



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

November 18,
2021 Thursday
9:00AM



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

COVID-19 Public Meeting Procedures

As per the Governor's Executive Order #N-08-21 (June 11, 2021) the following will be in effect until September 30, 2021.

- CAWD will not make a physical location available from which members of the public may observe and offer public comment.
- All CAWD public meetings shall take place via teleconferencing and shall be posted on the District website (www.cawd.org) and allow members of the public to attend and address the meeting electronically.
- The District will give advance notice of all teleconference meeting as prescribed by the Brown Act
- The public may listen to the meeting by logging on to the District website and clicking on the Virtual Webinar.
- Public comment may be submitted 24 hours prior to the meeting by clicking on the "Public Comment Form" listed directly beneath the Virtual Webinar on our website. If received within 24 hours of the meeting we will ensure that a response is given at the meeting. All participants have access during the meeting to be recognized and utilize the platform to speak. Please use the virtual "raised hand" to be acknowledged.
- The District is requesting that the public submit comments at least 24 hours in advance of the scheduled meeting to enable staff to post all comment on the District web site. Any comment received after this time will be posted after the Board meeting.
- The teleconference Board meeting will require that all voting is done by roll call
- The teleconference Board meeting will require that speakers identify themselves prior to addressing other attendees in order to facilitate the flow of the meeting and minimize confusion.
- The District advises that the public refer to our website periodically for updates regarding the District and Board activity.



CARMEL AREA WASTEWATER DISTRICT REGULAR BOARD MEETING MINUTES

Thursday, 9:00 a.m., October 28, 2021

Teleconference Webinar

(See California Executive Order N-15-21)

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

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

Absent: Director D'Ambrosio

A quorum was present.

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD or District)
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Plant Superintendent, CAWD
Kevin Young, Operations supervisor, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Kristina Pacheco, Administrative Assistant/Board Clerk, CAWD
Karla Cristi, CMMS & Plant Administrator, CAWD
Rob Wellington, Wellington Law Offices, CAWD Legal Counsel
Richard Gebhart, Board Member of Pebble Beach Community Services District (PBCSD)
Mike Niccum, General Manager, PBCSD

1. Public Comments:

There were no public comments.

2. Agenda Changes:

There were no agenda changes.

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

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

Board Action

After extensive discussion, a motion to receive and approve was made by Director Siegfried and seconded by Director Townsend. After a Roll Call vote, the Board, with one absence, received and approved the following Consent Calendar/Agenda items:

- 3.** September 28, 2021, Regular Board Meeting Minutes
- 4.** Bank Statement Review by Hayashi Wayland
- 5.** Schedule of Cash Receipts & Disbursements
- 6.** Register of Disbursements - Carmel Area Wastewater District
- 7.** Register of Disbursements – CAWD/PBCSD Reclamation Project
- 8.** Financial Statements and Supplementary Schedules

9. Collection System Superintendent's Report
10. Safety and Regulatory Compliance Report
11. Treatment Facility Operations Report
12. Laboratory/Environmental Compliance Report
13. Capital Projects Report/Implementation Plan
14. Project Summaries
15. Plant Operations Report
16. Maintenance Projects Report
17. Principal Engineer Monthly Report of General Engineering

ACTION ITEMS BEFORE THE BOARD

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

RESOLUTIONS

18. Resolution No. 2021-57; Report by Rachél Lather

Board Action

After extensive discussion, a motion to approve the resolution was made by President White and seconded by Director Siegfried. Following a Roll Call vote, the Board, with one absence, passed Resolution 2021-57, authorizing an amendment to the annexation services contract with SRT Consultants, Inc. for \$29,700 to provide additional environmental review services to obtain a coastal development permit for the Carmel Meadows Sewer Replacement project #19-03 for a total contract amount not to exceed \$345,145.

19. Resolution No. 2021-58; Report by Patrick Treanor

Board Action

After brief discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director Rachel. Following a Roll Call vote, the Board, with one absence, passed Resolution 2021-58, authorizing an amendment to the contract with MNS Engineers, Inc. for \$72,455 to provide coastal permitting support for the Scenic Road Pipe Bursting Ocean to Bay project #20-08 for a total contract amount not to exceed \$305,407.

20. Resolution No. 2021-59; Report by Rachél Lather

Board Action

After discussion, a motion to approve the resolution was made by Director Siegfried and seconded by Director Townsend. Following a Roll Call vote, the Board, with one absence, passed Resolution 2021-59, authorizing an amendment to the contract with MNS Engineers, Inc. for \$15,215 to provide additional engineering support services during construction of the Upper Rancho Cañada Pipe Relocation Project #19-13 for a total contract amount not to exceed \$45,000.

21. Resolution No. 2021-60; Report by Barbara Buikema

Board Action

A motion to approve the resolution was made by Director Siegfried and seconded by Director Rachel. Following a Roll Call vote, the Board, with one absence, passed Resolution 2021-60, proclaiming a local emergency, ratifying the proclamation of a State of Emergency by Governor's Order #N-25-20 and authorizing remote teleconference meetings from October 28, 2021, through November 27, 2021.

COMMUNICATIONS

22. General Manager Report - oral report

Barbara Buikema reported on the annual employee barbeque to be held on October 29, 2021, at 11:30. Barbara also reported on an employee testing positive for COVID-19 despite being vaccinated. The last item presented was on the CalAm takeover by Monterey One and the loss of property tax revenue the District will receive as a result.

23. Board member discussion item

The Board asked that staff calculate the reduction in Repairs & Maintenance (R&M) costs as a result of Phase II of the Capital Improvement Project's 15-year Master Plan for reporting in a subsequent newsletter that will go out to District rate payers.

OTHER ITEMS BEFORE THE BOARD

24. WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project #18-01 – Report by Patrick Treanor

Patrick Treanor presented his report on the project. Director Siegfried moved for acceptance of the report and Director Rachel seconded the motion. After a roll call vote the report was accepted by the Board.

25. November/December Board Meeting Date(s) – Report by Barbara Buikema

The Board agreed to host the November Board meeting on November 18th, 2021, and the December Board meeting on December 30th, 2021. President White made the motion to accept these dates and Director Siegfried seconded the motion and after a roll call vote the dates were accepted by the Board.

26. Special Districts Association of Monterey County Meeting – Report by Barbara Buikema

Barbara presented her summary of the meeting and Director Siegfried, who attended on behalf of the District, also gave a verbal report. The Board discussed and will decide in the future whether these meetings will be attended solely by the General Manager.

INFORMATION/DISCUSSION ITEMS

27. Announcements on subjects of interest to the Board made by members of the Board or Staff

- Director Siegfried mentioned contact with a business that packages technology items that may be useful or of interest for the Board to research. Mr. Siegfried is the contact for the information.
- Director Siegfried requested an agenda item for next meeting to discuss the mode (in-person vs. online) in which sexual harassment training is given. The District employees and board members are required to complete the training every two years.
- Director Siegfried is scheduled for the October 29, 2021, PBCSD Board meeting.
- Director Siegfried is scheduled for the January 18, 2022, meeting of the Special Districts Association of Monterey County meeting but as discussed above he or other board members may not attend.
- President White and Director Townsend are scheduled to attend the Reclamation Management Committee meeting on November 9, 2021.

28. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 10:25 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, November 18, 2021, or an alternate acceptable date, via teleconference webinar.

As Reported To:

Domine Barringer, Secretary to the Board

APPROVED:

Ken White, President

**Carmel Area Wastewater District
Disbursements
Oct-21**

Date	Check	Vendor	Description	Amount
10/01/21	2094	Amazon Capital Services	Office and safety supplies	208.49
10/01/21	2095	American Fidelity Assurance Company	Flex accounts	111.53
10/01/21	2096	American Fidelity Assurance	Employee insurance premiums	586.16
10/01/21	2097	Armbruster Goldsmith & Delvac LLP	Legal services - Coastal Commission re: Sea Level Rise	375.25
10/01/21	2098	AT&T Mobility	Cell and mobile device service	737.66
10/01/21	2099	AT&T CALNET 3	Admin and Plant alarms	77.53
10/01/21	2100	AT&T	Plant fiber router and IP card	727.88
10/01/21	2101	Beck's Shoes	Employee work boots	691.83
10/01/21	2102	Bryan Mailey Electric	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL \$2,730.00) and various electrical jobs	17,862.00
10/01/21	2103	Buckles-Smith Electric	Controller and PLC digital input card	831.85
10/01/21	2104	Carmel Pine Cone	Bid notice for the Eucalyptus Tree Pruning Project #21-01	156.00
10/01/21	2105	C.H. Bull Company	Cases of floodsax	2,149.53
10/01/21	2106	Cintas Corporation	Laundry service	1,569.29
10/01/21	2107	Comcast	Admin internet	233.41
10/01/21	2108	Culligan Water	C&I Exchange service for lab	17.35
10/01/21	2109	Direct TV	Plant service	88.99
10/01/21	2110	Domine Barringer	Reimbursement for board meeting food	28.80
10/01/21	2111	Edges Electrical	Electrical supplies	12.10
10/01/21	2112	Equitable Financial Life Insurance	Life insurance, long-term and short-term disability premiums	2,645.09
10/01/21	2113	Exceedio	Plant server warranty renewal	437.80
10/01/21	2114	FGL Environmental	Sample analysis	291.00
10/01/21	2115	First Alarm	Quarterly billing	552.39
10/01/21	2116	Fisher Scientific	Muffle furnace for the lab	4,143.57
10/01/21	2117	Frisch Engineering	SCADA and PLC engineering	8,197.50
10/01/21	2118	Got.Net	Domain parking	24.20
10/01/21	2119	Grainger	Primary blower air filter cartridge and plug valve locks	1,598.36
10/01/21	2120	GraniteRock Construction	Progress payment #2 for the Upper Rancho Canada Pipe Relocation Project #19-13 (CAPITAL)	172,064.00
10/01/21	2121	Greg D'Ambrosio	Dental	348.00
10/01/21	2122	Hach Company	Field instrument annual service	623.50
10/01/21	2123	Image Source	Plant copier billing	91.35
10/01/21	2124	Jack Doheny Companies	Repair camera head	1,935.67
10/01/21	2125	Johnson Marigot Consulting	CRFREE Mitigation Pipeline Undergrounding project #19-21	15,250.59
10/01/21	2126	Kaesar Compressors	Rotary screw compressor for the Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	11,538.65
10/01/21	2127	Karla Cristi	Dental	369.00
10/01/21	2128	Kennedy/Jenks Consultants	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	13,600.00
10/01/21	2129	Lemos Service	Smog check on trucks	240.00
10/01/21	2130	MNS Engineers	Yankee Point Study, Upper Rancho Canada Pipe Relocation Project #19-13 (CAPITAL \$22,069.25) and Scenic Rd Pipe Bursting Project #20-08 (CAPITAL \$8,833.60)	32,164.85
10/01/21	2131	Monterey Bay Analytical Services	Sample analysis	669.00
10/01/21	2132	Monterey Tire Service	Truck tires	704.52
10/01/21	2133	Motion Industries	Vacuum hose assembly	21.16
10/01/21	2134	Peninsula Welding & Medical Supply	Compressed nitrogen and non-liquid cylinder rental	169.72
10/01/21	2135	Pacific Gas & Electric	Monthly service	952.89

Carmel Area Wastewater District
Disbursements
Oct-21

Date	Check	Vendor	Description	Amount
10/01/21	2136	PK Safety Supply	Calibration gas cylinder and oxygen sensors	923.42
10/01/21	2137	Pure Water	Monthly service	175.25
10/01/21	2138	S&D DiMaggio Construction	Change order for Ops Building Bathroom (CAPITAL) (no project number)	1,504.50
10/01/21	2139	Scarborough Lumber & Building	Admin supplies	17.89
10/01/21	2140	Toro Petroleum	Unleaded gas and Clear/Low Sulphur/Carb diesel	8,654.98
10/01/21	2141	Toyota Material Handling	Annual inspections and oil changes, repair oil leak	1,048.37
10/01/21	2142	Univar Solutions USA Inc.	Sodium hypochlorite and bisulfate	15,043.28
10/01/21	2143	Vision Service Plan	Vision insurance premium	630.00
10/01/21	2144	Vision Communications	Motorola 2-way radio with gate key pad	2,083.75
10/08/21	2145	On-The-Spot Carpet Cleaning	Admin building carpet cleaning	509.84
10/14/21	2146	A and R Plumbing	Repair leak next to the holding tank	1,971.34
10/14/21	2147	Amazon Capital Services	Water filter system for the ice maker	414.83
10/14/21	2148	American Fidelity Assurance Company	Flex accounts	111.53
10/14/21	2149	Ann Muraski	Fall/Winter newsletter design and writing	6,625.00
10/14/21	2150	Aquatic Bioassay & Consulting Labs	Consulting regarding chronic and acute NPDES bioassays for abalone development, menidia and ammonia removable	1,915.00
10/14/21	2151	Armbruster Goldsmith & Delvac LLP	Legal services - Coastal Commission re: Sea Level Rise	375.25
10/14/21	2152	AT&T CALNET 3	Plant fiber line	612.67
10/14/21	2153	AT&T	Voice routing line	51.07
10/14/21	2154	Borges and Mahoney	Rotor body and roller	527.17
10/14/21	2155	Buckles-Smith Electric	Electrical supplies	1,291.47
10/14/21	2156	Cal-Am Water	Monthly service	1,705.08
10/14/21	2157	Carmel Marina Corporation	Plant rollofs and admin garbage	2,507.42
10/14/21	2158	Carmel Pine Cone	Legal notice for pretreatment ordinance	210.00
10/14/21	2159	Christopher Dixon	Work boots	225.00
10/14/21	2160	Christian Schmidt	Certificate renewal	150.00
10/14/21	2161	Cintas Corporation	First aid/CPR/AED/BBP training	3,223.70
10/14/21	2162	Cintas Corporation	Laundry service	818.94
10/14/21	2163	Clark Pest Control	Plant service	279.00
10/14/21	2164	Community Printers	Fall/Winter newsletter printing	1,461.40
10/14/21	2165	Datco Services	Quarterly service fees	146.25
10/14/21	2166	Exceedio	Annual renewal of Office 365 Defender and Azure Active Directory Premium P2	4,180.00
10/14/21	2167	Fastenal Company	Operating and safety supplies	1,685.89
10/14/21	2168	Global Equipment Company	Forkliftable Cylinder Storage Caddy for 6 cylinders	811.39
10/14/21	2169	Grainger	Space heater for staff room at the new digester and operating supplies	1,670.01
10/14/21	2170	Greg D'Ambrosio	Dental	135.00
10/14/21	2171	Hayashi & Wayland Acctg & Consulting	Bank reconciliation oversight	375.00
10/14/21	2172	ICON Cloud Solutions	Telephone service	591.28
10/14/21	2173	Kennedy/Jenks Consultants	Bid assistance for the Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	5,465.00
10/14/21	2174	Kevin Young	CWEA annual membership	192.00
10/14/21	2175	Leak Detection Specialist	Investigating the water leak at the Plant's Cal-Am meter	350.00
10/14/21	2176	Liberty Composting	Sludge hauling	6,374.28
10/14/21	2177	Mark & Susan Stillwell	Refund of five years of user fees for closed restaurants and hotel living quarters	34,879.63

Carmel Area Wastewater District
Disbursements
Oct-21

Date	Check	Vendor	Description	Amount
10/14/21	2178	McMaster-Carr	Operating supplies	65.21
10/14/21	2179	Monterey Bay Diving	SCBA tank refills	199.80
10/14/21	2180	Monterey County Health Dept.	New state surcharge for health permits	35.00
10/14/21	2181	Murphy Austin Adams Schoenfeld LLP	Legal services-Monterey County option agreement-CRFREE Mitigation Pipeline Undergrounding Project #19-21	2,281.50
10/14/21	2182	Peninsula Welding & Medical Supply	Non-liquid cylinders rent and compressed nitrogen	218.90
10/14/21	2183	Pacific Gas & Electric	Monthly service	14,330.43
10/14/21	2184	Pradyumna and Ying Amatya	Refund of user fee for house still under construction	877.56
10/14/21	2185	P S O M A S	Upper Rancho Canada Pipe Relocation Project #19-13 (CAPITAL)	34,552.50
10/14/21	2186	Quill LLC	Admin office supplies	235.82
10/14/21	2187	Sigma-Aldrich, Inc.	Lab supplies	138.81
10/14/21	2188	Smitty's Janitorial	Monthly service	1,110.00
10/14/21	2189	SRT Consultants	Carmel Meadows Gravity Sewer Project #19-03 final design (CAPITAL)	6,709.52
10/14/21	2190	Streamline	Website maintenance	400.00
10/14/21	2191	Town & Country Gardening	August and September gardening and landscaping	1,300.00
10/14/21	2192	Toyota Material Handling	Onsite driver training	2,295.00
10/14/21	2193	Univar Solutions USA Inc.	Sodium hypochlorite	3,926.19
10/14/21	2194	Weco Industries LLC	Warthog nozzle swivel assembly and fins	2,235.77
10/14/21	2195	Wellington Law Offices	District legal services	4,347.00
10/20/21	2196	Applied Marine Sciences	CCLEAN expenses	49,303.70
10/20/21	2197	AT&T Mobility	Cell and mobile device service	671.02
10/20/21	2198	Biobot Analytics	Influent sample testing	1,400.00
10/20/21	2199	Boot Barn	Employee work boots	223.95
10/20/21	2200	BTJ Enterprises	Newsletter postage deposit and mailing	3,029.42
10/20/21	2201	CAWD\PBSCD Reclamation Project	Reimbursement for tertiary lab PG&E	739.70
10/20/21	2202	Comcast	Admin internet	233.29
10/20/21	2203	Comcast	Pump station internet	537.35
10/20/21	2204	Culligan Water	Lab supplies	25.00
10/20/21	2205	Currie Engineers	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	17,059.20
10/20/21	2206	Edges Electrical	Electrical supplies	5,548.78
10/20/21	2207	Edward Waggoner	Dental	198.00
10/20/21	2208	EMC Planning Group	Elec/Mech Rehab and Holding Tank Project #18-01 (CAPITAL)	809.31
10/20/21	2209	FedEx	Shipping of lab samples	39.02
10/20/21	2210	Frisch Engineering	SCADA and PLC engineering	12,585.00
10/20/21	2211	Grainger	Wall variable heat control knobs	948.26
10/20/21	2212	Karla Cristi	Dental	564.00
10/20/21	2213	MNS Engineers	Upper Rancho Canada Pipe Relocation Project #19-13 (CAPITAL)	2,062.50
10/20/21	2214	Monterey Bay Analytical Services	Sample analysis	315.00
10/20/21	2215	Monterey County Tax Collector	Annual CSA #50 and MPWMD water supply fees	362.98
10/20/21	2216	Patelco Credit Union	Health savings accounts contributions	5,714.65
10/20/21	2217	Pacific Gas & Electric	Monthly service	21,684.52
10/20/21	2218	Public Agency Coalition Enterprise	Health insurance premium	33,068.22
10/20/21	2219	Quill LLC	Office supplies	326.21

