11/12/19	34377	Town & Country Gardening	Monthly service	610.00
11/12/19	34378	Unison Solutions	Biogas samples and sampling materials	1,542.34
11/12/19	34379	Univar USA Inc.	Sodium hypochlorite	3,849.01
11/12/19	34380	VNA Community Services	Employee flu shots	580.00
11/12/19	34381	Wilbur-Ellis Company	CN-9 H2s remover bulk chemical	951.92
11/15/19	34382	Applied Marine Sciences	CCLEAN expenses for July - September	56,347.38
11/15/19	34383	Armbruster, Goldsmith & Delvac	Legal services - Coastal Commission re: Sea Level Rise	2,496.10
11/15/19	34384	Bryan Mailey Electric	Install new VFD at the #1 secondary clarifier and run new conduit to influent flow meter	5,810.00
11/15/19	34385	Cal-Am Water	Monthly service	504.27
11/15/19	34386	Cintas Corporation	Laundry service	386.39
11/15/19	34387	Concern: EAP	Annual membership fee and sexual harassment training	4,600.00
11/15/19	34388	FKC CO., LTD.	3 year service on dewatering equipment	3,964.74
11/15/19	34389	Grainger	Motor grease and flange spreader tools	1,262.41
11/15/19	34390	Kennedy/Jenks Consultants	WWTP Phase II Design (CAPITAL)	28,462.72
11/15/19	34391	McMaster-Carr	Stainless steel pipe fittings	58.71
11/15/19	34392	Monterey Regional Waste Mgmt. District	Refuse to the landfill	37.82
11/15/19	34393	State Water Resources Control Board	Annual permit fees for the NPDES Flow and SSO	18,841.00
11/15/19	34394	Univar USA Inc.	Sodium bisulfate	6,381.19
11/19/19	34395	OVERFLOW STUB		0.00
11/19/19	34396	Pacific Gas & Electric	Monthly service	42,838.91
11/20/19	34397	Charlotte Townsend	Dental	1,580.00
11/20/19	34398	Comcast	Pump stations internet	107.47

Carmel Area Wastewater District
Disbursements
Nov-19

Date	Check	Vendor	Description	Amount
11/20/19	34399	Comcast	Calle La Cruz pump station internet	307.16
11/20/19	34400	Evantec Corporation	Sales tax from August invoice	35.26
11/20/19	34401	Motion Industries	Power wedge cog belts	209.08
11/20/19	34402	Soil Surveys Group	Hatton Canyon Access Road Project site inspection, lab tests and analysis (CAPITAL)	1,195.00
11/20/19	34403	USA Blue Book	Algae brushes	163.96
				849,011.88

**CAWD/PBCSD Reclamation Project
Disbursements
Nov-19**

Date	Check	Vendor	Description	Amount
11/12/19	8612	Acme Analytical Solutions	Acetic acid, potassium iodate and phenylarsine oxide	754.73
11/12/19	8613	Allied Fluid Products	Flange, adapter, camlocks and hose assembly (CAPITAL)	2,734.53
11/12/19	8614	Beecher Engineering	MF/RO and Tertiary Standby Power Pre-Design	800.00
11/12/19	8615	Brenntag Pacific	Ammonium hydroxide	3,694.86
11/12/19	8616	CAWD	O&M, aeration and secondary PG&E reimbursements	68,191.53
11/12/19	8617	Fisher Scientific	Lab supplies	545.65
11/12/19	8618	McCabe & Company	Coastal Commission consulting	2,000.00
11/12/19	8619	McMaster-Carr	Stainless steel cam-and-groove hose couplings	140.13
11/12/19	8620	Michael Skinkle	Reimbursement for a panel for the MF/RO Sound Barrier Project (CAPITAL)	71.10
11/12/19	8621	R&B Company	Parts for the MF Feed Pipe Project (CAPITAL)	6,872.83
11/12/19	8622	Specialized Engineering Services	MF/RO emergency power load study	6,150.00
11/12/19	8623	USA Blue Book	Signet mag sensor	2,171.11
11/15/19	8624	Armbruster, Goldsmith & Delvac	Legal fees for Coastal Commission re: Sea Level Rise	624.03
11/15/19	8625	Bryan Mailey Electric	Load study for emergency standby project, reject pump work and sound barrier project (CAPITAL \$3,150.00)	3,430.00
11/15/19	8626	CAWD	Reimbursement for credit card charge for MF Feed Pipe Repair Project (CAPITAL)	975.12
11/15/19	8627	Ferguson Enterprises	Pipe supports for the MF Feed Pipe Repair Project (CAPITAL)	448.70
11/15/19	8628	Harrington Industrial Plastics	PVC elbows and tees (CAPITAL)	125.08
11/15/19	8629	Pebble Beach Company	Bond principal and interest, letter of credit fees current and past and project rep costs	260,185.47
11/15/19	8630	PBCSD	O&M and capital billings (CAPITAL \$24,835.50)	76,511.63
11/15/19	8631	United Rentals Northwest	MF Feed Pipe Repair Project equipment rental (CAPITAL)	1,592.98
11/19/19	8632	Cal-Am Water	Monthly service	744.88
11/19/19	8633	Manco	Eaton VFD and remote keypad	4,657.71
11/19/19	8634	Pacific Gas & Electric	Tertiary and MF/RO	40,820.12
				484,242.19

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**Financial Statements
and
Supplementary Schedules**

November 2019

December 19, 2019

Carmel Area Wastewater District

Balance Sheet

November 2019

ASSETS		
Current Assets		
Cash		
Cash	30,114,869.46	
TOTAL Cash	30,114,869.46	
Other Current Assets		
Other Current Assets	438,719.70	
TOTAL Other Current Assets	438,719.70	
TOTAL Current Assets		30,553,589.16
Fixed Assets		
Land		
Land	308,059.76	
TOTAL Land	308,059.76	
Treatment Structures		
Treatment Structures	70,224,270.56	
TOTAL Treatment Structures	70,224,270.56	
Treatment Equipment		
Treatment Equipment	7,706,138.61	
TOTAL Treatment Equipment	7,706,138.61	
Collection Structures		
Collection Structures	1,040,749.41	
TOTAL Collection Structures	1,040,749.41	
Collection Equipment		
Collection Equipment	929,723.28	
TOTAL Collection Equipment	929,723.28	
Sewers		
		11,119,417.83
Disposal Facilities		
Disposal Facilities	1,352,472.64	
TOTAL Disposal Facilities	1,352,472.64	
Other Fixed Assets		
Other Fixed Assets	4,272,249.54	
TOTAL Other Fixed Assets	4,272,249.54	
Capital Improvement Projects		
Capital Improvement Projects	2,493,987.08	
TOTAL Capital Improvement Projects	2,493,987.08	
Accumulated depreciation		
		(48,564,803.31)
TOTAL Fixed Assets		50,882,265.40
Other Assets		
Other Assets		616,009.35
TOTAL Other Assets		616,009.35
TOTAL ASSETS		82,051,863.91

Carmel Area Wastewater District

Balance Sheet

November 2019

LIABILITIES	
Current Liabilities	
Current Liabilities	511,539.70
TOTAL Current Liabilities	<u>511,539.70</u>
Long-Term Liabilities	
Long Term Liabilities	1,091,128.69
TOTAL Long-Term Liabilities	<u>1,091,128.69</u>
TOTAL LIABILITIES	<u>1,602,668.39</u>
NET POSITION	
Net Assets	82,222,714.86
Year-to-Date Earnings	(1,773,519.34)
TOTAL NET POSITION	<u>80,449,195.52</u>
TOTAL LIABILITIES & NET POSITION	<u>82,051,863.91</u>

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	859,668.04	708,307.05	151,360.99	21.4 %
TOTAL Income	<u>859,668.04</u>	<u>708,307.05</u>	<u>151,360.99</u>	21.4 %
Adjustments				
Discounts	686.10	0.00	686.10	
TOTAL Adjustments	<u>686.10</u>	<u>0.00</u>	<u>686.10</u>	
*****	<u>860,354.14</u>	<u>708,307.05</u>	<u>152,047.09</u>	21.5 %
***** OPERATING INCOME	<u>860,354.14</u>	<u>708,307.05</u>	<u>152,047.09</u>	21.5 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,370,407.63	1,348,314.93	(22,092.70)	-1.6 %
Payroll taxes	99.31	41.65	(57.66)	-138.4 %
TOTAL Salaries and Payroll Taxes	<u>1,370,506.94</u>	<u>1,348,356.58</u>	<u>(22,150.36)</u>	-1.6 %
Employee Benefits				
Employee Benefits	288,222.84	416,760.83	128,537.99	30.8 %
TOTAL Employee Benefits	<u>288,222.84</u>	<u>416,760.83</u>	<u>128,537.99</u>	30.8 %
Director's Expenses				
Director's Expenses	13,298.69	11,937.45	(1,361.24)	-11.4 %
Medical exam/flu shots	77.33	0.00	(77.33)	
TOTAL Director's Expenses	<u>13,376.02</u>	<u>11,937.45</u>	<u>(1,438.57)</u>	-12.1 %
Truck and Auto Expenses				
Truck and Auto Expenses	26,478.66	34,013.45	7,534.79	22.2 %
TOTAL Truck and Auto Expenses	<u>26,478.66</u>	<u>34,013.45</u>	<u>7,534.79</u>	22.2 %
General and Administrative				
General and Administrative	168,666.86	369,475.00	200,808.14	54.3 %
Public outreach & promotion	1,792.81	0.00	(1,792.81)	
TOTAL General and Administrative	<u>170,459.67</u>	<u>369,475.00</u>	<u>199,015.33</u>	53.9 %
Office Expense				
Office Expense	29,513.66	20,975.10	(8,538.56)	-40.7 %
TOTAL Office Expense	<u>29,513.66</u>	<u>20,975.10</u>	<u>(8,538.56)</u>	-40.7 %
Operating Supplies				
Operating Supplies	145,217.61	159,439.50	14,221.89	8.9 %
TOTAL Operating Supplies	<u>145,217.61</u>	<u>159,439.50</u>	<u>14,221.89</u>	8.9 %
Contract Services				

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Contract Services	377,738.00	543,722.15	165,984.15	30.5 %
TOTAL Contract Services	377,738.00	543,722.15	165,984.15	30.5 %
Repairs and Maintenance				
Repairs and Maintenance	118,899.27	337,624.90	218,725.63	64.8 %
TOTAL Repairs and Maintenance	118,899.27	337,624.90	218,725.63	64.8 %
Utilities				
Utilities	154,768.81	190,502.10	35,733.29	18.8 %
TOTAL Utilities	154,768.81	190,502.10	35,733.29	18.8 %
Travel and Meetings				
Travel and Meetings	36,336.44	36,700.40	363.96	1.0 %
TOTAL Travel and Meetings	36,336.44	36,700.40	363.96	1.0 %
Permits and Fees				
Permits and Fees	56,209.25	75,642.00	19,432.75	25.7 %
TOTAL Permits and Fees	56,209.25	75,642.00	19,432.75	25.7 %
Memberships and Subscriptions				
Memberships and Subscriptions	2,269.00	6,200.05	3,931.05	63.4 %
TOTAL Memberships and Subscriptions	2,269.00	6,200.05	3,931.05	63.4 %
Safety				
Safety	26,742.98	28,972.95	2,229.97	7.7 %
TOTAL Safety	26,742.98	28,972.95	2,229.97	7.7 %
Other Expenses				
Other Expense	10,711.74	17,896.70	7,184.96	40.1 %
TOTAL Other Expenses	10,711.74	17,896.70	7,184.96	40.1 %
TOTAL Operating Expenses	2,827,450.89	3,598,219.16	770,768.27	21.4 %
***** OPERATING INCOME (LOSS)	(1,967,096.75)	(2,889,912.11)	922,815.36	31.9 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
Other Income, Gain, Expense and Loss	193,577.41	108,094.00	85,483.41	79.1 %
TOTAL Other Income or Gain	193,577.41	108,094.00	85,483.41	79.1 %
TOTAL Non-op Income, Expense, Gain or Loss	193,577.41	108,094.00	85,483.41	79.1 %
***** NET INCOME (LOSS)	(1,773,519.34)	(2,781,818.11)	1,008,298.77	36.2 %

Carmel Area Wastewater District
Operating Expenses-Maintenance Plant
Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 4

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	186,779.28	230,458.86	43,679.58	19.0 %
TOTAL Salaries and Payroll Taxes	186,779.28	230,458.86	43,679.58	19.0 %
Employee Benefits				
<i>Employee Benefits</i>	52,849.91	71,027.50	18,177.59	25.6 %
TOTAL Employee Benefits	52,849.91	71,027.50	18,177.59	25.6 %
Truck and Auto Expenses				
<i>Truck and Auto Expenses</i>	700.82	5,233.40	4,532.58	86.6 %
TOTAL Truck and Auto Expenses	700.82	5,233.40	4,532.58	86.6 %
General and Administrative				
<i>General and Administrative</i>	720.95	0.00	(720.95)	
TOTAL General and Administrative	720.95	0.00	(720.95)	
Office Expense				
<i>Office Expense</i>	5,252.29	1,541.65	(3,710.64)	-240.7 %
TOTAL Office Expense	5,252.29	1,541.65	(3,710.64)	-240.7 %
Operating Supplies				
<i>Operating Supplies</i>	17,329.99	27,499.95	10,169.96	37.0 %
TOTAL Operating Supplies	17,329.99	27,499.95	10,169.96	37.0 %
Contract Services				
<i>Contract Services</i>	58,913.76	205,666.65	146,752.89	71.4 %
TOTAL Contract Services	58,913.76	205,666.65	146,752.89	71.4 %
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	54,032.79	165,833.30	111,800.51	67.4 %
TOTAL Repairs and Maintenance	54,032.79	165,833.30	111,800.51	67.4 %
Utilities				
<i>Utilities</i>	1,570.42	875.00	(695.42)	-79.5 %
TOTAL Utilities	1,570.42	875.00	(695.42)	-79.5 %
Travel and Meetings				
<i>Travel and Meetings</i>	4,161.90	6,333.30	2,171.40	34.3 %

Carmel Area Wastewater District
Operating Expenses-Maintenance Plant
Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 4

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	4,161.90	6,333.30	2,171.40	34.3 %
Permits and Fees				
<i>Permits and Fees</i>	4,695.25	0.00	(4,695.25)	
TOTAL Permits and Fees	4,695.25	0.00	(4,695.25)	
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	676.00	983.35	307.35	31.3 %
TOTAL Memberships and Subscriptions	676.00	983.35	307.35	31.3 %
Safety				
<i>Safety</i>	17,442.71	22,450.05	5,007.34	22.3 %
TOTAL Safety	17,442.71	22,450.05	5,007.34	22.3 %
TOTAL Operating Expenses	405,126.07	737,903.01	332,776.94	45.1 %
***** OPERATING INCOME (LOSS)	(405,126.07)	(737,903.01)	332,776.94	45.1 %
***** NET INCOME (LOSS)	(405,126.07)	(737,903.01)	332,776.94	45.1 %
***** NET INCOME (LOSS)	(405,126.07)	(737,903.01)	332,776.94	45.1 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	227,519.70	217,840.21	(9,679.49)	-4.4 %
TOTAL Salaries and Payroll Taxes	227,519.70	217,840.21	(9,679.49)	-4.4 %
Employee Benefits				
Employee Benefits	75,350.06	87,220.20	11,870.14	13.6 %
TOTAL Employee Benefits	75,350.06	87,220.20	11,870.14	13.6 %
Truck and Auto Expenses				
Truck and Auto Expenses	23,848.05	26,058.35	2,210.30	8.5 %
TOTAL Truck and Auto Expenses	23,848.05	26,058.35	2,210.30	8.5 %
General and Administrative				
General and Administrative	28,117.70	97,250.00	69,132.30	71.1 %
TOTAL General and Administrative	28,117.70	97,250.00	69,132.30	71.1 %
Office Expense				
Office Expense	1,150.63	4,916.75	3,766.12	76.6 %
TOTAL Office Expense	1,150.63	4,916.75	3,766.12	76.6 %
Operating Supplies				
Operating Supplies	16,593.39	8,750.00	(7,843.39)	-89.6 %
TOTAL Operating Supplies	16,593.39	8,750.00	(7,843.39)	-89.6 %
Contract Services				
Contract Services	96,403.05	126,866.70	30,463.65	24.0 %
TOTAL Contract Services	96,403.05	126,866.70	30,463.65	24.0 %
Repairs and Maintenance				
Repairs and Maintenance	41,368.93	133,541.65	92,172.72	69.0 %
TOTAL Repairs and Maintenance	41,368.93	133,541.65	92,172.72	69.0 %
Utilities				
Utilities	17,035.43	16,095.85	(939.58)	-5.8 %
TOTAL Utilities	17,035.43	16,095.85	(939.58)	-5.8 %
Travel and Meetings				
Travel and Meetings	11,771.58	7,877.05	(3,894.53)	-49.4 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	11,771.58	7,877.05	(3,894.53)	-49.4 %
Permits and Fees				
<i>Permits and Fees</i>	5,816.00	5,750.00	(66.00)	-1.1 %
TOTAL Permits and Fees	5,816.00	5,750.00	(66.00)	-1.1 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	773.00	729.15	(43.85)	-6.0 %
TOTAL Memberships and Subscriptions	773.00	729.15	(43.85)	-6.0 %
Safety				
<i>Safety</i>	7,036.19	5,814.55	(1,221.64)	-21.0 %
TOTAL Safety	7,036.19	5,814.55	(1,221.64)	-21.0 %
Other Expenses				
<i>Other Expense</i>	0.00	83.35	83.35	100.0 %
TOTAL Other Expenses	0.00	83.35	83.35	100.0 %
TOTAL Operating Expenses	552,783.71	738,793.81	186,010.10	25.2 %
***** OPERATING INCOME (LOSS)	(552,783.71)	(738,793.81)	186,010.10	25.2 %
***** NET INCOME (LOSS)	(552,783.71)	(738,793.81)	186,010.10	25.2 %
***** NET INCOME (LOSS)	(552,783.71)	(738,793.81)	186,010.10	25.2 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	443,725.59	430,976.21	(12,749.38)	-3.0 %
TOTAL Salaries and Payroll Taxes	443,725.59	430,976.21	(12,749.38)	-3.0 %
Employee Benefits				
Employee Benefits	105,585.74	149,407.13	43,821.39	29.3 %
TOTAL Employee Benefits	105,585.74	149,407.13	43,821.39	29.3 %
Truck and Auto Expenses				
Truck and Auto Expenses	240.03	1,800.00	1,559.97	86.7 %
TOTAL Truck and Auto Expenses	240.03	1,800.00	1,559.97	86.7 %
General and Administrative				
General and Administrative	87,025.35	95,833.35	8,808.00	9.2 %
TOTAL General and Administrative	87,025.35	95,833.35	8,808.00	9.2 %
Office Expense				
Office Expense	6,253.82	7,083.35	829.53	11.7 %
TOTAL Office Expense	6,253.82	7,083.35	829.53	11.7 %
Operating Supplies				
Operating Supplies	105,073.33	117,147.90	12,074.57	10.3 %
TOTAL Operating Supplies	105,073.33	117,147.90	12,074.57	10.3 %
Contract Services				
Contract Services	182,597.33	162,833.35	(19,763.98)	-12.1 %
TOTAL Contract Services	182,597.33	162,833.35	(19,763.98)	-12.1 %
Repairs and Maintenance				
Repairs and Maintenance	17,133.18	34,583.30	17,450.12	50.5 %
TOTAL Repairs and Maintenance	17,133.18	34,583.30	17,450.12	50.5 %
Utilities				
Utilities	130,262.40	164,483.35	34,220.95	20.8 %
TOTAL Utilities	130,262.40	164,483.35	34,220.95	20.8 %
Travel and Meetings				
Travel and Meetings	14,425.65	12,765.05	(1,660.60)	-13.0 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	14,425.65	12,765.05	(1,660.60)	-13.0 %
Permits and Fees				
<i>Permits and Fees</i>	26,306.00	43,500.00	17,194.00	39.5 %
TOTAL Permits and Fees	26,306.00	43,500.00	17,194.00	39.5 %
Memberships and Subscriptions				
<i>Memberships and Subscriptions</i>	765.00	2,216.70	1,451.70	65.5 %
TOTAL Memberships and Subscriptions	765.00	2,216.70	1,451.70	65.5 %
Safety				
<i>Safety</i>	1,574.00	0.00	(1,574.00)	
TOTAL Safety	1,574.00	0.00	(1,574.00)	
Other Expenses				
<i>Other Expense</i>	70.00	833.35	763.35	91.6 %
TOTAL Other Expenses	70.00	833.35	763.35	91.6 %
TOTAL Operating Expenses	1,121,037.42	1,223,463.04	102,425.62	8.4 %
***** OPERATING INCOME (LOSS)	(1,121,037.42)	(1,223,463.04)	102,425.62	8.4 %
***** NET INCOME (LOSS)	(1,121,037.42)	(1,223,463.04)	102,425.62	8.4 %
***** NET INCOME (LOSS)	(1,121,037.42)	(1,223,463.04)	102,425.62	8.4 %

Carmel Area Wastewater District
Operating Expenses-Administration
*Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 7*

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
<i>Salaries and Payroll Taxes</i>	249,193.34	275,234.80	26,041.46	9.5 %
TOTAL Salaries and Payroll Taxes	249,193.34	275,234.80	26,041.46	9.5 %
Employee Benefits				
<i>Employee Benefits</i>	54,437.13	109,106.00	54,668.87	50.1 %
TOTAL Employee Benefits	54,437.13	109,106.00	54,668.87	50.1 %
Director's Expenses				
<i>Director's Expenses</i>	12,948.69	11,937.45	(1,011.24)	-8.5 %
Medical exam/flu shots	77.33	0.00	(77.33)	
TOTAL Director's Expenses	13,026.02	11,937.45	(1,088.57)	-9.1 %
Truck and Auto Expenses				
<i>Truck and Auto Expenses</i>	1,689.76	921.70	(768.06)	-83.3 %
TOTAL Truck and Auto Expenses	1,689.76	921.70	(768.06)	-83.3 %
General and Administrative				
<i>General and Administrative</i>	40,380.55	176,391.65	136,011.10	77.1 %
Public outreach & promotion	1,792.81	0.00	(1,792.81)	
TOTAL General and Administrative	42,173.36	176,391.65	134,218.29	76.1 %
Office Expense				
<i>Office Expense</i>	16,856.92	7,433.35	(9,423.57)	-126.8 %
TOTAL Office Expense	16,856.92	7,433.35	(9,423.57)	-126.8 %
Operating Supplies				
<i>Operating Supplies</i>	304.32	625.00	320.68	51.3 %
TOTAL Operating Supplies	304.32	625.00	320.68	51.3 %
Contract Services				
<i>Contract Services</i>	35,754.82	47,522.10	11,767.28	24.8 %
TOTAL Contract Services	35,754.82	47,522.10	11,767.28	24.8 %
Repairs and Maintenance				
<i>Repairs and Maintenance</i>	5,087.89	1,041.65	(4,046.24)	-388.4 %
TOTAL Repairs and Maintenance	5,087.89	1,041.65	(4,046.24)	-388.4 %

Carmel Area Wastewater District
Operating Expenses-Administration
Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 7

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Utilities				
Utilities	5,887.58	9,047.90	3,160.32	34.9 %
TOTAL Utilities	5,887.58	9,047.90	3,160.32	34.9 %
Travel and Meetings				
Travel and Meetings	5,977.31	9,725.00	3,747.69	38.5 %
TOTAL Travel and Meetings	5,977.31	9,725.00	3,747.69	38.5 %
Permits and Fees				
Permits and Fees	19,392.00	19,392.00	0.00	
TOTAL Permits and Fees	19,392.00	19,392.00	0.00	
Memberships and Subscriptions				
Memberships and Subscriptions	55.00	2,270.85	2,215.85	97.6 %
TOTAL Memberships and Subscriptions	55.00	2,270.85	2,215.85	97.6 %
Safety				
Safety	484.90	83.35	(401.55)	-481.8 %
TOTAL Safety	484.90	83.35	(401.55)	-481.8 %
Other Expenses				
Other Expense	10,641.74	16,980.00	6,338.26	37.3 %
TOTAL Other Expenses	10,641.74	16,980.00	6,338.26	37.3 %
TOTAL Operating Expenses	460,962.09	687,712.80	226,750.71	33.0 %
***** OPERATING INCOME (LOSS)	(460,962.09)	(687,712.80)	226,750.71	33.0 %
***** NET INCOME (LOSS)	(460,962.09)	(687,712.80)	226,750.71	33.0 %
***** NET INCOME (LOSS)	(460,962.09)	(687,712.80)	226,750.71	33.0 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	259,742.74	193,193.00	(66,549.74)	-34.4 %
TOTAL Salaries and Payroll Taxes	259,742.74	193,193.00	(66,549.74)	-34.4 %
Director's Expenses				
Director's Expenses	350.00	0.00	(350.00)	
TOTAL Director's Expenses	350.00	0.00	(350.00)	
General and Administrative				
General and Administrative	12,422.31	0.00	(12,422.31)	
TOTAL General and Administrative	12,422.31	0.00	(12,422.31)	
Operating Supplies				
Operating Supplies	5,324.68	3,541.65	(1,783.03)	-50.3 %
TOTAL Operating Supplies	5,324.68	3,541.65	(1,783.03)	-50.3 %
Contract Services				
Contract Services	429.04	0.00	(429.04)	
TOTAL Contract Services	429.04	0.00	(429.04)	
Repairs and Maintenance				
Repairs and Maintenance	654.07	1,791.65	1,137.58	63.5 %
TOTAL Repairs and Maintenance	654.07	1,791.65	1,137.58	63.5 %
Utilities				
Utilities	12.98	0.00	(12.98)	
TOTAL Utilities	12.98	0.00	(12.98)	
Safety				
Safety	205.18	625.00	419.82	67.2 %
TOTAL Safety	205.18	625.00	419.82	67.2 %
TOTAL Operating Expenses	279,141.00	199,151.30	(79,989.70)	-40.2 %
***** OPERATING INCOME (LOSS)	(279,141.00)	(199,151.30)	(79,989.70)	-40.2 %

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

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
***** NET INCOME (LOSS)	(279,141.00)	(199,151.30)	(79,989.70)	-40.2 %
***** NET INCOME (LOSS)	(279,141.00)	(199,151.30)	(79,989.70)	-40.2 %

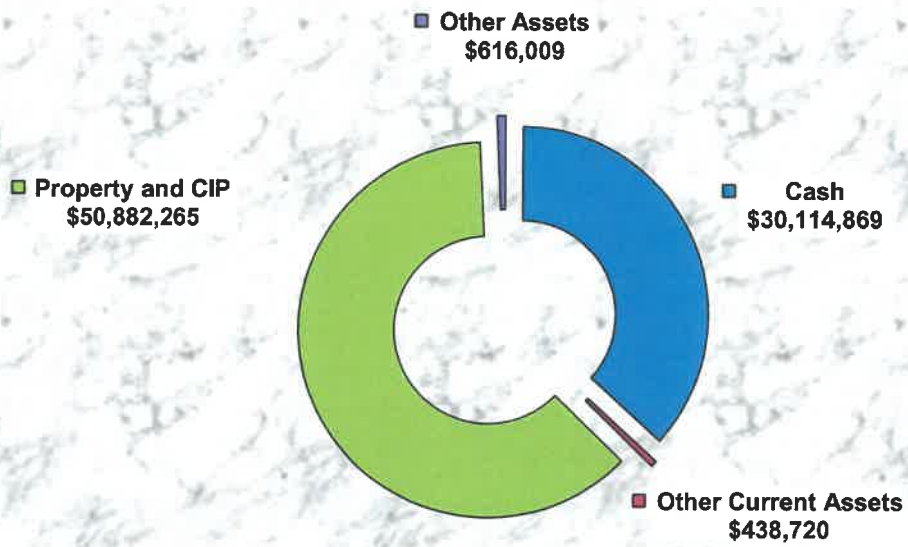
Carmel Area Wastewater District
Budgeted Income Stmt.-Waste to Energy
*Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 9*

	<i>5 Months Ended November 30, 2019</i>	<i>5 Months Ended November 30, 2019 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	4,017.60	416.65	3,600.95	864.3 %
TOTAL Income	<u>4,017.60</u>	<u>416.65</u>	<u>3,600.95</u>	864.3 %
*****	<u>4,017.60</u>	<u>416.65</u>	<u>3,600.95</u>	864.3 %
***** OPERATING INCOME	<u>4,017.60</u>	<u>416.65</u>	<u>3,600.95</u>	864.3 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	2,153.62	66.00	(2,087.62)	-3163.1 %
TOTAL Salaries and Payroll Taxes	<u>2,153.62</u>	<u>66.00</u>	<u>(2,087.62)</u>	-3163.1 %
Operating Supplies				
Operating Supplies	534.59	833.35	298.76	35.9 %
TOTAL Operating Supplies	<u>534.59</u>	<u>833.35</u>	<u>298.76</u>	35.9 %
Contract Services				
Contract Services	2,100.00	0.00	(2,100.00)	
TOTAL Contract Services	<u>2,100.00</u>	<u>0.00</u>	<u>(2,100.00)</u>	
Repairs and Maintenance				
Repairs and Maintenance	324.12	0.00	(324.12)	
TOTAL Repairs and Maintenance	<u>324.12</u>	<u>0.00</u>	<u>(324.12)</u>	
Permits and Fees				
Permits and Fees	0.00	7,000.00	7,000.00	100.0 %
TOTAL Permits and Fees	<u>0.00</u>	<u>7,000.00</u>	<u>7,000.00</u>	100.0 %
TOTAL Operating Expenses	<u>5,112.33</u>	<u>7,899.35</u>	<u>2,787.02</u>	35.3 %
***** OPERATING INCOME (LOSS)	<u>(1,094.73)</u>	<u>(7,482.70)</u>	<u>6,387.97</u>	85.4 %
***** NET INCOME (LOSS)	<u>(1,094.73)</u>	<u>(7,482.70)</u>	<u>6,387.97</u>	85.4 %
***** NET INCOME (LOSS)	<u>(1,094.73)</u>	<u>(7,482.70)</u>	<u>6,387.97</u>	85.4 %

