



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

**October 25, 2018
Thursday
9:00AM**

List of Common Acronyms

| | | | |
|----------|--|--------|---|
| ACWA | Assoc of California Water Agencies | MF/RO | Microfiltration/Reverse Osmosis |
| AF | Acre Feet | MG/L | Milligrams per Liter |
| APWA | American Public Works Assoc | MGD | Million Gallons per Day |
| AWWA | American Water Works Assoc | MLSS | Mixed Liquor Suspended Solids |
| BFE | Base Flood Elevation (FEMA) | MLVSS | Mixed Liquor Volatile Suspended Solids |
| BMP | Best Management Practice | MOU | Memorandum of Understanding |
| BOD | Biochemical Oxygen Demand | MPN | Most Probable Number (of coliform organisms) |
| BTU | British Thermal Units | MPWMD | Monterey Peninsula Water Management District |
| C&I | Calcium & Ion | MSL | [Elevation above] Mean Sea Level |
| Cal OES | California Office of Emergency Services | NEC | National Electric Code |
| Cal/OSHA | California Occupational Safety and Health Administration | NELAC | National Environmental Laboratory Accreditation Council |
| CalPERS | California Public Employees Retirement System | NEPA | National Environmental Policy Act |
| CASA | California Association of Sanitation Agencies | NMFS | National Marine Fisheries Service (NOAA) |
| CAWD | Carmel Area Wastewater District | NOAA | National Oceanic & Atmospheric Administration |
| CCAMP | Central Coast Ambient Monitoring Program | NPDES | National Pollutant Discharge Elimination System |
| CCLEAN | Central Coast Long Term Environ Assess Network | NPS | Non-Point Source [Pollution] |
| CCTV | Closed Circuit Television | OM&R | Operations, Maintenance, and Replacement |
| CECs | Constituents of Emerging Concern | OSHA | Occupational Safety & Health Act |
| CEQA | California Environmental Quality Act | PBC | Pebble Beach Company |
| CFR | Code of Federal Regulations | PBCSD | Pebble Beach Community Services District |
| CIP | Capital Improvement Project/Plan | PCB's | Polychlorinated Biphenyls |
| CL2 | Chlorine | PEHP | Post Employment Health Plan |
| CMMS | Computerized Maintenance Mgmt Software | pH | Hydrogen Ion Concentration (Potential of Hydrogen) |
| CMOM | Capacity, Management, Operations & Maintenance | PLC | Programmable Logic Controller |
| COD | Chemical Oxygen Demand | POTW | Publicly Owned Treatment Works |
| CPI | Consumer Price Index | PPM | Parts per Million |
| CRWQCB | Calif Regional Water Quality Control Board | PS | Point Source [Pollution] |
| CSDA | California Special District Association | PS | Pump Station |
| CSO | Combined Sewer Overflow | PSI | Pounds per Square Inch |
| CSS | Combined Sewer System | QA/QC | Quality Assurance/Quality Control |
| CU FT | Cubic Feet | RAS | Return Activated Sludge |
| CWA | Clean Water Act (EPA) | RFP | Request for Proposals |
| CWEA | California Water Environment Assoc | RFQ | Request for Qualifications |
| DAF | Dissolved Air Flotation | RMP | Risk Management Program |
| DEG | Degrees | RO | Reverse Osmosis |
| DEIS | Draft Environmental Impact Statement (NEPA/EPA) | RPM | Revolutions per Minute |
| DHS | Department of Health Services | RWQCB | Regional Water Quality Control Board |
| DO | Dissolved Oxygen | SAR | Sodium Adsorption Ratio |
| DWF | Dry Weather Flow | SBS | Sodium Bisulfite |
| EA | Environmental Assessment (NEPA/EPA) | SCADA | Supervisory Control and Data Acquisition |
| EFT | Electronic Funds Transfer | SOR | Standard Oxygen Requirement |
| EIS/EIR | Environmental Impact Statement/Report | SOUR | Specific Oxygen Uptake Rate |
| ELAP | Environmental Laboratory Accreditation Program | SRF | State Revolving Loan Fund |
| EPA | [U.S.] Environmental Protection Agency | SRT | Solids Retention Time (same as MCRT) |
| ESMP | Electronic Self-Monitoring Report | SRV | Sewer Relief Valve |
| F/M | Food to Microorganism ratio | SS | Suspended Solids (same as TSS) |
| FEB | Flow Equalization Basin | SSMP | Sewer System Management Plan |
| FEMA | Federal Emergency Management Agency | SSO | Sanitary Sewer Overflow |
| FOG | Fats, Oils and Grease | SVI | Sludge Volume Index |
| GAL | Gallon | SWRCB | State Water Resources Control Board |
| GASB | Government Accounting Standards Board | TDML | Total Maximum Daily Load |
| GPD | Gallons per Day | TMP | Trans Membrane Pressure |
| HP | Horsepower | TDS | Total Dissolved Solids |
| I/I | Infiltration and Inflow | TOC | Total Organic Carbon |
| IPR | Indirect Potable Reuse | TS/TSS | Total Suspended Solids |
| IRWUG | Independent Reclaimed Water Users Group | UV | Ultraviolet Treatment |
| kw | Kilowatt | VFD | Variable Frequency Drive |
| kwH | Kilowatt hour | VS | Volatile Solids |
| LAFCO | Local Agency Formation Commission | VSS | Volatile Suspended Solids |
| LAMP | Local Area Management Plan | WAS | Waste Activated Sludge |
| lbs | Pounds | WDR | Waste Discharge Requirements |
| LIMS | Laboratory Information Management Software | WEF | Water Environment Federation |
| MCC | Motor Control Center | WPCF | Water Pollution Control Federation |
| MCRT | Mean Cell Retention Time | WWTP | Waste Water Treatment Plant |



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES SEPTEMBER 27, 2018

CALL TO ORDER - ROLL CALL

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

Absent: Director: Michael Rachel

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Kevin Young, Operations Supervisor, CAWD
Mark Dias, Safety/Regulatory Compliance Administrator I, CAWD
Karla Cristi, CMMS – Plant Administrative Coordinator, CAWD
Irene Bryant, Administrative Assistant/Board Clerk, CAWD
Robert Wellington, Wellington Law Offices, District Legal Counsel
Richard B. Gebhart, Board Director, Pebble Beach Community Services District (PBCSD)
Mike Niccum, General Manager, PBCSD
Melanie Beretti, Property Administration/Special Programs Manager, Monterey County Resource Management Agency (MCRMA)
Dan Bertoldi, RMA Management Analyst, MCRMA
Daniel Little, Attorney, Noland Hamerly, Etienne & Hoss
Denise Duffy, Principal, Denise Duffy & Associates, Inc.
Allan Melkesian, Director, Clear Peak Development LLC
Anthony Lombardo, Attorney For September Ranch, Anthony Lombardo & Associates Inc

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

- 1. Appearances/Public Comments:**
There were no appearances or public comment.
- 2. Agenda Changes:**
There were no agenda changes.