**Carmel Area Wastewater District
Disbursements
Oct-21**

Date	Check	Vendor	Description	Amount
10/20/21	2220	Rincon Consultants	Upper Rancho Canada Pipe Relocation Project #19-13 (CAPITAL)	31,015.94
10/20/21	2221	SRT Consultants	Replace check 1962 from July-lost in mail	24,637.29
10/20/21	2222	WorkSmart Automation	Migration of reports to Ignition system	308.13
10/28/21	2223	Good Time Catering	Annual District BBQ	1,986.05
				697,676.84

CAWD/PBCSD Reclamation Project
Disbursements
Oct-21

Date	Check	Vendor	Description	Amount
10/01/21	392	Brenntag Pacific	Potassium hydroxide	24,721.05
10/01/21	393	Bryan Mailey Electric	Install GFI receptacle and muffle furnace	210.00
10/01/21	394	Cal-Am Water	Hydrant Meter K monthly service	2,573.69
10/01/21	395	Carmel Area Wastewater District	O&M reimbursement	78,118.88
10/01/21	396	CH Bull Company	Cases of floodsax	2,149.53
10/01/21	397	Fisher Scientific	Muffle furnace for lab	4,143.57
10/01/21	398	Hach Company	Instrument calibrations	3,568.50
10/01/21	399	Muniquip, LLC	Diaphragm repair kit for sulfuric acid metering pumps	1,587.65
10/01/21	400	Pebble Beach Company	Reimburse for COP interest expense	64.12
10/01/21	401	Pacific Gas & Electric	Tertiary and MF/RO invoices	45,111.60
10/01/21	402	Professional Water Technologies	Spectraguard360-275G	5,253.89
10/01/21	403	Toyota Material Handling	Mobile fleet service and oil change	179.00
10/01/21	404	Trussell Technologies	MF/RO Ops Support project NPDES permit renewal	1,740.00
10/14/21	405	Applied Industrial Technologies	Radial ball bearings	65.47
10/14/21	406	Brenntag Pacific	Ammonium hydroxide	3,739.71
10/14/21	407	Monterey Peninsula Water Management District	Final principal and interest payment	507,625.00
10/14/21	408	Pebble Beach Company	Bond principal and interest, letter of credit fees current and past and project rep costs	266,412.41
10/14/21	409	Pebble Beach Community Services District	O&M reimbursement	19,241.25
10/14/21	410	Sigma-Aldrich, Inc.	Lab supplies	138.80
10/20/21	411	ATS	Four 3,600lb totes of PHOS 58	22,765.64
10/20/21	412	Brenntag Pacific	Ammonium hydroxide	3,762.13
10/20/21	413	Cal-Am Water	Hydrant Meter K monthly service	2,573.69
10/20/21	414	Carmel Area Wastewater District	O&M reimbursement	53,579.42
10/20/21	415	Kaeser Compressors	Oil separator kits for tertiary compressor	417.42
10/20/21	416	Pacific Gas & Electric	MF/RO bill	19,544.63
10/20/21	417	WorkSmart Automation	Migration of reports to Ignition	308.12
				1,069,595.17

STAFF REPORT



TO: Board of Directors
FROM: Daryl Lauer, Collection Superintendent
DATE: November 18, 2021
SUBJECT: Monthly Report – October

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

Sewer Lateral Permits issued in October	26
Total Fees	\$4,560.00

Maintenance

Attached is a map of the areas cleaned and Closed-Circuit Television (CCTV) inspected in the past three months. There were 64,793 feet of sewer lines cleaned, 11,861 feet of CCTV inspections and 15 manhole inspections were performed during the month of October.

Staff was asked to provide more information on the grease cleaning schedule in the Collection system. All sewer lines are grouped into routes. The cleaning schedule is based on the frequency between cleanings. The baseline for the frequency is eight months between cleanings. If the field staff observe roots, grease, or grit in the lines then those lines are scheduled for cleaning earlier. Line segments that have been replaced or reviewed with CCTV data and require less maintenance will then see their frequency timeline decrease. Current cleaning frequency can range anywhere from three months to five years. Below are the results of a query for the observation of grease while cleaning.

Data is from Calendar Years 2018 through 2021 (four years ten months)

Table 1 – Total System Lines

Total Line Segments	1,846
Total Length	77.5 miles

Table 2 – Total Lines with Grease Observed

Line Segments with Observed Grease	211
Length of Pipes with Observed Grease	10.72 miles
Percentage of System with Observed Grease	13.8%

Table 3 – Top Routes with Grease Observed*

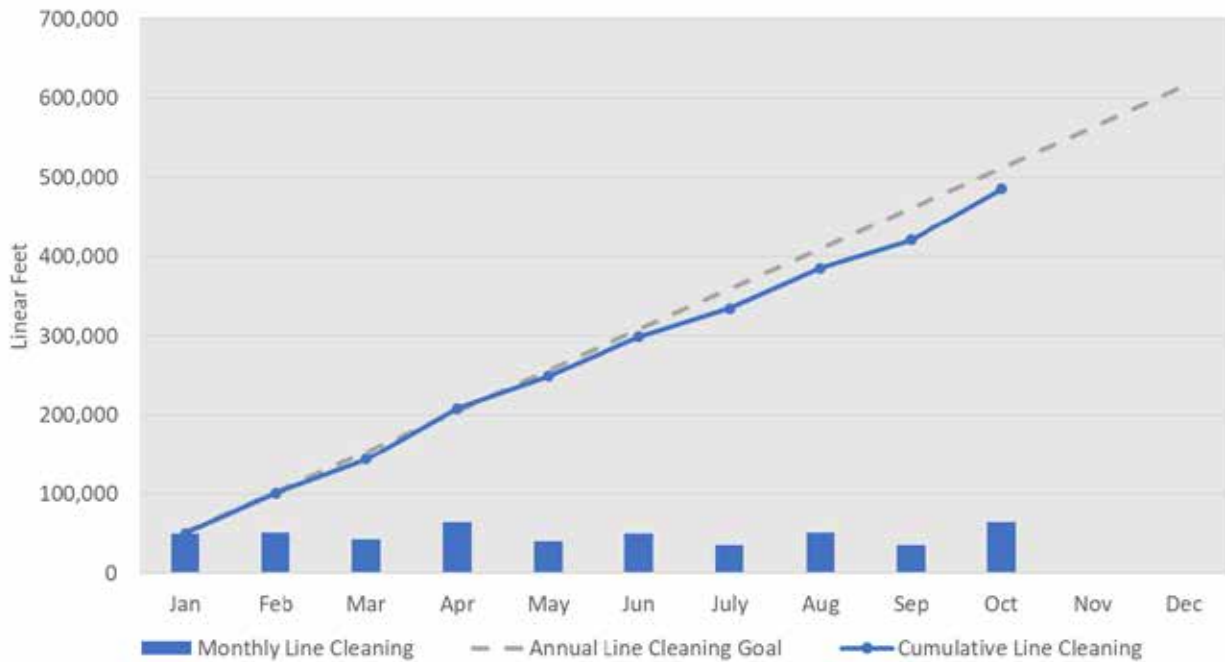
Route	% of Grease Observances
24 - Downtown 2	19.1%
Barnyard & Crossroads	17.7%
23 - Downtown normal	15.6%
21 - Lincoln & Dolores	9.6%
22 - San Carlos & Mission	5.2%
20 - Monte Verde & Lincoln	5.1%
13th street	4.6%
07 - Mission Ranch trunk main	2.9%
Prowler Ribera easement	2.2%
58 - Martin Rd. & Hatton	1.9%
08 - Walker Track	1.8%
No Route	1.3%
29 - San Carlos & 2nd	1.2%
69 - Hacienda	1.2%

* Routes with less than 1% of the observed grease are not shown

Recent Line Cleaning Summary

Cleaning period	Footage Cleaned	Percentage Cleaned	Size of Pipe Cleaned
October	64,793 ft.	15.76%	6 – 27 inches
September	35,934 ft.	8.74%	6 - 27 inches
August	50,824 ft.	12.36%	6 – 15 inches

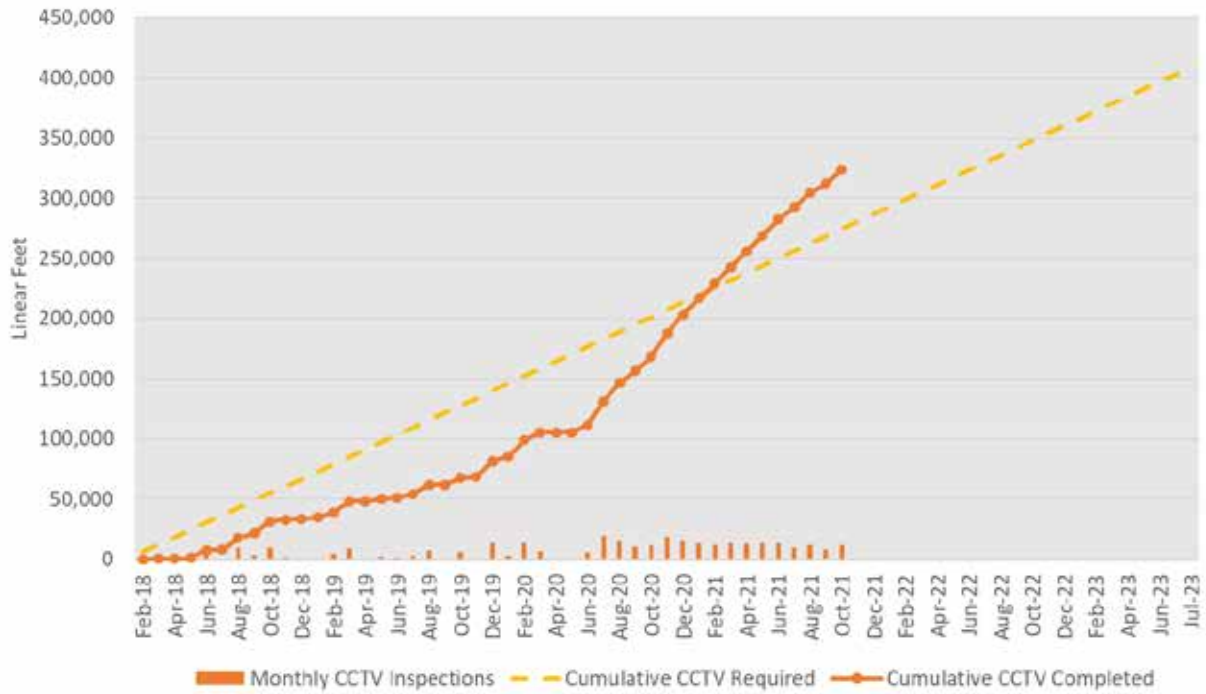
Annual Line Cleaning Graph



Line Cleaning Table

Total Target Amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
615,000 (in 2021)	485,823	129,177

CCTV Progress Graph (River Watch Settlement Agreement Target)



CCTV Table

Total Required amount (Linear Feet)	Cumulative Complete (Linear Feet)	Remaining (Linear Feet)
408,672	324,195	84,477

Manhole Inspection Progress Graph (Riverwatch Settlement Agreement Target)



Manhole Inspection Table

Total Required Amount (Manholes)	Actual Complete (Manholes)	Remaining (Manholes)
1434	1340	94

Construction Activities

- Project 19-13 the Upper Rancho Cañada Pipe Relocation project continued in October. Contractors began replacing the sewer lines in Palo Colorado regional park.

Staff Development

- Staff completed several in-person tail gate trainings.
- Staff attended the virtual California Sanitation Risk Management Authority sewer summit training in October.

General comments

- Staff continues to practice social distancing with other staff and contractors, driving to locations throughout the District in separate vehicles.

Staff is educated on the best practices of Personal Protective Equipment (PPE) and personal hygiene. Staff continues daily cleaning and sanitizing buildings, equipment, and vehicles as part of their routine duties.

Service calls responded to by crew

Date	Time	Callout	Resolution
10/2/2021	5:40 PM	Water Leak	Called by Cal-Am for an emergency water leak repair. Water company needed a utility location for emergency work. Staff located sewer main in the affected area.
10/11/2021	11:31 AM	Lateral Overflow	Called by homeowner for a lateral overflow. Staff cleaned District main line and found no problems in District's line. Staff informed homeowner to call a plumber of their choice.
10/20/2021	2:00 PM	Pump Fail	Pump #2 failure at Hacienda pump Station. Staff pulled the pump to inspect and found a rag caught in the impeller. Staff removed the rag and reinstalled the pump. There have been no problems since.
10/24/2021	11:50 AM	Power Fail	Power failure at Monte Verde, Bay & Scenic, and 8 th & Scenic pump stations due to high winds. Staff monitored stations until power was restored.
10/26/2021	7:04 PM	Lateral Overflow	Called by Carmel Fire Department for a lateral overflow. Staff cleaned District main line and found no problems in District's line. Staff informed owner to call a plumber of their choice.

USA Location Requests – 124

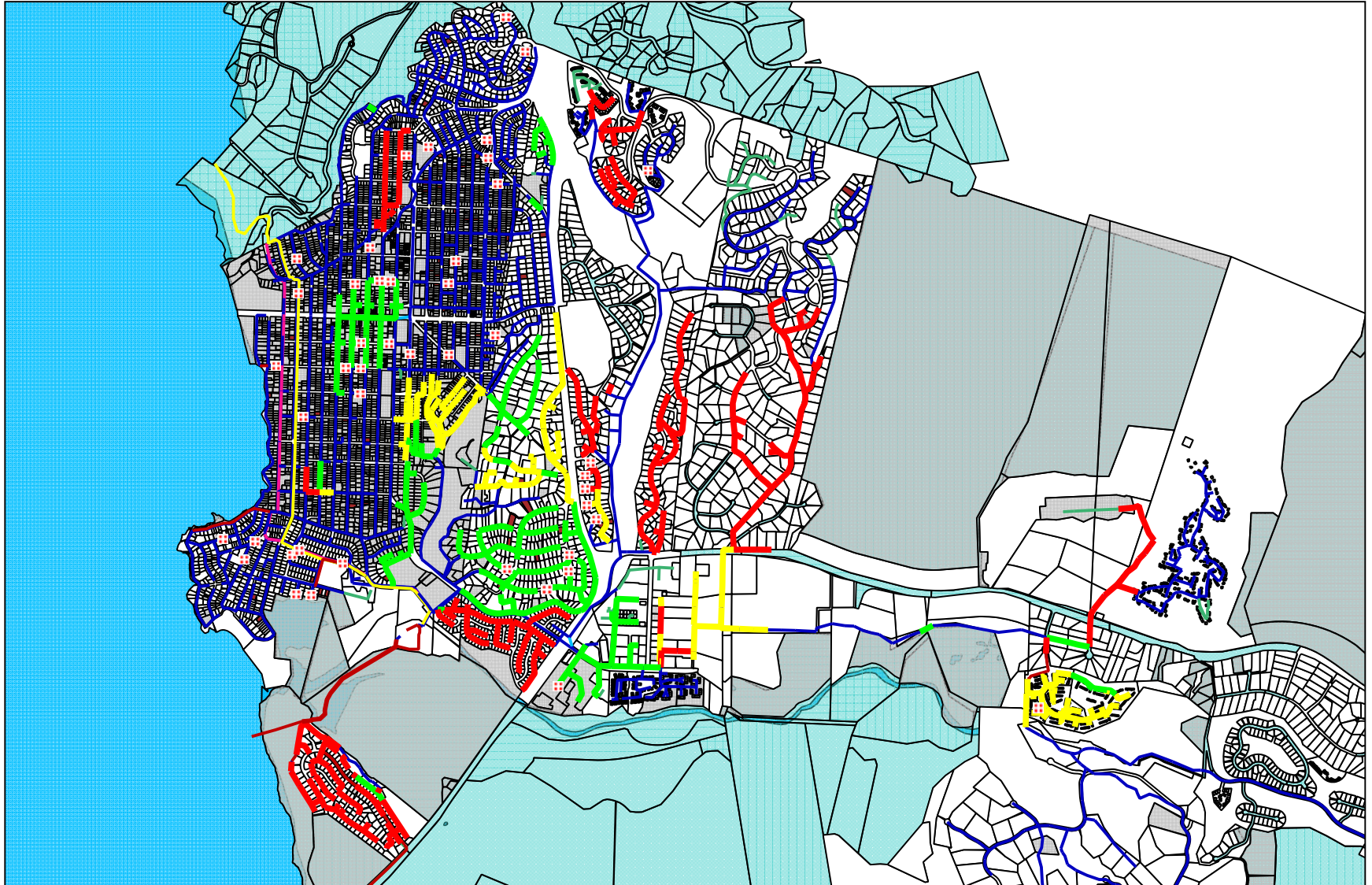
Plumbing permit inspections – 25

Private Sewer Lateral Compliance Certificates Issued – 20

FUNDING- N/A

October (Red)	64,793 feet
September (Yellow)	35,934 feet
August (Green)	50,824 feet

Monthly Cleaning Map



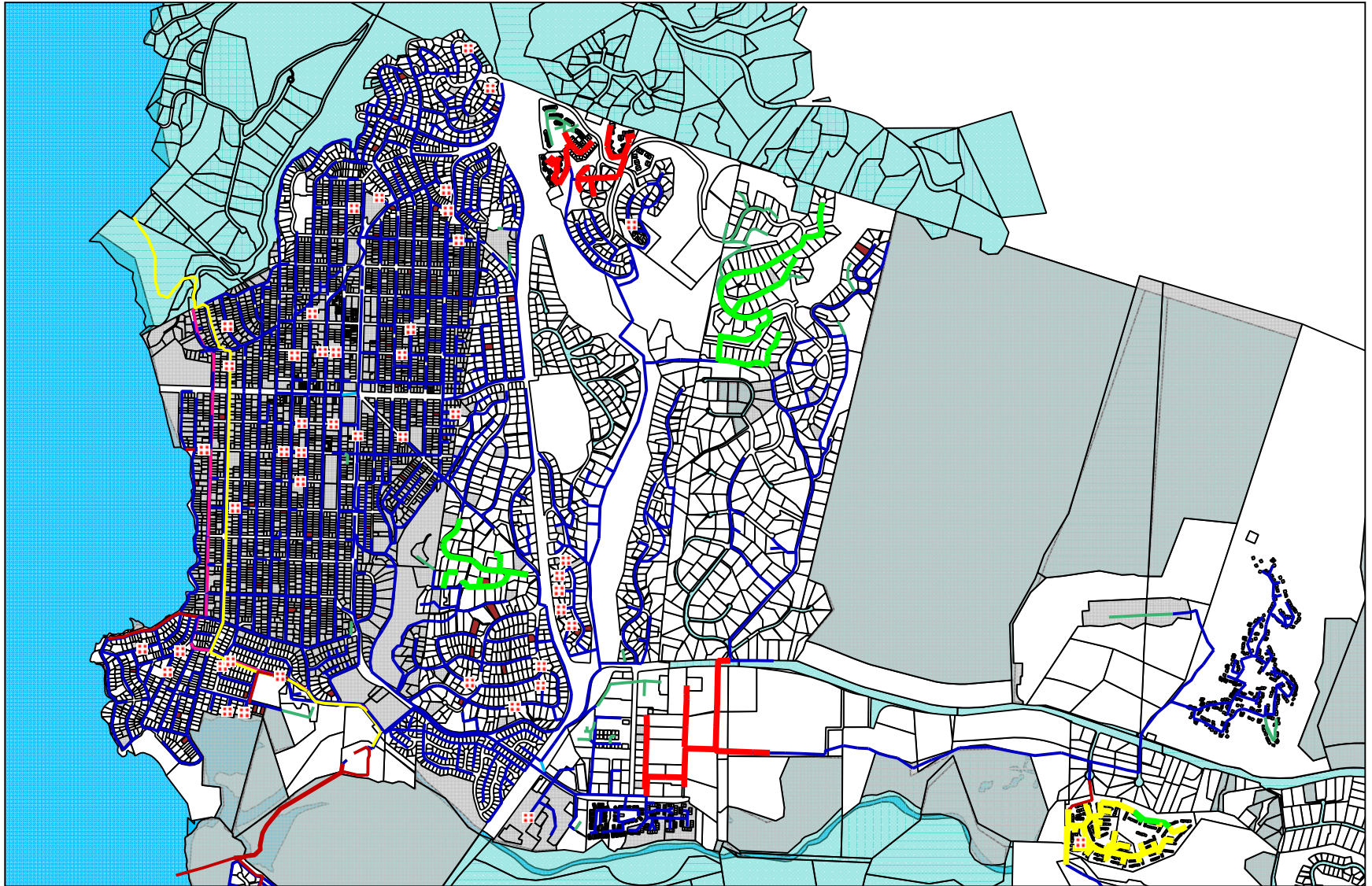
RedZone
ROBOTICS

11/3/2021



October (Red) 11,861 feet
September (Yellow) 7,965 feet
August (Green) 11,913 feet