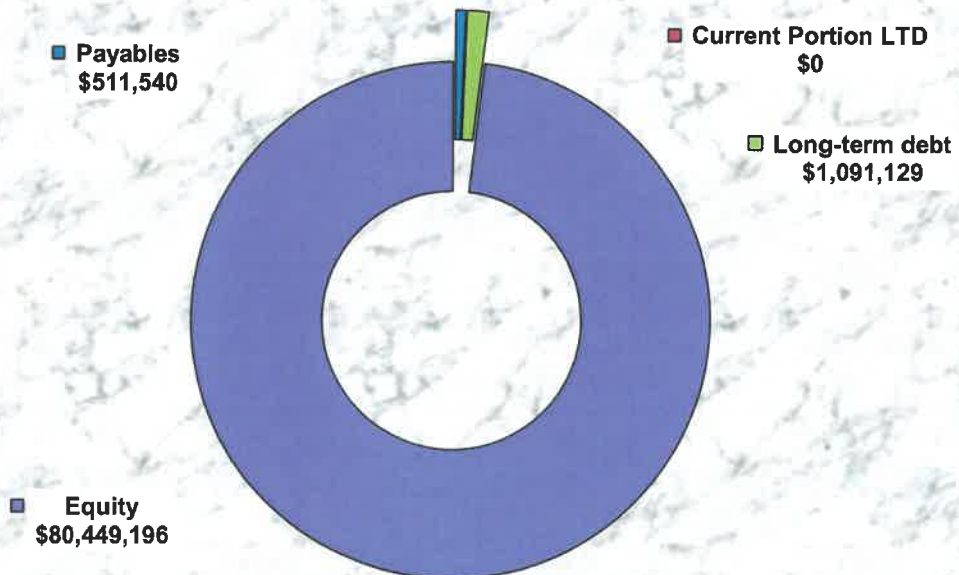
Carmel Area Wastewater District
Budgeted Income Stmt.-Brine Disposal
Year-to-Date Variance, November 2019 - current month, Consolidated by
account, Department 10

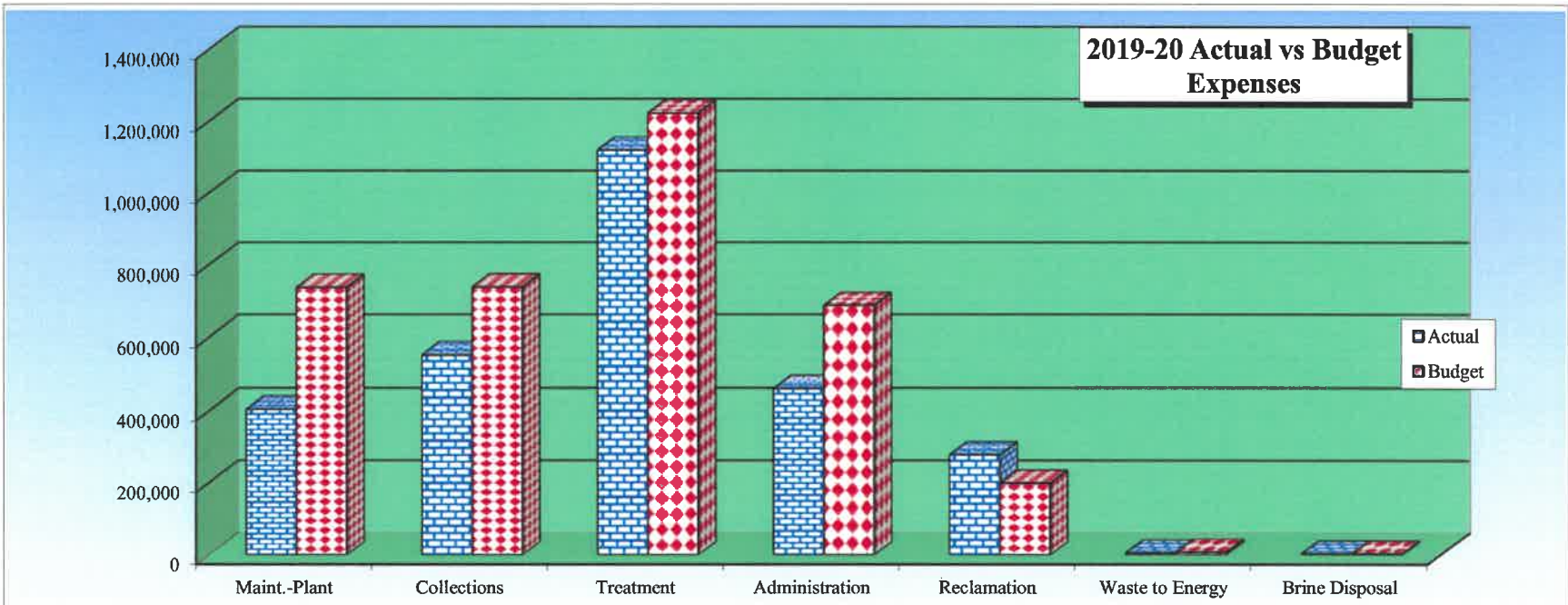
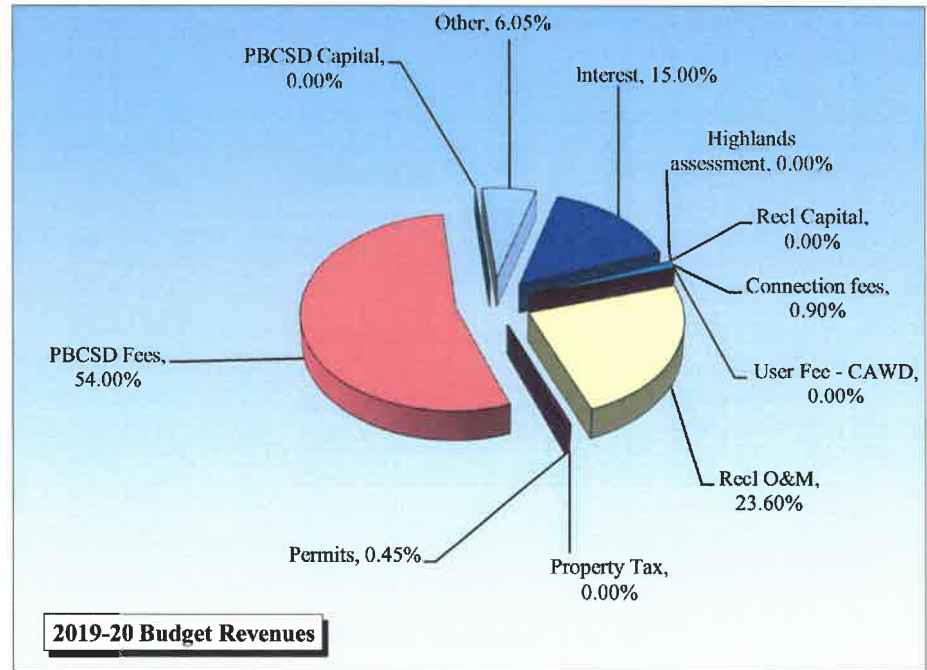
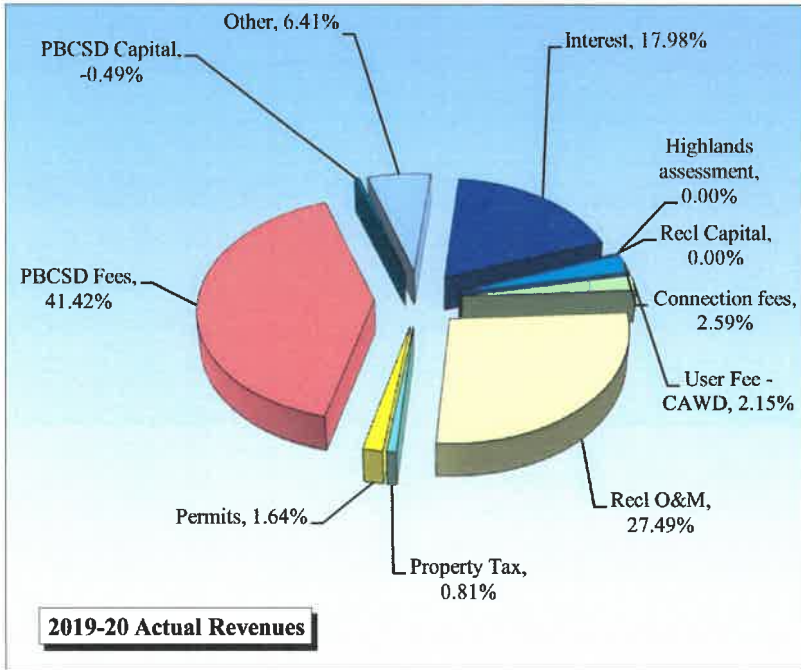
	<i>5 Months Ended</i> <i>November 30, 2019</i>	<i>5 Months Ended</i> <i>November 30, 2019</i> <i>Budget</i>	<i>Variance</i> <i>Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	50,927.72	50,000.00	927.72	1.9 %
TOTAL Income	<u>50,927.72</u>	<u>50,000.00</u>	<u>927.72</u>	1.9 %
*****	<u>50,927.72</u>	<u>50,000.00</u>	<u>927.72</u>	1.9 %
***** OPERATING INCOME	<u>50,927.72</u>	<u>50,000.00</u>	<u>927.72</u>	1.9 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,293.36	545.85	(747.51)	-136.9 %
Payroll taxes	99.31	41.65	(57.66)	-138.4 %
TOTAL Salaries and Payroll Taxes	<u>1,392.67</u>	<u>587.50</u>	<u>(805.17)</u>	-137.1 %
Operating Supplies				
Operating Supplies	57.31	1,041.65	984.34	94.5 %
TOTAL Operating Supplies	<u>57.31</u>	<u>1,041.65</u>	<u>984.34</u>	94.5 %
Contract Services				
Contract Services	1,540.00	833.35	(706.65)	-84.8 %
TOTAL Contract Services	<u>1,540.00</u>	<u>833.35</u>	<u>(706.65)</u>	-84.8 %
Repairs and Maintenance				
Repairs and Maintenance	298.29	833.35	535.06	64.2 %
TOTAL Repairs and Maintenance	<u>298.29</u>	<u>833.35</u>	<u>535.06</u>	64.2 %
TOTAL Operating Expenses	<u>3,288.27</u>	<u>3,295.85</u>	<u>7.58</u>	0.2 %
***** OPERATING INCOME (LOSS)	<u>47,639.45</u>	<u>46,704.15</u>	<u>935.30</u>	2.0 %
***** NET INCOME (LOSS)	<u>47,639.45</u>	<u>46,704.15</u>	<u>935.30</u>	2.0 %
***** NET INCOME (LOSS)	<u>47,639.45</u>	<u>46,704.15</u>	<u>935.30</u>	2.0 %

Assets - November 30, 2019

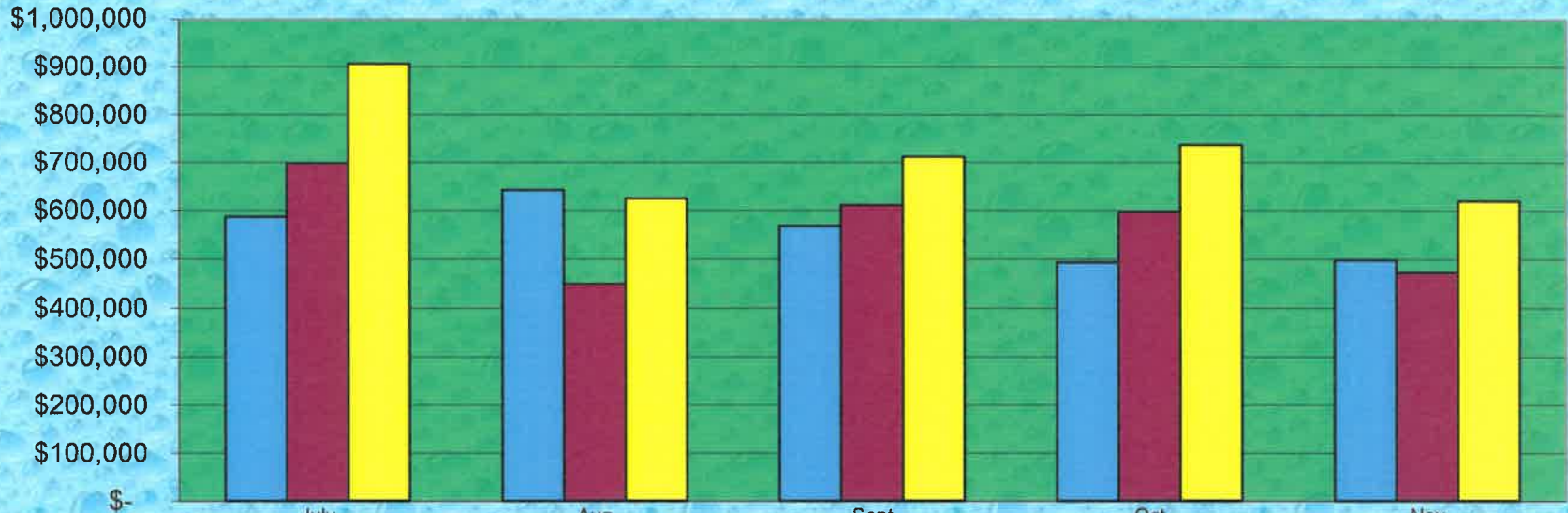


Liabilities - November 30, 2019





Operating Expenses



■ FY 18-19	\$586,862	\$641,989	\$568,037	\$493,915	\$498,778
■ FY 19-20	\$697,777	\$450,055	\$610,701	\$596,377	\$472,541
■ CY Budget	\$905,914	\$624,813	\$711,326	\$736,730	\$619,435

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

	BEG BAL	NOV	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>						
New Vac-Con Truck		25,002	433,909	433,909	410,000	105.83%
Monte Verde & 2nd sewer pipe-budgeted in O&M		100,657	100,657	100,657	75,000	134.21%
<u>Treatment</u>						
Paving at the Plant-unbudgeted		0	12,457	12,457	0	NA
		0	0	0	0	NA
RECL share		0	0	0	0	NA
PBCSD share (1/3 of cost)		0	(4,152)	(4,152)	0	NA
<i>Total Capital Purchases 19-20</i>		125,659	542,871	542,871	485,000	NA

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

	BEG BAL	NOV	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CIP PROJECTS</u>						
<u>Collections</u>						
Design and construction plans for Calle La Cruz force main	197,558	0	536	198,094	0	NA
Construction of new Gravity Sewer Line-Carmel Meadows	152,880	0	0	152,880	160,000	NA
Hatton Canyon Trail	233,858	0	15,164	249,022	0	NA
Pump Stations-SCADA	65,943	206,272	213,272	279,215	450,000	47.39%
Hatton Canyon Access Road-unbudgeted	0	33,898	37,261	37,261	0	NA
Upper Rancho Canada Pipe Relocation	0	0	2,746	2,746	200,000	1.37%
Rio Road CIPP Lining Project	0	7,399	7,399	7,399	1,340,000	0.55%
<u>Treatment</u>						
#1 Water System Pipeline Corrosion	0	0	4,370	4,370	30,000	14.57%
RECL share		0	0	0	0	NA
PBCSD share (1/3 of cost)		0	(1,457)	(1,457)	(10,000)	14.57%
<i>Total CIP Projects 19-20</i>	650,239	247,568	279,291	929,530	2,170,000	12.87%

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

	BEG BAL	NOV	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>LONG TERM CIP PROJECTS</u>						
<u>Treatment</u>						
Perimeter Fencing	3,000	0	0	3,000	150,000	NA
Outfall Crossing rehabilitation	289,274	0	2,144	291,418	0	NA
Microturbine/Gas Conditioning System	1,410	0	10,953	12,363	510,000	2.15%
Secondary Clarifier #1 Rehab	139,430	79	141,786	281,216	127,190	111.48%
Mainsaver Inventory Module (RECL 33%)	77,241	0	0	77,241	0	NA
WWTP Phase II Design (RECL 4%)	630,923	1,880	133,460	764,383	750,000	17.79%
SCADA Programming	123,635	(18,760)	3,408	127,042	60,000	5.68%
Digester No. 1 & No. 2 Cleaning	0	0	510	510	125,000	0.41%
WWTP Perimeter Tree Planting	0	1,432	1,432	1,432	60,000	2.39%
Standby Power Reliability Project	0	0	800	800	730,000	0.11%
Critical Process Flood Adaptations (RECL 15%)	0	3,596	3,596	3,596	50,000	7.19%
RECL share		(615)	(5,878)	(5,878)	(30,000)	19.59%
PBCSD share (1/3 of cost)		4,130	(97,403)	(97,403)	(844,063)	11.54%
<i>Total Long Term CIP Projects 19-20</i>	1,264,913	(8,259)	194,807	1,459,719	1,688,127	11.54%
Total Capital (net of RECL and PBCSD)	1,915,152	364,968	1,016,968	2,932,120	4,343,127	23.42%

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

**YTD Actual/
YTD Budget
Variance**

Maintenance - Plant

General and Administrative		Insurance unbudgeted.
Office Expense	-240.70%	Computers and equipment underbudgeted.
Utilities	-79.50%	Timing difference-telephone fixed cost. Small dollar amounts.

Collections

Operating Supplies	-89.60%	Timing difference-general supplies, paints and fluids underbudgeted.
Utilities	-5.80%	Timing difference-Calle, Highlands and telephone over budget.
Travel and Meetings	-49.40%	Timing difference-training and meetings.
Memberships and Subscriptions	-6.00%	Timing difference-CWEA memberships. Small dollar amounts.
Safety	-21.00%	Timing difference-training.

Treatment

Contract Services	-12.10%	Coastal Commission consulting unbudgeted.
Travel and Meetings	-13.00%	Timing difference-training.

Administration

Director's Expenses	-9.10%	Timing difference-dental reimbursements.
Truck and Auto Expenses	-83.30%	Insurance underbudgeted.
Office Expense	-126.80%	Copy machine budgeted in capital. Cost less than \$10,000.
Repairs and Maintenance	-388.40%	Parking lot asphalt underbudgeted.
Safety	-481.80%	Training unbudgeted. Small dollar amounts.

Waste to Energy

Salaries and Payroll Taxes	-3163.10%	Underbudgeted. Small dollar amounts.
Contract Services		Electrical service unbudgeted.
Repairs and Maintenance		Unbudgeted-small dollar amounts.

Brine Disposal

Salaries and Payroll Taxes	-137.10%	Timing difference. Small dollar amounts.
Contract Services	-84.80%	Electrical service unbudgeted.

District Obligations:

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

STAFF REPORT

TO: Board of Directors
FROM: Daryl Lauer, Collection Superintendent
DATE: December 19, 2019
SUBJECT: Monthly Report – November



RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in November	19
Total Fees	\$3,010.00

Maintenance

Attached is a map of the locations cleaned in past three months. There were 4,950 feet Closed Circuit Television (CCTV) sewer line inspections during the month of November.

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
November	35,332 ft.	8.59%	6 - 27 inches
October	41,702 ft.	10.14%	6 – 12 inches
September	41,086 ft.	9.99%	6 – 12 inches

Construction Activities

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

Staff Development

- Collection Staff attended vac-con training on November 19th. This training was provided by the vendor and addressed the operations, maintenance and safety of the new truck.
- All CAWD Staff attended open enrolment for health insurance. A representative from Keenan was onsite to answer questions.

General Comments

- N/A

Service Calls Responded to by Crew

Date	Time	Callout	Resolution
11/5/19	9:40 AM	Cleanout locate	Called by main office for a free lateral cleanout inspection that was advertised in District's newsletter. Staff was able to locate the cleanout.
11/8/19	8:00 AM	Cleanout locate	Called by main office for a free lateral cleanout inspection that was advertised in District's newsletter. Staff was not able to locate the cleanout and informed the homeowner to call a plumber of their choice to assist in finding cleanout. Staff will follow up with a letter.

Date	Time	Callout	Resolution
11/13/19	11:54 AM	Cleanout locate	Called by main office for a free lateral cleanout inspection that was advertised in District's newsletter. Staff was able to locate the cleanout.
11/30/19	6:00 AM	Pump Station Alarm	Staff called for a communications signal loss. Staff disabled alarm temporarily until signal returned.

USA Location Requests – 94

Plumbing permit inspections – 22

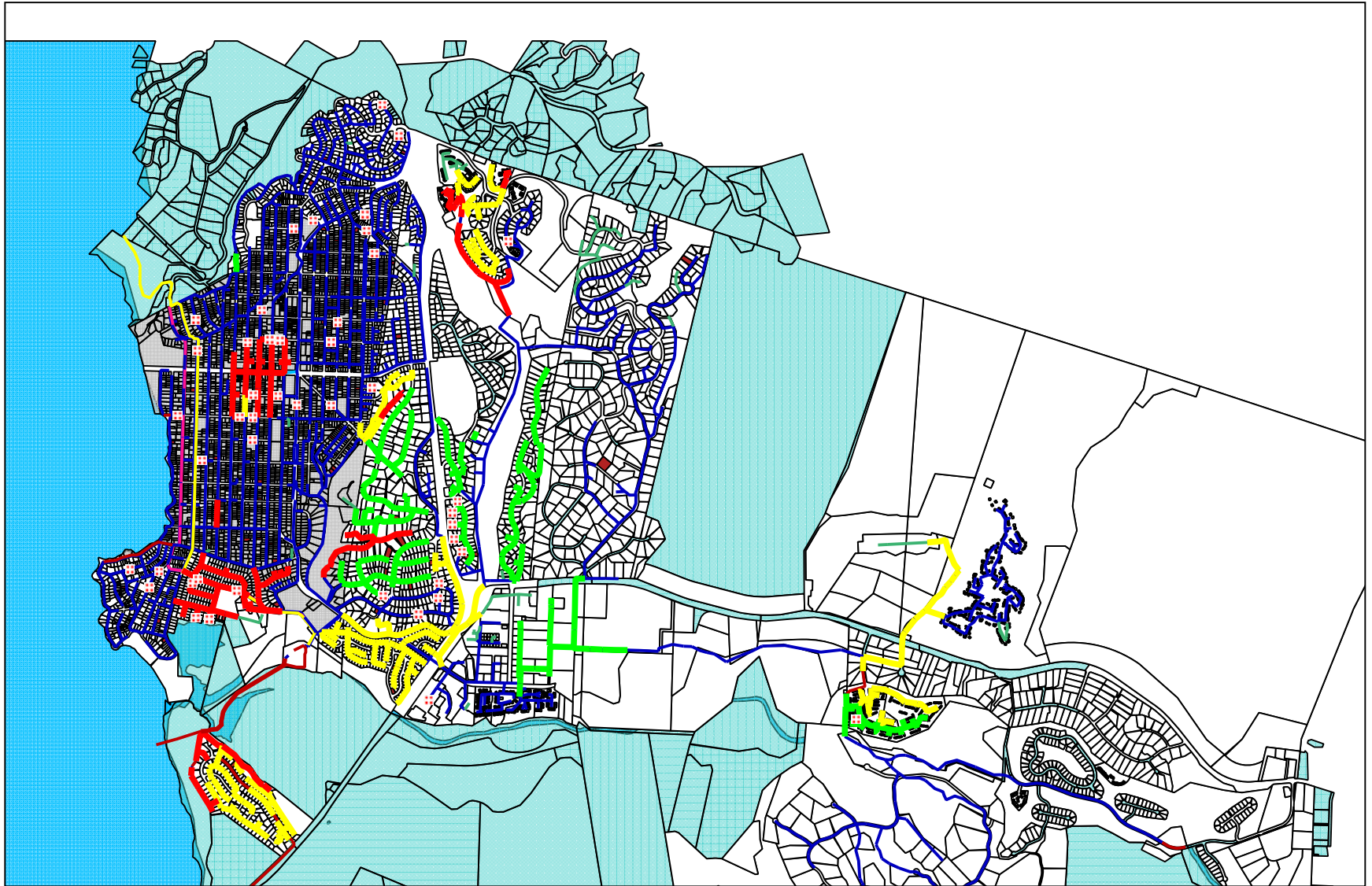
Private Sewer Lateral Compliance Certificates Issued – 20

FUNDING

N/A

November (Red) 35,332 feet
October (Yellow) 41,702 feet
September (Green) 41,086 feet

Monthly Cleaning Map



RedZone
ROBOTICS

12/4/2019



STAFF REPORT

To: Board of Directors

From: Mark Dias, Safety and
Regulatory Compliance Administrator

Date: December 19, 2019

Subject: Monthly Safety Report (for November 2019)



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Safety & Training

- Nov 6- Tailgate training. In preparation for winter power outages, Maintenance Superintendent Foley gave a refresher on the operation of the main electric switchgear at the plant. There is a scenario where, during a PG&E power outage, one of the two backup generators might fail to start. While highly unlikely, half of the plant would not have power and operations staff need to know how to restore full power. A specific sequence of manual switching is needed. The training concluded with a walk-through of the process in the switch gear room.
- Nov 13- Tailgate training. Maintenance Superintendent Foley provided training on cyber security and how to develop more robust passwords. It was emphasized that longer “pass-phrases” (at least 12 characters long) are preferable to shorter passwords. As a follow up to this training, all staff were required to update their pass-phrases.
- Nov 20- Tailgate training. Mark Dias, Safety and Compliance Administrator (S/C Admin Dias), gave an overview of flood response planning efforts. S/C Admin Dias is updating the District’s flood response documents and developed a list of tasks needed to prepare for a 100-year flood event. In addition to protecting key infrastructure, planning is focused on maintaining compliance with the District’s ocean discharge and stormwater discharge permits during a flood. Some tasks

are one-time improvements; some would be recurring tasks each October before winter, and remaining tasks would be completed after receiving flood warnings from the Monterey County Office of Emergency Services. Crews then practiced how to install flood barriers at two locations. Additional trainings are forthcoming.

Ongoing Safety Improvements

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

- Bulk aqueous ammonia system repairs. **Background;** as described in previous reports, CAWD receives monthly bulk deliveries of 19% aqueous ammonia. The bulk tank is outdoors at the tertiary building with permanent secondary containment. New gas monitoring equipment showed that ammonia vapors were escaping out of the tank lid during filling. Operations staff have been required to wear respirators during deliveries. Until the system is improved, an Interim Operating Procedure (IOP) was promulgated. Per the IOP staff are required to remotely monitor the tank level at a safe distance using the wireless SCADA system. CAWD staff intended to retrofit the piping and venting rather than purchasing a replacement system. A pressure gauge was installed to measure pressures and the gauge showed that the tank lid essentially held zero pressure and was venting ammonia vapors. A new, non-vented lid was installed; however, the system still would not hold pressure and both the lid and the pressure gauge were leaking. The lid was reinstalled using a new ammonia resistant sealant along with a diaphragm-isolated gauge. This was a major improvement. Air monitoring showed 0.0 PPM of ammonia around the tank and piping. Follow up monitoring showed the system also held all vapors during warm afternoons (when daily off-gassing peaks). During a delivery there were two unexplained short-term gas spikes. In August the leak location was narrowed down a leak somewhere in the piping. In September the vapor leak location was pinpointed to the temporary hose connection between the truck hose and CAWD's venting piping. In October a new stainless-steel connection point was installed. Overall, the tank system appears to hold pressure. A retrofit of the system is not indicated at this time. **Update:** The integrity of the new connection point was tested during delivery. There were no leaks. The system will be periodically checked during future deliveries. **Item closed.**

- Ergonomic Assessment of Essential Job Duties. CAWD contracted with Don Freeman owner of Occumetric, a service that specializes in conducting job duty assessments in the wastewater industry. He has completed similar assessments for several large wastewater agencies. These assessments identify the essential physical duties for each job classification (e.g., lifting, climbing, pulling, pushing, etc.). The assessments cover all CAWD's major work groups (mechanics, operators, collection workers, administrators, lab staff). He began with a template/list of typical duties and then customized the list for CAWD by interviewing staff from each department and observing crews in the field. He documented the weight of dozens of pieces of CAWD equipment and measured the forces needed to push, lift or pull the equipment. The resulting lists are quite detailed since he also documents lift ranges and heights (e.g., lift from ground up to 24 inches; lift from waist to shoulder; lift from waist to overhead, etc.). The operator's job description lists 38 duties and the mechanic's description lists 58.

The resulting detailed list of duties will help the District in at least four ways:

- The list of duties in the job descriptions will be much more specific and consistent. Prospective employees will have a much clearer picture of the expected physical demands and CAWD can make job assignment decisions based on actual physical measurements as observed and documented by an ergonomic expert.
- Pre-employment screening will be improved. Studies show that pre-existing conditions are a major contributor to on-the-job injuries and long-term disability claims. Physical screenings are often very rudimentary (e.g., "touch your toes," lift 25 pounds, do two squats, etc.). Now, with the specific list of job duties, prospective employees will undergo more thorough ergonomic testing based on the actual job duties. The goal will be to reduce costly claims by identifying employees who may aggravate a previous injury or who are not in adequate physical condition to perform the job.
- The return to work process will be improved after an injury. Before an injured employee can resume work, a "Return to Work" form must be filled out by the physician. However, the forms are overly simplified and leave little flexibility to approve lighter physical tasks. Doctors are often not familiar with wastewater worker's duties. As a result, doctors typically default to a blanket restriction to desk duties even though the employee could complete lighter physical tasks. Now, with the new lists, doctors can approve a wider range of safe duties while ruling out specific tasks that might aggravate the injury or delay recovery.
- A more detailed list provides more options for an employee to return to full

duty. Giving the employee more options for lighter physical tasks nets a higher productivity for the District. It also allows the employee to remain reasonably active and contribute to the team effort. Further, it allows more options to accommodate a modified duty schedule as the employee safely transitions to full duty.

Tours and Outreach

No tours were requested in November.