ACTION ITEMS BEFORE THE BOARD

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

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

Board Action

Following a motion made by Director Siegfried and seconded by Director D'Ambrosio, the Board approved the Regular Meeting Minutes of August 30, 2018, and enacted the following Consent Calendar Agenda items.

- 3.** Approve Regular Board Meeting Minutes of – August 30, 2018
- 4.** Receive and Accept Bank Statement Review By Hayashi Wayland – July 2018
- 5.** Receive and Accept Schedule of Cash Receipts and Disbursements – August 2018
- 6.** Approve Register of Disbursements - Carmel Area Wastewater District – August 2018

Director D'Ambrosio requested an update on Hatton Canyon, check no: 32699. Mr. Treanor advised that there were comments received before but not during the 30 day review period; the CEQA document is being finalized and going before the Board next month; the District is waiting on FEMA and grant funding; permitting has been initiated; and we're close to final design and projecting construction next year.

The Board mentioned that staff should contact State Parks to post cautionary signs until the cobble rock laid on the trail compresses and becomes easier to walk over.
- 7.** Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – August 2018
- 8.** Receive and Accept Financial Statements and Supplementary Schedules – August 2018
- 9.** Receive and Accept Collection System Reports – August 2018
- 10.** Receive and Accept Treatment Facility Operations Report – June 2018, July 2018 and August 2018
- 11.** Receive and Accept Safety and Regulatory Compliance Report – August 2018
- 12.** Receive and Accept Laboratory/Environmental Compliance Report – August 2018
- 13.** Receive and Accept Capital Projects Report/Implementation Schedule – August 2018

14. Receive and Accept Plant Operations Report – August 2018

Regarding the Discharge Permit Violations, Director Siegfried asked if we need sensors and controls that will automatically increase appropriate chemicals needed to quench a potential exceedance. Mr. Young confirmed we have a PLC program in place that does control our chemical dosage. Also, staff has taken a number of other measures, increased dosages where needed, reviewed process controls to identify, and resolved the issue.

15. Receive and Accept Maintenance Projects Report – August 2018

RESOLUTIONS/ORDINANCES

- 16. Resolution No. 2018-43 (AMENDED);** A Resolution Authorizing The Expenditure Of Up To \$100,000 To Assist Monterey County In Carmel Lagoon Sandbar Management For Fiscal Year 2018-19 And To Consider And Commit To Funding Up To 1/3 of Sandbar Management Costs Annually Thereafter Conditioned Upon The Board Of Supervisors Approval To Undertake Formation of An Assessment District - *Report by Barbara Buikema, General Manager*

Ms. Buikema advised that an Amended Resolution was sent out. Her meeting with County Supervisor Mary Adams and Chief of Staff Kate Daniels revealed that it will take 2-3 years to get an Assessment District developed and formed.

Melanie Beretti, Monterey County Resource Management Agency (MCRMA) said that the County had a \$36 million deficit this year and that the Carmel Lagoon is outside of the County's core mandates. They agree the long term solution will consist of some type of Assessment District, but in the short run, RMA has been directed by their Board of Supervisors to seek out other stakeholders for possible contributions. As a public agency, they cannot ask for funding from private property owners but they have already conducted public outreach meetings to inform neighbors of the funding issue.

Mr Niccum stated that PBCSD's perspective is that the treatment plant will have to pay a significant portion of the Assessment District and that there is no reason not to start doing that now.

Many questions, issues and recommendations were raised and discussed by CAWD's Board and Legal Counsel. The District should not agree to reimburse the County a certain amount before a thorough analysis is completed identifying all stakeholders, determine the percentage of benefit and associated funding responsible by each; factor in a percentage and Not To Exceed contribution amount; build in a caveat to annually reevaluate designated contribution ratios; and require a stipulation that the Board of Supervisors enact an emergency ordinance to start the formation of an Assessment District this month.

Mr. Wellington stated that if flooding did occur, the obligation and liability would go to Monterey County and the Monterey County Water Resources Agency. Ms. Beretti

clarified that Monterey County would be pulling permits, the Resource Management Agency is involved, but at this point, the Monterey County Water Resources Agency is not involved.

Ms Buikema expressed that the plant was designed for riverine but not lagoon flooding, and reiterated that the District needs a short term solution to address potential flooding with this winter's rains. Director White confirmed that the importance of this issue suggests that it should be tabled to a meeting when all Board Members are present.

Board Action

Following a motion made by Director Siegfried and seconded by Director Townsend, the Board agreed to continue the item to a Special Board Meeting in October by a vote of 3 to 1 with 1 absent. (Siegfried, Townsend, and White in favor; D'Ambrosio against; Rachel absent)

- 17. Resolution No. 2018-44 (AMENDED);** A Resolution Authorizing Conceptual Approval To Conduct A Feasibility Level Analysis Of Providing Potential Water Operation Service To September Ranch, And Allowing Staff To Investigate The Requirements And Perform Due Diligence With The Developer, LAFCO And A Consulting Engineer On Implications Found In Monterey County Resolutions And That Staff Will Report Back With Findings And Request Direction Prior To Proceeding – *Report by Barbara Buikema, General Manager*

Ms. Buikema expressed confidence in staff's ability to run a water system and asked that Counsel reaffirm CAWD's legal authority to do so. The District should not be responsible for aquifer or water supply and has yet to speak with the Water Management District to consider this project. The EIR is quite lengthy and involved, and residential build out could take 20+ years. Some of the process should include: a feasibility level analysis, exploring the issues with regulatory agencies, engagement of an outside consultant, and reporting back to the Board. All permitting, consulting, staff time, required studies, associated fees, etc. should be paid by the developer. Mr. Wellington confirmed that taking on this obligation needs to be completely cost neutral to the District's current sewer ratepayers.