Monthly CCTV Map

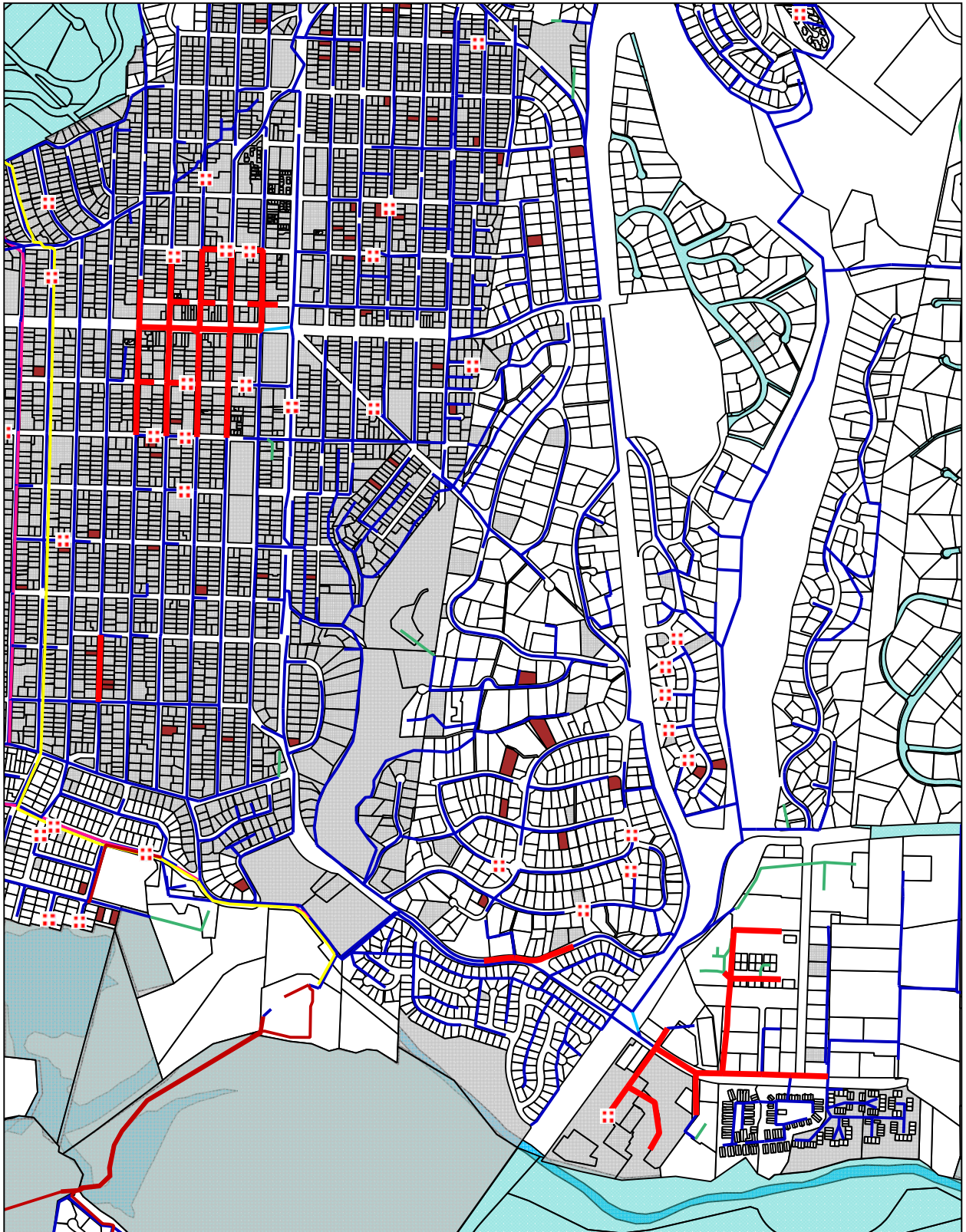


RedZone
ROBOTICS

11/3/2021



List of high frequency sewer lines in the District. Line segments are on this list primarily because of heavy grease. High frequency lines are cleaned on a 3 month rolling schedule. The normal sewer line cleaning frequency is 8-9 months. As sewer lines are replaced the cleaning frequency is extended to 12,24, and 36 months.



10/13/2021



STAFF REPORT

To: Board of Directors

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

Date: November 18, 2021

Subject: Monthly Safety Report (for October 2021)



RECOMMENDATION

Receive Report- Informational only; no action required

DISCUSSION

Safety & Training

- **Oct 6- Initial Injury Reporting.** S/C Admin Dias gave a presentation on the new initial injury reporting process. For the last two years Carmel Area Wastewater District (CAWD) has participated in a “nurse triage” program to report injuries. This allows an injured employee to speak with a nurse and have the nurse (not a CAWD supervisor) determine if medical attention is needed. The intake process also generates the proper forms if the injury develops into a Workers’ Compensation case. Starting October 1, the vendor for this no-cost service changed. While the process is the same the phone number and the name of the vendor are now different.
- **Oct 14- Construction Accidents.** Patrick Treanor, Plant Engineer, gave a presentation on the “Big Four” causes of accidents at construction sites. This timely presentation was given due to the start-up of Phase II activities in October. The top four causes of injuries are: (1) falls, (2) electrocution, (3) “caught-in” injuries and “struck-by” injuries. Because CAWD employees will not be performing the actual construction work, the biggest hazard is being “struck by” something when venturing too close to the construction area. This was especially true when the old digester structure was being demolished.

- **Oct 20- Winter and Wet-weather driving.** With the first atmospheric river approaching, S/C Admin Dias gave a presentation on safe driving practices in the dark and in wet weather. Over a dozen tips were given. Because driving slower is always key, emphasis was placed on planning ahead and allowing extra time so there is no need to drive at habitual dry-weather speeds. Also making sure windshield wipers are working and windshields are clean increases the ability to spot hazards.
- **Oct 28- Proper gloves for chemical exposures.** Chris Dixon, Senior Operator, gave a presentation on selection of the proper gloves to protect from chemical exposures. It was emphasized that gloves need to be chosen to protect from the specific chemical hazard. Gloves that may be safe for one type of chemical, e.g., petroleum products, may not be safe for acids and bases. S/C Admin Dias agreed and said that if anyone was unsure what type of glove was needed, they should contact him to determine compatibility.

Ongoing Safety Improvements

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

- **Hands-on Fire Extinguisher Training.** Once per year an outside vendor completes the annual inspections and servicing of the District's fire extinguishers. Including the vehicles and the lift stations, CAWD has over 100 extinguishers. On the same day that the extinguishers were serviced the vendor provided live, hands-on training. All plant staff and three Administration staff each put out a live gasoline fire using an ABC type chemical extinguisher. An ABC type extinguisher is for "A"-trash, wood & paper, "B"-liquids and "C"-electrical types of fires. These types of trainings emphasize personal safety first. Having fire extinguisher training does not mean that CAWD employees will be fighting dangerous fires. Portable hand-held fire extinguishers are not meant to fight a growing, large fire. They are only to stop emergent small fires, and/or to clear a path for escape from a larger fire. Before these trainings Fire Department dispatch is contacted and informed of the trainings. If a member of the public reported smoke and/or odors, the Fire Department would be aware and would call before responding.

Tours and Outreach

- **Tours.** Tours remain on hold. Further review of this policy is needed in light of the high infection rates and the impacts of the delta-variant on local schools. Also, any future tours will need to be carefully coordinated to avoid conflicts with Phase II construction activities.

Injuries; First Aid Incidents; Workers Compensation Claims

There were no Workers' Compensation claims in October. There was one first aid injury where a maintenance worker had his thumb pinched between the handle and the frame of a sheet-metal press machine. The machine is intentionally designed so the handle will slide down as it is rotated every 180 degrees. Care must be taken to keep one hand on the handle as it is rotated and not leave extremities between the handle and the frame. The employee remained at work and was able to resume normal duties without further complications. An updated tracking matrix for 2021 is below.

	Work Related Injuries and Illnesses for 2021 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)	1	1	0	0	0

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors

From: Ray De Ocampo - Laboratory/Environmental Compliance Supervisor

Date: November 18, 2021

Subject: Monthly Report – October 2021

RECOMMENDATION

Receive Report - Informational only; No action required.

DISCUSSION

LABORATORY REPORT

- Biobot Analytics continues to provide COVID-19 analysis for Carmel Area Wastewater District (CAWD) composite samples of the Influent Pump Station. Biobot samples are available upon request and can also be viewed on the CAWD website: https://www.cawd.org/biobot-analytics-weekly-reports-of-concentration-levels-sars-cov-2#/body_file-e72defec-6488-4185-b5f3-ab45b2fe531e.
- On October 5, 2021, The final effluent and biosolid samples were collected and sent to Fruit Growers Laboratory (FGL) for October Quarterly National Pollutant Discharge and Elimination System (NPDES) permit analysis. Sample results will be available when tests are completed by FGL laboratory.
- On October 7, 2021, laboratory staff analyzed jar testing samples for the operations staff on a possible new chemical to replace RE300, a lanthanide salt solution used to optimize the phosphorus level in the plant effluent system.
- Stormwater sampling was completed on two storm events on October 22nd and 25th, 2021. This last storm event completed the required annual stormwater permit sampling and analysis requirement.
- The re-sample testing for the Proficiency Testing (PT) sample results has been received from RTC Sigma Aldrich; and all the results came back as “acceptable”.

ENVIRONMENTAL COMPLIANCE REPORT

- Environmental Compliance staff has been making appointments and completing questionnaire forms with 11 new Food Service Establishments (FSE) to determine if they will need to be added to the source control program.
- On October 13, 2021, staff had a meeting to discuss the data obtained for the 11 new food establishments. Those discussions resulted in establishing which FSE would have to install a grease trap to be in compliance with the 2021-03 Pretreatment ordinance versus those that will be included in the source control permit process but because of output produced there would be no installation of a grease trap.

Restaurant Inspection Table

Restaurant	Compliant	Reason for Non-Compliance	Comments
Wedgewood Banquet	Yes		
Village Corner	Yes		
Flaherty's Fish House	Yes		
Subway	Yes		
Lafayette Bakery	Yes		
Casanova's	Yes		
La Bicycelette	Yes		
Little Napoli	Yes		
Chopstix	Yes		
Mission Ranch	Yes		

Grocery Store/Delicatessen Inspection Table

Grocery Store/Delicatessen	Compliant	Reason for Non-Compliance	Comments
Bruno's Market and Deli	Yes		

Restaurant Compliance Table

% Compliance	Maintenance	Mechanical
August 2021	100%	100%
September 2021	100%	100%
October 2021	100%	100%

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	2020		2021		2022	
									H1	H2	H1	H2	H1	H2
		Projects Implementation Plan Schedule												
		Treatment Plant Projects												
18-01	1620.000	Elec/Mech Rehab and Sludge Holding Tank Replacement Project	Treanor	4/30/18	7/25/23	\$5,000,000	\$10,946,671	In Construction	Mech Rehab and Sludge Holding Tank Replacement Project					
18-05	5858.004	PLC/SCADA Programming	Foley	10/8/18	12/31/21	\$200,000	\$473,297	Anticipated Completion Dec 2021	PLC/SCADA Programming					
18-11	1611.000	Microturbine Integration Project	Treanor/Foley	6/4/19	6/30/22	\$150,000	\$205,114	Shutting Down for Safety During Project 18-01 Work	Microturbine Integration Project					
18-28	1626.000	Perimeter Tree Plan and Implementation	Treanor	7/1/19	6/30/26	\$60,000	\$237,897	Planning Stakeholder Meeting	Perimeter Tree Plan and Implementation					
21-01	5982.004	WWTP Eucalyptus Pruning	Treanor	7/1/20	2/1/22	\$130,000	\$150,376	Pruning Anticipated for Early Dec 2021	WWTP Eucalyptus Pruning					
19-21	1993.000	Carmel River FREE Mitigation	Treanor	6/1/20	11/30/23	\$0	\$0	Design/Permitting/Developing Funding Agreement	Carmel River FREE Mitigation					
21-03		Cathodic Protection Testing	Treanor	7/1/20	6/30/22	\$30,000	\$30,000	Testing Complete - Pre-Design On hold	Cathodic Protection Testing					
19-19	1634.000	Aeration Basin Improvements	Waggoner	7/1/20	6/30/22	\$0	\$9,030	Planning Installation for 2022	Aeration Basin Improvements					
19-18	1593.000	Perimeter Fencing	Dias	7/1/22	6/29/23	\$200,000	\$200,000	Inactive	Perimeter Fencing					
21-09		Treatment Plant Access Control and Camera Project	Foley	6/1/21	12/31/21	\$24,000	\$24,000	Complete	Treatment Plant Access Control and Camera Project					
		Treatment Plant Studies & O&M Manuals	Treanor	5/1/20	3/1/22				Treatment Plant Studies & O&M Manuals					
	5500.006	Coastal Hazards Monitoring Plan	Treanor	5/1/20	4/30/21	\$75,000	\$1,050,000	Draft Submitted to Coastal Commission	Coastal Hazards Monitoring Plan					
	5500.006	Long Term SLR Planning	Treanor	5/3/21	3/1/22	\$100,000	\$1,400,000	Preparing 2022 Submittal	Long Term SLR Planning					
		Reclamation Projects												
18-26	14777	Sulfuric Acid and Citric Acid Storage and Feed Systems	Treanor	1/1/19	7/29/22	\$370,000	\$438,743	Submittal Phase	Sulfuric Acid and Citric Acid Storage and Feed Systems					
		SCADA Migration	Foley	11/1/21	10/31/22	\$140,000	\$140,000	Request for Proposal	SCADA Migration					
		Reclamation Studies	Treanor	7/2/18	6/30/22				Reclamation Studies					
	69200	Trussell MF/RO Performance Review	Treanor	7/2/18	6/30/22	\$32,000	\$115,000	In Study Phase	Trussell MF/RO Performance Review					
	69200	Trussell Brine Dilution Study	Treanor	7/1/21	6/30/22	\$31,000	\$115,000	In Study Phase	Trussell Brine Dilution Study					
		Reclamation 15-Year Asset Management Assessment	Treanor	7/1/21	6/1/22	\$50,000	\$50,000	Inactive	Reclamation 15-Year Asset Management Assessment					
		Collections Projects												
19-03	1586.000	Carmel Meadows Sewer Replacement	Lather	8/1/19	1/19/23	\$150,000	\$2,014,551	In Design / CEQA	Carmel Meadows Sewer Replacement					
19-13	1625.000	Upper Rancho Canada Pipe Relocation	Lather	7/1/19	12/17/21	\$1,760,000	\$1,912,475	In Construction	Upper Rancho Canada Pipe Relocation					
19-08	1632.000	Carmel Valley Manor Pipeline and Pump Station	Lather	7/3/18	6/30/22	\$0	\$0	Re-Design In Progress	Carmel Valley Manor Pipeline and Pump Station					
20-07	1636.000	Bay/Scenic Pump Station Rehabilitation	Lather	12/31/20	6/30/23	\$250,000	\$756,726	In Design	Bay/Scenic Pump Station Rehabilitation					
20-08	1635.000	Scenic Rd Pipe Bursting - Ocean to Bay	Lather	2/5/21	6/30/23	\$1,200,000	\$1,280,276	In Design	Scenic Rd Pipe Bursting - Ocean to Bay					
21-02	6130.005	2021 Pipeline Spot Repairs	Lather	7/1/21	7/1/22	\$150,000	\$150,000	Contracting	2021 Pipeline Spot Repairs					
21-06	6140.005	Manhole Rehabilitation	Lather	1/1/22	1/3/23	\$150,000	\$150,000	Design In House	Manhole Rehabilitation					

Project Number	GL	Task Name	Manager	Start	Finish	Current FY Budget	Cumulative Budget	Status	2020		2021		2022	
									H1	H2	H1	H2	H1	H2
21-05	1637.000	Pescadero Creek Area Pipe Relocation	Lather	7/1/21	6/30/23	\$450,000	\$1,700,000	In Design						
21-07		Mission & San Carlos Sewer Rehabilitation from Ocean to 2nd	Lather	1/3/22	1/2/24	\$250,000	\$962,500	Inactive						
20-05		River Watch Agreement	Lather	2/21/20	2/21/24	\$0	\$0	Work In Progress						
20-06		Collections 20-Year CIP	Lather	7/1/20	7/1/40	\$0	\$29,489,616	Work In Progress						
Administration														
21-08		Administration Access Control and Security Cameras	Foley	1/1/22	4/1/22	\$19,291	\$19,291	Procurement						
Other Non-Capital Projects														
		Workforce Now	Ingram			\$0	\$0	Implementation						
		Health Insurance Review	Buikema			\$0	\$0	Negotiations In Progress						
		Real Property Investigation	Buikema			\$75,000	\$75,000	Evaluation in Progress						
		Cyber Security	Foley			\$17,000	\$17,000	Ongoing						
		Lean Six Sigma	Buikema			\$0	\$0	Green Belt Level Training						
		Assessment Districts/Annexations	Lather	8/2/18	3/1/23									
19-09	5500.005	2020 Sphere of Influence Amendment and Annexation Proposal	Lather	3/15/19	3/1/22	\$0	\$50,000	CDP Ammdement for annexations in coastal zone						
18-21	1631.000	Corona Road Assessment District	Lather	8/2/18	12/2/22	\$0	\$0	In Preliminary Design						
19-04	2510.000	Carmel Highlands Sewer Collection System Expansion – Yankee Point and Otter Cove	Lather	3/1/21	3/1/23	\$0	\$0	In Study Phase						



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

Project Number: 18-01		
Project Name: Wastewater Treatment Plant (WWTP) – Elec/Mech Rehab & Sludge Holding Tank Replacement Project		
Project Location: Wastewater Treatment Plant		
Project Manager: Treanor		
Status: In Construction		
Project Description: This Project is a multi-area project at the WWTP aimed at mitigating risk of failure in the Influent Pump Station, Headworks, 3W/Chlorine Analyzer Building, Effluent Building and Sludge Storage Tank. Most of the work involves replacing aged electrical and mechanical equipment in existing buildings.		
Department: Treatment		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$10,946,671	\$984,346
Financial:	FY Budget:	FY Spent:
	\$5,000,000	\$87,674
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 Commission Notification	
Challenges:	Electrical Cutover Coordination; Steel tank vs concrete design to code	
Schedule:	<ul style="list-style-type: none"> Construction anticipated for FY21/22 into FY22/23 	
Consultants:	Design: Kennedy/Jenks Consultants Construction Management: Currie Engineers	
Contractor:	Clark Bros.	