Injuries; first aid responses; worker compensation claims

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

Work Related Injuries and Illnesses for 2019 Reporting Year					
TYPE	New Incidents (Month)	Total Incidents (Year)	Total Days Away from Work (Year)	Total Days of Job Restriction (Year)	Cumulative days lost (Year)
OSHA Injuries	0	0	0	0	0
OSHA Illnesses	0	0	0	0	0
Other WC Claims	0	1	0	0	0
First Aid (non-OSHA)	0	6	0	0	0

FUNDING

N/A- Informational item only

2019 November Data Not Available at the time
of the 12.19.19 Board Meeting

Wastewater Treatment Facility Operations Report (Amended)

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

TERTIARY PROCESS HISTORY

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

ELECTRICAL COSTS

Monthly Totals	Oct '19 kWh	Price per kWh	Oct'19	Sept'19	Aug'19	Jul'19
Secondary	129,804.00	\$ 0.211	\$ 27,377.55	\$ 26,506.56	\$ 27,224.60	\$ 26,228.72
Blowers	54,008.96	\$ 0.181	\$ 9,780.08	\$ 10,725.36	\$ 12,091.11	\$ 9,352.35
CAWD Total	183,812.96		\$ 37,157.63	\$ 37,231.92	\$ 39,315.71	\$ 35,581.07
Tertiary	72,274.12	\$ 0.202	\$ 32,874.59	\$ 16,105.51	\$ 19,963.18	\$ 19,514.70
MF/RO	112,262.00	\$ 0.455	\$ 24,051.04	\$ 38,146.33	\$ 40,675.90	\$ 126.77
Reclaim Total	184,536.12		\$ 56,925.63	\$ 54,251.84	\$ 60,639.08	\$ 19,641.47
Adjusted Monthly Totals	CAWD Total		\$ 22,791.04	Reclamation Total		\$ 71,292.22

kW-h Per Acre Foot

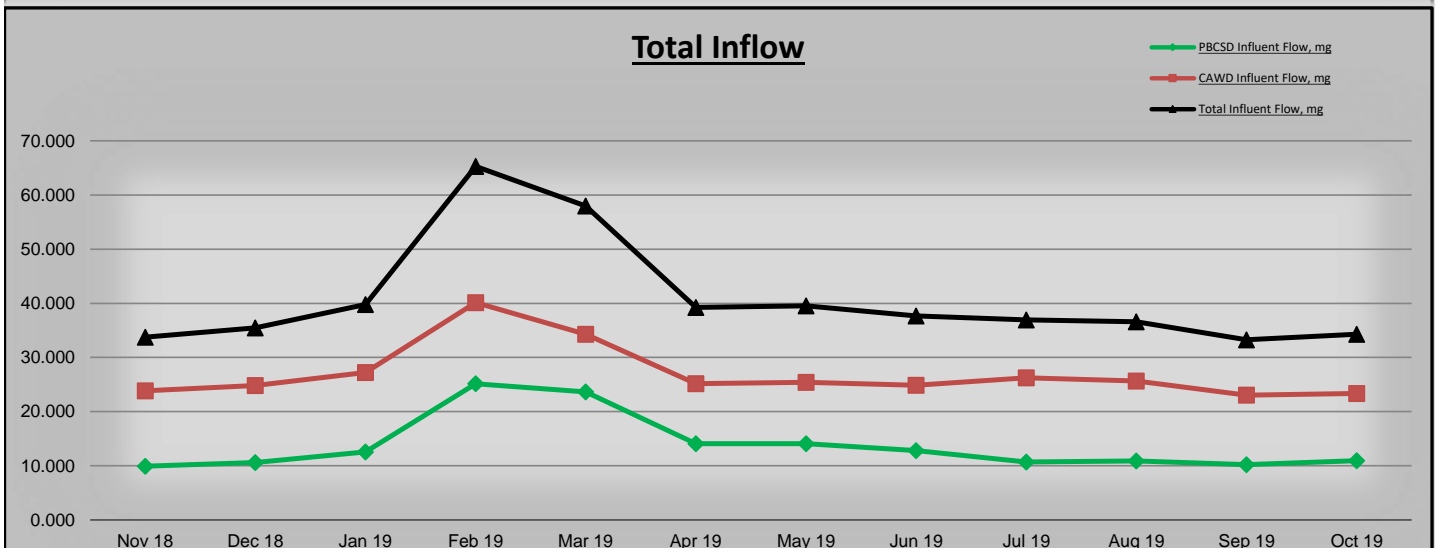
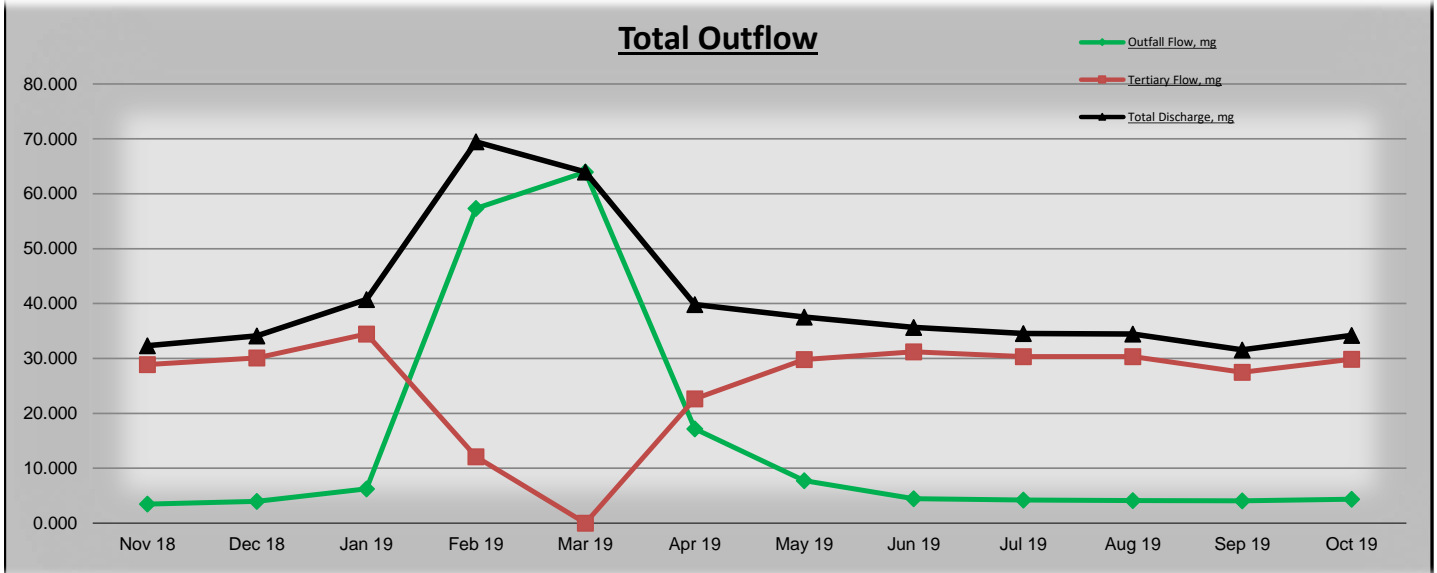
	2018				2019			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1770.27	1692.20	1678.08	1883.03	1174.96	1568.27	1725.97	N/A
Reclamation	1780.18	2260.45	2164.89	2254.65	2344.93	2255.78	2283.22	N/A

MICROTURBINE SUMMARY

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

COMMENTS

- (1) Cost adjustment for Reclamation percentage for Secondary power costs and CAWD's percentage for Tertiary's power costs due to the Lab's power usage
- (2) Reduced power production due to the Micro-Turbine off line for modification of exhaust piping
- (3) No PG&E statements available at the time the Board Report was due



Wastewater Treatment Facility Operations Report

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

TERTIARY PROCESS HISTORY

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

ELECTRICAL COSTS

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

kW-h Per Acre Foot

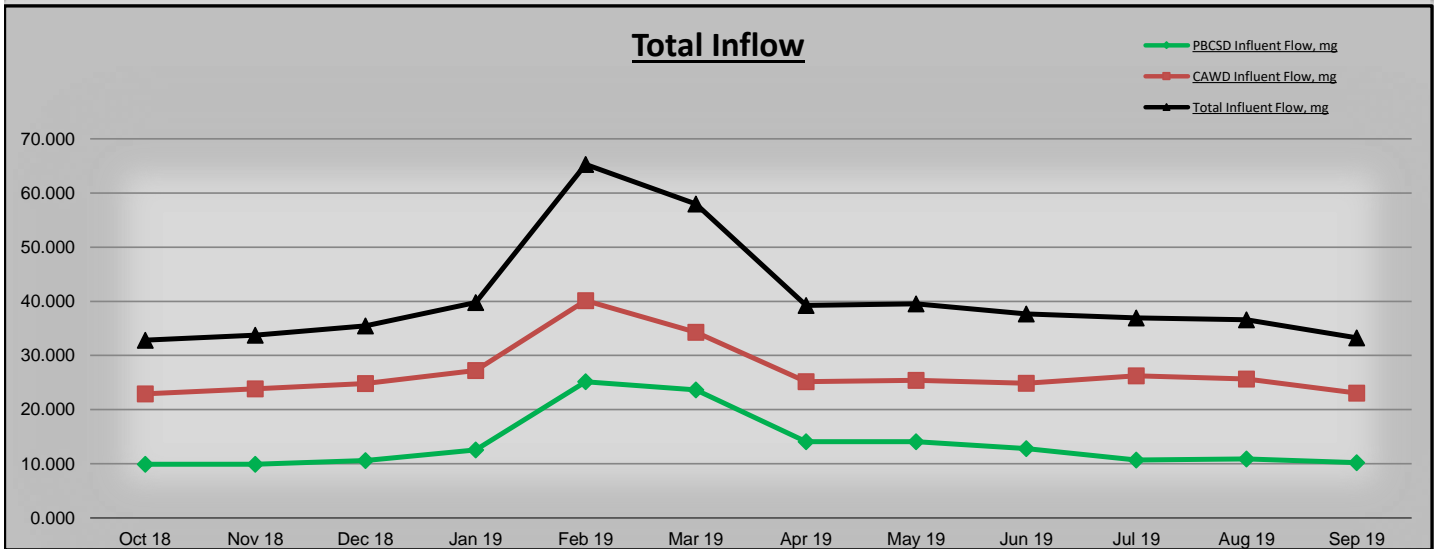
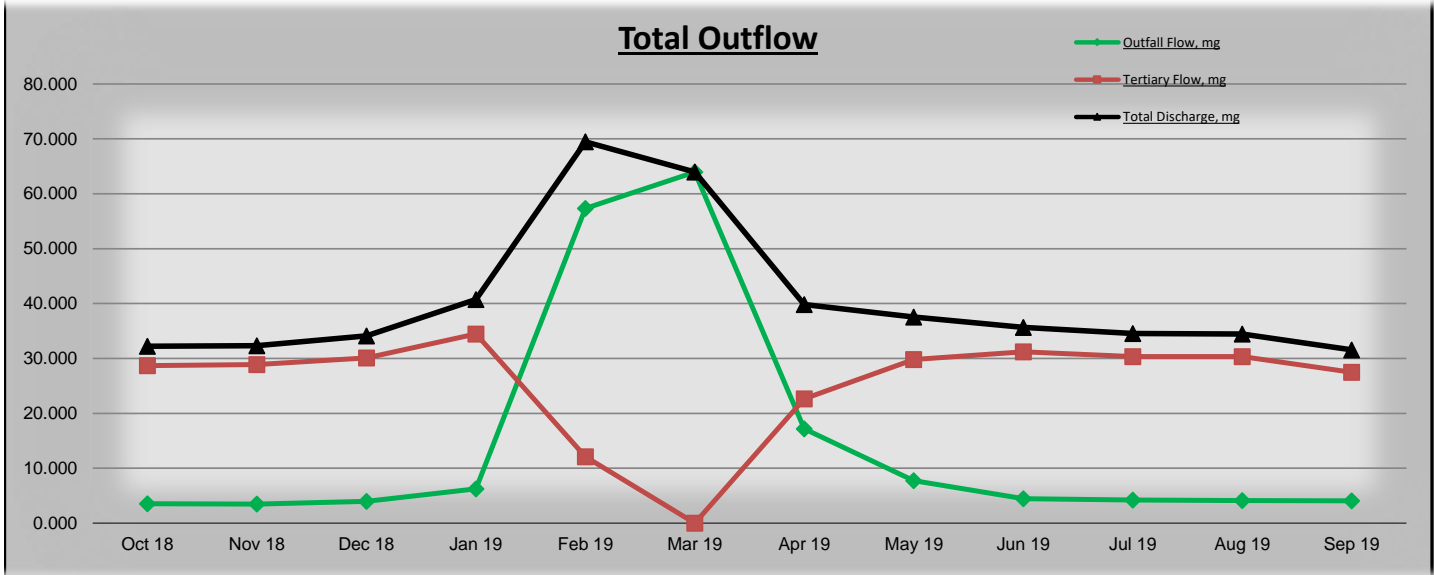
	2018				2019			
	1 QTR	2 QTR	3 QTR	4 QTR	1 QTR	2 QTR	3 QTR	4 QTR
CAWD	1770.27	1692.20	1678.08	1883.03	1174.96	1568.27	1725.97	N/A
Reclamation	1780.18	2260.45	2164.89	2254.65	2344.93	2255.78	2283.22	N/A

MICROTURBINE SUMMARY

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

COMMENTS

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



STAFF REPORT



To: Board of Directors

From: Ray De Ocampo
Laboratory/Environmental Compliance
Supervisor

Date: December 19, 2019

Subject: Monthly Report – November 2019

RECOMMENDATION

Receive Report-Informational only; No action required

DISCUSSION

LABORATORY REPORT

- The laboratory staff completed collecting the re-samples from the brine delivery trucks (Monterra Ranch Brine, Botanical #1 and #2 Brine, and Front Range Brine) as well as CAWD Final Effluent and CAWD Manhole @ PB Gate. All the data results for the analyte, Hexachlorobenzene, were Non-Detect.
- The CAWD Laboratory Information Management System (LIMS) experienced a connection failure to the laboratory computer network. This failure was caused by a Microsoft Security update by Exceedio. This update caused the LIMS to not attach to the database Access tables. Staff notified Accelerated Technology Laboratory (ATL) of the problem and their technician replied with the diagnosis and repair instructions. Exceedio was notified of the connection problem and resolved the connection to the data base. During this time period of no automatic download's laboratory staff was able to input the data manually to complete monthly and quarterly reports for the facility.
- Notified Plant Superintendent Waggoner that results from the contract laboratory for CAWD Final Effluent Quarterly CWIQS report collected in October 11, 2019 had a violation. The sum of the DDT compounds was analyzed and o,p-DDD (ortho, para-Dichlorodiphenyldichloroethane) had a result of 0.051 ppb (parts per billion). The limit is 0.02 ppb. The Laboratory will follow up by resampling the Final Effluent. These samples will be split between two different contract laboratories to validate the new results.

ENVIRONMENTAL COMPLIANCE REPORT

- Mr. De Ocampo received a call from Collection Superintendent Lauer regarding the grease trap installation at The Pocket restaurant. Mr. De Ocampo had previously inspected the location of the new grease trap. A new management discharge permit application was turned into CAWD office and fees paid.
- Mountain Mike’s Pizza opened for business with a new management discharge permit application was turned into CAWD office and fees paid.
- Sweet Reba’s opened for business and fees paid.
- Source Control staff had limited amount of inspections performed due to holidays and staff taking time off. Inspector Mui was able to send out renewal discharge permit applications that are expiring in November to applicable businesses.

Restaurant Inspection Table

Restaurant	Compliant	Reason for Non-Compliance	Comments
Mountain Mike’s Pizza	Yes		
Affina	Yes		
Robata Grill	Yes		

Grocery Store/Delicatessen Inspection Table

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

Restaurant Compliance Table

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

FUNDING

N/A-Informational item only

ID	Project Number	Task Name	Manager	Start	Finish	Cost	2018		2019		2020		2021	
							H1	H2	H1	H2	H1	H2	H1	H2
0		Projects Implementation Plan Schedule												
1		Treatment Plant Projects												
2	18-01	Mech/Elec Rehab and Sludge Holding Tank Replacement Project	Treanor	Mon 4/30/18	Thu 11/4/21	\$10,150,000.00								
8	18-02	Ops Building Historian and Reporting	Foley	Mon 4/2/18	Tue 12/31/19	\$140,000.00								
12	18-03	CMMS Improvements (Ops Rounds)	Foley	Wed 7/11/18	Fri 1/31/20	\$100,000.00								
15	18-09	Secondary Clarifier No. 1 Rehab	Waggoner	Thu 7/5/18	Tue 12/31/19	\$250,000.00								
19	18-05	PLC/SCADA Programming (PARTIAL RECLAMATION)	Foley	Mon 10/8/18	Tue 7/13/21	\$300,000.00								
30	18-08	Standby Power Reliability Project	Treanor	Mon 10/8/18	Fri 10/23/20	\$730,000.00								
36	18-07	Digester No. 1 & Old No. 2 Purging and Cleaning	Treanor/Young	Fri 3/15/19	Fri 3/6/20	\$257,250.00								
43	18-11	Microturbine Integration Project	Treanor/Foley	Tue 6/4/19	Tue 6/30/20	\$510,000.00								
48	19-01	Onsite Flood Mitigations (PARTIAL RECLAMATION)	Treanor	Mon 7/1/19	Mon 6/29/20	\$100,000.00								
49	19-10	1 Water Corrosion Control	Waggoner	Mon 7/1/19	Fri 6/12/20	\$30,000.00								
50	18-28	Perimeter Tree Plan and Implementation	Treanor	Mon 7/1/19	Tue 6/30/26	\$120,000.00								
51	19-18	Plant Fence Replacement	Foley	Mon 12/2/19	Tue 7/20/21	\$150,000.00								
55	19-19	Aeration Basin Improvements 19/20	Waggoner	Mon 3/2/20	Tue 6/30/20	\$140,000.00								
58		Cathodic Protection Testing	Treanor	Mon 2/3/20	Fri 1/29/21	\$30,000.00								
59		Cart Charging and Parking	Foley	Mon 2/3/20	Fri 8/13/21	\$50,000.00								
60		Operations Bldg Basement Renovation	Waggoner	Mon 2/3/20	Tue 6/30/20	\$50,000.00								
61		Plant Paving, Vault Lids, Drainage	Treanor	Wed 7/1/20	Tue 3/29/22	\$50,000.00								
62		Chlorine Contact Pipe Gallery Repairs	Treanor	Fri 1/1/21	Mon 3/29/21	\$44,000.00								
65		Lagoon Crossing Rehabilitation	Treanor	Tue 2/1/22	Fri 5/30/25	\$300,000.00								
66		RAS Pump/Piping Rehab	Treanor	Tue 2/1/22	Wed 6/1/22	\$0.00								
67		Lunch Room MCC Replace with Panelboard	Foley	Wed 6/1/22	Thu 11/3/22	\$140,000.00								
70		Treatment Plant Studies & O&M Manuals	Treanor	Fri 6/28/19	Wed 7/24/24	\$270,000.00								
71	19-14	BioWin Modeling	Treanor	Fri 6/28/19	Wed 1/1/20	\$50,000.00								
72		Coastal Hazards Monitoring Plan	Treanor	Fri 11/1/19	Tue 9/1/20	\$35,000.00								
73		Life Expectancy Analysis	Treanor	Wed 9/2/20	Fri 7/2/21	\$35,000.00								
74		Online O&M Manual	Treanor	Wed 9/1/21	Wed 7/24/24	\$150,000.00								
75		Reclamation Projects												
76	18-24	Reclamation Sand Filter Integration Project	Waggoner	Wed 5/9/18	Sun 6/30/19	\$100,000.00								
82	18-26	RO Pretreatment Acid Tanks and Containment	Treanor	Fri 6/8/18	Wed 5/13/20	\$415,000.00								

ID	Project Number	Task Name	Manager	Start	Finish	Cost	2018		2019		2020		2021	
							H1	H2	H1	H2	H1	H2	H1	H2
87	19-12	MF/RO Sound Barriers	Treanor	Mon 7/29/19	Fri 12/27/19	\$80,000.00								
88	19-16	Tertiary MF/RO Standby Power	Treanor	Mon 7/1/19	Fri 10/30/20	\$350,000.00								
89	19-15	MF Feed Pipe Replacement	Treanor	Mon 11/4/19	Fri 4/3/20	\$30,000.00								
90		Reclamation Line Cathodic Protection Testing	Treanor	Wed 7/1/20	Tue 12/1/20	\$25,000.00								
91		Painting Project	Treanor	Wed 7/1/20	Tue 12/1/20	\$75,000.00								
92		Reclamation Studies	Treanor	Mon 7/1/19	Tue 6/1/21	\$75,000.00								
93		Trussell MF/RO Performance Review	Treanor	Mon 7/1/19	Tue 3/31/20	\$40,000.00								
94		Reclamation 15-Year Asset Management Assessment	Treanor	Wed 7/1/20	Tue 6/1/21	\$35,000.00								
95		Collections Projects												
96	19-02	Pretreatment Ordinance	Lather	Fri 11/15/19	Fri 3/13/20	\$0.00								
97	18-16	Highlands H2S Control	Lauer	Mon 4/16/18	Fri 2/28/20	\$0.00								
99	18-17	Hatton Canyon Pipe Bursting	Lather	Wed 5/23/18	Thu 10/15/20	\$1,450,000.00								
100	19-17	Hatton Canyon Road Maintenance	Lather	Mon 8/26/19	Sat 11/30/19	\$298,000.00								
101	18-18	Pump Station PLC/SCADA Replacement	Foley/Lather	Wed 7/18/18	Tue 9/29/20	\$600,000.00								
102	19-03	Carmel Meadows Gravity Sewer Imp	Lather	Fri 3/15/19	Wed 6/30/21	\$1,294,000.00								
103	19-07	Rio Road CIPP Lining Project	Lather	Mon 7/1/19	Fri 8/28/20	\$1,340,000.00								
104	18-29	September Ranch Water and Sewer	Lather	Fri 3/1/19	Fri 7/30/21	\$0.00								
108	19-13	Upper Rancho Canada Upsize Line	Lather	Mon 7/1/19	Fri 2/2/24	\$1,500,000.00								
109	18-27	Highlands FM ARVs	Lauer	Wed 7/1/20	Wed 10/14/20	\$60,000.00								
110		Highlands FM Flushing	Lauer	Wed 7/1/20	Mon 11/30/20	\$75,000.00								
114		Rancho Canada New Development	Lather	Wed 11/6/19	Tue 6/11/24	\$1,500,000.00								
115		Assessment Districts/Annexations	Lather	Tue 7/3/18	Wed 9/30/20	\$50,000.00								
116	19-09	2019 Mass Annexation	Lather	Fri 3/15/19	Mon 1/6/20	\$50,000.00								
117	18-21	Corona Road Assessment District	Lather	Thu 8/2/18	Mon 1/6/20	\$0.00								
118	19-05	Riley Ranch Annexation/Connection	Lather	Thu 8/2/18	Mon 1/6/20	\$0.00								
119	19-08	Carmel Valley Manor Sewer	Lather	Tue 7/3/18	Wed 9/30/20	\$0.00								
120		Collections Studies / Reports	Lauer/Lather	Mon 7/1/19	Fri 7/17/20	\$105,000.00								
121		Monte Verde and Bay/Scenic FM Assessment	Lauer/Lather	Mon 2/3/20	Fri 7/17/20	\$75,000.00								
122	19-06	Collection System SSMP	Lauer/Lather	Mon 7/1/19	Fri 11/29/19	\$30,000.00								



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

Project Name: WWTP - Elec/Mech Rehab & Sludge Holding Tank Replacement Project
Project Location: Wastewater Treatment Plant
Project Manager: Treanor
Project Number: 18-01
Status: In 100% Design Phase
Project Description: The WWTP Rehabilitation Phase II Project is a multi-area project at the WWTP aimed at mitigating risk of failure in the Influent Pump Station, Headworks, 3W/Chlorine Analyzer Building, Effluent Building and Sludge Storage Tank. Most of the work involves replacing aged electrical and mechanical equipment in existing buildings.
Department: Treatment
Budget Status: Budget: \$9,150,000
 Actual to Date: \$764,383
Reclamation Share: Estimated at 4% of project cost. Actual share TBD based on Construction Costs.
Other Entities: Pebble Beach Community Services District, CAWD/PBCSD Reclamation Project
Permits Required: Coastal Development Permit
Challenges: Coastal Commission
Schedule:

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

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



Photo: Existing Server Hardware that will be replaced in Project

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

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

Consultants: Worksmart Automation
Contractor: N/A

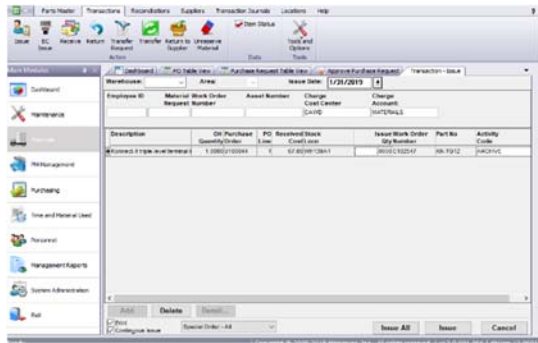


Photo: Mainsaver CMMS Dashboard

Project Name: Computerized Maintenance Management Software (CMMS) Improvements

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-03

Status: Final Testing Phase

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

Department: Maintenance

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

Reclamation Share: Estimated at 50%.

Schedule:

- Completion in Spring of 2020.

Consultants: JB System DBA Mainsaver

Contractor: N/A

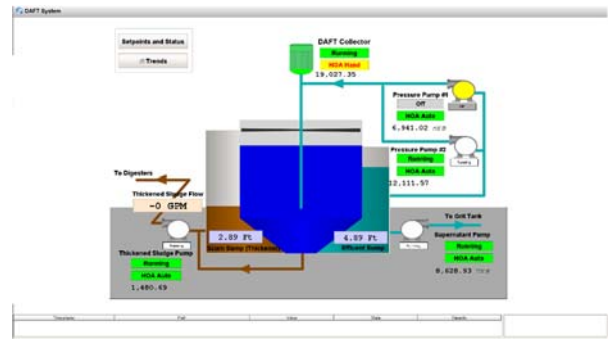


Photo: DAFT SCADA Overview

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

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-05

Status: In progress

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

Department: Treatment

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

Reclamation Share: Partial Reclamation

Schedule:

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

Consultants: Informative Controls

Contractor: N/A



Photo: Digester No. 1

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

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 18-07

Status: Contractor Work In Progress

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

Department: Treatment

Budget Status: Budget: \$257,250
Actual to Date: \$510

Reclamation Share: N/A

Other Entities: N/A

Permits Required: N/A

Challenges: Unknown quantity of debris in Digester No. 1

Schedule:

- Work to occur in Fall/Winter 2019

Consultants: N/A

Contractor: TBD



Photo: Example Trailer Standby Generator

Project Name: Standby Power Reliability Project

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 18-08

Status: In 50% Design Phase

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

Department: Treatment

Budget Status: Budget: \$730,000
Actual to Date: \$800

Reclamation Share: N/A

Other Entities: N/A

Permits Required: Air Board Permit

Challenges: N/A

Schedule:

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

Consultants: Beecher Engineering

Contractor: TBD



Photo: Secondary Clarifier after new coating was applied.

Project Name: Secondary Clarifier No. 1 Coating Rehabilitation
Project Location: Wastewater Treatment Plant
Project Manager: Foley
Project Number: 18-09
Status: Construction Complete and Punchlist items in progress
Project Description: This project will replace the secondary clarifier No. 1 mechanical equipment and bridge with new unit components. The metal components will be abrasive blasted and then coated. As part of the replacement updated controls will allow improved process control of the skimming arm speed.
Department: Treatment
Budget Status: Budget: \$250,000
 Actual to Date: \$281,216
Reclamation Share: 0%
Schedule:

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

Consultants: None
Contractor: ERS Industrial, Rebuild-It



Photo: Existing Gas Conditioning System

Project Name: Microturbine Integration Project
Project Location: Wastewater Treatment Plant
Project Manager: Treanor/Foley
Project Number: 18-11
Status: Pre-Design / Testing
Project Description: Replacement of existing gas conditioning equipment and additional upgrades to the Microturbine system to integrate the new 60 kW turbine. The gas compressor failed this year and is being replaced. The gas conditioning system has many components that are in poor condition and therefore it may be more cost effective to build a complete package system instead of continuing to fix minor components and have extended outages of the microturbine energy production due to component failures. Going with a new package system would be an improvement over the existing system which is not integrated. Also, a new gas conditioning system could be sized so that the microturbines could operate at maximum production given that a larger 60kW generator was installed recently.
Department: Treatment
Budget Status: Budget: \$510,000
 Actual to Date: \$12,363
Reclamation Share: N/A
Other Entities: N/A
Permits Required: Air Board Permit, Coastal Commission Immaterial Amendment
Challenges: N/A
Schedule:

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

Consultants: Engine System Integrated
Contractor: TBD



Photo: View H2S damage to Calle La Cruz wet well

Project Name: H2S Control at Calle La Cruz Pump Station

Project Location: Collection System

Project Manager: Lauer

Project Number: 18-16

Status: Testing

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

Department: Collections

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

Permits Required: N/A

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

Schedule: Ongoing

Contractor: In-house to date



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

Project Name: Hatton Canyon Pipe Bursting

Project Location: Collection System

Project Manager: Lather

Project Number: 18-17

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

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

Department: Collection

Budget Status: Budget: \$1,450,000
Bid: \$1,038,000
Actual to Date: \$249,022

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

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

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

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



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

Project Name:	Pump Station PLC/SCADA Replacement
Project Location:	Collections Pump Stations
Project Manager:	Foley
Project Number:	18-18
Status:	Design Complete and Control Panels have been delivered.
Project Description	This project will replace the obsolete Programmable Logic Controllers at 7 sewage pump station. The PLC programming will be updated, and the Supervisory Control and Data Acquisition Visualization screens will be updated to the Ignition SCADA software.
Department:	Treatment
Budget Status:	Budget: \$600,000 Actual to Date: \$279,215
Reclamation Share:	0%
Schedule:	<ul style="list-style-type: none"> Construction complete in Fall of 2019
Consultants:	Frisch Engineering
Contractor:	Technical Systems, Inc

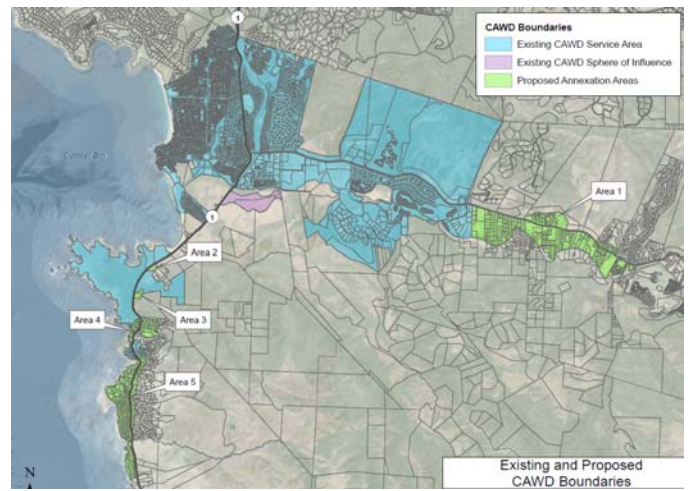


Photo: Areas of Potential Annexation

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



Photo: Existing Coagulation/Flocculation System and Sand Filters

Project Name: Reclamation Sand Filter Rehabilitation

Project Location: Wastewater Treatment Plant
Reclamation Project

Project Manager: Ed Waggoner

Project Number: 18-24

Status: Troubleshooting Sand Filter Startup

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

Department: Treatment

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

Reclamation Share: 100% of project cost.

Other Entities: CAWD/PBCSD Reclamation Project

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

Challenges: Age of mothballed equipment.

Schedule:

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

Consultants: In house (Design Plant Engineer)

Contractor: In house staff



Photo: Equalization Basin Variable Frequency Drives

Project Name: EQ Basin Pump Electrical/Mechanical

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 18-25

Status: Complete

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

Department: Reclamation

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

Reclamation Share: Estimated at 100%.

Schedule:

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

Consultants: Informative Controls

Contractor: Mailey Electric



Photo: Existing totes used for Sulfuric Acid storage and Feed

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

Project Description Code compliance upgrades for existing acid chemical storage and feed system used by Reclamation for enhancing RO recovery. Project includes code compliant secondary containment and separation of dissimilar chemicals.

Department: Treatment

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

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: Coastal Development Permit

Challenges: N/A

Schedule:

- On hold for Coastal Commission

Consultants: Trussell Technologies, Inc

Contractor: TBD



Photo: Eucalyptus trees on South Side of Treatment Plant

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

Project Description Planning and landscaping around the treatment plant. This will include looking into possibly replacing the non-native eucalyptus trees around the perimeter of the treatment plant with native tree species. The project will start with a study and plan to determine costs, sequencing schedule, and visual impacts.