Anthony Lombardo, Attorney, confirmed that September Ranch will be a CAWD customer for sewer service. As regards to the possibility of CAWD managing their water system, Mr. Lombardo reassured the Board that the developer would bear all costs to explore this concept; the process would be completely financially neutral to the District, and that September Ranch would advance funds to the District to retain an outside consultant. He reported that since California American Water cannot undertake this operation, they explored two further options for their water system. 1) The formation of a mutual water company was not favored by the CA Dept of Real Estate. 2) LAFCO was not in favor of the formation of a special service district and suggested they reach out to CAWD.

Mr. Lombardo stated that such an undertaking appears to be legally and technically feasible. He spoke with David Stoldt, GM of the Monterey Peninsula Water Management District, who saw no problem with CAWD undertaking the operation.

Mr. Lombardo said that the operation has to be built, proven, and shown to be compliant with Health Dept regulations, and with the proper permits from State and County, before CAWD would have any responsibility to run. As part of our legal agreements, the developer would make up any shortfall in revenue caused by the pace of homes being built until there are sufficient connections.

Denise Duffy acknowledged that there are a number of permit conditions required in order to be compliant with the County and Water Management District. Her firm is working with the developer and would assist CAWD in the monitoring and oversight process.

Director D'Ambrosio asked what happens if the aquifer dries out? Mr Lombardo said that the County had hired an outside hydrologist who confirmed that there is more water available than necessitated. A secondary well as back up is also required by the County and is being drilled.

Director Townsend suggested checking with CASA to learn about other agencies which have undertaken fresh water service to review their approach and success rate. Ms. Buikema said the one agency she attempted to contact did not respond.

Director Siegfried thought that the District should be able to structure a model whereby CAWD and its current ratepayers will be protected. He also spoke with Mr. Stoldt and felt that CAWD could become a qualified water district operator. He is in favor of the concept but concerned whether the District has the staffing capacity.

Director White asked if additional monies were needed for upgrade or repair in the future, would the decision to do so fall to the property owners? Mr. Lombardo stated the set up would be structured so the agency would monitor and make the decisions, with associated costs built into the rate base. Mr. Wellington advised it would be a similar process the District is required to follow now with Proposition 218 noticing requirements for sewer users and rates. Counsel Lombardo reiterated that contractual agreements will clearly state that the developer will absorb such expenses and back stop any other expenses that the District might incur.

Ms Buikema envisions that the splitting of District staff costs would follow a similar model used for billing time to Reclamation. Increases in the Collection and Accounting Depts may be required. Any time devoted to the project would be subtracted out and thus would not impact PBCSD staff accounting.

Legal Counsel and Board gave specific recommendations on amending the Resolution. The Board agreed to move forward with a feasibility study and acknowledged that much more information is required.

Board Action

Following a motion made by Director Townsend and seconded by Director Rachel, the Board unanimously approved Resolution 2018-44, as amended.

- 18. Resolution No. 2018-45;** A Resolution Accepting The Lowest Responsible Bid For The “Phase II WWTP SCADA Network Improvements – Programmable Logic Control Equipment” And Awarding Contract - *Report by Patrick Treanor, Plant Engineer*

Mr Treanor reported that we appear to be in a good position for completing the project on time and within the budget with the lowest responsible bid of \$185,000 from Technical Systems Incorporated (TSI).

Board Action

Following a motion made by Director D’Ambrosio and seconded by Director Siegfried, the Board unanimously adopted Resolution No. 2018-45

OTHER ACTION ITEMS BEFORE THE BOARD

- 19.** Carmel Highlands Point Sanitary Sewer Association Agreement Dated August 12, 2014 – *Report by Barbara Buikema, General Manager*

Ms. Buikema explained that as a condition of connecting in 2012, CHPSSA formed an association to absorb any cost for maintenance of the sewer line that goes under the highway. Upon connection, their attorney collects the association fees. CAWD assesses the connection fee and user fees are added to their property tax statement, as is the case with all other sewer customers.

Board Action

Following a motion made by Director White and seconded by Director D’Ambrosio the Board unanimously accepted the report.

INFORMATION/DISCUSSION ITEMS

- 20.** Services Provided To The City of Carmel-by-the-Sea For Cleaning Of Stormdrain Interceptors And Retention Ponds - *Report by Daryl Lauer, Collections Superintendent*

Ms. Buikema and the Board commended Mr. Lauer for taking the initiative to develop, organize, and bring to fruition the services which will be provided to the City. Mr. Lauer confirmed that cleaning will initially occur under a \$15,000 purchase order and thereafter at approximately three scheduled times per year. The City will request services 1 month in advance so that required staff times can be scheduled.

The report was informational only – no action required.

- 21.** Pebble Beach Community Services District – Regular Board Meeting of August 31, 2018 Was Cancelled – *No Report Due*

STAFF & BOARD MEMBER REPORTS

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

COMMUNICATIONS

22. General Manager's Report - Oral Report by Barbara Buikema, General Manager

- MCSIG Flu Shot Clinic
October 15, 2018 from 11:30am – 12:30pm
CAWD Plant – Break Room
- What Can Employers Ask Applicants and Employees
The Dept of Fair Employment and Housing

At the last meeting, the Board inquired what questions District personnel can ask job applicants.

- Rancho Rio Vista Sewer Project
Proposed Tie-In Plan
CAWD Neighborhood Meeting
October 16, 2018 at 5:30pm

Possible dates were discussed for the Board's Strategy session. They will hear from CAWD's department heads first then proceed with Board strategy for future direction. The location will be held in the Board room at Hayashi & Wayland. The date will be confirmed once set.

23. Announcements on subjects of interest to the Board made by members of the Board or staff – Oral reports or announcements from Board President, Directors or staff concerning their activities and/or meetings or conferences attended.

PBCSD Board Public Meeting Notice & Agenda – The next PBCSD meetings are scheduled for:
Friday, September 28, 2018 at 9:30a.m. *Director Townsend is scheduled to attend.*
Friday, October 26, 2018 at 9:30a.m. *Director White is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for:
Wednesday, November 14, 2018 at 9:30 a.m. *Director Townsend and President White are scheduled to attend.*

Special Districts Association of Monterey County – The next SDA meeting is scheduled for: Tuesday, October 16, 2018 at 6:00 pm. *Director Townsend is schedule to attend.*

- 24. CLOSED SESSION:** *Pursuant to Government Code Section 54956 et seq., the Board noticed but did not meet in closed session.*

A. Public Employee Performance Evaluation

Pursuant to Government Code Section 54957.6 the Board will meet in closed session to consider a Personnel Matter: **General Manager Performance Evaluation**

The agenda item has been carried forward to the next Regular Board meeting.

25. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 10:44 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, October 25, 2018 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

Respectfully submitted:

Irene Bryant, Secretary to the Board

APPROVED:

Ken White, President



**CARMEL AREA WASTEWATER DISTRICT (CAWD)
REGULAR BOARD MEETING MINUTES
October 8, 2018**

CALL TO ORDER - ROLL CALL

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

Absent: None

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Robert Wellington, Wellington Law Offices, District Legal Counsel
Richard D. Verbanec, Board Director, Pebble Beach Community Services District (PBCSD)
Mike Niccum, General Manager, PBCSD
Dan Bertoldi, RMA Management Analyst, Monterey County Resource Management Agency (MCRMA)

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

- 1. Appearances/Public Comments:**
There were no appearances or public comment.
- 2. Agenda Changes:**
There were no agenda changes.

ACTION ITEMS BEFORE THE BOARD

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

RESOLUTIONS/ORDINANCES

- 3. Resolution No. 2018-43:** A Resolution Adopting and Authorizing the Contribution of 1/3 Carmel Lagoon Sandbar Management Costs, up to \$100,000, to Assist Monterey County for Fiscal Year 2018-19 Only and to Consider Funding up to 1/3 of Sandbar Management Costs Annually Thereafter Conditioned Upon the Board of Supervisors Approval to Undertake Formation of an Assessment District - *Report by Barbara Buikema, General Manager*

The Director Siegfried initiated the meeting with a request to table Items #1 & 2 until the October Board meeting due to concern that the District has not heard from the Board of Supervisors. Director White agreed with this concern. A resolution was made to divide Items #1 & 2 from #3 & 4 and received unanimous agreement.

Director White questioned if the District would assume any liability for flooding if it participated in Lagoon Management. District counsel, Robert Wellington responded that the contribution would be solely for funding purposes and that we could have a hold harmless clause in an MOU that would state there was no assumption of liability. Additionally, if an Assessment District is formed it is a separate legal entity and CAWD is a contributor only, there is no additional liability.

Director D'Ambrosio felt the District should be sending a message that it wants to address the problem and that our focus should be to protect the plant. There was a suggestion that the County must act, regardless of CAWD's contribution, because of the Monterey Water Resource Agencies' responsibility to provide flood control. Daniel Bertoldi, Monterey County Resource Agency, Management Analyst confirmed that all permits for the coming winter will be ready.

A recommendation was made that a meeting with Supervisor Adams be arranged for President White and Director Siegfried, if possible, prior to the October board meeting. Director Siegfried stated that there is a clear obligation by the County for flood control and that we should not be using ratepayer funds. He recommended we delay the decision until after meeting with our Supervisor, Mary Adams.

There was a recommendation to change Item #4 in the resolution to drop "conditional" and "long term". Director Siegfried commented that the District should go on record as willing to participate in Assessment District. Director D'Ambrosio confirmed only after long term funding is approved or an Assessment District formed. Daniel Bertoldi from the RMA reported that the County has been analyzing an Assessment District formation. He provided information on structure value only of parcels located around the lagoon.

Board Action

*Following a motion made by Director Siegfried and seconded by Director Rachel, the Board agreed to defer Items #1 and #2 in Resolution 2018-43 until the October 2018 regular Board meeting and to meet with Supervisor Mary Adams in the interim. D'Ambrosio: Nay
All Others: Ayes*

Following a motion made by Director Siegfried and seconded by Director White, the Board unanimously approved Item #3 in Resolution 2018-43.

The Board took no action on Item #4 in Resolution 2018-43.

4. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 9:00 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday,

October 25, 2018 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

Respectfully submitted:

Barbara Buikema, General Manager

APPROVED:

Ken White, President



HAYASHI | WAYLAND

INDEPENDENT ACCOUNTANTS' REPORT

September 18, 2018

To the Board of Directors
Carmel Area Wastewater District

We have performed the procedures enumerated below, which were agreed to by Carmel Area Wastewater District (CAWD), solely to assist you in connection with a determination as to whether there were differences in the Company's recorded cash disbursements and recorded cash receipts for the month of August 2018. CAWD is responsible for its cash disbursements and cash receipts records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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



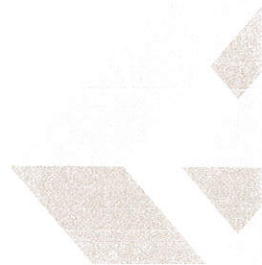
We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the cash disbursements records or cash receipts records, accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention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