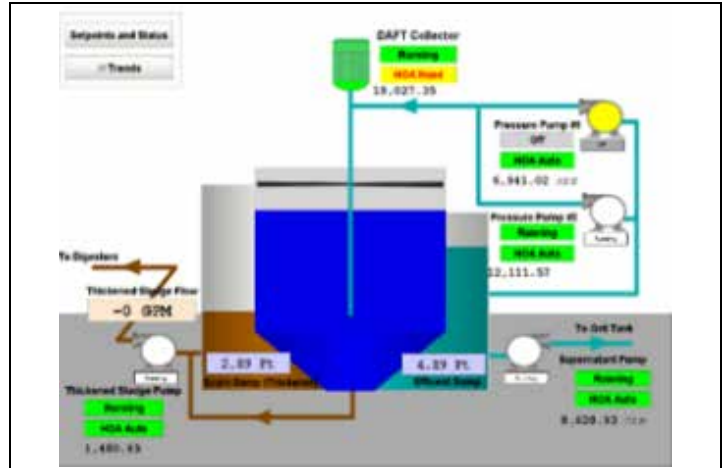


Photo: DAFT SCADA Overview

Project Number: 18-05		
Project Name: Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) Programming Project		
Project Location: Wastewater Treatment Plant		
Project Manager: Foley		
Status: Anticipated Completion Dec 2021		
Project Description: During the Phase 1 project a new SCADA software package from Inductive Automation was installed to parallel 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		
Financial:	Cumulative Budget:	Cumulative Spent:
	\$473,297	\$273,297
Financial:	FY Budget:	FY Spent:
	\$200,000	\$17,490
Reclamation Share:	Partial Reclamation	
Schedule:	<ul style="list-style-type: none"> Some minor additional work remains and will be completed by 12-31-21 	
Consultants:	Frisch Engineering	



Photo: Existing Gas Conditioning System

Project Number:		18-11	
Project Name:		Microturbine Integration Project	
Project Location:		Wastewater Treatment Plant	
Project Manager:		Treanor/Foley	
Status:		Shutting Down for Safety During Project 18-01 Work	
Project Description:		Overhaul of existing gas conditioning system and controls for the microturbines. The existing gas conditioning system has been having repeated mechanical failures which reduces the amount of time the Microturbines are in service. Significant overhaul of controls is needed to integrate the new 65kW turbine. CAWD is looking into a new gas conditioning system in case the existing system is not sufficient to treat the gas after the larger 65kW turbine is placed in service.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$205,114	\$55,114	
Financial:	FY Budget:	FY Spent:	
	\$150,000	\$0	
Reclamation Share:		N/A	
Other Entities:		N/A	
Permits Required:		Air Board Permit	
Challenges:		Complexity of System	
Schedule:		<ul style="list-style-type: none"> Ongoing; anticipate completion 06-30-22 	
Consultants:		Frisch Engineering (programming)	
Contractor:		N/A	



Photo: Existing totes used for Sulfuric Acid storage and Feed

Project Number:		18-26	
Project Name:		Sulfuric Acid & Citric Acid Storage & Feed Systems Project	
Project Location:		Reclamation – Microfiltration (MF)/Reverse Osmosis (RO)	
Project Manager:		Treanor	
Status:		Submittal Phase	
Project Description:		Code compliance upgrades for existing acid chemical storage and feed system used by Reclamation for enhancing RO recovery. Project includes code compliant secondary containment and separation of dissimilar chemicals.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$438,743	\$68,743	
Financial:	FY Budget:	FY Spent:	
	\$370,000	\$0	
Reclamation Share:		100%	
Other Entities:		Reclamation Project	
Permits Required:		Coastal Commission Notification	
Challenges:		N/A	
Schedule:		Construction 2021/2022	
Consultants:		Trussell Technologies, Inc	
Contractor:		TBD	



Photo: Eucalyptus trees on South Side of Treatment Plant

Project Number:		18-28	
Project Name:		Perimeter Tree Plan and Implementation	
Project Location:		Wastewater Treatment Plant	
Project Manager:		Trenor	
Status:		Planning Stakeholder Meeting	
Project Description:		Planning and landscaping around the treatment plant. This will include looking into possibly replacing the non-native eucalyptus trees around the perimeter of the treatment plant with native tree species. The project will start with a study and a plan to determine costs, sequencing schedule, and visual impacts. The eucalyptus trees around the plant have ongoing maintenance costs which may be offset in the long term with different type of tree screening. Purpose is to improve security around plant perimeter.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$237,897	\$5,020	
Financial:	FY Budget:	FY Spent:	
	\$60,000	\$2,123	
Reclamation:		N/A	
Other Entities:		N/A	
Permits Required:		Currently unknown (In Study Phase)	
Challenges:		Time it will take for new trees to grow up that will fully screen treatment plant from view	
Schedule:		<ul style="list-style-type: none"> Study to occur in 2021; anticipate completion 06-30-26 	
Consultants:		Scott Hall Landscape Design	
Contractor:		TBD	



Photo: View gravity pipe in Carmel easement

Project Number:		19-03	
Project Name:		Carmel Meadows Sewer Replacement	
Project Location:		Collection System	
Project Manager:		Lathér	
Status:		In Design / California Environmental Quality Act (CEQA)	
Project Description:		The project will replace 1,300 feet of Ductile Iron Pipe (DIP) on an aerial span and eight manholes by constructing a small pump station at the end of Mariposa Drive. This project is located on an easement parallel to Ribera Road and was originally installed in the early 1960's.	
Department:		Collections	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$2,014,551	\$397,501	
Financial:	FY Budget:	FY Spent:	
	\$150,000	\$32,950	
Permits Required:		Coastal Permit and Environmental Review	
Challenges:		Redirecting the sewer to the pump station without requiring booster pumps for individual houses.	
Schedule:		Design and Environmental Review completed by 1/15/22. Construction to begin FY21/22.	
Consultants:		SRT Consultants, WRA Environmental	
Contractor:		TBD	



Photo: Entrance to Carmel Valley Manor

Project Number:	19-08
Project Name:	Carmel Valley Manor Pipeline and Pump Station
Project Location:	Collection System
Project Manager:	Lathér
Status:	Re-Design in Progress
Project Description:	Sewer extension project to be completed by the owners of Carmel Valley Manor to connect to CAWD's sewer system.
Department:	Collections
Financial:	Cumulative Budget: \$0
	Cumulative Spent: \$180
	FY Budget: \$0
	FY Spent: \$180
Reclamation Share:	0%
Other Entities:	The prospect of a pipeline has given rise to a plethora of from potential additional connections
Permits Required:	County Encroachment Permit, Environmental Review completed.
Challenges:	Funding, Repayment Agreement, easement agreements LAFCO annexation
Schedule:	3-22-21 LAFCO hearing. Approved without protest.
Consultants:	MNS and Rincon are working for Carmel Valley Manor to permit and design the project.
Contractor:	N/A



Photo: View of proposed sewer line realignment

Project Number:	19-13
Project Name:	Upper Rancho Cañada Pipe Relocation
Project Location:	Collection System
Project Manager:	Lathér
Status:	In Construction
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 Cañada. The trunk line varies in size from a 12-inch to 8-inch diameter and is made of Truss pipe material that was installed in the early 1970's. The pipe is damaged in many locations, has capacity issues, and was identified as a priority in the Asset Management Plan.
Department:	Collection
Financial:	Cumulative Budget: \$1,912,475
	Cumulative Spent: \$876,529
	FY Budget: \$1,760,000
	FY Spent: \$687,942
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:	Construct August-December 2021
Consultants:	MNS Engineering Rincon Environmental
Contractor:	Graniterock



Photo: Existing air diffuser system

Project Number:		19-19
Project Name:		WWTP – Aeration Basin Improvements
Project Location:		Wastewater Treatment Plant
Project Manager:		Waggoner
Status:		Planning Installation for 2022
Project Description:		The Aeration Basins 4A & 4B need to have additional diffusers installed to ensure the proper air (oxygen) transfer into the wastewater to support the aerobic microorganisms in the basins.
Department:		Treatment
Financial:	Cumulative Budget:	Cumulative Spent:
	\$9,030	\$9,030
Financial:	FY Budget:	FY Spent:
	\$0	\$0
Reclamation Share:	Estimated at 0% of project cost.	
Other Entities:	N/A	
Permits Required:	N/A	
Challenges:	Weather conditions and Scheduling	
Schedule:	<ul style="list-style-type: none"> Design is complete Materials ordered and received Construction anticipated for 2022 	
Consultants:	N/A	
Contractor:	TBD	

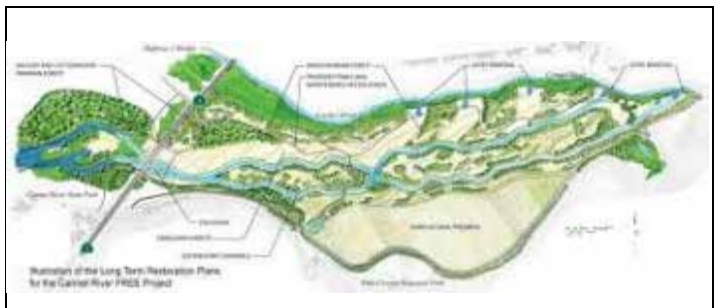


Photo: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE)

Project Number:		19-21
Project Name:		Carmel River Floodplain Restoration & Environmental Enhancement (CRFREE) Mitigation
Project Location:		Carmel River Lagoon
Project Manager:		Treanor
Status:		Design/Permitting/Developing Funding Agreement
Project Description:		The CRFREE Project intends to create a new river channel in the Carmel River lagoon floodplain, which will significantly impact existing wastewater pipelines that cross the lagoon. To fully mitigate impacts from CRFREE the pipelines which are currently crossing over a portion of the lagoon are proposed to be installed underground using Horizontal Directional Drilling construction methods.
Department:		Engineering
Financial:	Coastal Conservancy Grant	Cumulative Spent:
	Budget:	\$453,217
Financial:	Budget:	FY Spent:
	\$750,000	\$133,290
** Project is being funded by CRFREE initiated grants		
Reclamation Share:	0%	
Other Entities:	Monterey County	
Permits Required:	Coastal Commission, CA Fish and Wildlife, Army Corp of Engineers, Reginal Water Quality Control Board (RWQCB)	
Challenges:	Construction near environmentally sensitive habitat and obtaining new easement from State Parks	
Schedule:	<ul style="list-style-type: none"> Construction anticipated in Summer 2023 	
Consultants:	Design: Kennedy Jenks and Staheli Trenchless CEQA: Johnson Marigot	
Contractor:	Pending	



Photo: Looking at Pump Station Exterior

Project Number:		20-07	
Project Name:		Bay/Scenic Pump Station Rehabilitation	
Project Location:		Collection System	
Project Manager:		Lathér	
Status:		In Design	
Project Description:		Remodel the interior of the pump station and update SCADA panel to remove from areas prone to flooding.	
Department:		Collections	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$756,726	\$22,887	
Financial:	FY Budget:	FY Spent:	
	\$250,000	\$16,161	
Reclamation Share:	0%		
Other Entities:	Carmel-by-the-Sea, Coastal Commission		
Permits Required:	Exemptions from CEQA & Coastal Commission		
Challenges:	Traffic Control		
Schedule:	Design 2021, Construct 2022, completed by 06-23		
Consultants:	SRT		
Contractor:	Pending		



Photo: Pipe Bursting Limits on Scenic

Project Number:		20-08	
Project Name:		Scenic Rd Pipe Bursting - Ocean to Bay	
Project Location:		Collection System	
Project Manager:		Lathér	
Status:		In Design	
Project Description:		Replace approximately 4,950 linear feet of existing 6-inch clay pipe with a new 8-inch High-Density Polyethylene (HDPE) and includes manhole rehabilitation.	
Department:		Collections	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$1,280,276	\$99,440	
Financial:	FY Budget:	FY Spent:	
	\$1,200,000	\$19,162	
Reclamation Share:	0%		
Other Entities:	Carmel-by-the-Sea, Coastal Commission		
Permits Required:	Exemptions from CEQA & Coastal Commission		
Challenges:	Traffic Control & poorly mapped Underground Utilities		
Schedule:	Design 2021, Construct 2022, completed 06-23		
Consultants:	Pending		
Contractor:	MNS		



Photo: WWTP Aerial Showing Eucalyptus Trees Around Perimeter

Project Number:		21-01	
Project Name:		WWTP Eucalyptus Pruning	
Project Location:		Wastewater Treatment Plant	
Project Manager:		Treanor	
Status:		Pruning Anticipated for Early December 2021	
Project Description:		Trim Eucalyptus Trees around WWTP to control overgrowth of trees and mitigate spread of non-native tree.	
Department:		Treatment	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$150,376	\$20,376	
Financial:	FY Budget:	FY Spent:	
	\$130,000	\$600	
Reclamation Share:		0%	
Other Entities:		N/A	
Permits Required:		Coastal Commission Notification, County Tree Cutting Permit	
Challenges:			
Schedule:		Tree Trimming anticipated during non-nesting season (fall-winter 21/22).	
Consultants:		Burlison Consulting (Environmental Monitoring) Frank Ono (Arborist)	
Contractor:		Tope's Tree Service	



Photo: Sewer Line Repair

Project Number:			21-02		
Project Name:			2021 Pipeline Spot Repairs		
Project Location:			Collection System		
Project Manager:			Lathér		
Status:			Contracting		
Project Description:			Repairs to damaged sections of pipe at various locations throughout the District as noted in sewer video inspections.		
Department:			Collections		
Financial: O&M	Cumulative Budget:	Cumulative Spent:			
	\$150,000 (FY21-22)	\$0			
Financial: O&M	FY Budget:	FY Spent:			
	\$150,000 (FY21-22)	\$0			
Reclamation Share:			0%		
Other Entities:			N/A		
Permits Required:			none		
Challenges:			Traffic control in area of town, depth of repair.		
Schedule:			Start date pending completion of performance bond.		
Consultants:			N/A		
Contractor:			Rooter King		



Photo: Impressed Current Rectifier

Project Number:			21-03
Project Name:			Cathodic Protection Testing
Project Location:			Treatment Plant
Project Manager:			Treanor
Status:			Testing Complete – Pre-Design On hold
Project Description:			Testing and evaluation of existing 50-year-old impressed current cathodic protection system for WWTP Ocean Outfall, and improvements design.
Department:			Treatment
Financial:	Cumulative Budget:	Cumulative Spent:	\$0
	\$30,000		
	FY Budget:	FY Spent:	\$6,936
	\$30,000		
Reclamation Share:		0%	
Other Entities:		N/A	
Permits Required:		None	
Challenges:		None	
Schedule:		Complete by Mid 2022	
Consultants:		Trident Corrosion Engineering	
Contractor:		N/A	

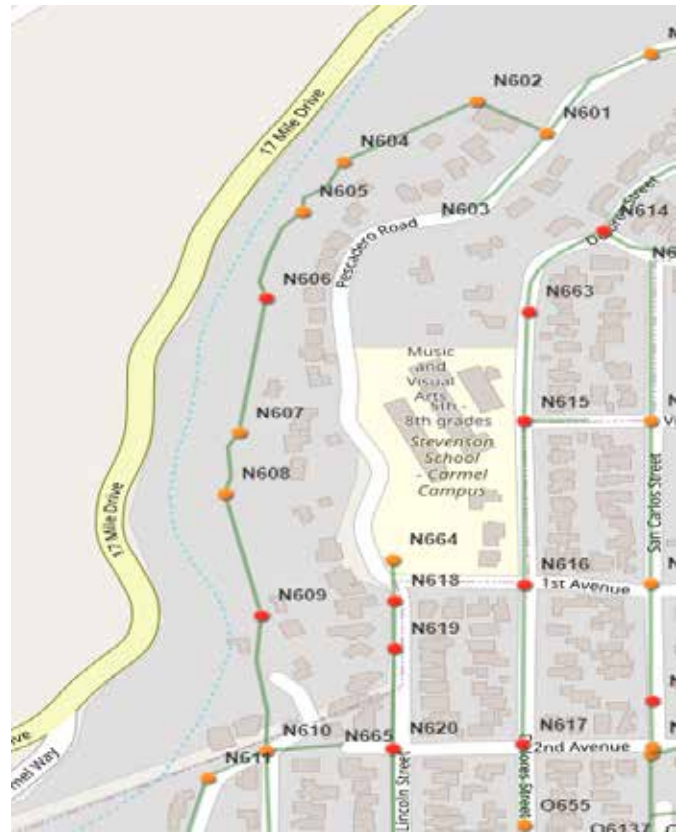


Photo: Sewer Line at Pescadero Creek

Project Number:			21-05
Project Name:			Pescadero Creek Area Pipe Relocation
Project Location:			Collection System
Project Manager:			Lather
Status:			In Design
Project Description:			Relocate damaged pipe from creek slope to roadway
Department:			Collections
Financial: O&M	Cumulative Budget:	Cumulative Spent:	\$0
	\$1,700,00		
	FY Budget:	FY Spent:	\$0
	\$450,000 (FY21-22)		
Reclamation Share:		0%	
Other Entities:		N/A	
Permits Required:		Environmental Review	
Challenges:		Narrow road, depth of manhole, houses to be placed on individual pumps	
Schedule:		Start design, public outreach & Environmental in Fall 2021	
Consultants:		MNS, Denise Duffy	
Contractor:		TBD	