Department: Treatment

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

Reclamation Share: N/A

Other Entities: N/A

Permits Required: Currently unknown

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

Schedule:

- Study to occur in 2019

Consultants: Scott Hall Landscape Design

Contractor: TBD

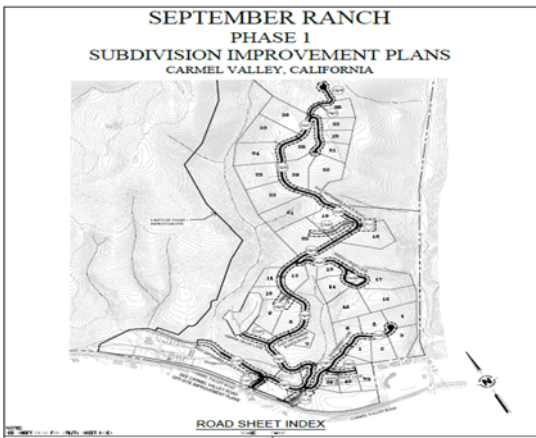


Photo: View new home development



Photo: Old Flood Door in Headworks Basement

Project Name: September Ranch Subdivision

Project Location: Collection and Water System

Project Manager: Lather

Project Number: 18-29

Status: Study

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

Department: Collection

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

Other Entities: Clear Peak

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

Permits Required: N/A

Challenges: Groundwater treatment and reliability concerns.

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

Project Name: Critical Process Onsite Flood Adaptations

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 19-01

Status: Implementation

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

Department: Treatment

Budget Status: Budget: \$100,000
Actual to Date: \$3,596

Reclamation Share: 15% Reclamation

Other Entities: Reclamation Project

Permits Required: Coastal Development Permit

Challenges: N/A

Schedule:

- Planning in 2019
- Modifications in 2020

Consultants: N/A

Contractor: TBD

**PRE-TREATMENT ORDINANCE
2020-XX**



CARMEL AREA WASTEWATER DISTRICT

Project Name: Update Pretreatment Ordinance

Project Location: Pretreatment/Collections

Project Manager: Lather/De Ocampo/Waggoner

Project Number: 19-02 Pre-Treatment Ordinance

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

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

Department: Treatment

Budget Status: Budget: \$0.00

Reclamation Share: n/a

Other Entities: n/a

Permits Required: none

Challenges: none

Schedule:

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

Consultants: none

Contractor: none



Photo: View gravity pipe in Carmel easement

Project Name: Carmel Meadows Pipeline

Project Location: Collection System

Project Manager: Lather

Project Number: 19-03

Status: Preliminary design

Project Description: The project will replace 1300 feet of Ductile Iron Pipe (DIP) on an aerial span and eight manholes by constructing a small pump station at the end of Mariposa Drive. This project is located on an easement parallel to Ribera Road and was originally installed in the early 1960's.

Department: Collections

Budget Status: Budget: \$1,324,000
Actual to Date: \$152,879.56

Permits Required: Coastal Permit and Environmental Review

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

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

Consultants: SRT Consultants

Contractor: n/a

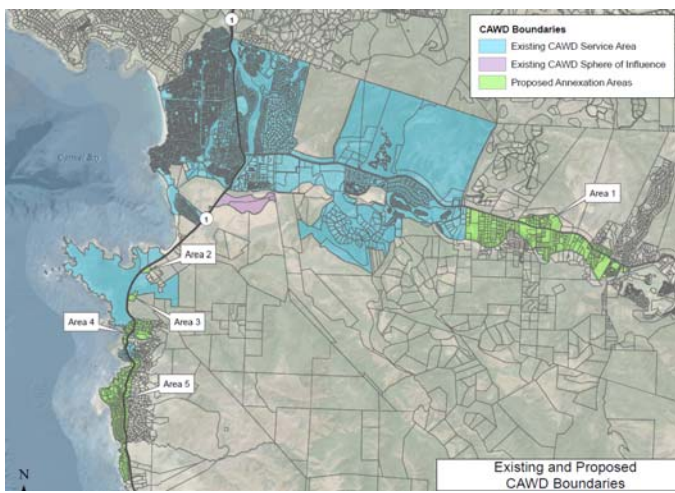


Photo: Areas of Potential Annexation

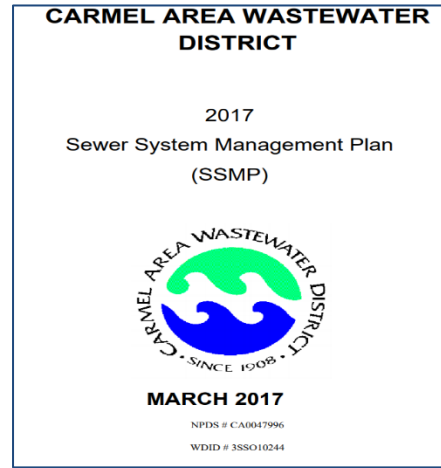


Photo: SSMP to be Audited

Project Name: Assessment District/Annexations

Project Location: Collection System

Project Manager: Lather

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

Status: Developing CEQA Documents

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

Department: Collections

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

Permits Required: Environmental Review, LAFCO Approval

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

Schedule: Complete Environmental Review by December 2019, circulate MND in January 2020 and apply for LAFCO Annexation in March 2020.

Consultant: Denise Duffy & Associates

Project Name: Collection System SSMP

Project Location: Collection System

Project Manager: Lather

Project Number: 19-06

Status: Draft audit under review

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

Department: Collection

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

Other Entities: N/A

Permits Required: N/A

Challenges: Collecting and analyzing information.

Schedule: Complete Update of SSMP in December 2019. Board to approve in January 2020.

Consultant: Causey Consulting



Photo: View CIPP Liner being installed

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



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

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

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

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



Photo: View of sewer line being replaced

Project Name: Monte Verde & 2nd sewer line replacement

Project Location: Collection System

Project Manager: Lather

Project Number: 19-11

Status: Construction completed.

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

Department: Collection

Budget Status: Budget: \$150,000
Bid: \$91,100
Actual to Date: \$100,657

Other Entities: N/A

Permits Required: N/A

Challenges: Narrow road with multiple buried utilities.

Schedule: Construction in September-October 2019.

Contractor: Monterey Peninsula Engineering



Photo: Sound Barriers partially installed around High Pressure RO Pumps

Project Name: MF/RO Sound Barriers

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-12

Status: First Phase Enclosure Complete, Gathering Data

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

Department: Treatment

Budget Status: Budget: \$35,000
Actual to Date: \$9,991

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: N/A

Schedule:

- Construction in progress, planned completion by end of 2019

Consultants: N/A

Contractor: N/A



Photo: View of proposed sewer line realignment

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

Project Location: Collection System

Project Manager: Lather

Project Number: 19-13

Status: Design

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

Department: Collection

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

Other Entities: Monterey Regional Park District

Permits Required: Environmental Review

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

Schedule: Design FY 19/20.

Consultants: MNS Engineering
Rincon Environmental

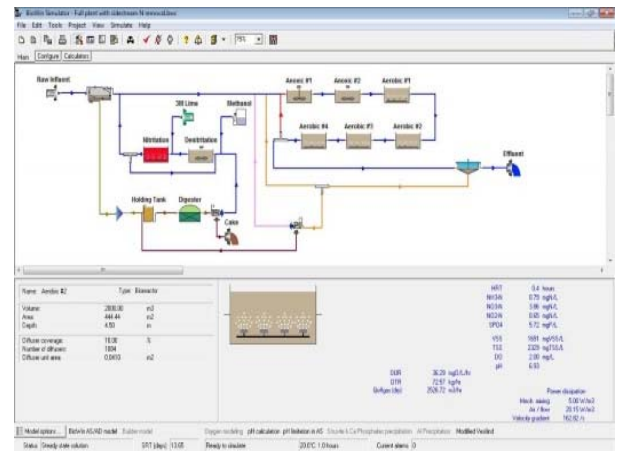


Photo: BioWin Model Screenshot

Project Name: Wastewater Treatment Plant Computer Model – BioWin Modeling

Project Location: Wastewater Treatment Plant

Project Manager: Treanor

Project Number: 19-14

Status: Final Report and Workshop in December 2019

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

Department: Treatment

Budget Status: Budget: \$50,000
Actual to Date: \$44,946

Reclamation Share: N/A

Other Entities: N/A

Permits Required: N/A

Challenges: N/A

Schedule:

- Study to occur in 2019

Consultants: Greeley and Hansen

Contractor: N/A



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

Project Name: MF Feed Pipe Replacement

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-15

Status: Corrective Replacement Complete, Additional Work in Queue

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

Department: Reclamation

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

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: Maintaining MF/RO Production during construction

Schedule:

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

Consultants: N/A

Contractor: N/A



Photo: Example Trailer Standby Generator

Project Name: Tertiary MF/RO Standby Power

Project Location: Reclamation – MF/RO

Project Manager: Treanor

Project Number: 19-16

Status: Preliminary Design

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

Department: Treatment

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

Reclamation Share: 100%

Other Entities: Reclamation Project

Permits Required: N/A

Challenges: N/A

Schedule:

- Preliminary Design in Fall 2019
- Potential Implementation in 2020

Consultants: Beecher Engineering

Contractor: N/A



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

Project Name: Hatton Canyon Road Maintenance

Project Location: Collection System

Project Manager: Lather

Project Number: 19-17

Status: Construction completed.

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

Department: Collections

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

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

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

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

Consultants: MNS Engineering (Design Engineer)

Contractor: Graniterock



Photo: Eastern side of Perimeter Fence

Project Name: Treatment Plant Perimeter Fence Replacement

Project Location: Wastewater Treatment Plant

Project Manager: Foley

Project Number: 19-18

Status: Permitting

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

Department: Treatment

Budget Status: Budget: \$150,000
Actual to Date: \$3,000

Permits Required: Coastal Commission

Challenges: N/A

Schedule:

- Work to occur in Fall/Winter 2019

Contractor: TBD



Photo: Existing air diffuser system

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

Staff Report



TO: Board of Directors
FROM: Ed Waggoner, Operations Superintendent
SUBJECT: Monthly Report – November 2019
DATE: December 19, 2019

RECOMMENDATION

Receive Report-Informational only; no action required

DISCUSSION

Plant Operation

Treatment Plant:

- The treatment plant operations staff has continued finishing up projects before the rainy season and concentrating on Preventive Maintenance Work Orders during the month of November. Staff has been working on operational efficiency on aeration system. Currently, staff has lowered the blower out from 85%+ output down to 70% blower output without any indications of effluent quality problems.
- (Project # 18-09) Secondary Clarifier #1 Plant staff is continuing the process of leveling weir system in the clarifier. Staff is awaiting the arrival of Rebuild-It Services Group to return and perform startup of the clarifier which is scheduled for the week of December 16.

- (Project #18-07) Digester cleaning project plant staff met with Synagro on November 6 in preparation of the cleaning of digester #1 starting in late November 2019. Synagro onsite for cleaning of digester #1 started on November 19.

Reclamation:

- CAWD Staff continues working with H2O Innovations on the remote communication and monitoring of the Micro Filtration and Reverse Osmosis systems to the following parties; Trussell Technologies, Scinor Water America, Evoqua Water Technologies and Carmel Area Wastewater District. CAWD staff is in final steps of bringing the project to completion providing data to all the parties listed above.
- CAWD staff performed one Clean-in-place (CIP) on Micro Filtration (MF) cells number #1, #2 and #3 which all was routine maintenance.
- CAWD staff performed Clean-in-place (CIP) wash on Reverse Osmosis Trains A, B and C during the month.
- (Project # 18-24) Reclamation Sand Filter Integration Project CAWD is now online with some fine-tuning adjustments for chemical dosages that will be made during the month of December.
- Plant staff has received Reverse Osmosis Membrane Elements from Hydranatics and PWT (Professional Water Technologies) these Membranes Elements are scheduled to replace the current membranes that were installed in the fall of 2013. Replacement work is scheduled to start the week of December 9 thru December 23 for RO Trains A, B and C.

Training:

- Plant in-house training continues with weekly Safety meetings.

Capital Improvement

- Staff continues to communicate with Patrick Treanor (CAWD) on the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement

Project for the following areas; Influent Pump Station, Headworks, Blower Building, Chlor/Dechlor Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Meetings Attended

- Monterey County Water Awareness Committee meeting November 14 at Marina Coast Water District offices in Marina.
- Monterey Bay Water Works Association Board meeting at Moss Landing Cafe on November 14.

Discharge Permit Violations

- No Reclamation Permit 93-72 discharge violations for the month of November 2019.
- No Violations on the NPDES (National Pollutant Discharge Elimination System) NPDES Number CA0047996, Order No. R3-2014-0012 for the month of October 2019.
- One Violation on the NPDES (National Pollutant Discharge Elimination System) NPDES Number CA0047996, Order No. R3-2014-0012 for the Quarterly sampling of effluent discharge through the outfall for August, September and October. Violation of the analyte DDT/DDD/DDE, Sum of P, P & O, P Isomers 30-day average. The reported value result was 0.055 ug/L, the not to exceed permit level is 0.021 ug/L. See Laboratory/Environmental report for November for more detail.

FUNDING

N/A-Informational item only

Respectfully Submitted,

Edward Waggoner

STAFF REPORT



To: Board of Directors
From: Chris Foley, Maintenance Superintendent
Date: December 19, 2019
Subject: Monthly Maintenance Report – November 2019

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress

- There are two large effluent pumps and one small pump that is used when the reclamation facility is in operation. The number one 75 horsepower effluent pump motor failed and requires a rebuild. The motor has been sent out for a rebuild but since it is also obsolete staff is ordering a replacement motor that will be retrofitted to accommodate the existing pump. The second obsolete effluent pump motor along with the variable frequency drive will then be replaced in 2020 which will increase the reliability of the effluent pump station which is critical to the operation of the treatment plant.
- Staff has been working with our 3rd party Information Technology firm, Exceedio, to update network security. The password policy was recently updated with more stringent requirements and steps are being taken to harden the network against intrusion including whitelisting software and also implementing domain security on the Supervisory Control and Data Acquisition Network.

Upcoming Maintenance Projects

- The grit auger unit that removes the grit from the headworks process is still operational but was identified as needing to be rebuilt. The equipment has been in operation since 1996. Parts are still available, and the unit will be rebuilt by CAWD staff to prevent unplanned downtime.

Staff Development

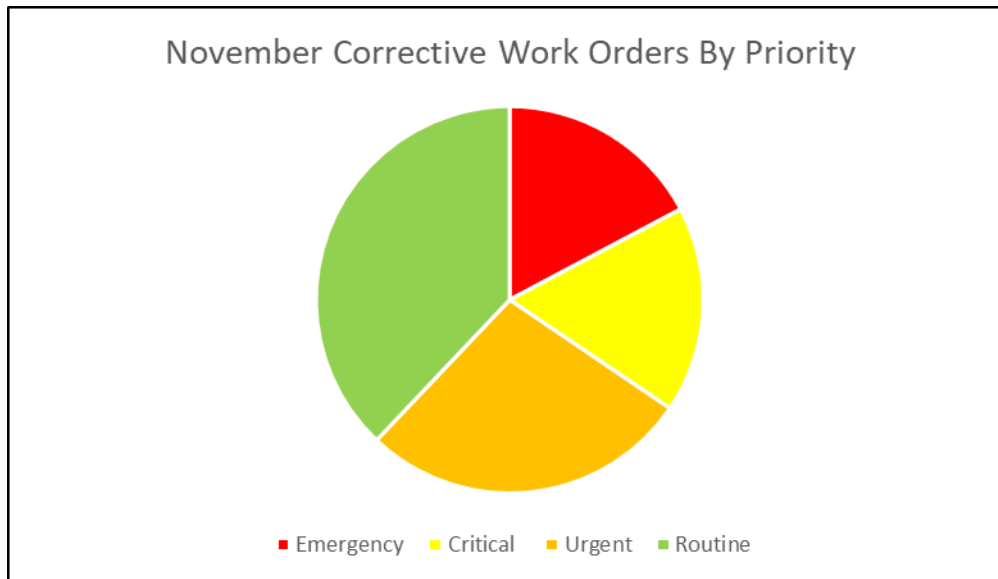
- Updated password training was provided to staff to assist in the transition to increased network security requirements.
- Provided training to on-call staff on treatment plant emergency generator Standard Operating Procedures and how to reset the system if a generator has an alarm.

Work Order Metrics

Preventive Maintenance

Total Work Orders Generated	230
Total Work Orders Closed/Done	203
Total Work Orders Still Open	27
Percentage of Work Orders Completed	88.26%

Corrective Maintenance



Emergency	5
Critical	5
Urgent	8
Routine	11

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: December 19, 2019
Subject: General Engineering

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

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

General Engineering

The Principal Engineer continues to work on projects related to the 2019 Mass Annexation, including Carmel Valley Manor and Corona Road. The environmental review documents are close to being complete and we anticipate circulating the Mitigated Negative Declaration in January and bringing the final document to your Board in March for final adoption and approval to submit an application with LAFCO. Carmel Valley Manor is continuing to work on their project to connect to the District and plan to construct in the Summer of 2020. The Corona Road annexation project proponents have not returned our calls or emails so it seems that their efforts have been stalled.

SRT Consultants (SRT) has completed the due diligence engineering study of September Ranch water system which includes an estimate of probable cost of owning and operating the water system. The engineer for September Ranch, Whitson Engineering, has updated the sewer plans and we have provided comments. We met with the September Ranch developer in November to discuss the status of the project.

Graniterock had substantially completed construction of the Hatton Canyon Access Road grading project on November 15, 2019. There were multiple changes to the project scope due to field conditions encountered after debris and vegetation was cleared. The cleared areas provided a better understanding of the drainage patterns at

the site and we deleted some items, added cross drains and extended the v-ditch based on that new information. With the changes, the total project costs will still be within the grant amount of \$297,918.80. We anticipate bringing the notice of completion to your Board in January for approval.

The Principal Engineer has sent twenty letters out to new homeowners regarding the requirement for a lateral inspection and have been contacted by about half of them to resolve the issue. The information regarding when escrow was completed was obtained from the Pine Cone and we started to review the listings in mid-October. Two homeowners were able to verify that their escrow was completed prior to October 1, 2019. Some have had the inspection completed but did not send the Plumber's Report to us when the lateral looked good. One was not aware of the requirement. Overall, it appears that most Realtors in the area are aware of the requirement and are complying.

Collections

The updated Sewer System Management Plan (SSMP) is in the process of being finalized by Causey Consulting. We anticipate bringing it to your Board for approval at the January 2020 Board meeting.

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: December 19, 2019
Subject: Construction Inspection Services

RECOMMENDATION

It is recommended that the Board of Directors approve a resolution authorizing the General Manager to circulate a Request for Qualifications for Construction Inspection Services.

DISCUSSION

Multiple projects that are included in the CAWD Collections Department ten-year Capital Improvement Plan for sewer line rehabilitation will be constructed using trenchless technology or will require full-time inspection of open cut installations of pipeline. We do not have staff available for construction inspection of large sewer line projects or trained to inspect trenchless methods such as pipe bursting, Cured-In-Place (CIP) pipe lining and horizontal directional drilling. In order to make sure that our pipelines are rehabilitated properly, staff would like to circulate the attached Request for Qualifications (RFQ) among engineering consultants in order to establish a list of qualified professionals to use for construction management and inspection of our projects.

We anticipate constructing the CIP pipe lining of the Rio Road collection main in May 2020, followed by the Hatton Canyon Pipe Bursting project in June 2020. In order to adequately vet construction management professionals, CAWD needs to begin the process now. The schedule for selecting a consultant is as follows:

Request for Qualifications (RFQ) Release:	December 12, 2019
Written Inquiry Deadline:	January 20, 2020
Statement of Qualifications (SOQ) Due:	January 31, 2020
Board of Director's Contract Approval:	February 27, 2020

FUNDING

Construction management and inspection services will be funded by each project's budget.



Carmel Area Wastewater District

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

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

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

REQUEST FOR QUALIFICATIONS FOR CONSTRUCTION INSPECTION SERVICES

December 12, 2019

INTRODUCTION

Carmel Area Wastewater District (CAWD) is seeking to retain one or more qualified professional consultant(s) to provide On-Call Construction Management and Inspection Services. The term of the contract(s) will be three (3) years with an option to renew for an additional 2 years. The work will be assigned to each project based on the consultant's experience and technical knowledge of a particular construction method. The first project to be constructed is a Cured in Place Pipe lining project in May 2020 (Construction estimated at \$1.2M), followed by a grant awarded pipe bursting project that will be constructed between June 1 and August 31, 2020 (Construction estimated at \$1.1M).

BACKGROUND

CAWD will be constructing up to six sewer collection system improvement projects, an outfall force main project and treatment plant improvements over the next 5 years. Experience with Cal OES/FEMA grant funded construction projects requiring submittal of detailed records, payroll records and comprehensive records retention is desirable. CAWD is interested in finding qualified consultants that have experience managing and inspecting construction projects for at least one or more types of pipeline construction methods as noted below:

- Sewer Main Replacement and Rehabilitation
- Sewer Pump Station Construction (new)
- Sewer Pump Station Rehabilitation and Replacement
- Cured In Place Pipe (CIPP) Rehabilitation (Greater than 20" diameter)
- Pipe Bursting
- Horizontal Directional Drilling

SCHEDULE

Request For Qualifications (RFQ) Release:	December 12, 2019
Written Inquiry Deadline:	January 20, 2020
Statement of Qualifications (SOQ) Due:	January 31, 2020
Board of Director's Contract Approval:	February 27, 2020

POINT OF CONTACT

All questions shall be directed to Rachél Lather, Principal Engineer at lather@cawd.org or by phone at (831) 624-1249.

SCOPE OF WORK

The scope of work for this on-call contract will vary as needs arise and at the discretion of CAWD. The selected consultant(s) will provide personnel needed for the management and inspection of CAWD construction contracts that include:

- Constructability Reviews of Plans, Specifications and Engineer's Estimate
- Bid Support
- Lead Preconstruction and Weekly Construction Meetings
- Construction Contract Administrations including:
 - Submittal Coordination
 - Project Inspection and documentation
 - Review of Progress Payments
 - Schedule Review
 - Contract Change Order Analysis and Negotiation
 - Dispute Management
 - Claims Analysis and Resolution
 - Resolution of Resident/Public Concerns
 - Utility Coordination
 - Office Engineering and Document Control
- Contract Close-out Activities including
 - Preparation of punch list items
 - Preparation of red lined as-built plans
 - Preparation of construction documentation as required per grant funding
- Public Outreach Activities including:
 - Development of a public outreach plan
 - Implementation of the public outreach plan

SOQ FORMAT AND CONTENT

The SOQ shall be a concise and well-organized presentation of the consultant's understanding of the projects and their experience and ability to complete the Scope of Work. General brochure type information is to be kept to a minimum and the SOQ shall be a maximum of 20 single-sided 8-1/2x11 sheets or 10 double-sided sheets.

The attachments contained in this SOQ, cover letter, table of contents, tabs, fee schedule and resumes are not counted toward the page count. However, resumes shall be limited to one double sided sheet per team member. The minimum acceptable font size for the proposal is 11 point.

All work under the contract will be performed on an as needed basis. Upon determination of a need for services, CAWD will inform the selected firm(s) of the specific staffing need and scope of work. The firm(s) will prepare a detailed scope and cost proposal. Upon agreement of the detailed scope and cost, CAWD will provide the consultant with an Agreement for Professional Services (Example Attached).

In order to facilitate the evaluation of the qualifications, consultants should format their SOQ's as described in the table below:

A.	EXECUTIVE SUMMARY- Provide a brief summary of the key characteristics of the proposal.
B.	<p>BACKGROUND INFORMATION-Background information should describe in general the firm's history and its experience in the type of Construction Management (CM) and inspection services needs for each type of project listed, and any previous on-call contracts they have.</p> <p>Consultants shall list all CM and/or inspection contracted terminated (partially or completely) by clients for convenience or default within the past three years. Include contract value, description of project, owner and m\name and contact information of the contracting entity.</p>
C.	EXPERIENCE- Provide information of the consultant's experience with respect to on-call construction management and inspection services, particularly with projects similar to those mentioned in this RFP. List and describe on-call or other example projects completed within the past five years. For each of these provide a reference that may be contacted.
D.	<p>TEAM AND STAFF QUALIFICATIONS- Identify key staff members that are proposed to be part of the project team. Provide an organization chart, list or table identifying the CM and inspection personnel on the project team. Describe the role of each staff member on the project and illustrate clearly the background, education and experience that qualifies this person for their assigned role. Total number of years of employment with the firm shall be included for each listed individual.</p> <p>Provide a resume for each team member.</p>
E.	TECHNOLOGY AND EQUIPMENT- Provide information on equipment, technologies, and software that may be used as part of the on-call contract. Provide a description of how these are used and the benefits to CAWD.
F.	CHARACTERISTICS- Describe and provide details of the key characteristics or standard operating procedures that best illustrates why this firm should be selected to provide On-call Construction Management and Inspection services for CAWD. Provide examples of quality assurance, flexibility, cost effectiveness, firm culture, standard operating procedures, thoroughness, expedited resolution to project issues, documentation, change order management, and grant funding document support.
G.	FEE SCHEDULE- Itemized list of staff types, equipment, their associated billing rates and other fees.
H.	EXCEPTIONS- Please include a statement regarding exceptions to our standard contract (Attached). If no exceptions are included, CAWD will expect the consultant will be able to sign the District's contract and provide the required insurance and indemnification.

SELECTION PROCESS, CRITERIA AND SCORING

CAWD will have a selection committee for the evaluation of qualifications. The selection of a consultant and subsequent award will be based on the criteria contained in this RFQ and as demonstrated in the qualifications submitted. Consultants should submit sufficient information for CAWD to easily evaluate the qualifications with respect to the selection criteria. The absence of required information shall cause the SOQ to be deemed non-responsive and shall be cause for rejection.

SOQs will be scored based on the following criteria for *each type* of construction method:

SELECTION CRITERIA	MAXIMUM POINTS
Executive Summary	5
Background Information	10
Experience	25
Team and Staff Qualifications	25
Technology and Equipment	10
Characteristics	15
Fee Schedule	5
Office Location – Proximity to CAWD	5
Total Points Possible	100

CONSULTANT SELECTION

Pursuant to Sections 4525-4529 of the Government Code of the State of California, the consultant’s selection will be based on qualifications. Based on qualifications, the selection committee may choose one consultant for Construction Management and Inspection Services for a project and a different consultant for another. If multiple consultants are found to be qualified for a project, the District may invite short listed firms to provide proposals and interview with CAWD staff.

Three (3) copies of the Statement of Qualifications (SOQ) shall be submitted on or before 4:00 p.m., Friday January 31, 2020. SOQ’s shall be delivered to:

Rachél Lather, PE
Principal Engineer
Carmel Area Wastewater District
3945 Rio Road
Carmel, CA 93922

If there are any questions regarding this request for qualifications, please contact Rachél Lather at (831)624-1249 or email her at lather@cawd.org .

Attachment: Consulting Services Agreement

RESOLUTION 2019-57

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO CIRCULATE A
REQUEST FOR QUALIFICATIONS FOR CONSTRUCTION MANAGEMENT AND
INSPECTION SERVICES

-oOo-

WHEREAS, the District approved the 2019/2020 budget that included a
Collections Department Capital Improvement Plan for ten years;

WHEREAS, the District plans to rehabilitate pipelines in the next ten years
utilizing trenchless methods that require specialized inspection techniques;

WHEREAS, the District is interested in finding qualified consultants to provide
construction management and inspection services.

WHEREAS, Pursuant to Sections 4525-4529 of the Government Code of the State
of California, the consultant's selection will be based on qualifications.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Carmel Area
Wastewater District, hereby authorizes the General Manager to circulate a "Request for
Qualifications" among consultants that perform construction management and
inspection services in order to select a qualified consultant.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the
Carmel Area Wastewater District duly held on December 19, 2019.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: December 19, 2019
Subject: Carmel Meadows Pipeline Replacement Project
Project #19-03

RECOMMENDATION

It is recommended that the Board of Directors approve a resolution authorizing the General Manager to enter into a contract with SRT Consultants to provide engineering design services for the Carmel Meadows Pipeline Replacement Project in the amount of \$255,445.

DISCUSSION

The Carmel Meadows Pipeline Replacement Project is located in the Carmel Meadows area and currently is serving homes along the northeast side of Ribera Road between Mariposa Drive and Calle La Cruz. The project has been the subject of studies in the past by Kennedy Jenks to determine if the 6-inch diameter sewer line that is a combination of shallow buried and aerial supported pipes could be replaced in kind. Continuing to serve an aerial sewer supported by piles adjacent to the Carmel River was determined to be too risky due to seawater rise and proposed changes to the river, such as Carmel River FREE.

SRT Consultants were retained by CAWD in 2019 in order to provide a study to determine whether this project could be completed by rerouting the flow in the existing gravity sewer line and directing it to a new lift station at the end of Mariposa Drive. The study confirmed that a new lift station scenario is feasible. This project has been included in the CAWD Collections Department five-year Capital Improvement Plan for sewer line replacement. The sewer includes 6-inch diameter pipe that was constructed in the 1960's.

The SRT Consultants proposal is attached to this staff report. Since the project will be constructed along a slope above and adjacent to the Carmel River, it is anticipated that Environmental Permits will be required.

FUNDING

The proposal to do the work of \$255,445 will be funded by the Collections Capital Improvement budget. The budget for this project is \$1,294,000 over two fiscal years, which includes design and construction costs.

AGREEMENT FOR CONSULTATION AND/OR OTHER SERVICES

THIS AGREEMENT dated _____, 2019, is by and between the **Carmel Area Wastewater District** (hereinafter referred to as the "District") and **SRT Consultants** (hereinafter referred to as "Consultant"), for a project generally described as **Carmel Meadows Pipeline Replacement Project**.

1. GENERAL

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

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

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

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

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

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

The District shall pay the Consultant, for all required services and materials furnished to fulfill this Agreement, the amount or amounts on a time and materials basis billed monthly, not to exceed **\$255,445** (Exhibit "B") . Consultant agrees to accept the stated sums as full compensation for all required services due under this Agreement.