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



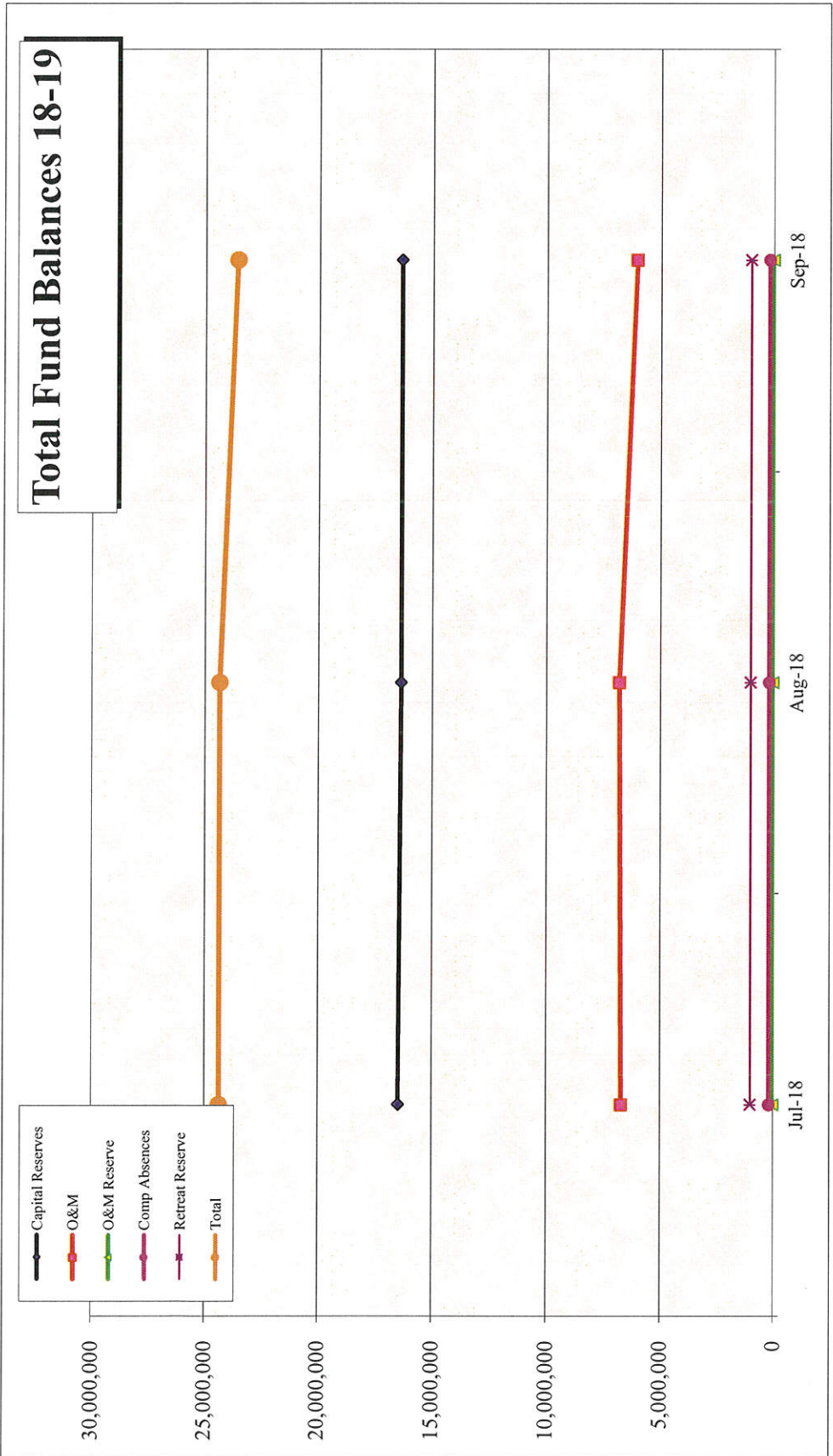
Robert Lee, CPA
Partner
Hayashi Wayland

Cc: Mr. Ken White, President

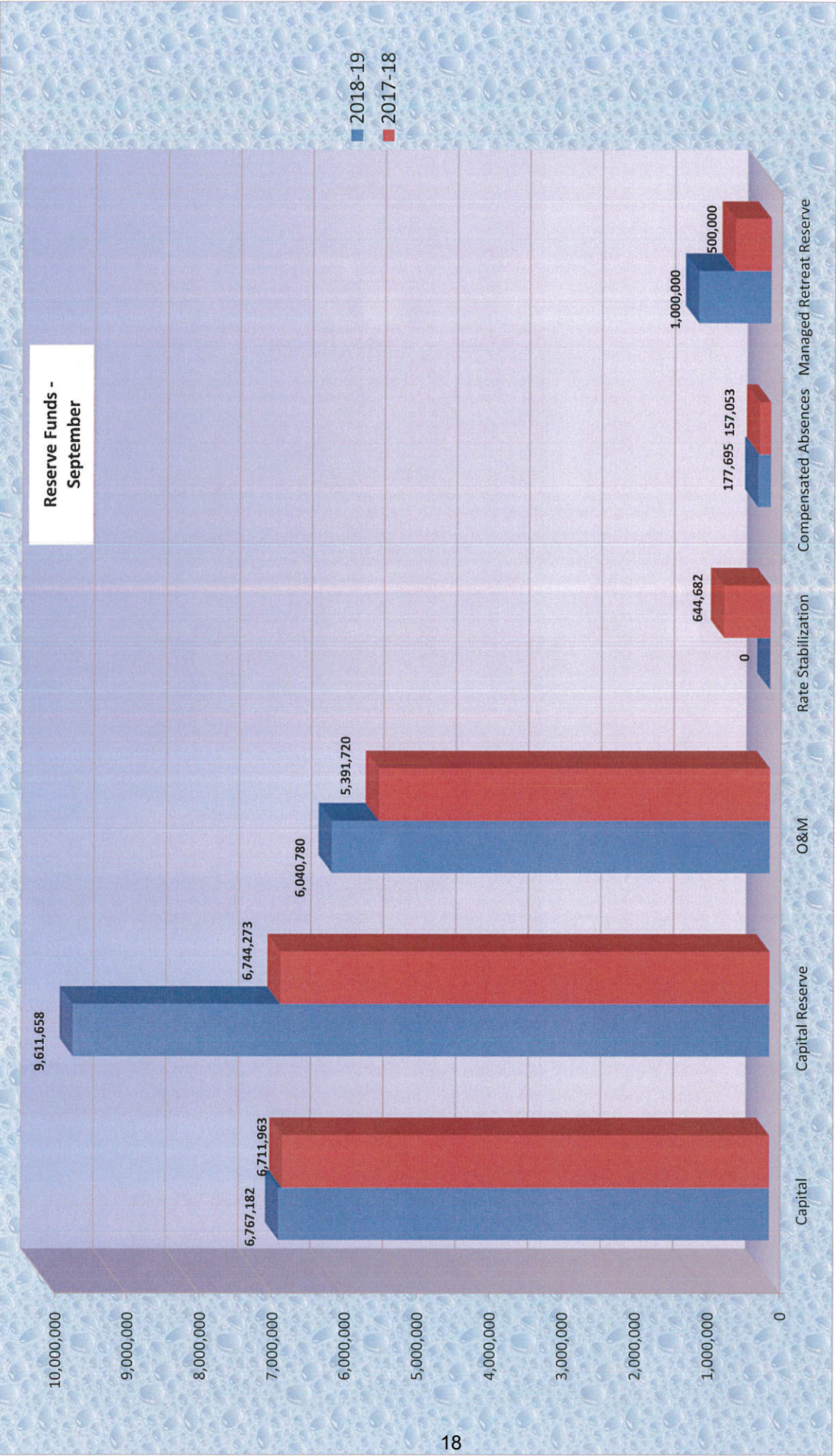


Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - SEPTEMBER 2018

| | Capital Fund | Capital Improvement Reserve | General O & M Fund | Rate Stabilization Reserve | Compensated Accruals Reserve | Defend or Managed Retreat Reserve | COUNTY Total Fund Balance | Union Bank Bank O & M Balance | Union Bank Bank PR Balance | L.A.I.F. Balance |
|---|--------------|-----------------------------|--------------------|----------------------------|------------------------------|-----------------------------------|---------------------------|-------------------------------|----------------------------|------------------|
| BALANCE BEGINNING OF MONTH | \$6,778,891 | \$9,604,621 | \$6,798,067 | \$0 | \$177,695 | \$1,000,000 | \$24,359,274 | \$296,521 | \$103,414 | \$1,137,309 |
| Receipts: | | | | | | | | | | |
| User Fees | | | | | | | | | | |
| Property Taxes | | | | | | | | 2,587 | | |
| PBCSD Treatment Fees | | 7,037 | 13,504 | | | | | | | |
| Reclamation O & M reimbursement | | | | | | | | 90,000 | | |
| Reclamation capital billing | | | | | | | | 57,179 | | |
| Permits | | | | | | | | 72,492 | | |
| PBCSD capital billing | | | | | | | | 885 | | |
| Other misc. revenue | | | | | | | | 949 | | |
| Interest income | | | | | | | | | | |
| Connection Fees | | | | | | | | | | |
| Void checks | | | | | | | | | | |
| Insurance proceeds-COBRA | | | | | | | | | | |
| CCLEAN receipts | | | | | | | | | | |
| Pooled liability dividend | | | | | | | | | | |
| Reimbursement for capping off old lateral | | | | | | | | | | |
| Total Receipts | 0 | 7,037 | 13,504 | 0 | 0 | 0 | 20,541 | 224,091 | 1 | 0 |
| Fund Transfers: | | | | | | | | | | |
| Transfers to Union Bank O&M | (11,710) | | (588,290) | | | | | 600,000 | | |
| Transfers to Union Bank PR | | | | | | | | (205,000) | 205,000 | |
| Transfer rate stabilization fund per Resolution | | | | | | | | | | |
| Intra-fund transfers for capital expenditures | | | | | | | | | | |
| Rebalance Capital and O&M Reserves | | | | | | | | | | |
| Total Transfers | (11,710) | 0 | (588,290) | 0 | 0 | 0 | (600,000) | 395,000 | 205,000 | 0 |
| Disbursements: | | | | | | | | | | |
| Operations and capital | | | | | | | | | | |
| Payroll & payroll taxes | | | | | | | | | | |
| Employee Dental reimbursements | | | | | | | | | | |
| CALPERS EFT | | | | | | | | 377,258 | | |
| CAWD SAM pension EFT | | | | | | | | 966 | | |
| CAWD pension loans EFT | | | | | | | | 39,477 | | |
| Home Depot EFT | | | | | | | | 8,650 | | |
| US Bank EFT | | | | | | | | 881 | | |
| Deferred comp contributions EFT | | | | | | | | 365 | | |
| PEHP contributions EFT | | | | | | | | 20,679 | | |
| Bank/ADP fees | | | | | | | | | | |
| Highlands Bond Debt Service Payment | | | 182,501 | | | | | | | |
| Annual County admin billing fee | | | | | | | | | | |
| Unfunded CALPERS liability | | | | | | | | | | |
| GASB 68 report fee | | | | | | | | | | |
| Total Disbursements | 0 | 0 | 182,501 | 0 | 0 | 0 | 182,501 | 448,276 | 297,709 | 0 |
| BALANCE END OF MONTH | 6,767,182 | 9,611,658 | 6,040,780 | 0 | 177,695 | 1,000,000 | 23,597,314 | 467,336 | 10,706 | 1,137,309 |



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



Carmel Area Wastewater District
Disbursements
Sep-18

| Date | Check | Vendor | Description | Amount |
|----------|-------|--|--|-----------|
| 09/04/18 | 32770 | Applied Marine Sciences | CCLEAN bills for ocean monitoring | 52,490.38 |
| 09/04/18 | 32771 | AT&T CALNET 3 | Various telephone lines for devices | 702.32 |
| 09/04/18 | 32772 | Crazy Horse Restaurant | Conference room for management training | 150.00 |
| 09/04/18 | 32773 | Culligan Water | C&I exchange service for lab | 17.35 |