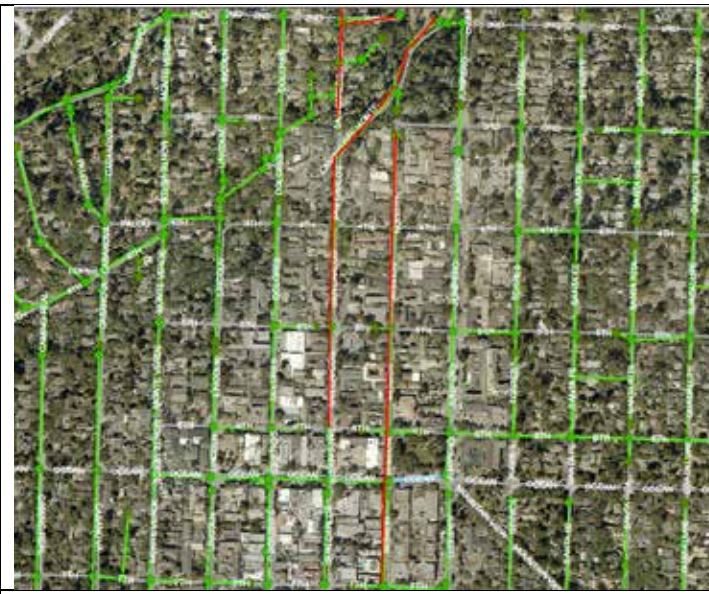


Photo: Sewer Line Rehab Location

Project Number:			21-07		
Project Name:			Mission & San Carlos Sewer Rehabilitation from Ocean to 2nd		
Project Location:			Collection System		
Project Manager:			Lather		
Status:			Inactive		
Project Description:			Replace or pipe burst existing sewer on Mission and on San Carlos		
Department:			Collections		
Financial: O&M	Cumulative Budget:	Cumulative Spent:		\$0	
	\$962,500				
	FY Budget:	FY Spent:		\$0	
	\$250,000				
Reclamation Share:		0%			
Other Entities:		N/A			
Permits Required:		City of Carmel-by-the-Sea			
Challenges:		Traffic control in area of town, depth of repair.			
Schedule:		Complete by 01-24			
Consultants:		TBD			
Contractor:		TBD			

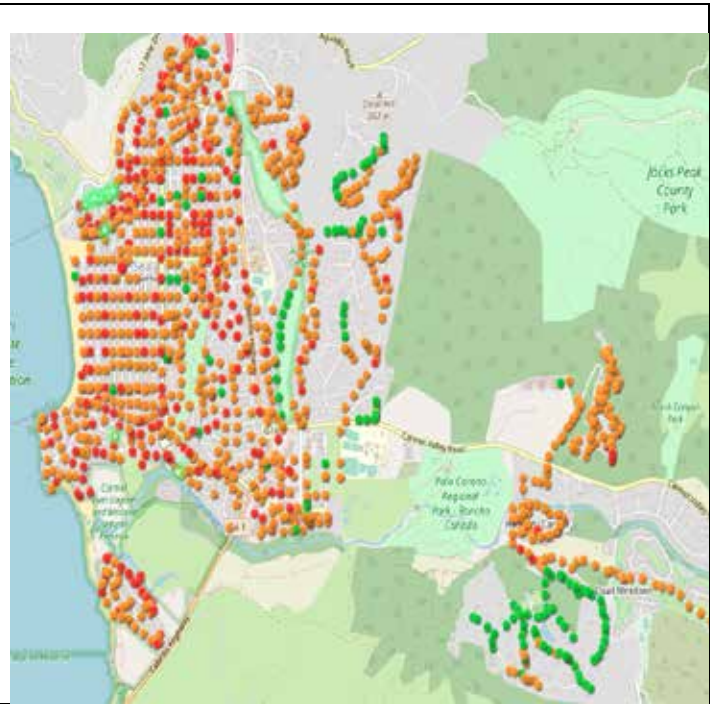


Photo: Manhole Inspection Map

Project Number:			21-06		
Project Name:			Manhole Rehab		
Project Location:			Collection System		
Project Manager:			Lather		
Status:			Design in House		
Project Description:			Line Manholes with a solvent-free rigid polyurethane material that seals surface and provides structural integrity		
Department:			Collections		
Financial:	Cumulative Budget:	Cumulative Spent:		\$0	
	\$150,000				
	FY Budget:	FY Spent:		\$0	
	\$150,000				
Reclamation Share:		0%			
Other Entities:		N/A			
Permits Required:		None			
Challenges:		Traffic Control			
Schedule:		Complete by 01-23			
Consultants:		None			
Contractor:		TBD			



ADP Workforce Now

Photo: ADP Clip Art

Project Number:	N/A	
Project Name:	Workforce Now	
Project Location:	All Supervisor Locations	
Project Manager:	Beth Ingram	
Status:	Implementation	
Project Description:	Implementation of a comprehensive Human Resource (HR) software database for all supervisors and employees to utilize. Modules provide employee development tracking, benefits administration, custom performance review templates, and employee goal management.	
Department:	Administration	
Financial:	Cumulative Budget: \$0	Cumulative Spent: \$2,520
	FY Budget: \$0	FY Spent: \$2,520
Challenges:	Technical issues need to be resolved & Employee training	
Schedule:	Anticipate implementation in the late Fall 2021	
Consultants:	ADP	



Photo: Caduceus

Project Number:	N/A	
Project Name:	Health Insurance Review	
Project Location:	Administration	
Project Manager:	Barbara Buikema	
Status:	Negotiations in progress	
Project Description:	As part of employee negotiations for health insurance last year the District agreed to "shop" insurance rates. Currently in discussion with the Employee negotiating team. The final step is the presentation to the Salary & Benefit Committee prior to full roll out to the board.	
Department:	Administration	
Financial:	Cumulative Budget: \$0	Cumulative Spent: \$0
	FY Budget: \$0	FY Spent: \$0
Schedule:	Must be complete by 12-15-21 or earlier depending on December board meeting scheduled date	
Consultants:	Beth Ingram, HR	



Photo: Real Estate Clip Art

Project Number:	N/A	
Project Name:	Real Property Investigation	
Project Location:	Carmel Valley	
Project Manager:	Barbara Buikema	
Status:	Evaluation in Progress	
Project Description:	An investigation of a possible new treatment facility site in the mouth of the Carmel Valley, which is in response to the Coastal Commission requirement to move facilities within 30 years.	
Department:	Administration	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$75,000	\$0
Financial:	FY Budget:	FY Spent:
	\$75,000	\$0
Permits Required:	None – at this time	
Challenges:	Limited land possibilities, regulatory hurdles, and zoning	
Schedule:	12 mos.	
Consultants:	Mahoney & Associates	



Photo: Cyber Security Clip Art

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



Photo: Six Sigma Clip Art

Project Number:		N/A	
Project Name:		Lean Six Sigma	
Project Location:		Management staff	
Project Manager:		Barbara Buikema	
Status:		Green Belt Level Training & Certification	
Project Description:		Currently all managers have been assigned the task of earning a Green Belt certification by 12-31-21 as a self-study course. Also, will investigate an in-person trainer for the implementation of a specific agreed upon project.	
Department:		Administration	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$0	\$0	
Financial:	FY Budget:	FY Spent:	
	\$0	\$2,000	
Permits Required:		None	
Challenges:		Implementation phase	
Schedule:		Ongoing	
Consultants:		Self-study online	
Trainer:		To be determined	



Photo: California coastline

Project Number:		N/A	
Project Name:		Long Term Sea Level Rise Planning	
Project Location:		Treatment Plant	
Project Manager:		Barbara Buikema/Patrick Treanor	
Status:		Ongoing	
Project Description:		As conditions of Coastal Permit #3-82-199-A8 - the District must submit a Long-Term Coastal Hazards Plan by 03-11-22. This shall describe the specifics that will be analyzed during the iterative planning process and identify triggers for when an Executive Director review is needed and when the approval is necessary. Progress reports are due at five-year intervals by 05/01/2025, 05/01/2030, etc., which must include and describe coastal hazard trends and changes since the approval of this permit and efforts to monitor and address coastal hazards over time.	
Department:		Administration	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$0	\$0	
Financial:	FY Budget:	FY Spent:	
	\$0	\$0	
Permits Required:		In response to California Coastal Commission	
Challenges:		Establishing focus on long term objectives and committing to follow through items.	
Schedule:		Draft Long-Term Coastal Hazard Plan will be complete by 01-02-22 for the submission on 03-11-22	
Consultants:		None at this time, however we anticipate and have provided for in long term coastal hazards monitoring planning budget \$75K year.	

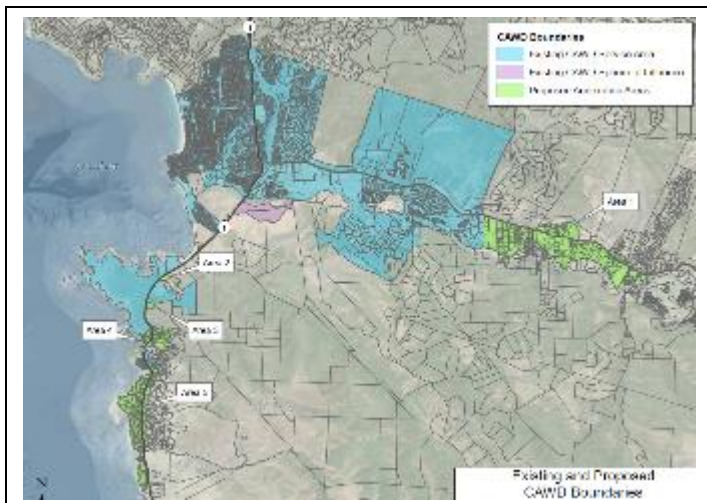


Photo: Areas of Potential Annexation

Project Number:	18-21, 19-04, 19-08, 19-09	
Project Name:	2021 CAWD Sphere of Influence (SOI) Amendment & Annexation Proposal	
Project Location:	Collection System	
Project Manager:	Lathér	
Status:	Coastal Development Permit (CDP) Amendment for Annexations in Coastal Zone	
Project Description:	The project will provide access for homes and businesses currently on septic systems and add 350 new connections to the District at build-out. Interested areas include #18-21 Corona Road, Riley Ranch, #19-08 Carmel Valley Manor and #19-04 Yankee Point & Otter Cove.	
Department:	Collections	
Financial:	Cumulative Budget:	Cumulative Spent:
	\$105,000 (55K+50K)	\$107,894
Financial:	FY Budget:	FY Spent:
	\$0	\$38,227 #18-21 \$17,900 #19-09
** No Budget included for Annexation b/c costs will be recouped through annexation fees.		
Permits Required:	Environmental Review, Local Agency Formation Commission (LAFCO) Annexation Approval	
Challenges:	#18-21 Corona Road- working with homeowner groups to form a Corona Road Assessment District to pay for infrastructure that is needed to connect to our sewer system. Funds from homeowner in the amount of \$67K have been received by CAWD.	
Schedule:	LAFCO annexation hearing on 3-22-21. Approved with zero protests.	
Consultant:	Denise Duffy & Associates	



Photo: River Watch logo

Project Number:	20-05	
Project Name:	River Watch Agreement	
Project Location:	Collection System	
Project Manager:	Lathér	
Status:	Work in Progress	
Project Description:	Work with Collections to provide data that is needed to satisfy the milestones in the agreement with River Watch. As of October 2021 there are 94 remaining manholes to be inspected out of 1,434 for the FY.	
Department:	Collections	
Financial:	Cumulative Budget:	Cumulative Spent:
	N/A	N/A
Financial:	FY Budget:	FY Spent:
	N/A	N/A
Reclamation Share:	0%	
Other Entities:	River Watch	
Permits Required:	none	
Challenges:	Closed caption television (CCTV) scheduling deadlines. The Board agreed to increase staffing by one full time equivalent (FTE) to assist in meeting the required schedule. The new employee started 11-20-20. Received 1 yr. extension from River Watch due to COVID-19.	
	Due date June 2023	
Consultants:		
Contractor:	N/A	

Photo: LT Capital Schedule

Project Number: 20-06		
Project Name: Collections 20-Year CIP		
Project Location: Collection System		
Project Manager: Lathér		
Status: Work in Progress		
Project Description: Utilize updated sewer line inspection information and flow modeling to develop a 20-year Construction Improvement Plan		
Department: Collections		
Projection of Total Capital Costs-20-Yr \$60M	Construction Costs: \$50M	Administration Costs: \$10M (20% engineering, legal, admin.)
Financial:	Cumulative 15YR Budget: EST \$30M	Cumulative Spent: N/A
	FY Budget: N/A	FY Spent: N/A
Reclamation Share:	0%	
Other Entities:	River Watch-see project #20-05	
Permits Required:	none	
Challenges:	Need all pipeline CCTV results to be completed to develop plan.	
Schedule:	2020 - 2040	
Consultants:	West Yost	
Contractor:	N/A	



Photo: Security Cameras – Admin View

Project Number: 21-08		
Project Name: Administration Access Control and Security Cameras		
Project Location: 3945 Rio Road		
Project Manager: Chris Foley		
Status: Procurement		
Project Description: Install one additional security camera to provide better coverage of parking lot.		
Department: Administration		
Financial:	Cumulative Budget: \$	Cumulative Spent: \$ 0.00
	FY Budget: \$19,291	FY Spent: \$
Other Entities:	None	
Permits Required:	None	
Challenges:	Adequate Coverage with minimal hardware.	
Schedule:	Construction to begin in early 2022	
Consultants:	Verkada Security Systems	
Contractor:	Johnson Electronics	



Photo: Security Cameras – Plant Gate View

Project Number:		21-09	
Project Name:		Treatment Plant Access Control and Camera Project	
Project Location:		Treatment Plant	
Project Manager:		Chris Foley	
Status:		Complete	
Project Description:		Install additional security cameras to monitor vehicle storage and treatment plant site. Replace gate access controller with more secure platform.	
Department:		Maintenance	
Financial:	Cumulative Budget:	Cumulative Spent:	
	\$	\$	
	FY Budget:	FY Spent:	
	\$24,000	\$	
Other Entities:		None	
Permits Required:		None	
Challenges:		Adequate Coverage with minimal hardware.	
Schedule:		Implementation is complete	
Consultants:		Verkada Security Systems	
Contractor:		Johnson Electronics	

STAFF REPORT

To: Board of Directors

From: Ed Waggoner
Operations Superintendent

Date: November 18, 2021

Subject: Monthly Operations Report – October 2021



RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Plant Operation

Treatment Plant:

- The treatment plant operations staff has continued finishing up projects and concentrating on Preventative Maintenance Work Orders during the month of October. This included the implementation of the Operations Flood Preparation Standard Operating Procedures from the Plant Engineer.
- (Project #18-05) Programmable Logic Controller/Supervisory Control and Data Acquisition (PLC/SCADA). Operations staff has been meeting and working with Maintenance and Frisch Engineering on the upgrades and programming of the PLC/SCADA System.
- October 5th, Carmel Area Wastewater District (CAWD) staff had a Leak Detection Specialist on site locating the general area of the water leak on the main potable water line coming into the treatment plant. Maintenance found the leak and repaired it during the week of October 12th.
- From October 21 through October 26, operations staff received raw wastewater from the Carmel Valley Ranch Wastewater Treatment Facility as their plant had a maintenance issue and could not process 100 percent of their flow from October 21 thru October 26.
- Staff started working on the 2022-2023 budget for the treatment facility.

Reclamation:

- Staff continued preventative maintenance work on pumps, motors, and any equipment that needs maintenance for the Microfiltration and Reverse Osmosis Systems.
- Staff completed Clean-in-Place (CIP) cleans on Microfiltration (MF) Cells 1, 2 and 3. All cells cleaned successfully with Trans Membrane Pressures (TMPs) pressures ranging between 1.8 to 6.5 pounds per square inch (psi).

Training:

- Staff continues to complete online training at the treatment facility from Target Solutions as CAWD implements its new safety policies for the Exposure Control Plan updates for the COVID-19 virus.
- Staff continues to participate in scheduled tailgate safety meetings with Collections leading the way by holding the meetings in the truck bays so social distancing can be practiced.
- Operations staff completed their required Harassment Training during the month of October.
- On October 28, operations Staff conducted Tailgate Safety Meeting on proper Personal Protective Equipment (PPE) on gloves and their appropriate uses.

Capital Improvement:

- Staff continues working with Plant Engineer, Patrick Treanor, on Project #18-01, the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.
- On October 1st, staff successfully completed System Outage Request (SOR) #2 and SOR #3 for Clark Bros. Inc., on Project #18-01, the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Meetings Attended

- On October 8th, there was an on-site meeting with Alternative Energy Systems Consulting for the Pacific Gas & Electric (PG&E) Risk Assessment, Process Improvement, and Support Program (RAPIDS).
- On October 14th, there was a Pre-construction Team Meeting for the Acid Tank Project for Reclamation with Monterey Peninsula Engineering, Inc.
- On October 18th, a meeting was held with Frisch Engineering for the Reclamation Programmable Logic Controller/Supervisory Control and Data Acquisition (PLC/SCADA) upgrade.
- Attended weekly Teams Meeting on construction progress for Project #18-01, the Electrical/Mechanical Rehabilitation and Sludge Holding Tank Replacement Project for the following areas: Influent Pump Station, Headworks, Blower Building, Chlorination/Dechlorination Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building.

Discharge Permit Violations

- There were no Reclamation Permit 93-72 discharge violations for the month of September 2021.
- There were no Violations of the National Pollutant Discharge Elimination System (NPDES) Number CA0047996, Order No. R3-2014-0012 within the month of September 2021.
- Staff has not received feedback from Central Coast Regional Water Quality Control Board on the submitted Toxicity Reduction Evaluation (TRE) Work Plan for Order No. RCA0047996 as set forth in Section V.2.a. Toxic Reduction Requirements on November 11, 2020. This plan is currently under review by the Central Coast Executive Officer to be certified for future use if needed.

FUNDING

N/A-Informational item only

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: November 18, 2021

Subject: Monthly Maintenance Report – October 2021

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress/Completed

- Update: Staff is working with Exceedio on updating the plant ethernet switching network. New ethernet switches have been installed and final cutover will take place on Monday November 8th.
- The automatic transfer switch for the generator at Monte Verde Pump station had a control board fail, which was caused by water entering past the door gasket. A new board was installed and scheduled to be programmed by Conte's Generator. Staff is fabricating drip cover to prevent water from pooling on the door seal so the failure will not occur again.
- Maintenance staff installed a rebuilt tertiary sludge pump and new sand filter emergency reject Flygt pump. The cost to replace the Flygt pump was only 10% more than a rebuild plus the impeller style was changed to prevent sand from locking up pump.
- Aeration Blower 211 had a failure on the inlet vane position feedback report. Staff determined the unit was out of calibration and temporarily adjusted the alarm until the unit can be correctly calibrated. The loss of calibration was caused by the unit not opening to maximum on startup. Typically, the unit never runs at maximum. Staff has contracted with Blower/Compressor/Vacuum Systems Inc. to disassemble, clean and inspect blower. It will then be calibrated and placed back in service. This work is scheduled for week of November 15th. The corrective action to take to decrease the likelihood of losing calibration again will result in new preventative maintenance being generated to stop and start the unit so that it will fully open when demanded.

Upcoming Maintenance Projects

- Update: Bryan Mailey Electric will be installing a variable frequency drive (VFD) control for a sand filter reject pump and tertiary clarifier polymer mixer. The VFD control will improve the process and consistency of the reject water flow. The polymer mixer is currently offline since at full speed it breaks up the suspended material, so the addition of the VFD will allow staff to place the mixer back online at a reduced speed which will improve the polymer mixing and tertiary clarifier process. Material is on order.
- Update: Staff is working with Mission communication to upgrade any remaining legacy cellular alarm radios from 3G to 5G. This is the backup alarm system for the pump stations and the older radios will no longer be supported in early 2022. Most of the radios were upgraded as part of the pump station control panel project so only a few require an upgrade. Parts have arrived and scheduled for install November 15th.
- Maintenance and operations staff are working on a reorganization of shared shop tools. Currently tools have a specific shelf or drawer where they reside. The new approach will include a specific slot on each shelf and hand tools will have a specific slot on a pegboard. This will make it easier to identify if a tool has been checked out and provide an exact location when returning tools which will decrease wasted time looking for tools.