5. ADDITIONAL WORK

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

6. EQUAL EMPLOYMENT OPPORTUNITY

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

7. COMPLIANCE WITH LAWS

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

8. INDEPENDENT CONTRACTOR

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

9. PROJECT REPRESENTATIVES; NOTICES

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

For the Carmel Area Wastewater District:

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

For the Consultant:

Timothy Monahan, Project Manager
90 New Montgomery Street, #905
San Francisco, CA 94105

10. INSURANCE:

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

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

11. INDEMNITY

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

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

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

(d) If any action or proceeding is brought against any Indemnified Party by reason of any of the matters against which the Consultant has agreed to provide an immediate defense to any Indemnified

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

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

12. FORCE MAJEURE

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

13. TITLE TO DOCUMENTS

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

14. ASSIGNMENT

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

15. TERMINATION

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

16. ADDITIONAL PROVISIONS, EXHIBITS

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

17. AMENDMENT OR MODIFICATION

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

18. FURTHER ASSURANCES

Each of the parties agree to execute and deliver to the other such documents and instruments, and to take such actions, as may reasonably be required to effectuate the terms and conditions of this Agreement; provided, however, such covenant shall not have the effect of increasing the obligations of any party pursuant to this Agreement or require any representations and warranties by any party.

19. SEVERABILITY

Should any provision of this Agreement be declared invalid and unenforceable in any jurisdiction by a court of competent jurisdiction, then such portion or provision shall be deemed to be severable, to the extent valid or unenforceable, from this Agreement as to such jurisdiction (but, to the extent permitted by law, not elsewhere) and shall not affect the remainder hereof. Notwithstanding the foregoing, a) such provision of this Agreement shall be interpreted by the parties and by any such court, to the extent possible, in such a manner that such provision shall be deemed to be valid and enforceable, and b) such court shall have the right to make such modifications to any provision of this Agreement as do not materially affect the rights or obligations under this Agreement of the parties hereto and as may be necessary in order for such provision to be valid and enforceable.

20. WAIVER

No waiver of any right or obligation of any of the parties shall be effective unless in a writing, specifying such waiver, executed by the party against whom such waiver is sought to be enforced. A waiver by any of the parties of any of their rights under this Agreement on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

21. ATTORNEYS FEES

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

22. COUNTERPARTS

This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which shall constitute one and the same instrument.

23. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

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

FOR THE DISTRICT

By _____

General Manager

Approved as to Form:

District Legal Counsel

FOR THE CONSULTANT

By _____

Printed Name: Tatyana Yurovsky, PE

Title: **Principal**

Exhibit "A": Consultant Scope of Services and Schedule
Exhibit "B": Consultant Team/Rate Sheet



October 28, 2019

Rachél Lather, MS, PE
Principal Engineer
Carmel Area Wastewater District
3945 Rio Road
Carmel-By-The-Sea, CA 93922

Subject: Carmel Meadows Lift Station Project Final Design – SRT Consultants’ Proposal

Dear Rachél,

SRT Consultants (SRT) is pleased to present this proposal to the Carmel Area Wastewater District (CAWD) to develop final design for the Carmel Meadows Lift Station Project (Project). Our understanding of the project was gained from our recent work on the Carmel Meadows Feasibility Study, review of previous studies, site visits, and discussions with CAWD staff.

Project Understanding

The Carmel Meadows subdivision is part of the CAWD service area. The neighborhood is served by a network of 6-inch-diameter gravity sewer pipes. Flow from each residence is collected and transported to a lift station at the end of Calle La Cruz, and pumped to the CAWD’s wastewater treatment plant. The existing 6-inch-diameter ductile iron gravity pipe between manholes T603 and S609 is the interceptor that serves the homes along the northeast side of Ribera Road. This pipe is a combination of shallow-buried and aerial segments supported on stilts. A condition assessment study conducted in 2013 identified numerous pipeline defects including debris build up, intruding roots, grease accumulation, and cracks. The supports for the aerial pipe sections are corroded at the foundation connections and the foundations are settling unevenly. Several alternatives were proposed to address these issues, including repair or replace the existing pipeline or reroute its flow to a new lift station.

CAWD retained SRT in February 2019 to conduct a Feasibility Study (Study) of rerouting the flow in the 6-inch-diameter gravity interceptor and directing it to a new lift station at the end of Mariposa Drive. The study confirmed that a new lift station is feasible in this location and would be an effective means of eliminating the compromised sections of gravity sewer. SRT also evaluated the feasibility of rehabilitating the existing sewer between manholes T608 and S607.

This proposal outlines the steps for developing the final engineering design for the new lift station and sewer rehabilitation recommended in the feasibility study.

Scope of Services

SRT proposes to provide engineering services to complete the final design under the following tasks.

Task 1 Project Management

Task 1 includes design team coordination and project management, coordination with CAWD staff, budget and schedule control, monthly progress reports and invoicing, and quality assurance/quality control (QA/QC) review of deliverables. QA/QC review will be performed by a senior engineer that is not directly involved in the project and able to scrutinize the design documents more effectively. This review will be performed at the 50-percent and 95-percent design stage. The project management task is estimated based on a 9-month project duration starting January 2020.

Deliverables and Assumptions

- Design team coordination/project management, including monthly schedule and budget reporting for 9-month duration of the project;
- Internal and external agency coordination support to CAWD;
- CAWD will apply for and secure all necessary permits for the project.

Task 2 – Field Reconnaissance and Conceptual Engineering

Under Task 2, the project team (SRT and its subconsultants) will perform field reconnaissance, including a supplemental topographic survey, geotechnical investigation, and electrical power identification to document existing conditions that will inform the design of the new sewer system and lift station. Following the field work completion, SRT will consolidate the findings and prepare a conceptual engineering technical memorandum (TM) for the new lift station and sewer rehabilitation portions of the project. The conceptual design will further develop the recommendations presented in feasibility study and will aid the environmental permitting process. The conceptual engineering will include:

- A TM summarizing the design criteria, including recommendations from the geotechnical and electrical subconsultants;
- Conceptual design drawings that depict plan views and section or profile views of the new lift station and the sewer pipes to be rehabilitated/replaced.

Assumptions:

- CAWD will aid SRT and its subconsultants with the project site access and coordinate with the residents;
- SRT will hold one coordination meeting with CAWD prior to starting field reconnaissance work.

Deliverables:

- Meeting agenda and notes;
- TM and engineering drawings for conceptual design of the new lift station, new sewers, and sewer rehabilitation.

Task 3 – Environmental Permitting

SRT will coordinate and oversee the work of its subconsultant WRA, Inc (WRA). WRA will perform biological studies for the project area and associated permitting under this task. It is assumed that CAWD will serve as Lead Agency for CEQA. Work products and services in this scope of work consist of: a Biological Resource Assessment (BRA), a jurisdictional wetlands delineation, and an Initial Study/Negative

Declaration (IS/ND) including an Administrative Draft IS/ND, Screen-Check Draft, and Final IS/ND; and all required CEQA notices (Notice of Intent, Notice of Completion, Notice of Determination).

Biological Resource Assessment

WRA will prepare a technical report on biological resources which will discuss the results of literature research performed using the California Department of Fish and Game (CDFG) National Diversity Database, the California Native Plant Society Database, and the United States Fish and Wildlife Service (USFWS) to determine which protective species and/or critical habitat potentially occur in the project area. The technical report will also include information on the known or potential use of the site by any sensitive species. Potential use will be ranked as low, moderate, or high depending upon the suitability of the habitat or proximity of any known records uncovered in the database research. If any sensitive species are observed, they will be reported in the findings. Any wetlands, streams, or ponds, observed will be included on the map accompanying the report. Riparian areas or other sensitive areas will also be described and mapped.

Wetlands Delineation

A wetland delineation will be conducted at the project site based on definitions used by the Corp of Engineers in determining the extent of jurisdiction under the Clean Water Act and that used by County of Monterey to determine the extent of wetlands subject to the Coast Act. The third criteria used to delineate wetlands are stated in the Corp of Engineers Wetlands Delineation Manual (1987) and include the presence of (1) hydrophytic vegetation, (2) hydric soils, and (3) wetland hydrology. The County of Monterey's 2010 General Plan Update is intended to serve as the Local Coast Program for the County (California Coastal Commission, 2002). The project site will be evaluated against the definitions contained in the General Plan.

WRA will conduct the necessary field studies and prepare data reports in a format that conforms to the methodology as specified in the 1987 Corps Manual and the Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (Corps 2008). WRA will utilize the standard data reporting forms and report format used by the local Corps District in submitting wetland delineations for a jurisdictional determination. WRA will map potential areas meeting all three wetland criteria used by the Corps and subsequently map all those areas meeting any one criteria used by the Coastal Commission and/or the County of Monterey General Plan, where necessary.

Based on the field data collected, WRA will prepare a single combined report that discusses the wetland delineation under both the Clean Water Act. The report will contain a description of the study area, a description of the methodologies used, and a discussion of the observations made.

Some areas that meet the technical criteria for wetlands may not be jurisdictional under the Clean Water Act. These areas include, but are not limited to, settling basins, wetlands formed as a result of irrigation, and/or drainage ditches dug on uplands. If such areas are present on the site, WRA will discuss these exclusions in the report and will not include these areas as jurisdictional areas. There are a few exclusions under the Coastal Act; however, for any agricultural ponds or other man-made features, a discussion will be given on the extent, if any of the wetlands that may be excluded from jurisdiction.

Once approved for submittal, WRA will submit the delineation and request that the Corps (and County, if necessary) conduct a site verification of the proposed delineation. WRA will attend the site visit and discuss its findings with Corps staff.

A final map will be prepared following the site inspection by the Corps to reflect any modifications agreed to in the field. In some cases, additional information will be requested by the Corps or may be needed to justify specific circumstances related to the site. WRA has included time to address minor edits to the submitted data. However, work to address significant changes is not included in this scope of work or budget estimate.

SRT and its subconsultants will also provide support to obtain a Coastal Development Permit Exemption (CDX) for the project. If an exemption cannot be granted, SRT will provide services to assist CAWD in obtaining a Coastal Development Permit (CDP) and to fulfill the CDP "Conditions of Approval". These may include preparation of an erosion control and excess materials plan for the County, and other surveys or assessment required. It is anticipated that permitting requirements will need to be addressed during the construction phase of the project.

CEQA Compliance

CEQA compliance will be coordinated by SRT and CAWD and work performed by WRA under the following tasks.

a. Project Kick-Off and Review Existing Information

WRA will kick off the environmental review process by: 1) collecting all relevant reports and drawings from SRT and CAWD; 2) discussing the desired format of the IS/ND; and 3) discussing the proposed project.

b. Meetings and Coordination

WRA will attend up to three meetings, which include one public hearing. Meetings are assumed to be approximately two hours in length plus travel time.

c. Project Description

Because the project description is the basis for analyzing the environmental impacts of the proposed project, it is important to prepare the project description as early in the CEQA process as possible. WRA will review all relevant project description materials and will prepare a project description to be used in the CEQA document and regulatory permit applications. The IS/ND project description will include discussions of the following: 1) project area regional and local location; 2) project objectives and goals; 3) project characteristics; and 4) a list of required approvals and regulatory permits. WRA will submit an electronic copy of the draft project description to SRT and CAWD for review and approval prior to the initiation of impact analysis for the IS/ND.

d. Administrative Draft Initial Study

WRA will prepare an Administrative Draft Initial Study for the proposed project utilizing the Appendix G Thresholds of Significance from the current version of the State CEQA Guidelines, as well as any District-approved Thresholds of Significance. The Initial Study will evaluate the potentially significant impacts of the proposed project as the project relates to the 21 environmental topics in the Environmental Checklist Form of the State CEQA Guidelines.

Based on preliminary review of project information, it is anticipated the project will

qualify for a Negative Declaration (ND) and that an Environmental Impact Report (EIR) will not be required. WRA will submit one electronic copy of the Administrative Draft Initial Study to CAWD for first review and comment.

e. Screen Check Initial Study/ND

After providing the Administrative Draft Initial Study to the City for review, WRA will address all of CAWD's comments. It is assumed that the comments from CAWD will be consolidated into one set and provided to WRA electronically, which will aid the team in completing the documents in the most timely and efficient manner. WRA will prepare one electronic copy of a Screen-Check Draft Initial Study/Negative Declaration that the CAWD can review to confirm that all comments have been addressed.

f. Circulate Draft IS/ND

WRA will file the requisite notices, including a Notice of Completion and a Notice of Intent, with the CEQA State Clearinghouse. WRA will provide all electronic and physical materials needed to file with the State Clearinghouse. WRA will provide one electronic copy of the Draft Initial Study and supporting materials and one physical copy for public review during the 30-day public review period at CAWD's office. WRA will provide copies of the Notice of Intent to interested parties, as outlined in a list provided by CAWD. WRA will provide CAWD with one electronic copy and one physical copy of the IS/ND and supporting materials.

g. Final Initial Study/Negative Declaration and Response to Comments

Following completion of the 30-day public review period, WRA will respond to any agency and/or public comments submitted on the Draft IS/ND and prepare the Final IS/ND. The extent of work necessary to complete the Final IS/ND is contingent upon the number and nature of public comments received after the Draft IS/ND is circulated. WRA will circulate the Final IS/ND to all agencies that commented on the Draft IS/ND. WRA has allocated up to a total of up to 16 hours to respond to comments. If additional time is required, a separate scope of work and budget based on time and materials will be submitted to the client for review and authorization. WRA will also be responsible for the preparation and filing the Notification of Determination (NOD) with the Monterey County Clerk within five days of project approval.

Assumptions:

- CAWD will provide access to the site and make arrangements for opening any gates or fences
- CAWD will coordinate with local residents
- CAWD will work with SRT and its subconsultants to establish project boundary
- This scope of work does not include species surveys
- Permit application fees to Federal or State agencies will be paid directly by CAWD
- Project description maps and related information will be provided by CAWD prior to initiation of the CEQA analysis
- If additional, protocol-level surveys are required, they will be covered under a separate scope and budget

- Wetland mitigation design drawings, if required for wetland impacts, will be covered under a separate scope and budget
- CAWD will be responsible for payment of all required filing fees, including the CDFW filing fee of \$2,354.75 and the \$50 filing fee with the County Clerk.
- An Environmental Impact Report (EIR) will not be required for the proposed project.
- The CAWD will be responsible for tribal consultation pursuant to AB-52

Deliverables:

- Wetlands delineation report
- Biological resources assessment report
- CEQA compliance support (CEQA Categorical Exemption or CEQA Initial Study/ Mitigated Negative Declaration) as described herein
- CDX or CDP application support

Task 4 – Final Design Development

Final design will be initiated in parallel with Task 3. Under this task, SRT will develop detailed design drawings and technical specifications and submit them for review by CAWD at the 50-percent, 95-percent, and 100-percent design levels. Documents will incorporate relevant CEQA compliance requirements that were established in Task 3. An engineer's opinion of probable construction cost will also be prepared as part of the 50-percent, 95-percent, and final design packages. After each design submittal, SRT will hold a meeting with CAWD staff to review the design documents and address questions. Following the 100-percent submittal SRT will prepare and submit specifications and drawings ready for public bidding.

As part of the final design, SRT will engage its subconsultants to provide technical support of the design development. Subconsultant services include topographic survey augmentation and datum correlation by Quiet River Land Services Inc. to supplement topographic survey information provided by Bestor Engineers. Geotechnical site assessment/borings near the proposed lift station and foundation recommendations will be provided by Ninyo & Moore Geotechnical & Environmental Sciences Consultants.

TJC and Associates (TJCAA) will provide electrical, instrumentation, controls, and telemetry design for the new lift station. Electrical, instrumentation, and controls design is intended to be similar to Carmel Meadows #1 Lift Station. TJCAA will incorporate design elements used at Carmel Meadows #1 into this design to the extent possible, based on record design documents provided to TJCAA.

The following electrical design elements are anticipated for this project:

- Electrical distribution
- PG&E meter main
- Portable generator connection receptacle with manual transfer switch
- Motor disconnect switches
- Conduit and conductors
- Primex Model 331-SV packaged duplex lift station control panel with StationView controller Human-Machine Interface (HMI)
- Instrumentation design and integration
- Ultrasonic level measurement

- Backup float level switch control
- Wireless telemetry for station remote monitoring and control integrated into CAWD's existing network
- Site lighting and power

From previous projects with CAWD, TJCAA anticipates the following design features will be preferred:

- Siemens Hydromaster ultrasonic level transmitter as basis of design
- 316 stainless steel equipment enclosures
- PLC/HMI programming by District or District representative.

The following is a preliminary list of drawings that SRT anticipates developing as part of the final design effort. The sheet count may vary slightly to serve the needs of the design and construction contract. Should additional scope or currently unforeseen changes necessitate a significant increase in the number of design drawings, the associated additional engineering fee increase will be requested at that time.

Title Sheet

G-1 Drawing Index and Location Map

G-2 General Notes, Standard Symbols, Legend, and Abbreviations

D-1 Demolition Plan

C-1 Lift Station Site Grading and Drainage Plan

C-2 Lift Station

C-3 Lift Station

C-4 Sewer Plan and Profile I

C-5 Sewer Plan and Profile II

C-6 Civil Details

C-7 Civil Details

GE-1 Electrical Legend and Abbreviations

GE-2 Electrical Standard Details

E-1 Electrical 1-Line, Elevation, and Grounding Schematic

E-2 Electrical Site Plan

E-3 Electrical Schedules: Panelboard, Conduit, Fixtures

Assumption and Limitations:

- Design documents will include up to 16 drawings, technical specifications, and engineer's opinion of probable construction cost; a significant increase in the sheet count may necessitate a budget increase;
- CAWD will consolidate review comments into a single document and meet with SRT to discuss after each submittal within two weeks;
- All design submittals will be submitted electronically;
- One set of camera-ready construction documents will be delivered in full-size format;
- CAWD will furnish front-end documents and general conditions including advertising and bidding templates;
- SRT's 2017 AutoCAD version and drawing standards will be utilized for the design work;
- SRT's standard technical specifications will be used and accompanied by CAWD's standard front-end documents;

- A portable generator connection will be provided and not a permanent stationary standby generator. Monterey Bay Air Pollution Control District permitting or coordination with local fire jurisdiction will not be required;
- Programming work associated with the District's central SCADA HMI will be performed by the District (or District representative) and is not included in the design documents, except for Contractor support of District SCADA HMI testing efforts;
- Design will be in accordance with applicable County requirements, National Electric Code standards, and California Building Code.

Deliverables:

- Technical specifications and design progress drawings at 50-, 95-, 100-percent, and bid-ready
- Modified CAWD front-end documents to suit the project
- Meeting agenda and notes

At CAWD's request, additional engineering services will be negotiated after submission of the bid-ready documents. These services may include bid period support such as advertisement, responses to RFIs, pre-bid meeting attendance, bid opening and bid review support, and recommendation for award. Additional services negotiated at this time may also include PG&E service coordination and engineering services during construction, including: pre-construction and periodic progress meetings, shop drawing review and approval, change order review and negotiation, periodic pay estimate review and approval, record drawings prepared in AutoCAD from contractor's red-line/as-built drawings, and project closeout.

Schedule

The design and CEQA review is estimated to be completed approximately 9 months following an NTP from CAWD. The project schedule shown in Table 1 assumes an NTP is issued in January 2020. This schedule assumes design engineering services will close out at the end of September 2020 with advertisement for bids to follow later in October.

Table 1. Proposed Project Schedule

Task	Duration/Deliverable Date
1 Project Management	January –September 2020
2 Field Reconnaissance and Conceptual Engineering	January-February 2020
3 Environmental Permitting Services*	March – September 2020
4 Final Design and Bid Documents	March – September 2020

*Actual completion time will depend on the type of required CEQA Compliance (Categorical Exemption or Initial Study/ Negative Declaration)

Project Team

SRT will serve as prime consultant on this project and provide the following services:

- Project management and design team coordination
- Permitting support and coordination
- Engineering design

Tim Monahan, P.E. will serve as Project Manager and will coordinate the efforts of subconsultants and SRT technical staff. Nina Mao, P.E. will serve as Project Engineer and will oversee the final design development including preparation of drawings, specifications, and construction cost estimate. Brad Sneed, P.E. will provide QA/QC of all project deliverables prior to submission CAWD. Tanya Yurovsky, P.E. will serve as Principal-in-Charge and will commit SRT’s resources to complete this engineering design project as described herein. SRT’s staff engineers will support the effort of the core design team as necessary.

The design team will be complemented by the following subconsultants:

- Quiet River Land Services, Inc. – topographic survey services
- Ninyo & Moore Geotechnical & Environmental Sciences Consultants – geotechnical engineering services
- TJC and Associates – electrical engineering, instrumentation, and SCADA interface design services
- WRA, Inc. – biological resource assessment, wetlands delineation and support services for permitting and environmental compliance

Fee Estimate

SRT’s proposed fee for the project work described in this proposal will be on a time and material basis with a not-to-exceed amount of \$255,445 as summarized in Table 2.

Table 2. Proposed Not-To-Exceed Fee Estimate

Task	Fee (\$)
1 Project Management	\$26,360
2 Field Reconnaissance and Conceptual Engineering	\$15,620
3 Environmental Permitting Services	\$7,560
4 Final Design Development	\$93,860
Subconsultant fees	\$111,045
Other Direct Charges (ODCs – mileage, printing, etc.)	\$1,000
Fee Total	\$255,445

SRT will invoice CAWD monthly for the hours spent by SRT staff and the subconsultants during the previous month.

We look forward to continuing to serve CAWD on this interesting project. Please contact me at 415-231-5768 or Tim Monahan at 415-314-7604 if you have any questions or require additional information. Thank you for considering SRT Consultants.

Sincerely,

Tatyana T. Yurovsky, P.E.
 Principal
 SRT Consultants

Timothy J. Monahan, P.E.
 Project Manager
 SRT Consultants

EXHIBIT B

SRT Consultants 2020 Rate Schedule

Staff Name/Classification	Billing Rate (\$\$/hour)
Principal / Tanya Yurovsky, PE	240
Project Manager / Tim Monahan, PE	220
Project Engineer / Nina Mao, PE	165
Staff Engineer / Laura Chimelski, PE	145
Staff Engineer / Jerome Navarro	140

Other Charges:

1. Mileage billed at the IRS current rate
2. No markup on other direct costs (ODCs)
3. 10-percent markup on subconsultants

EXHIBIT "C"

Carmel Area Wastewater District (CAWD) will provide the following services for the Carmel Meadows pipeline replacement project:

- All permits for the project.
- Project site access and coordination with property owners.
- Information regarding establishing project boundaries.
- Payment of permit application fees and filing fees.
- Project description maps and related information for CEQA analysis.
- Tribal consultation as required by AB-52.
- Front end specification documents, advertising bids, etc.
- SCADA panel design for the pump station from Frisch Engineering.

EXHIBIT "D"

Payment for work on this project shall be on a time and materials basis as invoiced for an amount not to exceed \$255,445.

RESOLUTION NO. 2019-58

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH SRT CONSULTANTS TO PROVIDE ENGINEERING DESIGN SERVICES FOR THE CARMEL MEADOWS PIPELINE REPLACEMENT PROJECT IN THE AMOUNT OF \$255,445 (Project #19-03)

-oOo-

WHEREAS, the District approved the 2019/2020 budget that included funding for the Carmel Meadows Pipeline Replacement Project design and Capital Improvement Plan for construction in 2020/2021;

WHEREAS, the District received a proposal from SRT Consultants for professional engineering services to prepare bid documents and provide environmental permitting services for the Carmel Meadows Pipeline Replacement Project;

WHEREAS, in order to proceed with design of the project, the District must execute a contract with SRT Consultants to prepare plans and specifications for the project as summarized in their proposal dated October 28, 2019 in the amount of \$255,445.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Carmel Area Wastewater District, hereby authorizes the General Manager to enter into a contract with SRT Consultants to prepare plans and specifications for Carmel Meadows Pipeline Replacement Project.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 19, 2019.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: December 19, 2019
Subject: Manhole & Sewer Line Repair Project
at Various Locations

RECOMMENDATION

It is recommended that the Board of Directors approve Resolution 2019-59 to authorize the General Manager to bid and award the construction contract for the Manhole & Sewer Line Repair Project at Various Locations and return to your Board on January 30, 2020 with results of the bidding.

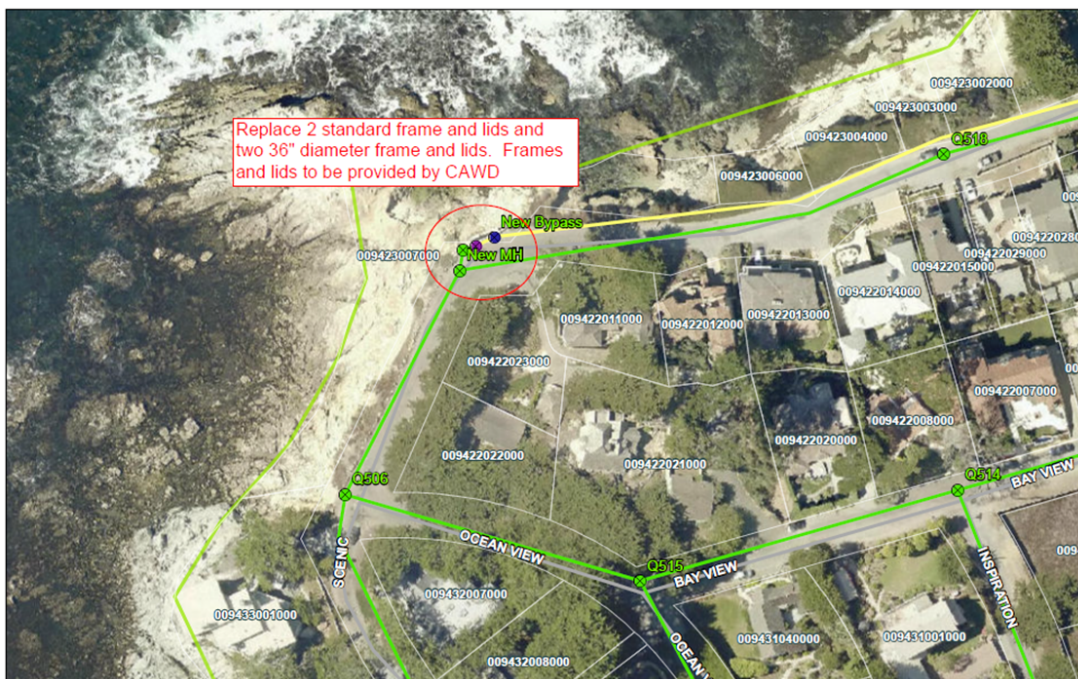
DISCUSSION

There are a number of small projects for the Collections department that need to be addressed during this fiscal year. Removal of a pipe intrusion in the Rio Road transmission line, spot repair of a damaged sewer line located over a storm drain, repair of an outside drop inlet at a manhole at Torres and 1st Avenue, and replacement of manhole covers and frames in areas subject to flooding. In order to bid a construction project that will be competitive, staff recommends bundling the work into one contract. The following paragraphs provide a description of the proposed work.

A cross bored pipe was discovered by our video crew in the 24-inch diameter transmission main on Rio Road across from a vacant lot. The Collections Superintendent contacted all the utilities in the area and could not determine who owns the pipe. It is potentially a water connection to the building that no longer exists at the lot. In order to be able to complete the cured in place pipe (CIPP) lining project that is planned for Spring 2020 (#19-07 Rio Road CIPP Lining Project), the intruding pipe needs to be removed.

In order to prevent pipeline leakage into storm drains within Carmel-by-the-Sea, two spot repairs are proposed to be completed. One is to replace a 40-foot section of vitrified clay pipe at Junipero and 2nd Avenue. The second one is an exterior drop manhole connection that needs to be replaced at Torres and 1st Avenue.

Lastly, in order to reduce the impact of flooding that can overwhelm the sewer collection system, staff is recommending that bolt down manholes be installed at twenty locations that historically have flooded. Sealed manhole covers and new frames are anticipated to provide a barrier for inflow from heavy rains. In addition, one waterproof hatch is needed to be installed at the Monte Verde & 16th Avenue pump station. The manholes and pump station are located to the west of the Mission as shown on the following figures. Manhole covers and frames and the hatch cover have been purchased by staff in anticipation of completing this project.



In order to proceed with bidding the projects, your Board will need to approve the attached resolution authorizing the General Manager to invite bids for the project and return on January 30, 2020 to recommend award of the contract.

FUNDING

Funding is available in the Collections Operating Budget for Repairs & Maintenance of sewer lines and manholes of \$100,000. The Engineer's Estimate is \$83,200.

Notice is hereby given that sealed proposals will be received by the District Board, Carmel Area Wastewater District, at the District office, 3945 Rio Road, P.O. Box 221428 Carmel, CA. 93922, until

2:00 P.M., Thursday, January 16, 2020

at which time they will be publicly opened and read for performing the work as follows:

**FY 2019/20 MANHOLE & SEWER LINE REPAIR PROJECT
AT VARIOUS LOCATIONS**

The results of the bidding will be reported to the District Board within thirty (30) days of the date of the bid opening at which time if bids are found to be acceptable by the District Board, written notice of award will be given to the lowest responsive and responsible Bidder. However, said District Board reserves its right to reject any or all bids, to waive irregularities of any bids or to re-advertise for all or any part of the work contemplated.

No bidder shall withdraw his bid for a period of thirty (30) calendar days after the date set by the Board for the opening thereof.

Specifications and proposal forms may be secured at no charge by emailing the District's Principal Engineer at lather@cawd.org and requesting the documents.

RESOLUTION NO. 2019-59

RESOLUTION AUTHORIZING INVITING BIDS FOR "MANHOLE & SEWER LINE REPAIR PROJECT AT VARIOUS LOCATIONS"

-oOo-

WHEREAS, the Board of Directors has received and reviewed staff's report regarding Manhole & Sewer Line Repair Project at Various Locations invitation for bids;

WHEREAS, the procurement of the manhole lids and frames and the hatch cover and frame has been completed by the District;

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

1. That the Manhole & Sewer Line Repair Project specifications are hereby authorized for bidding.

2. That sealed proposals or bids are hereby called for with regard to the aforesaid Project.

3. That the Secretary of the Board of Directors of the District is hereby directed to publish a Notice requesting bids for the aforesaid " Manhole & Sewer Line Repair Project at Various Locations" project once a week for two (2) consecutive weeks in a newspaper of general circulation published in the District. Said publications shall not be less than five (5) days apart and the first publication shall be at least ten (10) days before the date fixed for the opening of bids. Said Notice shall refer to the plans and specifications on file in the office of the District Secretary.

4. Sealed proposals or bids shall be delivered to the Secretary of the Board of the Carmel Area Wastewater District on or before the time and date specified in the published Notice, at the office of the District, 3945 Rio Road, Post Office Box 221428, Carmel, California, 93922, said time being not less than ten (10) days from the time of the first publication of the Notice. Bids will be publicly opened and examined on said date and hour by the District Secretary and will be referred to and considered by the Carmel Area Wastewater District Board at its next regular meeting following the opening of the bids in the Board Room of the District Office, 3945 Rio Road, Carmel, California.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 19, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: December 19, 2019

Subject: (Project 18-08) Standby Power Reliability Project

RECOMMENDATION

It is recommended that the Board of Directors approve a resolution to authorize staff to solicit bids for a 600-kilowatt (kW) standby power generators to replace the existing 450kW generator at the CAWD plant.