| 09/04/18 | 32774 | CWEA | Employee annual membership and certificate renewal | 280.00 |
| 09/04/18 | 32775 | Keenan & Associates | Health insurance | 21,996.05 |
| 09/04/18 | 32776 | MetLife-Group Benefits | Life insurance | 722.20 |
| 09/04/18 | 32777 | Patelco Credit Union | Health savings accounts contribution | 3,655.22 |
| 09/04/18 | 32778 | Unum Life Ins. | Long-term disability insurance | 1,779.77 |
| 09/04/18 | 32779 | Vision Service Plan | Vision insurance | 592.65 |
| 09/07/18 | 32780 | Robert Bowman | Vacation buy back | 1,299.70 |
| 09/15/18 | 32781 | Airtec Service | HVAC and exhaust fan service | 1,254.17 |
| 09/15/18 | 32782 | Alliant Insurance Services | Annual fiduciary liability premium | 2,399.00 |
| 09/15/18 | 32783 | American Fidelity Assurance Company | Flex accounts | 238.44 |
| 09/15/18 | 32784 | American Fidelity Assurance | Monthly employee Sec 125 plan insurance billing for July, August and September | 2,205.57 |
| 09/15/18 | 32785 | AT&T | Admin alarm line | 253.97 |
| 09/15/18 | 32786 | AutomationDirect, Inc. | Aeration control panel parts | 2,463.75 |
| 09/15/18 | 32787 | Bartel Associates, LLC | GASB 68 report for the CALPERS plans for the audit | 1,250.00 |
| 09/15/18 | 32788 | Bryan Mailey Electric | Plant projects (CAPITAL \$2,875.00) | 7,437.50 |
| 09/15/18 | 32789 | STUB OVERFLOW | | 0.00 |
| 09/15/18 | 32790 | Buckles-Smith | Various Plant projects: aeration basins, relocate VFD, blower temperature control & microturbine wire (CAPITAL \$409.88) | 19,156.85 |
| 09/15/18 | 32791 | Cal-Am Water | Monthly service | 1,497.36 |
| 09/15/18 | 32792 | Carmel Marina Corp. | Plant rollofs and admin building garbage | 1,399.76 |
| 09/15/18 | 32793 | City of Foster City | Job posting for the principal engineer position | 500.00 |
| 09/15/18 | 32794 | Clark Pest Control | Service at the pump stations | 183.00 |
| 09/15/18 | 32795 | Dadiw Associates | Preparing July board minutes | 330.00 |
| 09/15/18 | 32796 | Daryl Lauer | Dental | 130.00 |
| 09/15/18 | 32797 | Day Electric, Inc. | Install transfer switch at the Monte Verde and 16th pump station | 5,010.00 |
| 09/15/18 | 32798 | Del Monte Gardeners | Clearing easements | 5,000.00 |
| 09/15/18 | 32799 | Environmental Science Associates | Progress billing for the sea level rise study | 28,600.00 |
| 09/15/18 | 32800 | Evantec Corporation | Lab supplies | 845.40 |
| 09/15/18 | 32801 | Exceedio | Annual network and SCADA support renewal and new admin. Workstations | 74,558.12 |
| 09/15/18 | 32802 | Fastenal Corporation | August restocking of operating supplies | 3,427.12 |
| 09/15/18 | 32803 | Fischer Scientific | Lab supplies | 1,031.64 |
| 09/15/18 | 32804 | Granite Rock Company | Base rock for Plant water pipe leak | 128.83 |
| 09/15/18 | 32805 | Hach Company | Lab supplies | 444.67 |
| 09/15/18 | 32806 | Hayashi & Wayland Accountants | Bank reconciliation oversight | 300.00 |
| 09/15/18 | 32807 | Heritage Environmental SVCS, LLC | Lab chemical disposal fees | 1,138.75 |
| 09/15/18 | 32808 | Howden Roots LLC | Lamson blower surge protection parts | 216.00 |
| 09/15/18 | 32809 | ICON Cloud Solutions LLC | Monthly telephone billing | 559.01 |
| 09/15/18 | 32810 | Kennedy/Jenks | Lagoon crossing project (CAPITAL) | 8,140.00 |
| 09/15/18 | 32811 | Liberty Composting | Sludge hauling | 780.00 |
| 09/15/18 | 32812 | Marilyn Shepard, NASSCO Master Trainer | Fee for PACP recertification of collection employees | 102.75 |
| 09/15/18 | 32813 | McMaster-Carr | Ubolts for aeration basins 5 & 6 | 836.00 |
| 09/15/18 | 32814 | Michael Rachel | Dental | 6,586.52 |
| 09/15/18 | 32815 | MNS Engineers | Hatton Canyon project and sewer system expansion feasibility study (CAPITAL \$285.00) | 24,052.00 |
| 09/15/18 | 32816 | Monterey County Auditor-Controller | Replace check #32760 which was destroyed by the Post Office during processing | |