Staff Development

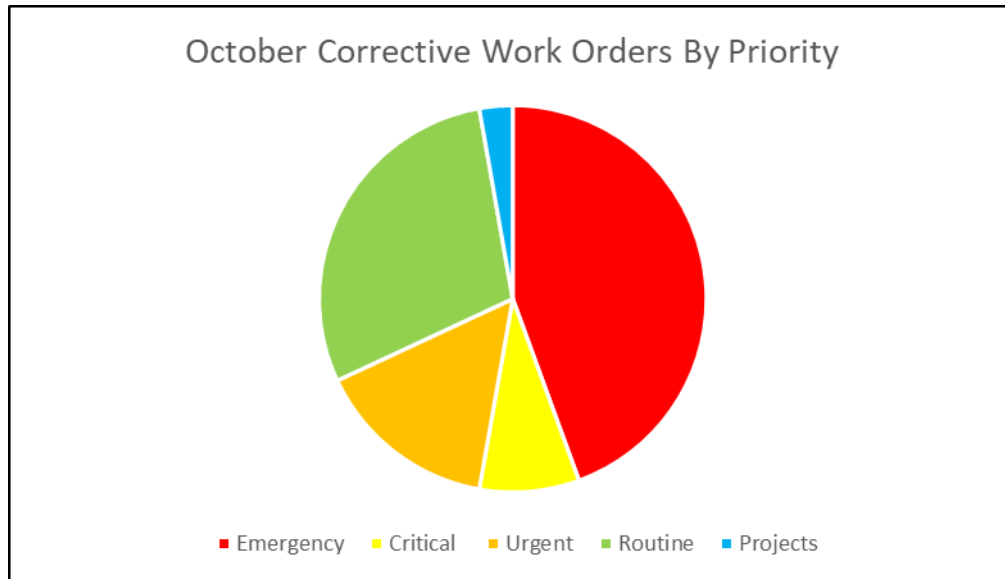
- Mark Dias completed his Six Sigma white belt certification. All maintenance staff have now completed the white belt and Chris Foley has completed his green belt.
- Chris Foley, Greg Ange and Alex Quintero attended the 2021 Sewer and Stormwater Virtual Summit. Topics covered were emergency response plans, effective knowledge transfer, leadership and digital future of collection worker.

Work Order Metrics

Preventive Maintenance

Total Work Orders Generated	333
Total Work Orders Closed/Done	289
Total Work Orders Still Open	44
Percentage of Work Orders Completed	86.79%

Corrective Maintenance



Emergency	32
Critical	6
Urgent	11
Routine	21
Projects	2

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Rachél Lather, Principal Engineer
Date: November 18, 2021
Subject: General Engineering

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

This report is provided to update the Board of the Carmel Area Wastewater District (District) on current engineering activities during the month of October 2021.

General Engineering

The Principal Engineer continues to work on projects related to the 2021 Annexation, including Yankee Point (Project 19-04), Carmel Valley Manor (Project 19-08) and Corona Road (Project 18-21). The Corona Road project engineer, Monterey Bay Engineers, Inc. has completed surveying the project site and the environmental/permitting process has begun. The engineer is also moving forward with completing a draft assessment engineer report.

Carmel Valley Manor (CVM) is continuing to work on their project to connect to the District and have delayed their project in order to work with Cañada Woods to utilize another pipeline alignment that will benefit the District, CVM and potentially allow Cañada Woods to connect to the District as a satellite agency in the future. There has been a great deal of interest by other owners adjacent to this project regarding connecting to the sewer and the Principal Engineer has been working to educate the interested parties regarding the steps to take to connect.

The engineer for the Corona Road Sewer Assessment District project is finalizing the report that will provide the cost estimate and preliminary design that will be used to initiate the assessment district formation process. Denise Duffy and Associates are working on the environmental documents needed once the preliminary plans are finalized.

Upper Rancho Cañada Pipe Relocation Project (19-13)

Construction of the Upper Rancho Cañada Pipe Relocation project has been awarded to Graniterock and pipe bursting between Via Petra/Via Mallorca and the park has been completed. The truss pipe apparently was in such poor condition that it was too easy to burst, creating large sags in the new pipeline. The construction manager, Psomas and the Principal Engineer are negotiating with Graniterock to agree on the cost to repair the sags in the first segment of pipe that was burst.

The 12-inch California American Water Company (Cal Am) water supply line that was excavated in the pipe bursting receiving trench and was discovered to have been placed directly on top of our pipeline was replaced during the week of October 25th by Monterey Peninsula Engineering, Inc.

Trenching within the Palo Corona Park began on September 15, 2021, at the west end of the project and it is anticipated that the open cut pipeline construction will be completed by mid-November due to rain delays and the delay in completing the Cal Am water line rerouting work.

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: November 18, 2021

Subject: Carmel Area Wastewater District (CAWD)/Pebble Beach Community Special District (PBCSD) Reclamation Project Audit 06-30-21

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving the CAWD/PBCSD Reclamation Project Audit 06-30-21.

DISCUSSION

The CAWD/PBCSD Reclamation Project Audit 06-30-21 was approved at the Reclamation Management Committee (RMC) at its November 9, 2021, meeting. A copy of the Reclamation Project Audit is attached.

Items approved by the RMC are brought to CAWD or Pebble Beach Community Services District Board, as appropriate, for approval and any applicable resolution.

FUNDING

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

CAWD/PBCSD RECLAMATION PROJECT

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

**Annual Financial Report
June 30, 2021**

CAWD/PBCSD RECLAMATION PROJECT

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860-0127

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the CAWD/PBCSD Reclamation Project, Carmel, California, an enterprise fund of the Monterey Peninsula Water Management District (the Project) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from the Project's 2020 financial statements and, in our report dated October 12, 2020, we expressed an unqualified opinion on the financial statements of the business-type activities.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the CAWD/PBCSD Reclamation Project, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Marcello & Company

Certified Public Accountants
Sacramento, California
September 15, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

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

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021

The following discussion and analysis are supplementary information required by the Governmental Accounting Standards Board (GASB) and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements of the CAWD/PBCSD Reclamation Project (the Project) for the fiscal year ended June 30, 2021. 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 2020-21 are as follows:

- Water Sales revenue decreased 3.2% over the prior year with a corresponding decrease of 1.0% to the budget.

Total amount of water sold was 3.8% less than in fiscal year 2019-20. Last year total water sales included 1066 acre feet (AF) of reclaimed water. That figure contrasts with 1,025 AF of reclaimed water for the current year.

- Net Non-operating expenses decreased 30.9% over the prior year primarily due to a decrease in Bond and Letter or Credit carrying costs of 26.2% and bond interest expense of 93.3%. Additionally, this year there were no costs assigned to abandoned wells.
- Long-term obligations include the bonds issued in 1992 that mature in 2022 with current year principal due of \$2.5M. The Project has been able to take advantage of lower interest rates over the last several years – the interest due remained low during the entire fiscal year. The other long-term obligation is a loan from the Monterey Peninsula Water Management District for \$1M that matures in October 2021.
- Total operating expenses were 4.4% lower than the prior year as follows:
 - Plant operating expenses were 4.7% less than in fiscal year 2019-20 and 4.8% below budget. Briefly the reasons they were so close:
 - Plant labor expenses were 2.1% lower than in 2020, reflected most significantly in the lab supervisor up 15.3%, plant operators up 5.1%, and maintenance workers up 44.6%.
 - Electricity costs increased 8.2% over prior year and 1.1% over budget.
 - Chemical costs were down 13.9% from budget; however, that could be attributable to delivery timing, all chemicals are expensed when received and may carry over into the next year. COVID-19 supply chain issues has caused chemical deliveries to be at the very limits of what we need and certainly less than our comfort level.
 - Operating Supplies were 10.5% under budget and 22.9% below prior year. In 2019-20 there was a purchase of RO membrane elements that would account for the disparity.
 - Contractual services were under budget by 14.4% and also below prior year actual by 2.4%. Work on plant instrumentation and system software are nearly identical year-to-year.
 - Distribution costs were 21.7% below budget and 11.0% less than prior year 2019-20. Pebble Beach Community Services District (PBCSD) administrative and engineering salaries were under budget 34.9% while staff salaries were under Administration budget 13.6%. Utilities were 23.3% less than prior year and 13.6% under budget. Other O&M expenses were 7.7% less than prior year and 27.0% under budget.

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021

- Pebble Beach Company and Independent Golf Club Users liaison expenses were 0.2% over budget and 0.2% greater than prior year.
- Carmel Area Wastewater District (CAWD) administrative salaries and other expenses were 1.5% over budget and 59.0% greater than prior year. CAWD operating expenses were 0.4% over budget, and 34.4% less than prior year due largely to expenses related to sea level rise negotiations with the California Coastal Commission (CCC) and engineering salaries in 2019-20. Agreement with the CCC was arrived at in April 2019 whereby Sea Level Rise costs were shared between CAWD, PBCSD, and the Project at 20%.
- Monterey Peninsula Water Management District (MPWMD) general and administrative costs were 6.1% below budget and 5.8% higher than prior year.

Using this Financial Report

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

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

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

Financial Analysis

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

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

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021

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

Current assets increased 12.1%. Cash on hand decreased 10.5%; however Accounts Receivables from water sales increased 60.7%. This swing between cash and receivables is a timing issue and is not unusual from one year to the next. The Project does not provide an allowance for doubtful accounts because all receivables are collected within 60 days of each fiscal year end.

Current liabilities decreased 4.3% from the prior year. Trade payables decreased 11.1%. Water sales were only slightly less than prior year (-3.2%) although the per acre foot cost based on operating costs increased 8.2% from \$2,649.51/AF in 2019-20 to \$2,884.69 in 2020-21. Total water sales, both the operating and fixed cost component, were 1.0% over budget. Affiliates payables, or payables between Project partners, also decreased 30.5%.

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

Noncurrent liabilities decreased 52.9% because of changes in the Bond payable schedule and amount due Pebble Beach Company and the decrease in the long-term portion due to MPWMD. In addition to the COPs and the amount due to MPWMD the repayment of \$5.5M for bond costs incurred and advanced by Pebble Beach Company over ten years is to be paid off in 2023. The annual decrease is reflected in the noncurrent liabilities.

Construction-in-Progress included \$338K for rehabilitation of the Recycled Water Storage Tank located near the Poppy Hills Golf Course in Pebble Beach.

With the implementation of the "Amended and Restated Construction & Operation Agreement" in June 2013, the intent was to budget annually for a break-even position. The budgeted cost of operations, capital, and debt service are all incorporated into the water sales rate structure.

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021**

Financial Analysis of the Project (Condensed comparative data)

A summary of Net Position is presented below:

	2021	%	2020	%	2019
		Change		Change	
Net Assets					
Current Assets	2,808,159	12.1%	2,504,993	-11.4%	2,826,842
Restricted Cash	1,176	0.0%	1,176	1.0%	1,164
Water Rights (net of amortization)	38,759,314	2.1%	37,947,686	-2.6%	38,946,365
Construction-in-Progress	338,903	-87.3%	2,674,387	85.1%	1,444,970
Other assets	-	n/a	-	n/a	-
	<u>41,907,552</u>	-2.8%	<u>43,128,242</u>	-0.2%	<u>43,219,341</u>
Liabilities					
Current Liabilities	4,290,782	-4.3%	4,483,941	-4.5%	4,692,778
Long-term debt	3,152,000	-53.0%	6,704,000	-26.8%	9,156,000
	<u>7,442,782</u>	-33.5%	<u>11,187,941</u>	-19.2%	<u>13,848,778</u>
Net Position	<u>\$ 34,464,770</u>	7.9%	<u>\$ 31,940,301</u>	8.7%	<u>\$ 29,370,563</u>

Capital Assets

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

Significant asset additions in 2020-21 were as follows:

- Reclamation Storage Facilities Improvements \$2,540,450
- Polymer Feed System \$ 9,764
- Lab Autotitrator \$ 5,583

The Monterey Peninsula County Club (MPCC) Bird Rock Well project was completed 12.7% under budget and went online in April 2020. There are four alternative water sources for the CAWD/PBCSD Reclamation Project. The four include the 4th Fairway Diversion well, the MPCC No. 8 well, the MPCC No. 9 well, and the Bird Rock Well completed in 2020. Combined, these four alternative water sources provided 36 AF of water for fiscal year 2021.

The Reclamation Storage Facilities Improvements was an extensive rehabilitation of the Poppy Hills storage tank. This was a multi-year project that included rehab of the steel roof for corrosion damage. Expectations are that this work should stand the storage tank in good stead for at least the next 15 years.

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

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

**CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021**

	2021	2020	2019
Carmel Area Wastewater District	\$39,712,653	\$39,697,306	\$39,277,349
Pebble Beach Community Services District	27,711,456	25,171,006	24,909,369
MPWMD	29,056	29,056	29,056
Open Space Users	1,459,777	1,459,777	1,459,777
Cal-Am	853,727	853,727	853,727
	<u>\$69,766,669</u>	<u>\$67,210,872</u>	<u>\$66,529,278</u>

Long-Term Debt

The "Variable Rate Demand Certificates of Participation-Wastewater Reclamation Project Series 1992 Bonds" were issued in the amount of \$33,900,000 to finance the construction of the Project's reclamation facilities and have a maturity date of July 2022. As agreed to in the "Amended and Restated Construction & Operation Agreement" effective July 1, 2013, annual principal and interest payments, and bond carrying costs, became a part of the annual charge to be recovered from all recycled water buyers during each fiscal year. The Pebble Beach Company remains the fiscal guarantor to the COP debt. The Certificate of Participation variable interest rate has dropped considerably due to the low interest rate environment from \$76,688 in 2019-20 to \$3,450 in 2020-21, or a 95.5% decrease. Current year actual on other interest income and gain (loss) on securities was 93.6% under budget of \$35K.

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

	2021	% Change	2020	% Change	2019
Changes in Net Position					
Operating Revenues	\$ 6,838,738	-3.2%	\$ 7,063,288	12.1%	\$ 6,299,411
Operating Expenses	(2,356,918)	-5.9%	(2,504,551)	-3.1%	(2,584,234)
Amortization	(1,744,169)	3.8%	(1,680,274)	1.0%	(1,663,234)
Operating income/(loss)	<u>2,737,651</u>	-4.9%	<u>2,878,463</u>	40.3%	<u>2,051,943</u>
Interest revenue	2,256	-93.3%	33,923	-20.8%	42,855
Subsidy from PBCo	-	n/a	-	n/a	-
PBCo (withdrawal)	-	n/a	-	n/a	-
Non-operating expenses	(215,438)	-37.1%	(342,576)	-12.4%	(391,183)
Non-operating contrib/withdrawal	-	-100.0%	(72)	-73.8%	(276)
Other	-	n/a	-	-100.0%	(17,968)
subtotal	<u>(213,182)</u>	-30.9%	<u>(308,725)</u>	-15.8%	<u>(366,572)</u>
Change in net position	2,524,469	-1.8%	2,569,738	52.5%	1,685,371
Net position, beginning	<u>31,940,301</u>	8.7%	<u>29,370,563</u>	6.1%	<u>27,685,192</u>
Net position, ending	<u>\$ 34,464,770</u>	7.9%	<u>\$ 31,940,301</u>	8.7%	<u>\$ 29,370,563</u>

CAWD/PBCSD RECLAMATION PROJECT
Management's Discussion and Analysis
June 30, 2021

Budget Highlights/Variations

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

During fiscal year ended June 30, 2021 the following budget variances were noted:

- Water sales were over budget 2.5%. Budgeted reclaimed water sales were 1,000 AF while actual sales were 1,025 AF.
- Net investment earnings were 93.3% less than the prior year and were nearly identically less than budget or 93.6% lower.
- CAWD Plant operating expenses were 4.8% under budget. The two largest cost centers (Salaries 1.8% and Power 1.1%) tracked closely to budget. Chemicals tracked 13.9% under budget.
- Plant distribution costs were 21.7% under budget. Admin labor costs were 35.0% under budget and field labor was 13.6% under budget. O&M costs were 27.1% under budget.
- CAWD general and administrative salary costs were 1.5% over budget along with other miscellaneous costs over budget 0.4%. MPWMP salaries were 48.5% over budget while other administrative costs were 31.7% under budget.
- Potable water costs (including meter charges) was 3.9% over budget. There were not any purchases made of potable water.
- Bond carrying costs were 30.2% under budget and letter of credit costs were 8.6% under budget. Interest rate environment this fiscal year was very low and therefore favorable to the project.
- Interest income on reserves was 64.2% under budget, again, reflecting the low interest rate environment.
- Monterey Peninsula Water Management user fee was 19.1% under budget.