DISCUSSION

The treatment plant currently has a 450kW and a 750kW standby generator. (Project 18-01) Mechanical/Electrical Rehabilitation and Sludge Holding Tank Replacement Project requires space in the influent building for the new Influent Pump Variable Frequency Drives (VFD). The design calls for removal of the existing 450kW generator to create space for the new VFDs.

Project 18-08 will provide for a new 600kW portable generator to replace the 450kW. The 600kW generator would be located next to the operations building and provide redundant standby power.

JUSTIFICATION

When the 450kW generator is removed the treatment plant will no longer have redundant standby power. It is critical to have redundant standby power to continue the operation of the plant in the event of a power outage. The likelihood of the loss of power for an extended duration has increased with the deliberate fire risk reduction outages by Pacific Gas and Electric.

Also, the existing 450kW generator has many obsolete components that if failed would

require a major retrofit to repair if the parts could be sourced. This adds additional justification to replace the 450kW with an updated unit.

It was discussed whether the 750kW generator would be adequate in the event of a power outage and due to the age and increased risk of extended duration outages that retaining redundant standby power is the best approach.

The approach is to solicit bids along with the reclamation standby generators to take advantage of economies of scale when bidding so that the lowest bid can be procured.

FUNDING

- \$3,000 has been spent year to date on design.
- \$730,000 was budgeted in Fiscal Year 19/20 in long term capital for this project.
- The estimated cost of the 600kW generator is **\$350,000**.

RESOLUTION NO. 2019-60

A RESOLUTION AUTHORIZING STAFF TO SOLICIT BIDS FOR A 600 KILOWATT (kW) STANDBY POWER GENERATOR TO REPLACE THE EXISTING 450 kW GENERATOR AT THE CARMEL AREA WASTEWATER DISTRICT (CAWD) PLANT (PROJECT #18-08)

-oOo-

WHEREAS, the Board of Directors has received and reviewed staff's report regarding the Standby Power Reliability Project (#18-08); and

WHEREAS, staff has testified to the satisfaction of the Board that the procurement of a new 600 kW standby generator is critical to have redundant standby power to continue the operation of the CAWD plant in the event of a power outage;

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

1. That the 600-kW standby generator is hereby authorized for bidding.
2. That sealed proposals or bids are hereby called for with regard to the aforesaid Project.
3. That the Secretary of the Board of Directors of the District is hereby directed to publish a Notice requesting bids for the aforesaid 600 kW Power Generator once a week for two (2) consecutive weeks in a newspaper of general circulation published in the District. Said publications shall not be less than five (5) days apart and the first publication shall be at least ten (10) days before the date fixed for the opening of bids. Said Notice shall refer to the specifications on file in the office of the District Secretary.
4. Sealed proposals or bids shall be delivered to the Secretary of the Board of the Carmel Area Wastewater District on or before the time and date specified in the published Notice, at the office of the District, 3945 Rio Road,

P.O. Box 221428, Carmel, California, 93922, said time being not less than ten (10) days from the time of the first publication of the Notice. Bids will be publicly opened and examined on said date and hour by the District Secretary and will be referred to and considered by the Carmel Area Wastewater District Board at its next regular meeting following the opening of the bids in the Board Room of the District Office, 3945 Rio Road, Carmel, CA.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 19, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: December 19, 2019

Subject: (Project 19-16) MF/RO Standby Power Project

RECOMMENDATION

It is recommended that the Board of Directors approve a resolution to authorize staff to solicit bids for two 400-kilowatt (kW) standby power generators for the Reclamation facility. This approval is contingent on approval to solicit bids from the Reclamation Management Committee.

DISCUSSION

The Reclamation facility consists of two Pacific Gas and Electric 480 Volt electrical services. One service supplies power to the tertiary and the other to the Microfiltration and Reverse Osmosis Pad. Both services require power to provide reclamation water in the event of a power outage.

The purchase of two standby power generators would provide standby power so that the facility could run at full capacity. The treatment plant has an existing separate standby power system that would provide effluent flow to the reclamation plant. Currently if utility power fails the treatment plant continues to operate on standby power and diverts flow to the ocean outfall since the Reclamation facility shuts down.

The purchase of the generators is a critical path and long lead time item. The recently completed study determined the size of the generators and the plan is to order the generators while the rest of the design is completed so that the overall project schedule can be decreased. The circuit breakers, associated enclosures, wiring and installation would be the second component and will be bid out separately.

JUSTIFICATION

The Reclamation facility does not currently possess standby power. Reclaimed water has increasingly become more critical to the community and the Reclamation facility stakeholders. In the past power outages were more likely in the winter during heavy rains and the outages were of short enough duration that the excess water could be stored.

Now we are faced with a new normal with the deliberate outages implemented by PG&E to reduce the risk of fires. These outages are more likely to occur in the summer and fall months when water production is most critical and can have a much longer duration. A previous study was completed to install standby power at the Reclamation facility, and it was determined to be cost prohibitive and not a good value.

A new study was recently completed by Beecher Engineering along with staff that took a different approach in order to provide the same benefit with a lower cost. The main difference is implementing a manual transfer scheme instead of an automatic transfer scheme. Since there is adequate storage to hold influent flow for a few hours in the event of a power outage this approach provides the same benefit but with decreased cost.

Staff also looked at alternatives such as combining both Reclamation PG&E services or powering the Reclamation facility from the treatment plant. The cost to combine the services was significantly more with no added benefit and the treatment plant electrical system does not have the available capacity to provide the required standby power.

FUNDING

\$12,000 was approved by Reclamation staff to complete the initial study. The total cost of the project is estimated at \$699,000.

The purchase cost of the two 400 kW generators is estimated at **\$500,000**.

This an unbudgeted capital project that would be funded from Reclamation capital reserves contingent on Reclamation Management Committee (RMC) board approval. Typically items once approved by the RMC are returned to the agency board for a resolution. In this instance, the RMC will next meet in 2020 so we are asking for approval from the CAWD board now in order to expedite the project.

RESOLUTION NO. 2019-61

A RESOLUTION AUTHORIZING STAFF TO SOLICIT BIDS FOR TWO 400 KILOWATT (kW) STANDBY POWER GENERATORS FOR THE RECLAMATION FACILITY. APPROVAL IS CONTINGENT ON APPROVAL TO SOLICIT BIDS FROM THE RECLAMATION MANAGEMENT COMMITTEE (PROJECT #19-16)

-oOo-

WHEREAS, the Board of Directors has received and reviewed staff's report regarding the Microfiltration/Reverse Osmosis (MF/RO) Standby Power Project (#19-16); and

WHEREAS, staff has testified to the satisfaction of the Board that the procurement of two new 400 kW standby generators is critical to have redundant standby power to continue the operation of the MF/RO plant in the event of a power outage;

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

1. That the two 400 kW standby generators are hereby authorized for bidding.
2. That sealed proposals or bids are hereby called for with regard to the aforesaid Project.
3. That the Secretary of the Board of Directors of the District is hereby directed to publish a Notice requesting bids for the aforesaid 400 kW Power Generators once a week for two (2) consecutive weeks in a newspaper of general circulation published in the District. Said publications shall not be less than five (5) days apart and the first publication shall be at least ten (10) days before the date fixed for the opening of bids. Said Notice shall refer to the specifications on file in the office of the District Secretary.
4. Sealed proposals or bids shall be delivered to the Secretary of the Board of the Carmel Area Wastewater District on or before the time and date

specified in the published Notice, at the office of the District, 3945 Rio Road, P.O. Box 221428, Carmel, California, 93922 said time being not less than ten (10) days from the time of the first publication of the Notice. Bids will be publicly opened and examined on said date and hour by the District Secretary and will be referred to and considered by the Carmel Area Wastewater District Board at its next regular meeting following the opening of the bids in the Board Room of the District Office, 3945 Rio Road, Carmel, CA.

5. The Board's approval is issued contingent on approval from the Reclamation Management Committee.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on December 19, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Patrick Treanor, Plant Engineer

Date: December 19, 2019

Subject: Project #18-07 - Digester No. 1 Dewatering and Cleaning Update and Resolution for Additional Tonnage

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution ratifying the General Manger's decision to continue the Digester No. 1 Dewatering and Cleaning Project beyond the contracted tonnage and to authorize executing a change order with Synagro WWT, Inc for removal and disposal of additional tons of material in Digester No. 1 in an amount not to exceed \$60,000 over the original bid price of \$257,250.00.

DISCUSSION

Work began on the Digester No. 1 Dewatering and Cleaning Project on November 18th, 2019. Work has progressed smoothly, and as of the writing of this report the contractor has processed an estimated 210 dry tons of solids (approximately 600 wet tons) from the digester. The final numbers are still pending as of the writing of this report. The original contract was based on 150 dry tons and so the estimated extra tons is about 60 additional dry tons. The price quote for the additional tonnage from Synagro was reduced from the original bid by \$153 per dry ton to an amount of \$1,047 per dry ton. The total budget amount estimated to close the project would change from \$257,250.00 to a not to exceed cost of \$317,250. For reference, the second low bidder on the project bid \$336,690 for 150 tons, and so it seems CAWD is getting a very competitive price from Synagro for the work especially considering the additional tonnage being handled.

At the onset of the onsite activities CAWD staff worked to reduce the cost incurred via the contract by processing about half of the liquid contents in the tank using an improvised transfer system (See Photo 1). These efforts directly offset about \$14,000 of the cost from the original unit cost bid by processing almost half of the liquid contents of the tank and so this reduced the total amount paid to the contractor. CAWD Staff could not process the remaining contents because our existing tank draw off did not permit removal of any further contents, and our disposal site did not want to accept the settled grit/sludge/debris in the lower half of the tank. CAWD operations staff worked diligently and efficiently over the course of five days to run our dewatering system for extended times to process the additional sludge while also meeting our normal sludge processing requirements. The contractor removed the remaining water in the tank with a specialized hydraulic powered intrinsically safe pump which they dropped directly into the tank from the roof of the tank.



Photo 1: CAWD Temporary Transfer System

After the majority of liquid contents were removed by CAWD and the contractor, the side

hatches on the tank were opened so we could finally see how much solids were accumulated at the bottom of the tank. Not surprisingly there were large undulations of debris up to 5 feet high visible in the darkness of the tank (See Photo 2). Luckily the solids build up was below the side hatches which allowed the contractor to have side access into the tank to use fire hoses to break up the mounds of debris (See Photo 3). The material in the tank was not pumpable otherwise.

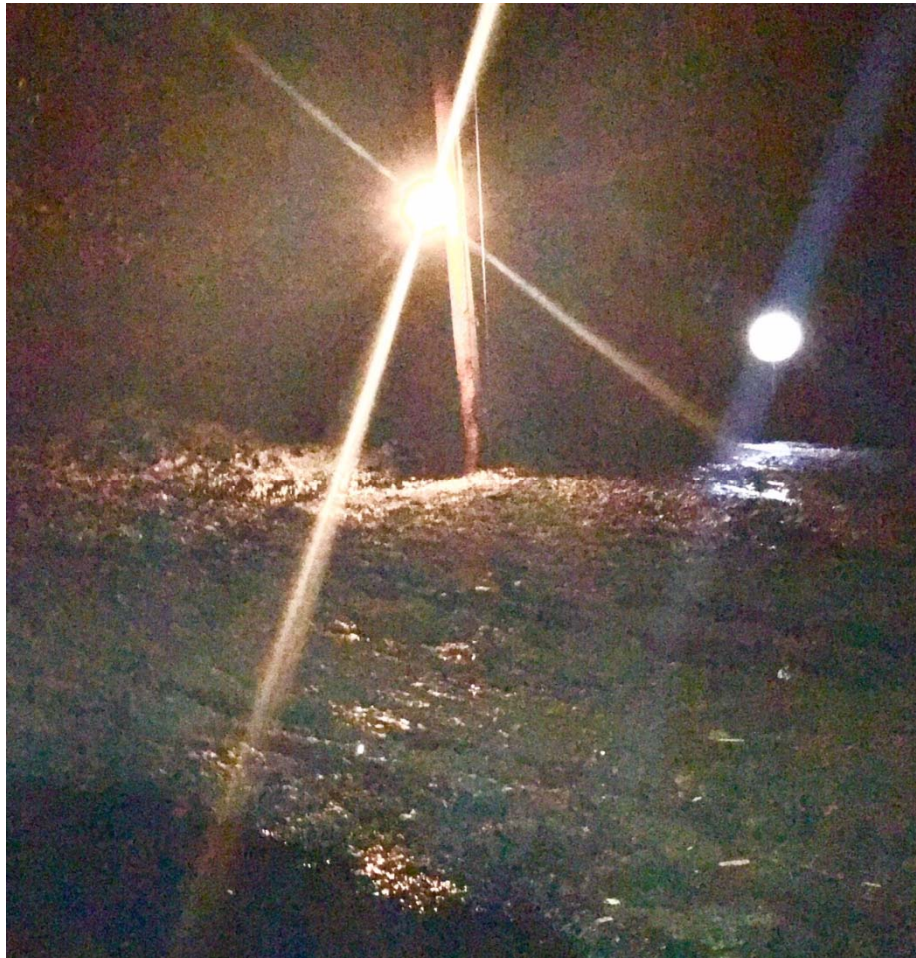


Photo 2: Solids Accumulation in Tank



Photo 3: Side Hatch Access

The contractor's dewatering system brought onsite included two semi-trailer sized dewatering tanks and a mobile dewatering unit (See Photos 4 and 5). The dewatered solid cake was sent to the Avenal landfill. The Marina landfill gave a final decision not to take the solids after Synagro compiled and submitted all required sampling data to get approval from this landfill. Ultimately, the reasoning the Marina landfill gave for rejecting the waste was that there were some trace metal constituents that were above their limit (Molybdenum, Antimony and Vanadium). However, the waste met the limits at the Avenal landfill which were less stringent.



Photo 4: Mobile Dewatering Tanks



Photo 5: Mobile Dewatering Unit

FUNDING

The funding for the additional cost to this project will come from Capital Reserves.

RESOLUTION NO. 2019-62

RESOLUTION RATIFYING GENERAL MANAGER DECISION TO CONTINUE WORK BEYOND BUDGETED TONNAGE AND FOR APPROVAL FOR ADDITIONAL COST TO THE "DIGESTER NO. 1 DEWATERING AND CLEANING" PROJECT FOR ADDITIONAL TONNAGE

-oOo-

WHEREAS, the Board of Directors authorized award of the project to the lowest responsible bid on September 26, 2019 to Synagro WWT, Inc for \$257,250.00;

WHEREAS, the bid was based on unit costs for dry tons removed from the digester in the amount of 150 dry tons;

WHEREAS, it is now estimated that the dry tons to be removed will exceed the contract amount of 150 dry tons,

WHEREAS, the change order amount proposed for additional tonnage is \$1,047 per additional dry ton.

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

1. That the Board ratifies the General Manager's decision to continue the project with Synagro WWT, Inc in order to reach completion.
2. That the Board authorizes a Budget amendment of \$60,000 to cover the cost of work associated with removing additional tonnage of material from the digester. This brings total estimated project budget to \$317,250.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the

Carmel Area Wastewater District duly held on December 19, 2019 by the following
vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT

To: Board of Directors

From: Domine Barringer, Board Secretary

Date: December 19, 2019

Subject: Board Member Committee Assignments
for 2020, PBCSD Board meeting schedule for 2020, and Conference
Attendance



RECOMMENDATION

The Board of Directors must pass a motion accepting Committee Assignments and PBCSD Board meeting schedule for 2020.

DISCUSSION

Attached are the following documents for the Board's consideration:

- a. 2020 Committee Assignments
- b. 2020 PBCSD Board meetings
- c. 2020 Conferences

Please contact either Domine Barringer or Kristina Pacheco for assistance with conference registration.



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
 SUBJECT: Committee Assignments for 2020
 DATE: December 19, 2019

Committee	2019 Members	2020 Members
Budget & Audit	D'Ambrosio Siegfried	
Pension	Rachel	
Reclamation Management	Townsend White	
Salary & Benefits	White Rachel	
Special Districts' Association	Townsend Siegfried (alternate)	
CRFREE (ad hoc)	White Siegfried	
Sea Level Rise (ad hoc)	Siegfried D'Ambrosio	



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 2020

It is important for at least one CAWD Board Member to attend the Pebble Beach Community Services District's regular Board Meetings, held the final Friday of every month at 9:30a.m., and if possible, any special meetings during the assignment period, with usual 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 signed Member to get a substitute if the Member cannot attend.

January 2020	Bob Siegfried
February 2020	Charlotte Townsend
March 2020	Ken White
April 2020	Greg D/Ambrosio
May 2020	Mike Rachel
June 2020	Bob Siegfried
July 2020	Charlotte Townsend
August 2020	Ken White
September 2020	Greg D'Ambrosio
October 2020	Mike Rachel
November 2020	No Meeting
December 2020	Bob Siegfried

STAFF REPORT



To: Board of Directors

From: Domine Barringer, Board Secretary

Date: December 19, 2019

Subject: 2020 Conference Schedule

RECOMMENDATION

This is informational only – no action required.

DISCUSSION

2020 Conferences			
Organization	Description	Location	Date(s)
CASA	Winter Conference	Indian Wells, CA	Jan 21-23
CWEA	P3S Conference	Long Beach, CA	Jan 27-29
CWEA	FOG Conference	Long Beach, CA	Jan 29
CASA	Wash DC Policy Forum	Washington DC	Feb 24-26
ACWA	Annual Wash DC Conference	Washington DC	Feb 25-27
ACWA	Legislative Symposium	Sacramento, CA	March 12
WateReuse	Annual Conference	San Francisco, CA	March 15-17
CWEA	Annual Conference	Reno, NV	Mar 31 – Apr 3
ACWA	Spring Conference	Monterey, CA	May 5-8
CSDA	Legislative Days	Sacramento, CA	May 19-20
CASA	Annual Conference	Lake Tahoe, CA	August 12-14
CSDA	Annual Conference	Palm Desert, CA	August 24-27
ACWA	Fall Conference	Visalia, CA	Dec 1-4

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

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: December 19, 2019
Subject: Financial Audit For Fiscal Year Ending 06-30-19

RECOMMENDATION

It is recommended that the Board of Directors accept the Carmel Area Wastewater District Annual Financial Statements and Independent Audit Report for the fiscal year ended June 30, 2019 prepared by the firm Marcello & Company 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 06-30-19 statements.

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

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.

Attached: CAWD Audit for year ended 06-30-19

FUNDING

Preparation of the annual audit was a budgeted expense for 2018-19 in the amount of \$22,550.

CARMEL AREA WASTEWATER DISTRICT
California

Annual Financial Report

**Year Ended
June 30, 2019**

CARMEL AREA WASTEWATER DISTRICT

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860-0127

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Carmel Area Wastewater District
Carmel, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Carmel Area Wastewater District, Carmel, California (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from the District's 2018 financial statements and, in our report dated September 29, 2018, we expressed an unqualified opinion on the financial statements of the business-type activities.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors and Members
Carmel Area Wastewater District
Carmel, California

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

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

Marcello & Company

Certified Public Accountants
Sacramento, California
September 28, 2019

MANAGEMENT'S DISCUSSION & ANALYSIS

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

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

Financial Highlights

Key financial highlights for 2018-19 are as follows:

- The District's net position increased by 7.1% or \$5.4M to \$82.2M. Total Operating revenues increased 12.7% or \$1.1M over the prior year. Sewer user fees, the District's primary source of operating revenue, increased 7.9% or \$591K over the prior year. The rate model projected a 9.2% increase in residential rates – overwhelmingly the District's largest user category. The increases are reflective of the District's continued efforts to fund its capital improvement and rehabilitation efforts. Pebble Beach Community Services District (PBCSD) treatment fees increased by 20.2% or \$250K over prior year. Flow from Del Monte Forest increased to 33.8% compared with 31.2% in 2017-18. Reimbursement from the Reclamation Project for O&M expenses increased 17.1% or \$94K due to increased time expended (salaries up 5.7%) on maintenance efforts at the MF/RO pad.
- Total non-operating revenues decreased 13.6% or \$673K over the prior year primarily due to a reduction in reimbursement from other agencies for capital costs. Property tax revenue increased 5.6% or \$109K over the prior year. Investment income increased 54.1% or \$211K over the prior year. Reimbursement of capital costs from PBCSD decreased 57.6% or \$675K and from Reclamation it decreased 54.0% or \$229K.
- Total operating expenses (excluding depreciation) increased 5.7% or \$339K over the prior year reflecting continued focus on rehabilitation as well as the effects of inflation and tariffs. Operating supplies increased 60.7% over prior year detailed with a seven-fold increase in electrical work and a 131% increase in sodium hypochlorite. Contractual services increased 40.1% over prior year detailed with a 44.4% increase in network administration, a 105.2% increase in electrical services, an 84.0% increase in grit disposal service and new contractual services for Human Resources \$35K and Coastal Commission Consulting \$64K.
- Non-operating expenses increased 6.9% or \$4.6K from the prior year due to lower interest and fiscal expenses.
- Total Current Assets increased 21.4% or \$5.9M over the prior year. This was primarily due to an increase in Cash and Investments of \$5.3M.
- Total Current Liabilities increased 70.8% over the prior year primarily due to an increase in Accounts Payable. Trade payables are up primarily due to timing issues. The Deferred Revenue represents CCLEAN program revenue collected in advance from participants – the District became lead agency effective July 1, 2017, and prepayment from September Ranch project.

Overview of the Financial Statements

This annual report consists of three parts – management’s discussion and analysis (*this section*), the basic financial statements, and other supplementary information. The Financial Statements include Notes which explain in detail some of the information included in the basic financial statements. They are followed by a section of *Supplementary Information* that further explains and supports information in the financial statements.

Required Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of three components:

- The *Statements of Net Position* present information on all the District’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 District’s net position changed during the two most recent fiscal years.
- The *Statements of Cash Flows* present information showing how the District’s cash position changed during the two most recent fiscal years. It shows the sources and uses of cash.

The District’s financial statements utilize the full accrual basis of accounting whereby revenue is recognized when it is earned, and expenses are recognized as they are incurred. The District’s accounting methods follow accounting principles generally accepted in the United States and as applied to governmental enterprise funds.

Financial Analysis of the District

The Statements of Net Position and the Statements of Revenue, Expenses and Changes in Net Position provide an indication of the District’s financial condition. The District’s net position reflects the difference between assets and liabilities. An increase in net position over time typically indicates an improvement in financial condition.

A summary of net position is presented below:

	2019	2018	2017
Assets			
Current Assets	33,751,396	27,804,237	25,998,204
Capital Assets net of depreciation	49,756,407	50,337,616	48,163,109
Total Assets	<u>\$ 83,507,803</u>	<u>\$ 78,141,853</u>	<u>\$ 74,161,313</u>
Deferred Outflow of Resources	<u>615,708</u>	<u>950,959</u>	<u>992,009</u>
Total Assets & deferred outflow of resources	<u><u>\$ 84,123,511</u></u>	<u><u>\$ 79,092,812</u></u>	<u><u>\$ 75,153,322</u></u>

Liabilities

Current Liabilities	1,067,713	625,186	1,629,504
Long-term vac/sick pay	156,912	133,271	117,790
Net pension liability	(617,997)	(207,127)	(370,040)
Long-term debt	930,000	1,090,000	1,240,000
Total Liabilities	\$ 1,536,628	\$ 1,641,330	\$ 2,617,254

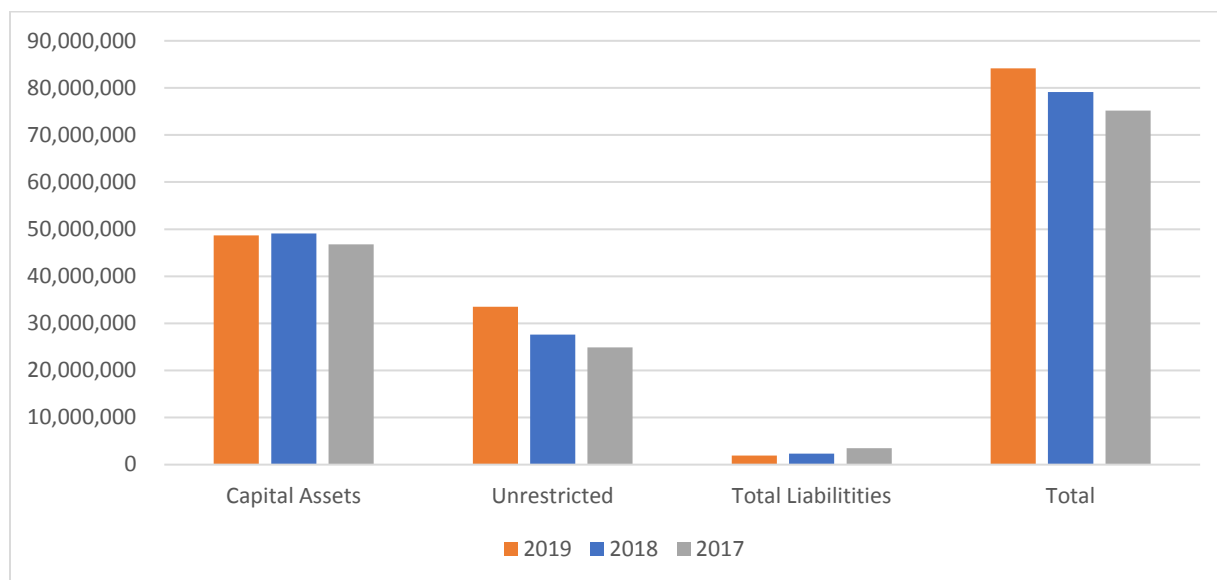
Deferred Inflow of Resources	364,168	707,184	850,879
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Total Liabilities & Deferred Inflow	\$ 1,900,796	\$ 2,348,514	\$ 3,468,133
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Net Position

Invested in capital assets, net of related debt	48,666,407	49,097,616	46,778,109
Restricted	-	-	-
Unrestricted	33,556,308	27,646,682	24,907,080
Total net position	\$ 82,222,715	\$ 76,744,298	\$ 71,685,189
Total Liabilities & Net Position	\$ 84,123,511	\$ 79,092,812	\$ 75,153,322

CAWD Net Position Comparison June 30, 2017 to 2019



The District’s cash balances are segregated by purpose, as approved by the Board, as follows:

<u>Designation of Cash Balances</u>	<u>Amount</u>
Capital Reserves	\$ 11,655,296
Current Year O&M (2018-19)	12,836,519
Current Year Capital (2018-19)	5,571,165
LAIF Investment Fund	1,157,615
Defend or Managed Retreat Reserve	1,000,000
Compensated Accruals Fund	177,695
Total	<u>\$ 32,398,290</u>

After formally accepting the asset management plan prepared for the Treatment plant in April 2013, the District moved forward with implementation of the first phase. The original plan estimated the District will need to spend \$30M over the next fifteen years on plant rehabilitation – this is exclusive of engineering costs and construction management. The District has subsequently carried the long term plan out each year to maintain the fifteen-year time horizon. The long-range total required for the treatment plant remains \$40M. We have already initiated planning for the next phase of our plant rehabilitation.

The District maintains a long-term capital plan for both the treatment facility and the collection system. West Yost Associates was engaged to complete an Asset Management Study for the collection system similar to the work that was done for the Treatment Plant in 2012. West Yost also completed a hydraulic model of the collection system to assist in planning for growth and maintenance of the existing system. The State General Waste Discharge Requirements for Sanitary Sewer Systems (Order No. 2006-0003) requires that we establish a proactive approach to ensure that a system-wide operation, maintenance, and management plan is in place to reduce the number and frequency of sanitary sewer overflows. We are working to build long-term resiliency into our system.

The result of the District’s long-term capital planning is that we are committed to spending, at a minimum, \$1M per year in Collections and we are committed to spending an estimated \$40M+ at the Treatment Plant over the next 15 years. The District’s initial plan was to fund the entire Long-Term Capital Improvement Plan via pay-as-you-go. The Board felt that rather than burden future ratepayers it was appropriate to assess current users and therefore authorized the plan to ramp up user fees, on average, 10% per year until the target funding level was met. Currently we are examining our long-range cash flow projections and it is evident that we will have to decide about potential borrowing if we are to complete all planned rehabilitation work. At the Treatment Plant we are planning on three major rehabilitation projects phases – we’ve started design on the Electrical/Mechanical upgrade. In the Collection Department we anticipate \$60M in rehabilitation needs. We have yet to determine when we will need to go out for bond monies to help us achieve our goals.

A summary of Changes in Net Position is presented below:

	2019	2018	2017
Changes in Net Position:			
Operating revenues	\$ 10,405,550	\$ 9,233,334	\$ 8,696,097
Nonoperating revenues	3,676,030	4,252,477	4,925,821
<i>total revenues</i>	14,081,580	13,485,811	13,621,918
Operating expenses	6,284,700	5,945,298	5,745,006
Nonoperating expenses	71,636	67,003	77,579
Depreciation expense	2,246,827	2,414,401	2,428,485
<i>total expenses</i>	8,603,163	8,426,702	8,251,070
Income before Cap Contributions	5,478,417	5,059,109	5,370,848
Capital Contribution	-	-	-
Change in net position	5,478,417	5,059,109	5,370,848
Net position, beginning	\$ 76,744,298	\$ 71,685,189	\$ 66,314,341
Restatements	-	-	-
Net position, ending	\$ 82,222,715	\$ 76,744,298	\$ 71,685,189

The District's strategy for rate-setting has consistently been to cover all operating expenses with operating revenue and to utilize non-operating revenue (i.e. property taxes and interest revenues) to cover capital and other non-operating expenses. The District does not factor depreciation into its rate structure. However, since 2012-13 we have entered an amount for Capital Replacement gradually building to \$1.6M per year in 2019-20. This funding combined with our property tax revenue means that the District has roughly \$3M coming in each year for capital replacement and rehabilitation. We have a long-term capital plan for the treatment plant of roughly \$40M over the next 15 years and for the collection system of roughly \$40M over the next 20 years. And there is one more piece to our long-term plan: sea level rise. We have established a dedicated reserve to fund sea level rise mitigation that may range from relatively simple water proofing efforts to moving facilities. We believe we have roughly another 30 years at our current location. We believe our future depends very much on the planning we are doing now.

The District's net position increased by \$5.4M or 7.1% for many reasons. Operating revenues increased 12.7% or \$1.1M but nonoperating revenues decreased 13.7% or \$576K. Operating Expenses increased 5.7% or \$339K with the result that income before any capital contribution increased 8.3% or \$419K. The District's assets exceeded liabilities by \$82M as of June 30, 2019. Net position, over time, may serve as a useful indicator of an entity's financial position.

The District's operations continue to be strong enough to support our plan to "pay-as-you-go" for our Treatment Plant Rehabilitation. We intend to utilize "pay-as-you-go" for the \$8-9M Electrical/Mechanical Rehab and Sludge Holding Tank project at the Treatment Plant. We were awarded a \$1M hazard mitigation grant for our Hatton Canyon line. The District has committed to spending roughly an additional \$1M per year to upgrade the collection system. We believe we are positioned to pay cash for the first five years of our Collection System long term plan at roughly \$1M per year for replacement line projects. We may have to increase that to meet external pressures to upgrade the system more quickly. However, for the short term, we see paying cash as offering greater freedom. While it

offers greater freedom to plan and build what we want and need, it does require considerable planning. We recognize that we may not be able to continue to pay cash indefinitely; but our Board of Directors has taken the position for now of not taking on debt.