Carmel Area Wastewater District
Disbursements
Sep-18

| Date | Check | Vendor | Description | Amount |
|-------------|--------------|------------------------------------|--|-------------------|
| 09/15/18 | 32817 | Office Team | Admin temp services | 370.80 |
| 09/15/18 | 32818 | Paul's Drapery | Shades for the admin. Office | 2,050.88 |
| 09/15/18 | 32819 | Peninsula Welding & Medical Supply | Non-liquid cylinders and welding supplies | 159.28 |
| 09/15/18 | 32820 | Potter's Electronics | Computer power cords | 116.90 |
| 09/15/18 | 32821 | Powermatic Associates | Lamson blower surge protection parts | 248.06 |
| 09/15/18 | 32822 | Prim's Hardware | Concrete mix for manhole repair | 30.13 |
| 09/15/18 | 32823 | Pure Water | Monthly service | 151.75 |
| 09/15/18 | 32824 | Quill Corporation | Office supplies | 145.05 |
| 09/15/18 | 32825 | Scarborough Lumber (Ace Hardware) | Operating supplies | 162.36 |
| 09/15/18 | 32826 | Sierra | Aeration flowmeters | 2,393.84 |
| 09/15/18 | 32827 | Silke Communications | Four new collections radios | 3,029.20 |
| 09/15/18 | 32828 | Smitty's Janitorial | Monthly service | 1,110.00 |
| 09/15/18 | 32829 | Solenis LLC | Polymer to dewater digested sludge | 7,810.16 |
| 09/15/18 | 32830 | Toro Petroleum | Diesel fuel | 4,293.86 |
| 09/15/18 | 32831 | Town & Country Gardening | Monthly service | 610.00 |
| 09/15/18 | 32832 | Toyota Material Handling | Electric pallet jack | 3,993.13 |
| 09/15/18 | 32833 | TPx Communications | Early termination fee of old phone system contract | 2,675.12 |
| 09/15/18 | 32834 | Univar USA Inc. | Sodium hypochlorite | 3,415.08 |
| 09/15/18 | 32835 | U.S. Postal Service | Annual PO box rental | 182.00 |
| 09/15/18 | 32836 | Xylem Water Solutions | Aeration basin 5 & 6 membrane diffusers, plates, retaining rings, grease and spline joint assemblies | 12,346.93 |
| 09/17/19 | 32837 | PG&E | Monthly service | 35,796.50 |
| 09/25/18 | 32838 | Small Pond, A Design Studio | Sewer lateral flyer | 373.75 |
| 09/27/18 | 32839 | State Water Resource Control Board | Renewal of the environmental laboratory accreditation program annual fee | 2,221.50 |
| | | | | 378,224.02 |

CAWD/PBCSD Reclamation Project
Disbursements
Sep-18

| Date | Check | Vendor | Description | Amount |
|-------------|--------------|------------------------------------|---|-------------------|
| 9/4/2018 | 8203 | PBCSD | 2017-18 supplemental capital bill #2 (CAPITAL) | 8,116.48 |
| 9/15/2018 | 8204 | Airtec Service | Service on tertiary fan belts | 355.52 |
| 9/15/2018 | 8205 | Allied Fluid Products | Parts for the filter system rehab. (CAPITAL) | 1,201.67 |
| 9/15/2018 | 8206 | Brenntag Pacific, Inc. | Phosphoric acid | 6,363.51 |
| 9/15/2018 | 8207 | Bryan Mailey Electric | Repair level sensor at the sulfuric acid totes and the valve actuator on train C | 875.00 |
| 9/15/2018 | 8208 | Evantec Corporation | Lab supplies | 845.40 |
| 9/15/2018 | 8209 | Fisher Scientific | Lab supplies | 342.95 |
| 9/15/2018 | 8210 | Hach Company | Lab supplies | 646.10 |
| 9/15/2018 | 8211 | Heritage Environmental SVCS, LLC | Chemical disposal fees | 992.13 |
| 9/15/2018 | 8212 | Monterey Bay Analytical | Sample analysis on the RO panel | 1,290.00 |
| 9/15/2018 | 8213 | Pebble Beach Company | Bond principal and interest, letter of credit fees current and past and project rep costs | 242,519.13 |
| 9/15/2018 | 8214 | PBCSD | Supplemental O&M bill for the 6/30/18 year end | 76,212.00 |
| 9/15/2018 | 8215 | Toyota Material Handling | Electric pallet jack | 3,993.13 |
| 9/17/2018 | 8216 | PG&E | Tertiary and MF/RO | 42,167.74 |
| 9/27/2018 | 8217 | State Water Resource Control Board | Renewal of the environmental laboratory accreditation program annual fee | 2,221.50 |
| | | | | 388,142.26 |