Other Significant Matters

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

Requests for Information

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

FINANCIAL STATEMENTS

CAWD/PBCSD RECLAMATION PROJECT

Statements of Net Position

June 30, 2021 and 2020

*for comparative
purposes only*

ASSETS

	2021	2020
Current Assets		
Cash and investments (note 3)	\$ 1,525,436	\$ 1,704,828
Accounts receivable - water sales (note 4)	1,262,642	785,295
Accounts receivable - other (note 4)	20,081	14,870
Total current assets	2,808,159	2,504,993
Capital Assets		
Water resale rights, net of amortization	38,759,314	37,947,686
Construction-in-progress	338,903	2,674,387
Total capital assets (note 5)	39,098,217	40,622,073
Cash Restricted for		
Debt service (note 3)	1,176	1,176
Total assets	\$ 41,907,552	\$ 43,128,242

LIABILITIES

Current Liabilities		
Accounts payable - trade (note 6)	\$ 100,127	\$ 112,749
Accounts payable - affiliates (note 6)	638,655	919,192
Bond payable - current portion (note 7)	2,500,000	2,400,000
Due to MPWMD (note 7)	500,000	500,000
Due Pebble Beach Company - current portion (note 7)	552,000	552,000
Total current liabilities	4,290,782	4,483,941
Noncurrent Liabilities		
Bond payable (note 7)	2,600,000	5,100,000
Due to MPWMD (note 7)	-	500,000
Due Pebble Beach Company (note 7)	552,000	1,104,000
Total noncurrent liabilities	3,152,000	6,704,000
Total liabilities	7,442,782	11,187,941

NET POSITION

Net investment in capital assets	33,998,217	33,122,073
Restricted for debt service	1,176	1,176
Unrestricted	465,377	(1,182,948)
Total net position (page 27)	34,464,770	31,940,301
Total liabilities and net position	\$ 41,907,552	\$ 43,128,242

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT
Statements of Revenue, Expenses, and Change in Net Position
Years Ended June 30, 2021 and 2020

*for comparative
purposes only*

	2021	2020
Operating Revenue		
Water sales	\$ 2,718,134	\$ 3,014,672
Fixed cost charge	4,120,604	4,048,616
Total	6,838,738	7,063,288
 Operating Expenses		
Plant operating costs	1,757,523	1,845,316
Distribution costs	395,403	444,669
General and administrative	196,979	211,049
Potable water purchases	7,013	3,517
Amortization (note 5)	1,744,169	1,680,274
Total operating expenses	4,101,087	4,184,825
Operating income (loss)	2,737,651	2,878,463
 Nonoperating Revenue (Expenses)		
Bond and LC carrying costs	(72,161)	(97,843)
Interest expense - PBCo	(46,718)	(70,870)
Interest expense - MPWMD	(20,333)	(20,333)
Interest expense - Bonds	(3,450)	(76,688)
Investment earnings (loss)	2,256	33,923
MPWMD user fee	(72,776)	(76,842)
Other revenue (expenses)	-	(72)
Total nonoperating revenue (expenses)	(213,182)	(308,725)
 Change in Net Position	2,524,469	2,569,738
Net Position - beginning	31,940,301	29,370,563
Net Position - end of year	\$ 34,464,770	\$ 31,940,301

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

Cash Flows Provided By (Used For):	<i>for comparative purposes only</i>	
	<u>2021</u>	<u>2020</u>
Operating Activities		
Cash received from customers	\$ 6,356,180	\$ 7,566,869
Cash payments for operating expenses	<u>(2,650,077)</u>	<u>(3,313,388)</u>
Net cash provided (used)	<u>3,706,103</u>	<u>4,253,481</u>
Noncapital Financing Activities		
Other cash receipts (expenses)	<u>-</u>	<u>(72)</u>
Net cash provided (used)	<u>-</u>	<u>(72)</u>
Capital and Related Financing Activities		
Principal paid on bond debt	(2,400,000)	(2,300,000)
Principal paid on PBCo debt	(552,000)	(552,000)
Proceeds from (principal paid to) MPWMD interfund loan	(500,000)	1,000,000
Interest expense	(70,501)	(167,891)
Bond carrying costs	(72,161)	(97,843)
Additions to Water Resale Rights	(220,313)	(1,911,012)
MPWMD user fee	<u>(72,776)</u>	<u>(76,842)</u>
Net cash provided (used)	<u>(3,887,751)</u>	<u>(4,105,588)</u>
Investing Activities		
Investment earnings (losses)	<u>2,256</u>	<u>33,923</u>
Net cash provided (used)	<u>2,256</u>	<u>33,923</u>
Increase (decrease) in cash	(179,392)	181,744
Cash and investments - beginning	<u>1,706,004</u>	<u>1,524,260</u>
Cash and investments - end of year	<u>\$ 1,526,612</u>	<u>\$ 1,706,004</u>
Cash on the Statement of Net Assets consists of:		
Cash and investments	\$ 1,525,436	\$ 1,704,828
Restricted cash	<u>1,176</u>	<u>1,176</u>
Total	<u>\$ 1,526,612</u>	<u>\$ 1,706,004</u>
Operating Activities Analysis		
Operating Income (Loss)	\$ 2,737,651	\$ 2,878,463
Reconciliation Adjustments:		
Add amortization, a noncash expense	1,744,169	1,680,274
(Increase) decrease in receivables	(482,558)	503,581
Increase (decrease) in payables	<u>(293,159)</u>	<u>(808,837)</u>
Net cash provided (used)	<u>\$ 3,706,103</u>	<u>\$ 4,253,481</u>

The accompanying notes are an integral part of these financial statements

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2021

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

Note 1 - Defining the Reporting Entity

Note 2 - Summary of Significant Accounting Policies

Note 3 - Cash and Investments

Note 4 - Receivables

Note 5 - Capital Assets

Note 6 - Payables

Note 7 - Long-term Obligations

Note 8 - Risk Management

Note 9 - Subsequent Events

Note 10 - New Accounting Pronouncements

CAWD/PBCSD RECLAMATION PROJECT
Notes to Financial Statements
June 30, 2021

Note 1 - Defining the Reporting Entity

Reporting Entity

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

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

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

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

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

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

Subsequent to the completion of the original facilities, the Project has been expanded to increase the quantity and quality of reclaimed water. The expanded project utilizes the Forest Lake Reservoir located in Pebble Beach, which provides up to 115 million gallons of storage capacity. The Reservoir is filled with reclaimed water during winter months when there is excess production at the treatment plant. The stored water is used during summer months when the daily irrigation demand exceeds treatment plant production capacity. In 1998, PBCSD purchased the Reservoir from the California-American Water

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Company. Rehabilitation and reservoir expansion was completed in 2009 in accordance with State Water Resources Division of Safety of Dams requirements. Construction costs of \$13,052,530 were financed by the sale of Pebble Beach Company water entitlements.

The Microfiltration/Reverse Osmosis (MF/RO) phase of the project (phase II), located at the CAWD treatment plant site, began in 2006 and was completed in 2009. The intent of the MF/RO phase is to reduce the sodium content of the tertiary reclaimed water from 150 mg/l to less than 55 mg/l, to reduce the stress on the golf greens and eliminate the need for flushing the courses with potable water. The design capacity for the MF/RO is 1.5 million gallons with an expected blend of 80% RO water and 20% MF water. The total cost of the MF/RO project was \$21,379,792, which was financed through the sale of water entitlements owned by PBCo to residential property owners within the Pebble Beach community.

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

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

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Other significant accounting policies are:

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

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

Restricted Assets - Certain cash accounts of the Project are classified as restricted because their uses are limited by commitments made by the Project to the purchasers of its Certificates of Participation (bonds). When applicable, construction projects cash is an escrowed account for receipt of water entitlement sales by PBCo, who is entitled to reimbursement for its cash advances.

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

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

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

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

- Net Investment in Capital Assets - this category groups all capital assets reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted - this category presents external restrictions imposed by creditors, grantors, contributors, or government laws or regulations.
- Unrestricted - this category represents net position that is not restricted for any project or purpose.

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

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

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

Note 3 - Cash and Investments

Cash and investments are comprised of the following:

Deposits with financial institutions:	
Money market accounts	\$ 79,846
Checking accounts	1,180,411
Monterey County Investment Pool	1,347
Investment in Municipal Bonds	15,400
Certificates of Deposit	249,608
	\$ 1,526,612

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

Statement of Net Position	
Cash and investments	\$ 1,525,436
Restricted cash and investments	1,176
Cash and investments	\$ 1,526,612

Investments Authorized by the Project's Investment Policy

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

Disclosures Relating to Interest Rate Risk

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

		<u>Maturity and Effective Yield</u>
Monterey County Investment Pool	\$ 1,347	due on demand, 0.69% annual yield
Investment in Municipal Bonds	15,400	76 months average maturity, 3.0% yield
Investment in Certificates of Deposit	249,608	19 months average maturity, 2.58% yield
Money Market funds	78,670	due on demand, yield 0.01%
Checking account	852,809	due on demand, yield 0.00%
Checking account	327,602	due on demand, yield 0.00%

Disclosures Relating to Credit Risk

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

Custodial Credit Risk

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

The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: "The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Project deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits." At year end the Project had \$696,688 in financial institutions that were not covered by FDIC, but were covered by collateralized securities of the financial institutions where the deposits were maintained.

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

Concentration of Credit Risk

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

Investment in County Investment Pool

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

Designated Reserve

A *Renewal and Replacement Reserve* was established by the Board of Directors to pay for future major repairs and capital replacements, and is held in a segregated account designated for its intended purposes. At year end, the balance in this account was \$343,678.

Note 4 - Receivables

At year end, receivables consist of the following:

Water Sales - Due from Pebble Beach Co & affiliated golf courses	\$ 1,262,642
Due from CAWD	483
Due from Vendors	19,598
	\$ 1,282,723

These balances are believed to be collectible in full; therefore an allowance for doubtful accounts has not been established. All water sales receivables were collected by August 31, 2021.

Note 5 - Capital Assets

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

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

Capital asset activity for the year was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Transfers	Ending Balance
<i><u>Non-depreciable Assets</u></i>				
Construction-in-progress	\$ 2,674,387	\$ 231,025	\$ (2,566,509)	\$ 338,903
<i><u>Amortizable Assets</u></i>				
Water resale rights	67,210,872	2,555,797	-	69,766,669
<i><u>Accumulated Amortization</u></i>				
Water resale rights	(29,263,186)	(1,744,169)	-	(31,007,355)
Total capital assets, net	<u>\$ 40,622,073</u>	<u>\$ 1,042,653</u>	<u>\$ (2,566,509)</u>	<u>\$ 39,098,217</u>

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

CAWD (plant)	\$ 39,712,653
PBCSD (distribution system)	27,711,456
MPWMD (software)	29,056
Open Space Users (irrigation systems)	1,459,777
Cal-Am (pump station partial ownership)	<u>853,727</u>
	69,766,669
Construction-in-progress	<u>338,903</u>
	<u>\$ 70,105,572</u>

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Note 6 - Payables

At year end, payables consist of the following:

<u>Accounts Payable - trade</u>	
Vendors for operating supplies	\$ 100,127
 <u>Accounts Payable - affiliates</u>	
PBCo (debt svc reimb)	\$ 255,316
MPWMD (salaries, software, fee)	115,545
CAWD (O&M)	60,481
PBCSD (O&M)	207,313
	\$ 638,655

Note 7 - Long-term Obligations

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

	Beginning			Ending	Due Within
Business-type Activities	Balance	Additions	Reductions	Balance	One Year
Certificates of Participation	\$ 7,500,000	\$ -	\$ (2,400,000)	\$ 5,100,000	\$ 2,500,000
MPWMD	1,000,000	-	(500,000)	500,000	500,000
Due Pebble Beach Co.	1,656,000	-	(552,000)	1,104,000	552,000
	\$ 10,156,000	\$ -	\$ (3,452,000)	\$ 6,704,000	\$ 3,552,000

Certificates of Participations - Variable Rate Bonds

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

Security for Repayment

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

This pledge constitutes a first lien on the net operating revenue and, subject to application of amount on deposit therein as permitted in the Water Purchase Agreement, is to be used for the payment of the COPs in accordance with the terms of the Water Purchase Agreement and of the Trust Agreement.

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Notwithstanding the foregoing, MPWMD may at any time issue obligations or execute contracts which are secured by a lien subordinate to the pledge of net operating revenue created under the Water Purchase Agreement. A bond Letter of Credit also guarantees repayment of the COPs.

Scheduled COP Bond Payments

Interest is paid to the holders of the COPs monthly at a variable rate as described above. Pre-determined Principal payments per the 1992 COP issue are not shown below. Due to the nature of variable rate bonds, interest rates fluctuate weekly as a result of economic market conditions.

For the last week in June of 2021, the interest rate was 0.04% per annum. Interest expense for the year was \$3,450 as compared to the anticipated 1992 issuance annual 2.3% interest rate. Consequently the Interest column below is revised using a more current and conservative fixed annual rate of 1%, which is presented for information purposes only.

Future principal and estimated interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,500,000	\$ 51,000	\$ 2,551,000
2023	2,600,000	26,000	2,626,000
Totals	<u>\$ 5,100,000</u>	<u>\$ 77,000</u>	<u>\$ 5,177,000</u>

Due to Monterey Peninsula Water Management District

Repayment of \$1,000,000 loan dated May 21, 2019, for the recycled water storage tank rehabilitation project, to be repaid over the next two years with interest at 3.05% per annum. Final payment is due October 31, 2021.

Future principal and interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Due to MPWMD</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 500,000	\$ 7,625	507,625
Totals	<u>\$ 500,000</u>	<u>\$ 7,625</u>	<u>\$ 507,625</u>

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Due to Pebble Beach Company

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

Future payments are as follows:

<u>Year Ending June 30,</u>	Due Pebble Beach Company		
	Line of Credit Fees	Bond Carry Costs	Total
2022	\$ 452,000	\$ 100,000	\$ 552,000
2023	452,000	100,000	552,000
Totals	\$ 904,000	\$ 200,000	\$ 1,104,000

Note 8 - Risk Management

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

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

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

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

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

Note 9 - Subsequent Events

The management of the Project has reviewed the results of operations for the period from its fiscal year end of June 30, 2021 through October 1, 2021, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 10 - New Accounting 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>

In January 2020, GASB issued Statement No. 92 – Omnibus 2020. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

In March 2020, GASB issued Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. A public-private and public-public partnership arrangement (PPP) is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement addresses issues related to PPPs. PPPs that meet the definition of a lease apply the guidance in Statement No. 87, Leases, as amended. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of a service concession arrangement (SCA) or (2) are not within the scope of Statement 87, as amended (as clarified by this Statement).

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which are defined in this Statement as an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

In May 2020, GASB issued Statement No. 95 – Postponement of the Effective Dates of Certain Authority Guidance, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain

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provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2020, GASB issued Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. Paragraphs 4 and 5 are applicable to fiscal year 2019-2020. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

SUPPLEMENTARY INFORMATION

CAWD/PBCSD RECLAMATION PROJECT
Budgetary Comparison Information
Resources and Charges to Appropriations
Year Ended June 30, 2021

	Budget <i>(unaudited)</i>	Actual	Variance with Budget Positive (Negative)
Resources (Inflows)			
Water sales	\$ 2,649,508	\$ 2,718,134	\$ 68,626
Fixed cost charge	4,120,602	4,120,604	2
Investment earnings (loss)	35,265	2,256	(33,009)
Other revenue	-	-	-
Amounts Available for Appropriation	<u>6,805,375</u>	<u>6,840,994</u>	<u>35,619</u>
Charges to Appropriations (Outflow)			
Plant operating costs	1,847,900	1,757,523	90,377
Distribution costs	505,000	395,403	109,597
General and administrative	199,857	196,979	2,878
Potable water purchases	6,750	7,013	(263)
Amortization-noncash expense excluded	-	-	-
Bond and LC carrying costs	76,735	72,161	4,574
Interest expense - PBCo	70,000	46,718	23,282
Interest expense - MPWMD loan	22,875	20,333	2,542
Interest expense - Bonds	51,000	3,450	47,550
MPWMD user fee	90,000	72,776	17,224
Principal reduction payment - PBCo	-	552,000	(552,000)
Principal reduction payment - Bonds	-	2,400,000	(2,400,000)
Water resale rights - capital purchases/projects	-	220,313	(220,313)
Other expenses	125	-	125
Total Charges to Appropriations	<u>2,870,242</u>	<u>5,744,669</u>	<u>(2,874,427)</u>
Budgetary Surplus (Deficit)	<u>\$ 3,935,133</u>	<u>\$ 1,096,325</u>	<u>\$ (2,838,808)</u>

Reconciliation of Budgetary to GAAP Basis

Less: Amortization - noncash expense	(1,744,169)
Add: Principal debt payments - PBCo	552,000
Add: Principal debt payments - Bonds	2,400,000
Add: Additions to water resale rights/capital purchases	<u>220,313</u>
Change in Net Position - page 11	<u>\$ 2,524,469</u>

CAWD/PBCSD RECLAMATION PROJECT

Summary of Net Position

Year Ended June 30, 2021

The following represents a detailed cumulative summary of the components that comprise Net Position from inception to June 30, 2021:

	2021	2020
	<u>(unaudited)</u>	<u>(unaudited)</u>
Operating income (loss) excluding amortization expense	\$ 40,221,358	\$ 35,739,538
Accumulated amortization	(31,007,355)	(29,263,186)
PBCo subsidy - operations	21,356,226	21,356,226
PBCo subsidy - construction	5,951,644	5,951,644
PBCo water entitlement sales, net of withdrawals	24,436,516	24,436,516
PBCo withdrawal	(1,641,213)	(1,641,213)
PBCo bond carrying costs reimbursement	(5,520,000)	(5,520,000)
Investment earnings, net of capitalized earnings	2,595,568	2,593,312
Bond carrying costs	(7,812,414)	(7,740,253)
Bond interest expense, net of capitalized interest	(13,147,416)	(13,143,966)
PBCo reimbursement - interest expense	(348,985)	(302,267)
MPWMD interest expense	(40,666)	(20,333)
MPWMD fee	(469,277)	(396,501)
Other nonoperating revenue (expense)	(8,479)	(8,479)
Arbitrage rebate	(22,468)	(22,468)
Equipment dispositions	(78,269)	(78,269)
	<u>\$ 34,464,770</u>	<u>\$ 31,940,301</u>

RESOLUTION NO. 2021-61

A RESOLUTION ADOPTING THE CARMEL AREA WASTEWATER DISTRICT
(CAWD)/PEBBLE BEACH COMMUNITY SPECIAL DISTRICT (PBCSD)
RECLAMATION PROJECT AUDIT FOR THE YEAR ENDING 06-30-21

-oOo-

WHEREAS, the attached CAWD/PBCSD Reclamation Project Audit for the year ending June 30, 2021, was approved at the Technical Advisory Committee group level and final approval was given by the Reclamation Management Committee (RMC) at its November 9, 2021, meeting; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby adopt the attached CAWD/PBCSD Reclamation Project Audit for the year ended June 30, 2021.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 18, 2021, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Chris Foley, Maintenance Superintendent

Date: November 18th, 2021

Subject: Reclamation Supervisory Control and Data Acquisition (SCADA)
Migration Project- Frisch Engineering Contract

RECOMMENDATION

It is recommended that the Board approve a capital project consultant contract with Frisch Engineering for the Reclamation SCADA Migration Project in the amount of \$139,080.

DISCUSSION

The existing Reclamation SCADA system operates on a legacy system that is no longer supported and poses a cyber security risk because software updates are no longer available. The server hardware for the system is past its useful life and is a reliability risk. The original tertiary SCADA system dates to 1998 and the microfiltration/reverse osmosis (MF/RO) system was added to the 1998 system in 2008.

The collection and treatment plant SCADA system have been migrated to the Inductive Automation SCADA system and only the reclamation SCADA system remains on the legacy system.

The project scope includes:

- Migration of the existing tags (data points) to the Inductive Automation System.
- New status and control graphical screens of microfiltration, reverse osmosis and tertiary equipment and processes.
- Migration of the alarming to the Inductive Automation SMS (Short Message Service)
- Programmable Logic Control (PLC) Programming of backup alarm system for First Alarm tertiary and MF/RO zone auto dialer.
- Programming for sulfuric acid tank project. This will improve safety by programming dose controls for sulfuric acid pumps to the microfiltration system.
- Provide data export report from Ignition database server for historical MF/RO data.

Frisch Engineering was selected to engineer and program the Carmel Area Wastewater District (CAWD) collection system and treatment plant SCADA systems. Frisch Engineering has done excellent work and has extensive knowledge of the system. Staff recommends Frisch Engineering for the reclamation legacy SCADA migration to the Inductive Automation SCADA system. Frisch engineering is the most qualified due to their experience with Inductive Automation and Rockwell Automation controllers in wastewater applications.

This project was approved by the Reclamation Management Committee (RMC) at their November 9, 2021, meeting. Items approved by the RMC are brought to CAWD or Pebble Beach Community Services District Board, as appropriate, for approval and any applicable resolution.