Capital Assets Activity

The long-term capital improvement project initiated at the Treatment Facility in 2015 was completed in 2019. This project was an effort to upgrade multiple areas of the treatment plant and was a complex undertaking because of the multiple areas of the plant involved.

2018-19 significant asset additions include:

• Digester/Control Bldg.	\$5,531,038
• Standby & Main Power Improvements	\$3,445,109
• Hypo/Sodium Bisulfate Bldg.	\$2,938,095
• Aeration Improvements/DAFT	\$2,066,810
• Support facilities improvements	\$1,302,850
• Sludge Dewatering improvements	\$1,298,610
• Stormwater pump station	\$ 563,993

Debt Service Activity

In 2004, the District entered into an agreement with the Highlands Inn, the Tickle Pink Inn and the Highlands Sanitary Association to manage and obtain the necessary financing for them to construct a pipeline and connect to the District's treatment and collection facilities. The District received \$3,000,000 in the form of a 20-year bond issue as part of a pooled financing arrangement with the California Statewide Communities Development Authority Water & Wastewater Revenue Bonds, Series 2004A. In 2019 the District made a principal payment on the bond of \$150,000 and \$62,310 in interest. Prior year 2018 principal payment was \$145,000 with \$67,003 in interest. The Highlands Project bond is the District's only outstanding bond obligation; the District had no debt service obligations prior to 2004.

All debt service interest and principal payments are being repaid by the parties that benefit directly from the obligation. The Highlands Project Bond obligation is fully reimbursed by the Highlands Inn, the Tickle Pink Inn, and the Highlands Sanitary Association.

Budget Highlights/Variations

An annual budget is adopted by the CAWD Board of Directors each spring for the subsequent fiscal year. Budget information is reported to the Board, and adjustments to the budget may only be made by resolution of the Board.

2018-19 major variances can be described as follows:

- Sewer service fees were 5.6% or \$428K over budget – the rate model provided for an additional \$1.3M to be allocated for future capital expenses.

- PBCSD treatment fees were 23.8% or \$286K over budget because of the increase in Treatment Plant expenses for continued rehabilitation of the plant. Flow from PBCSD increased to 33.8% of total plant inflows compared to 31.2% of total inflows to the plant last year.
- Total Operating revenues were 12.1% over budget in total – attributable primarily to user fees and PBCSD treatment fees.
- Maintenance – Field was 52.1% or \$52K under budget. Maintenance – Plant was 32.9% or \$557K under budget. The District continued its efforts at plant rehabilitation in-house, but projects were delayed because of permitting, concerns over sea level rise and a hold on Carmel River Free Project.
- Collections department was 36.5% or \$574K under budget. The two largest categories under budget were Repairs at 36.0% and Other Miscellaneous Expenses at 99.5%.
- The Treatment Plant was 53.9% under budget. Again, capital projects were held up and efforts were diverted to Reclamation to increase water supplies.
- General & Administrative Expenses were 40.3% under budget. Contractual services were 37% of budget and other miscellaneous expenses were 28.3% of budget.
- Property tax revenue was 15.9% over budget or \$281K. The budget employed a conservative factor of 2.0% to estimate revenue.
- Investment revenue was 315.4% over budget or \$457K. While interest rates have remained very low, we anticipated a greater completion rate on capital projects, but ended up keeping greater cash in reserve.
- PBCSD capital reimbursements were 67.7% or \$1.0M less than anticipated because as with CAWD expenditures capital projects were behind schedule, particularly the second phase of plant rehabilitation.

Other Significant Matters

- The District agreed to a two-year employee COLA of 3.0% for both the 2018-19 and 2019-20 fiscal years.
- The Carmel River Free Project (CRFree) is on hold while the County attempts to find grant funding to cover mitigation to underground the CAWD outfall pipeline. The District has been very firm that we believe CRFree is a County project and they are therefore responsible for any necessary mitigation. Currently, under existing conditions the District does not need to underground its pipeline although we agree with the County that CRFree is a good project for flood control purposes.

- The District was awarded a hazard mitigation grant from Federal Emergency Management Agency/Office of Emergency Services (FEMA/OES) in the amount of \$1M for the Hatton Canyon project.

Economic Factors and Next Year's Budget and Rates

The financial condition of the District remains remarkably solid considering the scope of the rehabilitation and renewal work we have undertaken. Over 77% of the District's operating revenues are derived from wastewater user fees, which are subject to minimal economic volatility. In addition, the District receives an additional 14.2% of its operating revenue by contract from Pebble Beach Community Services District for the treatment of its sewage. That contract has been in effect since 1969 and is not anticipated to change significantly.

Five years ago, we initiated a plan to increase the capital component of the rate model by \$250K each year over the next five years with the knowledge that we needed not only to cover operating cost increases, but we had significant capital rehabilitation requirements. We deferred any increase in 2015-16; but went back to the original plan in 2016-17. We remain optimistic that we can pay for a Phase II with cash. But we recognize that we face extraordinary challenges with the rehabilitation of the collection system and dealing with sea level rise. While we believe the challenges of sea level rise may be at least 50 years in the future we know that planning must begin now.

The District was notified this past year by the California Coastal Commission that it should commence plans to move the treatment plant out of the Carmel Lagoon because of concerns over sea level rise. CAWD commissioned a Sea Level Rise Study with ESA Associates and their conclusions were that sea level rise projections do not identify new hazards to the treatment plant of greater concern than the 100-year flood risk that CAWD has previously planned for. Nonetheless, increased storm intensities, as well as higher sea levels, may increase the base flood elevations. According to the ESA study increased storm intensity as well as sea level rise will not detrimentally affect the CAWD facility before the year 2062 under the "Extreme Risk Aversion" scenario. This allows for over 40-years of continued operation in the existing location. In our opinion, the next 40 years will provide time for CAWD to evaluate future improvements of increasing flood resiliency at higher levels versus potentially relocating the plant.

Although the District believes it may be premature to move the facility, we are in discussions with the Coastal Commission and believe that we should commence planning for the future. CAWD would like to pursue a more in-depth analysis of each option at this time to help us make the best decision. The studies required will take additional time and funding.

The District had an insurance appraisal of the facilities performed in 2018 that came back with a value of roughly \$130M, which is very much in line with our internal estimates. The challenge for the District is how do we continue to fund capital requirements at the treatment facility, estimated to be roughly \$40M over the next 20 years, the collection system, estimated to be minimum \$40M, *and* fund a potential solution to sea level rise for the treatment facility. It is clear to us that the financial burden on our community is potentially staggering.

The implementation of the correct project management coupled with tight fiscal controls will make it entirely possible for CAWD to continue to fund operations and rehabilitation over the next twenty years on a “pay-as-you-go” basis. User fees are designed to fund operations. Between the property tax revenues and the capital component of our rate model CAWD brings in about \$3M annually for capital projects. Rough estimates of cash flow calculations and proper management suggest it is possible to continue to fund projects via cash.

CAWD is also committed to a Sea Level Rise Reserve fund. This budget year the balance will be \$2M. That represents a significant shortfall with what might be necessary to move the facility. We also know that the necessary analysis will have a cost. If it is determined that the best option is to move to a location in Carmel Valley or Pebble Beach, there will be a cost for land. This is an expensive position in which we find ourselves. We don’t know if there will be public funds available for sea level rise in the next 30 years, but we’re determined to position the District in the best way possible. We want to make sure that in 30 years if we need to borrow \$100M+ that our balance sheet is strong. The significance of an agency of CAWD’s size and the required revenue stream means that we will need time and careful analysis in order to implement a successful plan.

Requests for Information

This financial report is designed to provide an overview of the District’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, P.O. Box 221428, Carmel, CA 93922 or grover@cawd.org.

BASIC FINANCIAL STATEMENTS

CARMEL AREA WASTEWATER DISTRICT
Statements of Net Position
June 30, 2019 and 2018

Page 1 of 2

*for comparative
purposes only*

Assets	2019	2018
Current Assets		
Cash and investments	\$ 32,398,290	\$ 27,069,122
Accounts receivable	144,013	133,109
Accounts receivable - affiliates	1,209,093	602,006
Prepaid expenses	-	-
Total current assets	33,751,396	27,804,237
Noncurrent Assets		
Capital assets not being depreciated	2,223,211	19,922,368
Capital assets, net of depreciation	47,533,196	30,415,248
Total noncurrent assets	49,756,407	50,337,616
Total assets	83,507,803	78,141,853
Deferred Outflows of Resources		
Deferred pensions	615,708	950,959
Total assets and deferred outflows of resources	\$ 84,123,511	\$ 79,092,812

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Net Position
June 30, 2019 and 2018

Page 2 of 2

*for comparative
purposes only*

Liabilities and Net Position	2019	2018
Current Liabilities		
Accounts payable - trade	\$ 681,916	\$ 366,686
Accrued bond interest	14,306	16,275
Deferred revenue	159,187	47,801
Revenue bonds - current	160,000	150,000
Compensated absences - current	52,304	44,424
Total current liabilities	1,067,713	625,186
Noncurrent Liabilities		
Amounts due in more than one year:		
Revenue bonds payable	930,000	1,090,000
Compensated absences	156,912	133,271
Net pension liability (overfunded)	(617,997)	(207,127)
Total noncurrent liabilities	468,915	1,016,144
Total liabilities	1,536,628	1,641,330
Deferred Inflows of Resources		
Deferred pensions	364,168	707,184
Total liabilities and deferred inflows of resources	1,900,796	2,348,514
Net Position		
Net investment in capital assets	48,666,407	49,097,616
Unrestricted	33,556,308	27,646,682
Total net position	82,222,715	76,744,298
Total liabilities, deferred inflows, and net position	\$ 84,123,511	\$ 79,092,812

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Revenue, Expenses, and Change in Net Position
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<i>for comparative purposes only</i> <u>2018</u>
Operating Revenue		
Sewer service fees	\$ 8,024,240	\$ 7,432,554
Treatment fees, PBCSD	1,486,410	1,236,025
Reclamation Project operating reimbursements	647,245	552,629
Other operating revenue	247,655	12,126
Total operating revenue	<u>10,405,550</u>	<u>9,233,334</u>
 Operating Expenses		
Maintenance - Field	47,998	46,070
Maintenance - Plant	1,136,827	1,114,003
Sewage collection	1,313,466	1,400,890
Sewage treatment and disposal	4,454,898	4,236,393
General and administrative	1,012,399	1,039,220
Reclamation Project expenses	560,640	503,169
Other operating expenses	5,299	19,954
Total operating expenses	<u>8,531,527</u>	<u>8,359,699</u>
 Operating income (loss)	<u>1,874,023</u>	<u>873,635</u>
 Nonoperating Revenue (Expenses)		
Property tax revenue	2,050,675	1,941,135
Investment earnings (loss)	602,347	390,633
Highlands Sewer Project revenue	215,898	218,522
PBSCD capital cost reimbursements	497,084	1,172,715
Reclamation Project capital cost reimbursements	195,562	425,442
Other nonoperating revenue	114,464	111,929
Interest and fiscal expenses	(62,310)	(67,003)
Other nonoperating expenses	(9,326)	(7,899)
Total net nonoperating revenue	<u>3,604,394</u>	<u>4,185,474</u>
 Change in Net Position	5,478,417	5,059,109
Net Position - beginning	<u>76,744,298</u>	<u>71,685,189</u>
Net Position - end of year	<u>\$ 82,222,715</u>	<u>\$ 76,744,298</u>

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

Page 1 of 2

*for comparative
purposes only*

Cash Flows Provided By (Used For):

	2019	2018
Operating Activities		
Cash received from customers	\$ 9,898,945	\$ 9,966,035
Cash payments for operating supplies	(2,351,936)	(2,562,163)
Cash payments for personnel costs	(4,004,648)	(4,362,602)
Net cash provided (used)	3,542,361	3,041,270
Noncapital Financing Activities		
Property tax revenue	2,050,675	1,941,135
Highlands Sewer Project revenue	215,898	218,522
Net cash provided (used)	2,266,573	2,159,657
Capital and Related Financing Activities		
Purchase of property and equipment	(1,665,618)	(4,588,908)
Reimbursements for capital projects	692,646	1,598,157
Principal paid on revenue bonds	(150,000)	(145,000)
Interest and fiscal expenses	(64,279)	(68,906)
Other nonoperating revenue	114,464	104,030
Other nonoperating expenses	(9,326)	-
Net cash provided (used)	(1,082,113)	(3,100,627)
Investing Activities		
Investment earnings (loss)	602,347	390,633
Net cash provided (used)	602,347	390,633
Increase (decrease) in cash	5,329,168	2,490,933
Cash and cash equivalents - beginning	27,069,122	24,578,189
Cash and cash equivalents - end of year	\$ 32,398,290	\$ 27,069,122

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

Page 2 of 2

*for comparative
purposes only*

	2019	2018
Operating Activities Analysis		
Operating Income (Loss)	\$ 1,874,023	\$ 873,635
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Add depreciation, a noncash expense	2,246,827	2,414,401
Changes in current assets and liabilities:		
(increase) decrease in trade receivables	(10,904)	(25,885)
(increase) decrease in affiliate receivables	(607,087)	710,785
increase (decrease) in pension obligation	(418,635)	60,268
increase (decrease) in payables	315,230	(1,060,377)
increase (decrease) in deferred revenue	111,386	47,801
increase (decrease) in compensated absences	31,521	20,642
Net cash provided (used)	\$ 3,542,361	\$ 3,041,270

The accompanying notes are an integral part of these financial statements

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 District as follows:

Note 1 - Defining the Reporting Entity

Note 2 - Summary of Significant Accounting Policies

Note 3 - CAWD/PBCSD Reclamation Project

Note 4 - Cash and Investments

Note 5 - Receivables

Note 6 - Capital Assets

Note 7 - Payables

Note 8 - Deferred Compensation Plan

Note 9 - Long-term Obligations

Note 10 - Postemployment Benefits Other than Pensions

Note 11 - Single Employer Defined Benefit Pension Plan

Note 12 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Note 13 - Risk Management

Note 14 - Subsequent Events

Note 15 - New Pronouncements

Note 1 - Defining the Reporting Entity

Reporting Entity

The Carmel Area Wastewater District (the District), organized July 8, 1908, is governed under the provisions of the Sanitary District Act of 1923, Health and Safety Code, Section 6400 et seq., as amended. The function of the District is to provide, operate and maintain sewage collection, treatment, and disposal facilities for the properties included within its boundaries and for certain contracted adjacent properties, and supply reclaimed water to the Monterey Peninsula Water Management District.

The District's reporting entity includes all significant operation and revenue sources as determined under the criteria established by the Governmental Accounting Standards Board (GASB). Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. The District is exempt from federal income and state franchise taxes.

In March 1969, the District entered into an agreement with the Pebble Beach Community Services District (PBCSD) for treatment and disposal of sewage service delivered by PBCSD. It was anticipated that the contract would account for approximately one third of the capacity of the District's treatment plant. PBCSD began delivering sewage to the District in fiscal year 1970-71, and reimburses the District for one third of its operating treatment and disposal expenses plus a portion of general and administrative expenses at an agreed upon annual fee for this service. The agreement has been modified several times over the years, and currently operates under the 1994 amended agreement.

Under the same agreement, PBCSD additionally reimburses the District for one-third the cost of capital assets purchased or constructed for sewage treatment and disposal. Carmel Area Wastewater District maintains sole ownership of the wastewater treatment plant and related capital assets. PBCSD has only a contractual "right to use" one-third of the sewage treatment plant's capacity under the terms of the most recent modified 1994 agreement and has no rights to ownership of the District's capital assets. Accordingly, capital assets are recorded by the District at 100 percent of their historic cost or contributed value, and any expense reimbursements received from PBCSD or other affiliates are recorded as revenue to the District.

Intact sewage systems constructed by real estate developers are completed at no cost to the District. These systems, when formally accepted by District engineers and the Board of Directors, are recorded as revenue to the District.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Carmel Area Wastewater District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The financial transactions of the District are recorded in a Proprietary Fund type.

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges.

Enterprise Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District is such an enterprise fund.

The basic financial statements are prepared using the accrual basis of accounting. Accordingly all assets and liabilities (whether current or noncurrent) are included in the statement of net position. The statement of revenue, expenses, and change in net position presents increases (revenue) and decreases (expenses) in total net position. Capital contributions of property and equipment are reported as a separate line item in the statement of revenue, expenses, and change in net position.

Other Agencies

Accounting principles generally accepted in the United State of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause that reporting entity's financial statements to be misleading or incomplete. The criteria provided in GASB Statement No. 14 have been considered and there are no agencies or entities, which should be presented with the District.

Accounts and Records

Records of the District are maintained at its office in Carmel, California. These records include cash receipts and disbursements journals, a general ledger, complete minutes of the Board of Directors meetings, Resolutions, Ordinances and files of supporting documents. Investment funds of the District are on deposit with the Monterey County Treasurer's investment pool.

Budgets and Budgetary Accounting

A budget of projected cash receipts and disbursements is prepared to meet the requirements of the Monterey County Auditor and for internal use by the Board of Directors. The budget is used to provide financial guidance to the District and to determine the amount of funds required from user fees and other sources. The only material difference between the budgetary basis method, and the accounting principles generally accepted in the United State of America (GAAP) method, is depreciation expense and the principal portion of debt service payments.

OTHER SIGNIFICANT ACCOUNTING POLICIES ARE:

Basis of Accounting

The accounting methods and procedures adopted by the District conform to accounting principles generally accepted in the United State of America as applied to governmental enterprises funds. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for; recognition of contributions in the Statement of Revenue, Expenses, and Change in Net Position; inclusion of a Management Discussion and Analysis as required supplementary information; and other disclosure changes.

Cash and Investments

The District maintains an account with the Monterey County Investment Pool, which essentially operates as a demand deposit account. Available cash balances are managed and controlled by the Monterey County Treasurer in pooled investment funds in order to provide safety, liquidity, and high investment returns for all funds. Earnings from these funds are credited to the District's account on a quarterly basis. Assessments in excess of estimated current bond requirements of the District are deposited in the Monterey County account which earns interest based on the fund's prorata share of the cash in the investment fund. The District also maintains financial institution bank accounts for operations and payroll that are FDIC insured up to \$250,000 per individual financial institution.

Cash and Cash Equivalents

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

Restricted Assets

Certain cash and investments of the District are classified as restricted because their uses are limited by commitments made by the District with participants for the design and construction of Wastewater Treatment Plan facilities or as restricted by bond covenants. When an expense is incurred for purposes for which there are both restricted and unrestricted cash assets available, restricted cash is used first, then unrestricted cash as it is needed.

Investment Policy

The District has not adopted an investment policy but generally follows the Monterey County Treasurer's investment policy guidelines which allow investments in any security authorized by Section 53635 of the Government Code of the State of California, and any other Government Code that permits investments in various securities, or participation in investment trading techniques or strategies.

Accounts Receivable

Account receivables considered uncollectible are accounted for using the allowance method. The allowance for doubtful accounts was \$-0- at June 30, 2019. All annual user fee customer invoices are added to the County assessed property tax invoices, mailed to property owners annually, collected by the County Assessor where the proceeds are deposited into the District's investment account with the County Treasurer.

Property, Plant & Equipment

Capital assets are accounted for at historical cost or estimated cost. In accordance with the District's capital assets policy, minor expenditures under \$10,000 for renewals and betterments are charged to expense as incurred. Major expenditures for renewals and betterments are capitalized. In cases where assets are donated to the District, construction costs or estimated market values are recorded on the date received. Costs of assets sold, retired or otherwise disposed of have been eliminated from the accounts, and gains or losses on disposition are included in the applicable year's financial statement. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend lives, are also expensed in the current period.

The cost of property and equipment is depreciated from the date of acquisition, using the straight-line method of depreciation over their estimated useful lives, as follows:

<u>Asset Category</u>	<u>Useful Lives</u>
Treatment Plant - structures	30-40 years
Treatment Plant - equipment	12-15 years
Collections - office	40 years
Collections - pump stations	40 years
Disposal Facilities	20-50 years
Sewer and Appurtenances	25-75 years
Other Assets	25-75 years

Vacation, Sick Leave, and Other Compensated Absences

The District has recorded an accrual for compensated absences in accordance with the District's policy of paying for unused vacation and sick leave of employees. The District's method of calculating the liability is in accordance with GASB Statement No. 16, except that the additional accruals for salary-related payments associated with the payment of compensation absences, for example the employer's share of pension contributions, social security and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole. Compensated vacation and sick leave absences are recorded as expenditures when they are paid. Unpaid vacation and sick leave at year-end is recorded as an expense and a liability when earned by employees. These unpaid amounts will be paid from available resources provided for in future year budgets and are classified as current or noncurrent, based upon expected payment dates.

Long-term Obligations

Long-term debt and obligations are reported as liabilities on the statement of net position either as current if payments are to be made within 12 months of the fiscal year-end, otherwise as noncurrent.

Pension Funding Obligations

Defined benefit pension plan (overfunded) or underfunded net liabilities are recognized and disclosed using the accrual basis of accounting.

In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees Retirement System (CalPERS). The net pension liability is measured as of the District's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the District's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Net Position

The business-type activities financial statements utilize a net position presentation. Net position represents the difference between assets plus deferred outflow of resources, as compared to liabilities plus deferred inflow of resources, and is displayed in the following three components:

- *Net Investment in Capital Assets* - this component groups all capital assets, reduced by accumulated depreciation, and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of the assets.
- *Restricted Net Position* - this component represents net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - this component represents net position of the District, not restricted for any construction project or other purpose.

When both restricted and unrestricted net position is available, restricted resources are used first, then unrestricted resources as they are needed.

Operating and Nonoperating Revenue

Operating revenue and expenses consist of revenue that results from the ongoing principal operations of the District. Operating revenue consists primarily of charges for services. Nonoperating revenue results from non-exchange transactions, ancillary activities or subsidies, and investment earnings.

Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

- Property Valuations - are established by the Assessor of Monterey County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- Tax Levies - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.
- Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.
- Tax Collections - are the responsibility of the Monterey County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.
- Tax Levy Apportionments - due to the nature of the County-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities such as the District. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total County-wide levy for the three fiscal years prior to fiscal year 1979.
- Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.
- Monterey County bills and collects property taxes and user fees for the District in addition to its own property taxes.

Use of Estimates

Preparing the District'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.

Note 3 - CAWD/PBCSD Reclamation Project

The CAWD/PBCSD Reclamation Project (the Project) is a “cooperative effort” involving the Carmel Area Wastewater District (CAWD), the Pebble Beach Community Service District (PBCSD), the Monterey Peninsula Water Management District (MPWMD), the Pebble Beach Company (PBCo), and the Independent Reclaimed Water Users Group (IRWUG). This cooperative effort did not create a new or separate legal entity. The Project is accounted for as a Proprietary (Enterprise) Fund in the books of the Monterey Peninsula Water Management District, the issuer of the Certificates of Participation, which originally financed the Project. 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 board, and one from the Independent Reclaimed Water Users Group (IRWUG).

The Project provides treated or reclaimed wastewater to irrigate golf courses and open space areas within the community of Pebble Beach, which frees up potable water previously used for irrigation. The Project operates on the site of CAWD’s existing wastewater treatment plant. The Project includes: a tertiary treatment plant, laboratory facilities, a wastewater distribution system, a storage tank used to distribute the treated wastewater to the receptor sites in Pebble Beach, and irrigation system improvements. Recent improvements include a Microfiltration/Reverse Osmosis facility at the CAWD plant, and a reservoir increase capacity project to hold additional reclaimed water at the PBCSD reservoir. 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 irrigation.

Phase 1

The Project was initially financed in December 1992 by Certificates of Participation (COP) in the amount of \$33,900,000 which were executed and delivered at the direction of the MPWMD. Per the COP issuance agreement, the MPWMD agreed to provide the funds necessary to construct and operate the Project with contractual provisions to own the reclaimed water for the express purpose of resale of this water primarily to golf courses located within the Pebble Beach Community to reduce their reliance upon potable water. The PBCo guaranteed payment of construction costs of the Project, plus any operating deficiencies.

Any debt obligations incurred by the MPWMD to finance the Project constitutes limited obligations of MPWMD. These limited obligations are payable solely from the net operating revenue generated by the sale of reclaimed water produced by the Project and, if such reclaimed water revenue is insufficient, from payments on a Bond Letter of Credit, provided by Bank of America (the credit bank), through a reimbursement agreement between PBCo and the credit bank.

Phase 1 Construction of the Project began in January 1993, and was completed in October 1994. The Project assets are owned principally by CAWD and PBCSD, and consist primarily of the following:

Assets owned by CAWD include the following:

- new tertiary treatment plant
- secondary process improvements
- new laboratory facilities
- reclaimed water pump station
- related computer equipment
- small portion of the reclaimed water pipeline

Assets owned by PBCSD include the following:

- approximately seven miles of reclaimed water distribution system pipelines
- 2.5 million gallon storage tank
- portable water pump station
- reclaimed water booster pump station

Phase 2

In 2004, the Carmel Area Wastewater District, the Monterey Peninsula Water Management District, the Pebble Beach Community Services District, and the Pebble Beach Company approved agreements that enabled a significant expansion of the Project's operations known as Phase 2. The goal of the expansion was to enable the Pebble Beach golf courses to be fully dependent on recycled water, thus saving a significant amount of potable water. The expansion was partially funded from the sales of Pebble Beach Company's legal water entitlement agreements to Del Monte Forest residential property owners, currently available at \$250,000 per acre foot. Approximately \$29 million has been raised through these sales and investment earnings, with the proceeds deposited in a restricted construction escrow account.

The agreements commit the Pebble Beach Company and the Independent Reclaimed Water Users (the unincorporated association of the owners of Cypress Point Golf Club, Poppy Hills Golf Course, and the Monterey Peninsula Country Club) to use and pay for recycled water for irrigation, and make provisions for the beneficial use of any surplus recycled water.

The Project began construction on the Forest Lake Reservoir in 2004 with completion in 2006. Total cost of the reservoir component of the expanded project was approximately \$13 million. Upon completion of the reservoir, PBCSD began the application process with the California Division of Safety of Dams to increase the permitted capacity from 320 acre feet to 370 acre feet. Design began in 2006 for the micro-filtration/reverse osmosis (MF/RO) treatment component, along with implementation of a pilot project at Carmel Area Wastewater District's treatment facility. Construction commenced in October 2006 on the MF/RO plant. At June 30, 2009 the entire construction project was complete. Total cost of the MF/RO portion was approximately \$21.5 million. The combined improvements are expected to solve water quality issues experienced by the golf courses and should eliminate their use of potable water except in case of emergency. Year-round production is now possible with the Forest Lake Reservoir providing *peak demand* requirements.

Note 4 - Cash and Investments

Cash and investments at fiscal year-end are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	<u>\$ 32,398,290</u>
Cash and investments are comprised of the following:	
Deposits with financial institutions:	
Checking accounts	\$ 1,037,595
State investment pool	1,157,615
Monterey County investment pool	<u>30,203,080</u>
	<u>\$ 32,398,290</u>

Participation in an external County Investment Pool

The District is a voluntary participant in the Monterey County Investment Pool. Funds in the Pool essentially operate as demand deposit accounts. Available cash balances are controlled and invested by the County Treasurer in pooled investment funds in order to provide safety, liquidity and investment returns for all funds. Interest earnings from these funds are credited to the District's account on a quarterly basis. The Monterey County Treasurer's Investment policy is in compliance with Section 53635 of the Government Code of the State of California, which permits investments in certain securities and participation in certain investment trading techniques or strategies. Annual reports of the investment pool may be obtained from the Monterey County Treasurer, Post Office Box 390, Salinas, California 93902.

Participation in an external State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer’s Office, which is audited by the Bureau of State Audits on an annual basis. As of June 30, 2019, PMIA had approximately \$106 billion in investments. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Audited financial statements of PMIA may be obtained from the California State Treasurer’s web site at www.treasurer.ca.gov.

Investments Authorized by the District’s Investment Policy

The District does not have a specific investment policy but generally follows the guidelines of Monterey County’s Investment Policy. All funds invested are managed to meet the guidelines stated in both California Code Section 53600, et. seq. and the County’s investment policy. The following County Investment Pool guidelines and directives are generally followed by District management:

- The legal, final maturity of any single security within the investment portfolio will not exceed five years at purchase.
- The *weighted average life* of the portfolio will not exceed two years.
- The maximum maturity of investments in a money market pool shall not exceed 397 days, and the weighted maturity average maturity of the pool shall not exceed 90 days. A money market pool shall not exceed 10% of the portfolio’s book value on the date investments are made; maximum investment in all money market pools shall not exceed 20% of the portfolio’s book value on the date that investments are made.

Disclosures Relating to Interest Rate Risk

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

		<u>Maturity Date and Yield</u>
Monterey County investment pool	\$ 30,203,080	11 months average maturity, 2.4% yield
State investment pool (LAIF)	\$ 1,157,615	6 months average maturity, 2.4% yield

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 and LAIF do not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At year end, 93% of the District’s cash was invested with the Monterey County Investment Pool.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At year end the District had \$825,758 in bank financial institutions that was not covered by the FDIC, but was covered by collateralized securities of the bank 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.

Note 5 - Receivables

Receivables at year end consist of the following:

User fees - customers	\$	66,446
User fees - State Park		18,373
Connection fees		37,508
Other		21,686
Total accounts receivable	\$	<u>144,013</u>
Reclamation Project	\$	210,452
Pebble Beach CSD		998,641
Total receivables from affiliates	\$	<u>1,209,093</u>

Note 6 - Capital Assets

Capital assets activity for the year consists of the following:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<i><u>Non-depreciable Assets</u></i>				
Land and land rights	\$ 308,060	\$ -	\$ -	\$ 308,060
Construction-in-progress	19,614,308	-	(17,699,157)	1,915,151
totals	<u>19,922,368</u>	<u>-</u>	<u>(17,699,157)</u>	<u>2,223,211</u>
<i><u>Depreciable Assets</u></i>				
Treatment structures	51,546,420	18,677,850	-	70,224,270
Treatment equipment	7,242,030	464,109	-	7,706,139
Collection pump stations	1,040,749	-	-	1,040,749
Collection pump equipment	933,107	-	(3,384)	929,723
Sewers and appurtenances	11,018,761	-	-	11,018,761
Disposal facilities	1,126,273	226,200	-	1,352,473
Other assets	3,825,884	-	-	3,825,884
totals	<u>76,733,224</u>	<u>19,368,159</u>	<u>(3,384)</u>	<u>96,097,999</u>
<i><u>Accumulated Depreciation</u></i>	<u>(46,317,976)</u>	<u>(2,489,149)</u>	<u>242,322</u>	<u>(48,564,803)</u>
<i><u>Net Capital Assets</u></i>	<u>\$50,337,616</u>	<u>\$16,879,010</u>	<u>\$(17,460,219)</u>	<u>\$49,756,407</u>

In the statement of revenue, expenses, and change in net position, total depreciation expense for the year was charged to the following departments:

Collection	\$ 315,257
Treatment and disposal	2,143,450
General and administrative	30,442
	<u>\$ 2,489,149</u>

Note 7 - Payables

Payables at year end consist of the following:

Construction, engineering and consultants	\$ 546,207
Legal, accounting and professionals	60,594
Repairs and maintenance	46,328
Other vendors	28,787
	<u>\$ 681,916</u>

Note 8 - Deferred Compensation Plan

The District maintains a deferred compensation plan for its eligible employees wherein amounts earned by the employees are paid at a future date. All full-time, regular, salaried employees are permitted to participate in the plan beginning on the first day of the month following their hire date. An employee may elect to make contributions up to the limits established by the Internal Revenue Service for this type of plan, and becomes 100% vested from the first date of participation. Nationwide Retirement Solutions, Inc., and the Variable Annuity Life Insurance Company, both administer the plan, which is in conformity with Section 457 of the Internal Revenue Code.