FUNDING

The FY21/22 \$140,000 reclamation project capital budget

RESOLUTION NO. 2021-62

A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH FRISCH ENGINEERING FOR THE RECLAMATION SCADA MIGRATION PROJECT IN FISCAL YEAR 2021-22 IN AN AMOUNT NOT TO EXCEED \$139,080

-oOo-

WHEREAS, the District requires engineering services for the design and programming of the Reclamation Supervisory Control and Data Acquisition System (SCADA); and

WHEREAS, the District vetted system integrators for the SCADA system as part of the treatment plant and collection SCADA; and

WHEREAS, staff has determined the District has been satisfied with Frisch Engineering and should continue utilizing Frisch Engineering as the District system integrator; and

WHEREAS, the Reclamation Management Committee (RMC) approved this project at its November 9, 2021 meeting and items approved by the RMC are brought to the CAWD or PBCSD Board, as appropriate, for approval and any applicable resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District, which is convinced by the staff report on November 18, 2021, that this proposal has merit and hereby authorizes the General Manager to enter into a contract with Frisch Engineering for fiscal year 2021-22 in an amount not to exceed \$139,080.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 18, 2021, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

Staff Report



TO: Board of Directors

FROM: Domine Barringer, Secretary to the Board

DATE: November 18, 2021

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

DISCUSSION

The current terms of office for the President of the Board, President Pro Tem, Secretary to the Board, and Secretary Pro Tem expire December 30, 2021.

Therefore, it is necessary for the Board of Directors to adopt a resolution electing a member of the Board to act as the President of the Board, and to elect a member of the Board to act as the President Pro Tem of the Board, both for a one-year term commencing December 30, 2021.

It is also necessary for the Board to appoint a Secretary of the Board and a Secretary Pro Tem, both for a one-year term commencing December 30, 2021.

**CARMEL AREA WASTEWATER DISTRICT
BOARD OF DIRECTORS – TERMS OF OFFICE**

1993-94	Joyce Stevens, President	Arthur Haseltine, Vice President
1994-95	Arthur Haseltine, President	John Floyd, Vice President
1995-96	Arthur Haseltine, President	Paul Beemer, Vice President
1996-97	Paul Beemer, President	Brian Congleton, Vice-President
1997-98	Paul Beemer, President	Brian Congleton, Vice-President
1998-99	Brian Congleton, President	Charlotte Townsend, Vice President
1999-00	Brian Congleton, President	Charlotte Townsend, Vice-President
2000-01	Charlotte Townsend, President	Joyce Stevens, Vice-President
2001-02	Charlotte Townsend, President	Joyce Stevens, Vice President
2002-03	Joyce Stevens, President	Robert Kohn, Vice-President
2003-04	Joyce Stevens, President	Robert Kohn, Vice President
2004-05	Robert Kohn, President	Ken White, President Pro-Tem
2005-06	Ken White, President	William Englander, President Pro-Tem
2006-07	Ken White, President	William Englander, President Pro-Tem
2007-08	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2008-09	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2009-10	Robert Kohn, President	Greg D'Ambrosio, President Pro-Tem

2010-11	Robert Kohn, President	Greg D'Ambrosio, President Pro-Tem
2011-12	Charlotte Townsend, President	Greg D'Ambrosio, President Pro-Tem
2012-13	Charlotte Townsend, President	Robert Siegfried, President Pro-Tem
2013-14	Ken White, President	Robert Siegfried, President Pro-Tem
2014-15	Ken White, President	Robert Siegfried, President Pro-Tem
2015-16	Ken White, President	Robert Siegfried, President Pro-Tem
2016-17	Ken White, President	Robert Siegfried, President Pro-Tem
2017-18	Ken White, President	Robert Siegfried, President Pro-Tem
2018-19	Ken White, President	Robert Siegfried, President Pro-Tem
2019-20	Ken White, President	Robert Siegfried, President Pro-Tem
2020-21	Ken White, President	Robert Siegfried, President Pro-Tem
2021-22		

RESOLUTION NO. 2021-63

A RESOLUTION SELECTING A PRESIDENT AND PRESIDENT PRO TEM, AND APPOINTING A SECRETARY AND SECRETARY PRO TEM OF THE CARMEL AREA WASTEWATER DISTRICT, FOR A TERM OF ONE YEAR COMMENCING ON DECEMBER 30, 2021

-oOo-

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

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

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

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

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

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

5. That each of the above terms of office or appointments shall commence on December 30, 2021; and

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on November 18, 2021, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: November 18, 2021
Subject: Harassment Training

RECOMMENDATION

The Board of Directors requested that at the October 28, 2021 meeting that the topic of Harassment Training be agendaized. The question was raised regarding what type of training was optimal: in person versus online. This report is informational

DISCUSSION

California law (Government Code § 12950.1) requires that all employers of 5 or more employees provide training to their employees regarding sexual harassment and abusive conduct prevention. Every two years, non-supervisory employees must receive 1 hour of training and supervisors must receive 2 hours of training.

New supervisory employees or board members must be trained within six months of assuming their positions, and new non-supervisory employees must be trained within six months of hire.

Government Code § 12950.1 requires “effective interactive training” which can include any of the following:

- **Classroom training** that is in-person, trainer-instruction, whose content is created by a trainer and provided to an employee by a trainer, in a setting removed from the employee’s daily duties.

- **E-learning** that is individualized, interactive, computer-based training created by a trainer and an instructional designer that includes a link or directions on how to contact a trainer who shall be available to answer questions and to provide guidance within two business days after the question is asked. The trainer shall maintain all written questions received, and all written responses or guidance provided, for a period of two years after the date of the response. E-learning trainings cannot be watched in a group setting.
- **Webinar** training that is an internet-based seminar whose content is created and taught by a trainer and transmitted over the internet or intranet in real time.
- **Other “effective interactive training”** and education includes the use of audio, video, or computer technology in conjunction with classroom, webinar, and/or e-learning training.
- **Text-only** training is not acceptable as the Government Code specifies that the training must be “effective interactive training”.

FUNDING

Government Code specifies “An employer shall provide”. It is the employer’s responsibility to provide the training and cover any costs that may be incurred, including employee time.

The training received in 2021 from ThinkHR.com was free for all supervisors and the employee training was \$11.95/per person. Assume 21 employees = \$250.95

Carmel Area Wastewater District

WWTP Elec/Mech Rehab and Sludge Holding Tank Replacement Project

Construction Progress Report

November 4th, 2021

Prepared by: Patrick Treanor, Plant Engineer

Contractor: Clark Bros Inc (CBI)



Section 1: Project Summary

Project Summary			
General Contractor		Clark Bros Inc	
Contract Value			
Contract Bid Amount		\$7,291,500	
Change Orders Issued to Date		0	
Value Added Change Order Cost ⁽¹⁾	% of Bid Amount	\$0	0%
Non Value Added Change Order Cost ⁽²⁾	% of Bid Amount	\$0	0%
Total Change Order Cost	% of Bid Amount	\$0	0%
Current Contract Value		\$7,291,500	
Open/Pending Potential Change Orders (PCO)		0	
Contract Time			
Notice To Proceed		September 7 th , 2021	
Original Contract Time		550 Calendar Days	
Calendar Days Elapsed		58 Days	
Weather Days: Accepted to Date		0 Days	
Contract Change Order(s) Time Extension		0 Days	
Current Contract Completion Date		March 3 rd , 2023	
Contract Progress Summary			
Total Project Time Expended		10.5%	
Total Project Cost Expended		0% (not including retention)	

Notes:

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

Section 2: Work Performed This Month

2.1 General

The focus of work this month was on demolition of the old Digester #2 and earthwork in preparation for construction of the foundation of the new Sludge Holding Tank.

2.1.1 Critical Path Method (CPM) Schedule

A schedule workshop was held with Clark Bros to go through details of the project schedule and further refine the sequencing steps in the schedule and add details for major equipment procurement times.

2.1.2 Submittals

Submittals this period included the 3W System Bladder Tank, earthwork submittals, and miscellaneous electrical (conduit, wire, pull boxes, etc.) Influent Pump product submittals were also received.

2.1.3 PLC and Programming

No work observed.

2.2 Site Work

2.2.1 Potholing/Locating Existing Utilities

No work observed.

2.3 Sludge Holding Tank

Demolition of the old Digester #2 tank was completed this period including demolition of the tank floor slab. The existing top of piles were exposed and the new pile locations were marked by a surveyor to confirm that no conflicts existed with locations of new piles and the old tank piles. Native American monitors were onsite during excavation work below the tank slab. Backfill commenced after removal of existing pile caps and the site was prepped for pile driving. Pile driving is anticipated to occur the week after Thanksgiving.

2.4 Influent Pump Station

No work observed.

2.5 Headworks Rehab

No work observed.

2.6 Chlorination Building Rehab

Work began to renovate the area of the building that will receive the new Motor Control Center for this building.

2.7 3W System Improvements

Clark Bros started initial demolition of the existing hydropneumatic tank.

2.8 Effluent Pump Station Rehab

No work observed.

Section 3: Project Issues

An American Society of Civil Engineers (ASCE) code change came into effect in the latter stage of design and is creating an issue with the steel tank anchorage detail performance under flood loads. The code change was incorporated late in the design and the ramifications of the code change were not fully realized at the late design stage. The new code does not allow an embedded tank ring foundation design if the tank overturning ratio is calculated to be more than 0.785, and the alternative tank foundation options require special modifications to meet buoyancy requirements during flood events. The best solution to the issue is pending analysis of design and costs of potential modifications to the tank to meet code and flood criteria.

Section 4: RFI and Submittals Review Summary

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

	Total Number Processed	Number Received in Current Month
RFI/Clarifications	7	2
Submittals	33	18

Section 5: Change Order Summary

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

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

Section 6: Project Schedule and Budget

6.1 Schedule

CPM Schedule is in development and review.

6.2 Budget

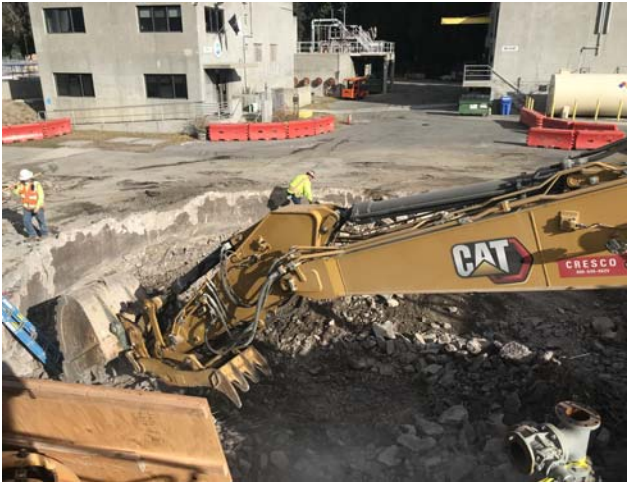
At this time the approved change orders amount to 0% of the project cost. The project management team is continually monitoring the costs of potential changes to manage costs.

Currently the amount to be paid to CBI is 0% (not including retention) of the total approved budget (0% with retention).

Section 7: Photos

- Sludge Holding Tank











STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: November 18, 2021

Subject: Pebble Beach Community Services District (PBCSD & District) – Regular Board Meeting on October 29, 2021

DISCUSSION

Agenda items from the October 29, 2021, meeting that are of specific interest to this District:

- Total cash balance at the end of September 2021 was \$24.1M; of that amount \$18.27M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 85% of District revenues with user fees making up 12%.
- The September 2021 Cash Basis Budget showed total revenues of \$1.5M and total expenditures of \$0.9M.
- Forest Lake Reservoir held 31 MG (million gallons) of recycled water or 27% of permitted capacity. Current storage volume is 7% above the historic average of 29 MG.
- Total irrigation water demand for the 2021 calendar year through September was 847 AF (acre feet). Total demand for the calendar year is 4% above the 5-year average of 818 AF through September. The month of September reflected a net storage decrease of approximately 12 million gallons. By comparison, a net storage decrease of approximately 5 million gallons occurred in September of last year.
- Average daily wastewater flow of 303,000 gallons per day (GPD) was measured in September at the PBCSD-Carmel gate. This represents 29% of the total flow at the Carmel Area Wastewater District (CAWD) treatment facility. The measured PBCSD flow was 13% below the five-year average of 345,000 GPD for the month of September; the CAWD total flow was 8% below the five-year average of 1,142,000 GPD for September.

- All three wells were taken out of service in/around September 1st in order to maximize the time period for ground water recovery. The 4th fairway diversion facility will remain in service until the first significant storm event or until the reservoir reaches maximum storage capacity. Total production for the 2021 calendar year through mid-October is approximately 11.8MG.
- The Board adopted a resolution approving the bid from Tesco Controls, Inc. as the lowest responsible bid and authorized the award of a fabrication contract for new electrical, motor control, and instrumentation panels for an amount not to exceed \$240,000 for the P1 and P2 Pump Station Rehabilitation Projects.
- The Board authorized recruitment of one maintenance department position, increasing District staffing to 13 employees. The District has gone through several staffing changes over the past couple of years and they are making the argument that additional staffing is necessary to fill the gaps.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July - 21	37.117	25.481	11.636	31.350%
Aug - 21	36.578	25.206	11.372	31.090%
Sept - 21	31.800	22.717	9.083	28.563%
Oct - 21	35.625	24.518	11.107	31.177%
Total	141.120	97.922	43.198	30.610%

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: November 18, 2021

Subject: Quarterly Progress Report (June – Oct 2021)

RECOMMENDATION

This report is informational only – no action is required. The Board requested a quarterly update of progress made throughout the District. This report is designed to offer a high-level view of the period June through October 2021.

DISCUSSION

General Management

- Staff is collaborating with an internal cyber team and with our external consultant, Exceedio, to undertake a series of priorities to harden our computer network. This includes internal and external vulnerability scanning, upgrades to the email filtering systems, stricter geofencing policies, and a cold backup system sandbox.
- After a lengthy run-up due to permit issues, we have finally initiated the Elect/Mech Rehabilitation and Sludge Holding Tank Replacement Project. A construction committee was formed and to date the project is on track.
- The Collection system has multiple projects going on this year – somehow our Principal Engineer is managing to keep all the plates up in the air in spinning. However, easement issues, contractor performance, and simply dealing with Monterey Peninsula Regional Parks District has made the Rancho Canada pipeline especially challenging.
- We continue to negotiate with Monterey County on the Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE). The plans are at 90% and we anticipate having all permits within the next two months. The State Coastal Conservancy grant funds are currently covering all costs.

- The Local Hazard Mitigation Plan for Monterey County is nearly complete. The process will be on pause for a bit, then the plan will go out for public review at the start of 2022 and then to the California Office of Emergency Services (CalOES) and Federal Emergency Management Agency (FEMA). Once CalOES and FEMA approve the plan it will be considered “Approved pending Adoption” and at that time a Board resolution will be required. This document is required if we want to apply for CalOES or FEMA funding and is renewed every five years.
- A contract was initiated with Mahoney & Associates to scope out any possible future treatment plant sites. To date our consultant has not been successful; however, it is still early in the process.
- Continue to submit samples to Biobot for COVID-19. Unfortunately, the virus is still very much present in our wastewater sampling.
- A Pretreatment Ordinance was passed by the Board in September 2021. The prior version was from 1991 and a revision was long overdue. This updated version further supports the pressure to update the Source Control program at the District.

Financial Matters

- “Clean” Reclamation and Carmel Area Wastewater District (CAWD) audits. I have begun the process of sending out a Request For Proposals (RFP) for next year’s audit since our current auditor has retired. It seems almost flippant to say Mr. Grover does a great job when the reality is that he is incredibly dependable and accurate. I review his work and write the Management Discussion & Analysis, but Mr. Grover does all transactional work.
- Continue to analyze and propose a Section 115 Trust as mitigation for CalPERS continuing Unfunded Accrued Liability and normal contributions.
- In June, the Board approved a rate model that took into account both the District’s financial needs and the impact of COVID-19 on the community. To date, we have received very few phone calls of complaint from any customer group.
- Moved all billing/collection for Source Control up to the Administrative desk. In addition, they will follow up with documentation requests. The intent here is to keep the Source Control staff out in the streets making inspections and educating the public and to keep the Administrative engaged in organizing records and follow-up accounting. Admin has already proven to be adept at managing receivables.

- Awarded Request for Proposal to Applied Marine Sciences for Central Coast Long-Term Environmental Assessment Network (Cclean) contract. Cclean submitted an RFP for laboratory management/testing services. Since CAWD is the lead agency we are responsible for this function.

Personnel Management

- In July 2021 the Board issues a new policy to mandate COVID-19 vaccination. Staff have the option of a religious or disability exemption. Three of four unvaccinated staff members obtained the vaccine and the fourth provided a religious exemption and submits to regular testing.
- Organized COVID-19 vaccine clinic and Annual Flu clinic. For the COVID-19 clinic we were able to invite Monterey 1 Water to participate.
- California's COVID-19 Supplemental Paid Sick Leave expired on September 30, 2021. As a result, effective October 1st, any employee that called in sick for COVID-19 related illness will have to use sick leave from their accrual balances. This has proven to be a challenge – we encourage employees to call in sick and will send them home if they come to work with any symptoms. It is part of our efforts to keep not only COVID-19 out of the workplace, but the common cold as well. It seems employees may be more reluctant to stay home given that they now have to utilize their accruals.
- We continue to train on Six Sigma. All management employees have completed White & Yellow levels. We are currently working on Green level. We will attempt to find a live trainer in 2022 to come in and help staff apply what they have learned.
- We have engaged ADP, Inc. to utilize their electronic Human Resources portal. We have had some setbacks signing up through their electronic portal and that has significantly delayed this project. However, we are still plugging away at it and plan to roll it out before year end.
- The employee survey was started the beginning of October. While prior versions have been paper based, this time it was electronic. Step two will be the individual interviews conducted by Beth Ingram. Step two is still to come.
- Annual Employee BBQ held on October 29th in the vehicle bay. After a miss last year due to COVID-19 we held it in the vehicle bay for employees only. The food was great, and employees very much appreciated it.

- Finally, management staff informed me that they do not care for weekly staff meetings. Fair enough, so we are now attempting a different format and frequency to see how that works. I would say from my perspective the jury is still out on this one if it is an improvement. However, I mention it here to illustrate that things are constantly changing at CAWD.
- Our Human Resource consultant, Beth Ingram, has provided me with the draft Employee Handbook. I am in the process of review. After my review I anticipate bringing it to employees and the Salary/Benefits Committee, and finally the full board.
- We have commenced negotiations over health insurance for calendar year 2022. I have contacted employee negotiators that we need to come together for the next two-year labor contract negotiations. The October Consumer Price Index has been released and I am waiting to hear what additional items will be on the table. I anticipate calling the Salary/Benefits Committee together before the year end.

Public & Community Relations

- All public meetings have either stopped or are being held via ZOOM.
- Potable Water and Sewer Agencies have formed a new manager's group that will meet quarterly named "Clean & Dirty Water" to discuss issues that focus on water.
- I continue to attend all CSA 1, CSA50, and SDA meetings that are just recently starting to be in person. I also attended Rancho Canada kick off meeting for the pipeline project that had only one attendee – but we carried on as if that one resident was our most important customer!
- The codification project has commenced with American Legal. I have placed this under the Heading Public & Community because it will provide the public with a powerful resource in government transparency. The intention of this project is to make research of District records easy not only for staff but also for the public. It will, in short, provide order to the last 100 years of CAWD regulations.