Note 9 - Long-term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 1,240,000	\$ -	\$ (150,000)	\$ 1,090,000	\$ 160,000
Compensated absences	177,695	31,521	-	209,216	52,304
Single employer net pension liability (overfunded)	(655,167)	(358,487)	-	(1,013,654)	
CalPERS net pension liability (overfunded)	448,040	-	(52,383)	395,657	
	<u>\$ 1,210,568</u>	<u>\$ (326,966)</u>	<u>\$ (202,383)</u>	<u>\$ 681,219</u>	

Compensated Absences

The accrued compensated absences amounts will be paid from available resources and are classified as current or noncurrent, based upon expected payment dates.

Revenue Bonds

In 2004, the District issued \$3,000,000 in *California Statewide Communities Development Authority Water and Wastewater Revenue Series 2004-A Bonds* through a pooled financing program for the design, planning, and construction of sewer facilities for certain properties located within the Carmel Highlands area. The District has signed agreements with (1) the Highlands Inn, (2) the Highlands Sanitary Association (which is comprised of eleven individual owners as members) and (3) the Tickle Pink Inn, to be reimbursed through sewer user fees for all the annual costs associated with the bonds including, but not necessarily limited to, installment payments of principal and interest on the bonds, debt service or administrative fees, and costs or obligations for which the District is obligated to make under the terms of the bond agreement. The sewer user fees and reimbursable costs generated from the customers in the Carmel Highlands area are assessed and included on the Monterey County secured property tax rolls, and submitted by the District annually, as is the same payment program with all District wastewater customers. Principal on the bonds is payable annually beginning October 1, 2004. Interest is payable semi-annually on October 1 and April 1, beginning October 1, 2004.

The interest rates on the bonds range from 1.5% to 5.25%; the bonds mature on October 1, 2024. The bond agreement contains a covenant requiring the District to yield "system net revenues" during each fiscal year equal to at least 120% of the annual debt service in the fiscal year. The covenant has been met.

Future annual principal and interest requirements are as follows:

<u>Year Ending June 30,</u>	<u>Revenue Bonds, Series 2004-A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 160,000	\$ 53,025	\$ 213,025
2021	170,000	44,363	214,363
2022	175,000	35,306	210,306
2023	185,000	25,856	210,856
2024	195,000	15,881	210,881
2025	205,000	5,381	210,381
totals	\$ 1,090,000	\$ 179,812	\$ 1,269,812

Note 10 - Postemployment Benefits Other than Pensions

Plan Description

In September 2002, the District established a postemployment health plan (PEHP) to meet its employees' postemployment health care needs and expenses. Under the PEHP plan, Nationwide Retirement Solutions Company (NRS) provides administrative services in exchange for a fee as agreed upon by the District and NRS. The plan does not establish a long-term liability of the District. All employees are permitted to participate in the plan beginning on the first day of the month following their hire date. The District contributes 1% of an employee's salary to the plan on a periodic basis, on behalf of each eligible employee who is a plan participant. Amounts contributed are segregated to either one or both of the following sub-accounts for: (1) reimbursements of qualifying medical care expenses not paid by insurance or (2) reimbursement of health care insurance premiums. Contributions may not vary among eligible employees to fund the qualifying medical care expense sub-account and will be made as an equal dollar amount for each employee. Contributions to fund health care insurance premium sub-accounts may be made as an equal dollar amount or as a percentage of salary, but such percent or dollar amount must apply to all eligible employees. For the year ended June 30, 2019 the District contributed \$32,736 to the plan.

Note 11 - Single Employer Defined Benefit Pension Plan

A. General Information about the Plan

Plan Description

The Plan was established on July 1, 1969 by the District and has been amended several times since that date. The benefit formula is 2.5% of the participant's highest calendar year pay times years of benefit service. The Plan was amended effective October 29, 2005 to provide that the Normal retirement age, be age 62 with 5 years participation. Previously it was age 65. Also benefit service was frozen as of October 29, 2005 plus an additional 3.333 years for participants employed on that date. Vesting service was amended to add 3 years for participants employed on the amendment date. Employees hired after October 29, 2005 cannot participate in this plan but are eligible to participate in the District's retirement plan with the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan.

The Plan documents contain a more detailed description of the Plan provisions and should be referred to for a more complete understanding of the terms of the Plan. The District is the Plan Administrator. Additional information concerning this Single Employer Defined Benefit Pension Plan can be obtained from the District's principal accountant.

Contributions

The District’s funding policy is to provide for employer contributions on a monthly basis. Employer contributions to the plan for the year ended June 30, 2019 were \$34,600. Contributions are actuarially determined under the aggregate actuarial cost method and are designed to accumulate sufficient assets to pay benefits when due. Although service credit to the plan has stopped, employees will only be able to draw their pension account upon separation from District employment.

Plan Membership

As of June 30, 2019, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	3
Vested terminated members entitled to, but not yet receiving benefits	4
Active members	<u>6</u>
total	13

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported a Net Pension Liability as follows:

Total pension liability	\$ 4,418,447
Fiduciary net position (plan assets)	5,432,101
Net pension liability (overfunded)	(1,013,654)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 235,711
Net difference between projected and actual earnings on pension plan investments	59,134	-
Differences between expected and actual experience	<u>44,905</u>	<u>50,888</u>
Totals	<u>\$ 104,039</u>	<u>\$ 286,599</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense in the years ending June 30, 2020 and thereafter as follows:

<u>Year Ended June 30,</u>	
2020	\$ (92,689)
2021	(62,316)
2022	(25,618)
2023	(2,064)
2024	127
	<u>\$ (182,560)</u>

C. Actuarial Assumptions

The Total pension liability was determined as part of actuarial valuation as of July 1, 2019 using the following actuarial methods and assumptions in accordance with GASB No. 68:

Valuation date	June 30, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	5 years
Remaining amortization method	3-5 years
Long-term inflation rate	2.00%
Salary increases	3.50%
Investment Rate of Return, net	6.00%
Retirement age, with 5 years participation	62
Mortality	RP-2014 tables

D. Discount Rate

The discount rate used to measure the total pension liability was 6.0% which is the long-term expected rate of return on pension plan investments net of pension plan administrative expense, including inflation.

E. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Discount Rate		
	5.00% (1% Decrease)	6.00% (Current Rate)	7.00% (1% Increase)
Net Pension Liability (overfunded)	\$ (1,429,669)	\$ (1,013,654)	\$ (511,463)

Note 12 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

A. General Information about the Plan

Plan Description

Starting October 29, 2005, the District provides pension benefits to eligible employees through a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50-55 with statutorily reduced benefits. Death benefits are the pre-retirement Optional Settlement 2W Death Benefit, and the post-retirement death benefit lump sum. The cost of living adjustments for each plan are applied as specified by the Public Employees Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Miscellaneous Plan</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years svc	5 year svc
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates (1)	7.000%	6.250%
Required employer contribution rates (1)	7.200%	6.533%

(1) Subject to annual changes after January 1, 2013

Contributions

The District makes partial contributions required of District employees on their behalf and for their account depending upon date of hire. Employee members are required to make contributions of their annual covered salary in an amount depending upon date of hire. The contribution requirements of plan are established and may be amended by CalPERS. Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 each year, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2019, employer pension plan contributions were \$199,800.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported a net pension liability for its Proportionate Share of the Net Pension Liability of the CalPERS Public Agency Cost-Sharing Plan as follows:

Total pension liability	\$ 6,119,665
Fiduciary net position	5,724,008
Net pension liability	395,657

The District's net pension liability for its Plan with CalPERS is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018 (measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the District recognized \$191,301 as pension expense. The District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,181	\$ (5,166)
Changes of assumptions	45,106	(11,055)
Net difference between projected and actual earnings on pension plan investments	1,956	-
Change in employer's proportion	249,626	-
Differences between employer's contributions and the proportionate share of contributions	-	(61,348)
Pension contributions subsequent to the measurement date	<u>199,800</u>	<u>-</u>
totals	<u>\$ 511,669</u>	<u>\$ (77,569)</u>

Recognition of Deferred Outflows and Inflows of Resources in Future Pension Expense, as follows:

<u>Year Ending June 30:</u>	
2020	\$ 116,313
2021	91,586
2022	29,960
2023	(3,559)

C. Actuarial Assumptions

The total pension liability for this plan's actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 15.0% (1)
Investment Rate of Return	7.0% (2)

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment expenses, including inflation

D. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.0 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.0 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.0 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each asset class. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses. The asset allocation has an expected long-term blended rate of return of 7.0 percent.

<u>Asset Class</u>	<u>Allocation</u>
Global Equity	50.00%
Fixed Income	28.00%
Private Equity	8.00%
Real Assets	13.00%
Liquid Assets	1.00%
	<u>100.00%</u>

E. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Discount Rate</u>		
	<u>6.15%</u> <u>(1% Decrease)</u>	<u>7.15%</u> <u>(Current Rate)</u>	<u>8.15%</u> <u>(1% Increase)</u>
Net Pension Liability	\$ 1,223,471	\$ 395,657	\$ (287,690)

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. This policy covers solely the District's property and equipment located on State Route 1 in Carmel, California, and not property and equipment owned by other government agencies that may be physically located on CAWD property.

The District is a member of the California Sanitation Risk Management Authority (CSRMA), an established public entity risk pool that operates as a common risk management and insurance program for 60 government members. The District pays an annual premium to the risk pool for its workers' compensation, excess workers compensation, property, and general coverage. 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. The District's share of CSRMA year-end assets, liabilities, and retained earnings has not been calculated by the CSRMA. Financial statements may be obtained from CSRMA, 100 Pine Street, 11th Floor, San Francisco, California 94111.

Health Life and Vision Insurance - the District participates in a group health insurance plan, which provides benefits for all qualified employees.

Dental Insurance - the District has elected to self-insure for dental insurance under a reimbursement plan. The amount of the contingent liability, if any, at fiscal year end is not material, however, the District is not aware of any significant claims currently pending.

Note 14 - Subsequent Events

The management of the District has reviewed the results of operations for the period from its year end June 30, 2019 through October 25, 2019, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 15 - New Pronouncements

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

GASB Statement No. 84, Fiduciary Activities

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

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, Leases

Effective Date: For reporting periods beginning after December 15, 2019. (Issued 06/17)

The objective of this Statement is 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 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (unaudited)
As of June 30, 2019

Schedule of Proportionate Share of the Net Pension Liability

The proportion (percentage) of the collective net pension liability represents the District's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The proportionate share (dollar amount) of the collective net pension liability represents the District's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The employer's covered-employee payroll represents the payroll of employees that are provided with pensions through the plan.

Schedule of Contributions

The employer's contributions to the plan is actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer's actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer's actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Last 5 Fiscal Years *

Schedule of the District's Proportionate Share of the Plan's Net Pension Liability	Measurement Date - Fiscal Year Ending June 30				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0041%	0.0045%	0.0033%	0.0005%	0.0101%
District's proportionate share of the net pension liability	\$ 395,657	\$ 448,040	\$ 285,127	\$ (33,002)	\$ 629,116
District's covered-employee payroll **	\$ 2,252,020	\$ 2,177,857	\$ 2,030,331	\$ 2,053,405	\$ 1,868,031
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	17.57%	20.57%	14.04%	-1.61%	33.68%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

Schedule of the District's Contributions	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 199,800	\$ 165,214	\$ 152,534	\$ 134,094	\$ 157,952
Contributions in relation to the contractually required employer contribution	199,800	165,214	152,534	134,094	718,672
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (560,720)
District's covered-employee payroll ***	\$ 2,531,591	\$ 2,252,020	\$ 2,177,857	\$ 2,030,331	\$ 2,053,405
Contributions as a percentage of covered-employee payroll	7.89%	7.34%	7.00%	6.60%	35.00%

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown

** for the measurement date fiscal year

*** for the fiscal year ending on the date shown

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information (unaudited)
Single Employer Defined Benefit Pension Plan
As of June 30, 2019

Schedule of Changes in the Net Pension Liability

The beginning and ending balances of the total pension liability, the plan assets available for pension benefits, and the net pension liability, as well as the change in those amounts during the year are presented by cause.

Total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll.

Schedule of Contributions

The employer's contributions to the plan is actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer's actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer's actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information (unaudited)
Single Employer Defined Benefit Pension Plan
Last 5 Fiscal Years *

Schedule of Changes in the Net Pension Liability

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	253,702	267,900	271,856	267,034	234,721
Differences between expected and actual	6,974	(80,294)	16,907	29,560	103,803
Changes of assumptions	(5,452)	(62,738)	-	-	(907,311)
Benefit payments, includes refunds	(128,424)	(596,447)	(112,946)	(319,499)	(73,846)
Net change in total pension liability	126,800	(471,579)	175,817	(22,905)	(642,633)
Total pension liability - beginning	4,291,647	4,763,226	4,587,409	4,610,314	5,252,947
Total pension liability - ending	<u>\$ 4,418,447</u>	<u>\$ 4,291,647</u>	<u>\$ 4,763,226</u>	<u>\$ 4,587,409</u>	<u>\$ 4,610,314</u>
Plan Fiduciary Net Position (plan assets):					
Contributions - employer	\$ 34,600	\$ 78,936	\$ 88,680	\$ 130,672	\$ 216,420
Contributions - employee	-	-	-	-	-
Net investment income	264,302	364,427	374,628	(92,216)	227,644
Benefit payments, includes refunds	(128,424)	(596,447)	(112,946)	(319,499)	-
Administrative expense	(1,842)	(1,844)	(1,763)	(16,821)	(73,846)
Net change in plan fiduciary net position	168,636	(154,928)	348,599	(297,864)	370,218
Plan fiduciary net position - beginning	5,263,465	5,418,393	5,069,794	5,367,658	4,987,466
Plan fiduciary net position - ending	<u>\$ 5,432,101</u>	<u>\$ 5,263,465</u>	<u>\$ 5,418,393</u>	<u>\$ 5,069,794</u>	<u>\$ 5,357,684</u>
Net Pension Liability (overfunded)	<u>\$ (1,013,654)</u>	<u>\$ (971,818)</u>	<u>\$ (655,167)</u>	<u>\$ (482,385)</u>	<u>\$ (747,370)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability:					
Covered employee payroll	\$ 711,527	\$ 680,149	\$ 683,592	\$ 759,350	\$ 785,681
NPL as percentage of covered employee payroll	122.9%	122.6%	-95.8%	-64.0%	-97.0%
<u>Schedule of Contributions</u>					
Actuarially determined contribution	\$ -	\$ 103,838	\$ 78,940	\$ 88,667	\$ 130,567
Actual contributions	(34,600)	(78,936)	(88,680)	(130,672)	(216,420)
Contribution deficiency (excess)	<u>\$ (34,600)</u>	<u>\$ 24,902</u>	<u>\$ (9,740)</u>	<u>\$ (42,005)</u>	<u>\$ (85,853)</u>
Covered employee payroll	\$ 711,527	\$ 680,149	\$ 683,592	\$ 759,350	\$ 779,176
Contributions as a percentage of covered payroll	-4.86%	-11.61%	-12.97%	-17.21%	-27.78%

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

OTHER SUPPLEMENTARY INFORMATION

CARMEL AREA WASTEWATER DISTRICT
Budgetary Comparison Information
Revenue and Expenses
Year Ended June 30, 2019

	Final Budget <i>(unaudited)</i>	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenue</u>			
Sewer service fees	\$ 7,595,860	\$ 8,024,240	\$ 428,380
PBCSD treatment fees	1,200,000	1,486,410	286,410
Reclamation Project O&M reimbursements	457,133	647,245	190,112
Other operating revenue	27,000	247,655	220,655
Total operating revenue	<u>9,279,993</u>	<u>10,405,550</u>	<u>1,125,557</u>
<u>Operating Expenses</u>			
Maintenance - Field	100,225	47,998	52,227
Maintenance - Plant	1,694,142	1,136,827	557,315
Sewage collection	1,572,423	998,209	574,214
Sewage treatment and disposal	5,013,651	2,311,448	2,702,203
General and administrative	1,637,281	981,957	655,324
Reclamation Project O&M expenses	457,133	560,640	(103,507)
Unallocated depreciation expense	2,669,000	2,489,149	179,851
Other operating expenses	-	5,299	(5,299)
Total operating expenses	<u>13,143,855</u>	<u>8,531,527</u>	<u>4,612,328</u>
Operating income (loss)	(3,863,862)	1,874,023	5,737,885
<u>Nonoperating Revenue and (Expenses)</u>			
Property tax revenue	1,768,680	2,050,675	281,995
Investment earnings	145,000	602,347	457,347
Highlands Sewer Project revenue	213,762	215,898	2,136
PBCSD capital reimbursements	1,541,859	497,084	(1,044,775)
Reclamation Project capital reimbursements	32,330	195,562	163,232
Debt Service - Interest and fiscal expenses	(61,162)	(62,310)	(1,148)
Other nonoperating revenue	-	114,464	114,464
Other nonoperating (expenses)	(2,600)	(9,326)	(6,726)
Total non-operating revenue and (expenses)	<u>3,637,869</u>	<u>3,604,394</u>	<u>(33,475)</u>
Net income (loss)	\$ (225,993)	\$ 5,478,417	\$ 5,704,410
<u>Non-GAAP Reconciling Adjustment</u>			
Debt Service - Principal	(150,000)	(150,000)	-
	<u>\$ (375,993)</u>	<u>\$ 5,328,417</u>	<u>\$ 5,704,410</u>

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STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: December 19, 2019

Subject: Pebble Beach Community Services District – Regular Board Meeting
December 13, 2019

DISCUSSION

Agenda items from the December 13, 2019 meeting that are of specific interest to this District:

- Total cash balance at the end of October 2019 was \$16.0M; of that amount, \$12.2M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 85% of District revenues with user fees making up 12%.
- The October 2019 Cash Basis Budget reflect Total Revenues at 3.1% of budget and Expenditures at 10.6%.
- Forest Lake Reservoir held 51 MG (million gallons) of recycled water or 44% of permitted capacity. Current storage volume is 19% above the historic average of 43 MG.
- Total irrigation water demand for the 2019 calendar year through November was 954 AF (acre feet). Total demand for the calendar year is 3% below the 5-year average of 979AF. The month of November reflected a net storage increase of approximately 14 million gallons indicating the start of the winter season. By comparison, a net storage increase of approximately 12 was observed in November of last year.
- Average daily wastewater flow of 353,000 GPD was measured in October at the PBCSD-Carmel gate. This represents 32% of the total flow at the CAWD treatment facility. The measured PBCSD flow was 5% above the five-year

average of 336,000 GPD for the month of October; the CAWD total flow was 3% above the five-year average of 1,141,000 GPD for October.

- Alternative source water total production year-to-date is 7.9 MG.
- The Board rejected all bids received for the 2020 Wastewater Collection system Assessment Project. Low bid was \$1.8M. The project has a FY 2019-20 budget allocation of \$1.2M. Wallace Group and District staff are evaluating various options on modifying the scope of the work for the project to work within the available budget as well as whether or not rebidding the project would be beneficial.
- The Board elected District officers for 2020.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July - 19	36.938	26.243	10.695	28.954%
Aug - 19	36.595	25.680	10.915	29.826%
Sept - 19	33.270	23.040	10.230	30.748%
Oct - 19	34.302	23.355	10.947	31.914%
Total	141.105	98.318	42.787	30.323%

STAFF REPORT



To: Board of Directors

From: Patrick Treanor, Plant Engineer

Subject: CAWD Wastewater Treatment Plant (WWTP) Electricity Use Update

Date: December 19, 2019

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

CAWD staff have been tracking the energy used to run the WWTP each month to assess the progress towards reducing energy use at the WWTP. Staff last reported on ongoing efforts to reduce electricity usage at the June 2019 Board Meeting. The average monthly electricity usage has not changed significantly since the June update because staff are still working on implementation/resolution of the various activities linked to the higher power consumption.

As was reported in June several post Phase 1 operational modes and project/maintenance activities are the cause of the higher energy use. These operational modes and activities are as follows:

- Two Digesters in Service/Take Digester No. 1 Offline (Project/Maintenance Activity)
- Aeration Optimization/Experimentation with Mixed Liquor Return Pumps (Operational Mode)
- Plant Water (3W) Hydropneumatic Tank Control Failure (Project/Maintenance Activity)

Two Digesters in Service/Take Digester No. 1 Offline (Project/Maintenance Activity)

Before Phase 1 only one primary digester was in service. After Phase 1 two digesters have been in service while preparations were made to take Digester No. 1 offline. Digester No. 1 was taken offline in November for a full cleaning and will remain in standby mode (not operating) for about the next 10 years. This digester required an estimated additional 13,000 kilowatt-hours per month (kwh/month) to operate. The current data does not reflect November 2019 electricity use yet. The electricity data in November and December will continue to be higher as a result of the additional power used during the cleaning activities (due to the high volume of washwater used in the cleaning and dewatering work). Therefore, the power reduction associated with taking Digester No. 1 offline will not show up in the data until the month of January.

Aeration Optimization/Experimentation with Mixed Liquor Return Pumps (Operational Mode)

In 2018, operational modifications were implemented in the Aeration basins. The modification with the most direct contribution to greater power consumption is related to the Mixed Liquor Return (MLR) pumps. These pumps were put online in 2018 to improve the function of the biological process and effluent water quality, but they do require increased energy use.

Prior to 2018 the MLR pumps had not been run for at least 6 years. The MLR pumps are 15 hp each and four of these pumps are now run continuously 24/7 from between 60% to 80% speed. Based on this, the MLR power use is estimated at about 20 hp continuous load which equates to about 10,000 kwh/month. The power used by the MLR pumps may be partially offset by a subsequent decrease in blower power use (potentially by as much as 5,000 kwh/month), however it is currently difficult to decisively correlate any reduction in blower output directly with the operation of the MLR pumps.

CAWD commissioned a WWTP Computer Modeling effort in May of 2019. The results of this work are being presented to CAWD operations staff on December 20th, 2019. The results of the model work will be useful in determining the benefit that the Mixed Liquor Return pumping is having so that staff may better balance water quality and energy efficiency.

Plant Water (3W) Hydropneumatic Tank Control Failure (Project/Maintenance Activity)

Halfway through Phase 1 the 3W hydropneumatic tank control system failed and was abandoned in favor of using the new backup pressure sustaining valve installed for redundancy in Phase 1. This requires that a 25 hp 3W pump be run continuously (24/7) at full speed with a bleed valve for control. Previously this system was running in

on/off operation and would only run about 40% of the time. The current 24/7 operation has resulted in the 3W system consuming about 7,000 kwh/month more power than prior to the equipment failure.

The issues with the hydropneumatic tank and associated controls is planned to be addressed in Project 18-01 (Elec/Mech Rehabilitation and Sludge Holding Tank Project) along with putting all three of the 3W pumps on adjustable speed drives to further reduce power consumption.

Summary of Increased Power Use after Phase 1

The sum of the calculated increases to energy use after Phase 1 are shown in the following Table 1.

Table 1: Summary of Increased Power Use after Phase 1

Asset	Estimated Increase in kwh/month
Two Primary Digesters In Operation	
Digester No. 1 Recirculation Pump	4,000 kwh/month
Digester No. 1 Mixer	9,000 kwh/month
Aeration Optimization	
MLR Pumps Turned On	5,000 to 10,000 kwh/month
3W Hydropneumatic Tank Control Failure	
3W Pump Continuous Run at 100% Speed Operation	7,000 kwh/month
Total:	25,000 to 30,000 kwh/month

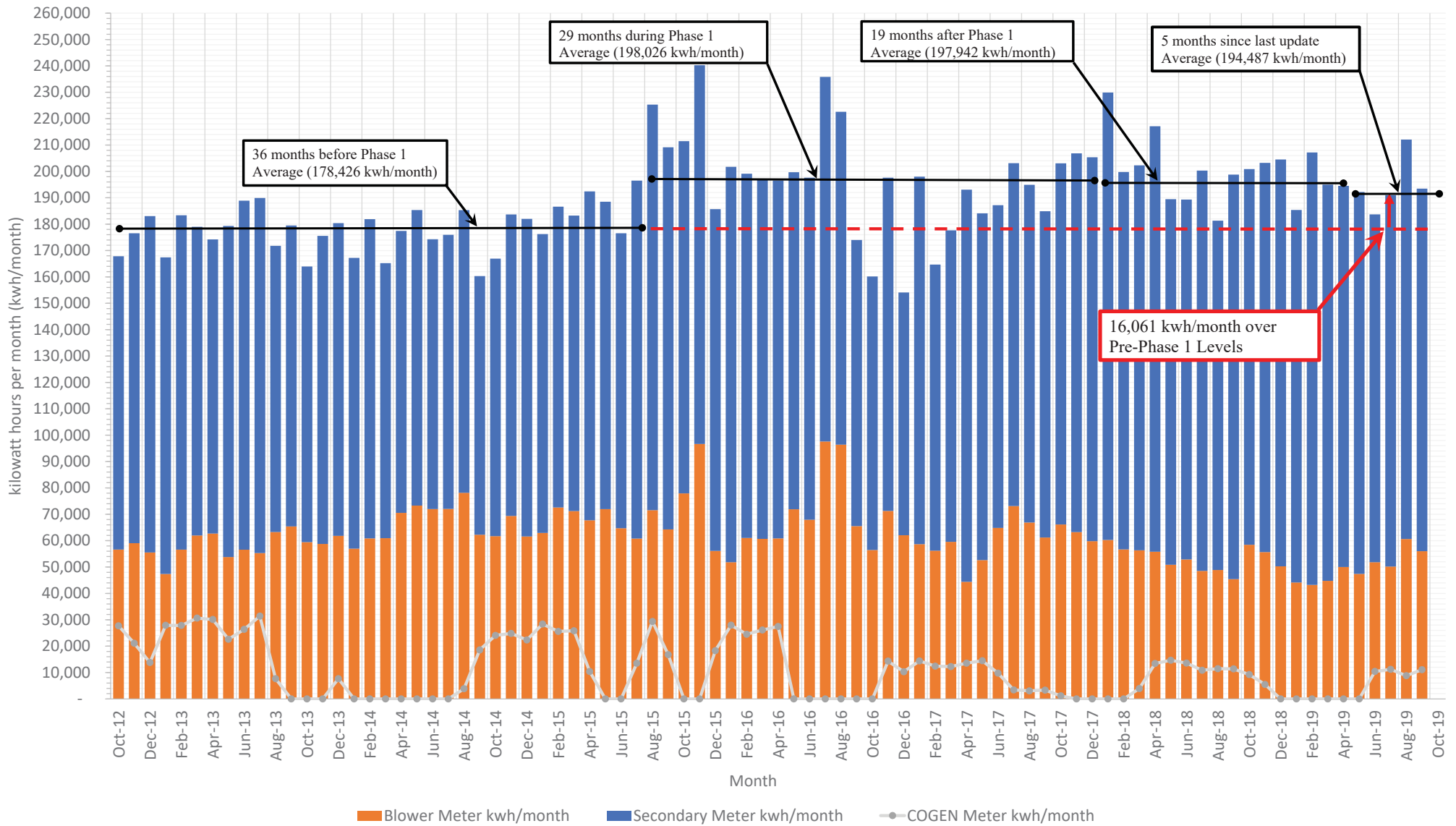
The energy use data for each month going back to October 2012 is plotted in the attached chart "CAWD WWTP Monthly Energy Use (October 2012 through September 2019)" (the data is for the Secondary Treatment plant, including Blowers, and does not include Tertiary Building and Microfiltration/Reverse Osmosis (MF/RO) facilities). It is clear from the data that the CAWD WWTP electricity use was lower before the Phase 1 WWTP Rehabilitation Project by about 16,061 kilowatt-hours per month (kwh/month) compared to usage after Phase 1. This is about an 10% increase.

Upon completion/resolution of the items listed above the power usage can be brought down to below pre-Phase 1 levels.

Attachment:

1. Chart "CAWD WWTP Monthly Energy Use (October 2012 through September 2019)"

CAWD WWTP Monthly Energy Use (October 2012 through September 2019)



STAFF REPORT



To: Board of Directors

From: B. Buikema, General Manager

Date: December 19, 2019

Subject: Worker Compensation Experience Modification (ExMod) Factor Historical Data

RECOMMENDATION

No action required – this is informational only

DISCUSSION

Attached in both table and chart format is detail of the District's Worker Compensation ExMod over the last twelve years, or Program Years 19 through 30. The experience modification factor is a number that insurance companies use to represent prior worker comp claims and the potential for future injuries. A rate of 100% or 1 is considered average. The impact of the ExMod is felt immediately in worker comp rates. Entities with lower ExMod factors pay less for their worker comp insurance.

The District experienced several significant injuries starting in 2015-16. While it takes three years, minimum, to work out of a high ExMod we have managed to reduce it from a high of 149% to 104%. For a small agency even a single injury, particularly a significant injury, can have an immediate impact on the ExMod factor.

Credit must be given not only to staff but particularly to Mr. Foley and Mr. Dias who have, over the last three years, worked to implement systems and policies to promote a safety culture at the District. The goal is to bring it back at a minimum to the 75-85% level that the District previously enjoyed as reflected on the chart.

CSRMA Experience Mod Factor History

Policy Year	Year	CSRMA High	CSRMA Low	CSRMA Average		CAWD ExMod
PY 19	08-09	143%	57%	83%		81%
PY 20	09-10	151%	58%	85%		88%
PY 21	10-11	149%	56%	81%		74%
PY 22	11-12	176%	58%	80%		91%
PY 23	12-13	195%	61%	85%		78%
PY 24	13-14	194%	52%	85%		78%
PY 25	14-15	227%	51%	94%		84%
PY 26	15-16	275%	53%	93%		137%
PY 27	16-17	178%	60%	93%		133%
PY 28	17-18	149%	47%	93%		149%
PY 29	18-19	173%	64%	99%		142%
PY 30	19-20	191%	60%	94%		104%