**Financial Statements
and
Supplementary Schedules**

September 2018

October 25, 2018

Carmel Area Wastewater District

Balance Sheet

September 2018

| ASSETS | | | |
|------------------------------------|---------------|-----------------|--|
| Current Assets | | | |
| Cash | | | |
| Cash | 25,212,665.04 | | |
| TOTAL Cash | 25,212,665.04 | 25,212,665.04 | |
| Other Current Assets | | | |
| Other Current Assets | 922,927.52 | | |
| TOTAL Other Current Assets | 922,927.52 | 922,927.52 | |
| TOTAL Current Assets | | 26,135,592.56 | |
| Fixed Assets | | | |
| Land | | | |
| Land | 308,059.76 | | |
| TOTAL Land | 308,059.76 | 308,059.76 | |
| Treatment Structures | | | |
| Treatment Structures | 51,546,420.23 | | |
| TOTAL Treatment Structures | 51,546,420.23 | 51,546,420.23 | |
| Treatment Equipment | | | |
| Treatment Equipment | 7,432,567.77 | | |
| TOTAL Treatment Equipment | 7,432,567.77 | 7,432,567.77 | |
| Collection Structures | | | |
| Collection Structures | 1,040,749.41 | | |
| TOTAL Collection Structures | 1,040,749.41 | 1,040,749.41 | |
| Collection Equipment | | | |
| Collection Equipment | 933,107.27 | | |
| TOTAL Collection Equipment | 933,107.27 | 933,107.27 | |
| Sewers | | | |
| | | 11,018,760.70 | |
| Disposal Facilities | | | |
| Disposal Facilities | 1,126,272.60 | | |
| TOTAL Disposal Facilities | 1,126,272.60 | 1,126,272.60 | |
| Other Fixed Assets | | | |
| Other Fixed Assets | 3,845,883.93 | | |
| TOTAL Other Fixed Assets | 3,845,883.93 | 3,845,883.93 | |
| Capital Improvement Projects | | | |
| Capital Improvement Projects | 19,276,102.59 | | |
| TOTAL Capital Improvement Projects | 19,276,102.59 | 19,276,102.59 | |
| Accumulated depreciation | | | |
| | | (46,104,180.31) | |
| TOTAL Fixed Assets | | 50,423,743.95 | |
| Other Assets | | | |
| Other Assets | | 992,009.00 | |
| TOTAL Other Assets | | 992,009.00 | |
| TOTAL ASSETS | | 77,551,345.51 | |

Carmel Area Wastewater District

Balance Sheet

September 2018

| LIABILITIES | |
|----------------------------------|----------------|
| Current Liabilities | |
| Current Liabilities | 270,469.31 |
| TOTAL Current Liabilities | 270,469.31 |
| Long-Term Liabilities | |
| Long Term Liabilities | 1,826,314.45 |
| TOTAL Long-Term Liabilities | 1,826,314.45 |
| TOTAL LIABILITIES | 2,096,783.76 |
| NET POSITION | |
| Net Assets | 76,804,566.02 |
| Year-to-Date Earnings | (1,350,004.27) |
| TOTAL NET POSITION | 75,454,561.75 |
| TOTAL LIABILITIES & NET POSITION | 77,551,345.51 |

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, September 2018 - current month, Consolidated by account

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|-------------------------------------|--------------|
| Income | | | | |
| Revenue | 441,783.04 | 421,033.26 | 20,749.78 | 4.9 % |
| TOTAL Income | <u>441,783.04</u> | <u>421,033.26</u> | <u>20,749.78</u> | 4.9 % |
| Adjustments | | | | |
| Discounts | 157.17 | 0.00 | 157.17 | |
| TOTAL Adjustments | <u>157.17</u> | <u>0.00</u> | <u>157.17</u> | |
| ***** | <u>441,940.21</u> | <u>421,033.26</u> | <u>20,906.95</u> | 5.0 % |
| ***** OPERATING INCOME | <u>441,940.21</u> | <u>421,033.26</u> | <u>20,906.95</u> | 5.0 % |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 797,591.34 | 822,312.60 | 24,721.26 | 3.0 % |
| Payroll taxes | 63.00 | 0.00 | (63.00) | |
| TOTAL Salaries and Payroll Taxes | <u>797,654.34</u> | <u>822,312.60</u> | <u>24,658.26</u> | 3.0 % |
| Employee Benefits | | | | |
| Employee Benefits | 273,035.96 | 302,346.20 | 29,310.24 | 9.7 % |
| TOTAL Employee Benefits | <u>273,035.96</u> | <u>302,346.20</u> | <u>29,310.24</u> | 9.7 % |
| Director's Expenses | | | | |
| Director's Expenses | 4,899.01 | 7,862.49 | 2,963.48 | 37.7 % |
| TOTAL Director's Expenses | <u>4,899.01</u> | <u>7,862.49</u> | <u>2,963.48</u> | 37.7 % |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 16,183.94 | 21,072.08 | 4,888.14 | 23.2 % |
| TOTAL Truck and Auto Expenses | <u>16,183.94</u> | <u>21,072.08</u> | <u>4,888.14</u> | 23.2 % |
| General and Administrative | | | | |
| General and Administrative | 15,589.26 | 88,995.49 | 73,406.23 | 82.5 % |
| TOTAL General and Administrative | <u>15,589.26</u> | <u>88,995.49</u> | <u>73,406.23</u> | 82.5 % |
| Office Expense | | | | |
| Office Expense | 14,136.20 | 21,947.53 | 7,811.33 | 35.6 % |
| TOTAL Office Expense | <u>14,136.20</u> | <u>21,947.53</u> | <u>7,811.33</u> | 35.6 % |
| Operating Supplies | | | | |
| Operating Supplies | 144,544.95 | 96,783.81 | (47,761.14) | -49.3 % |
| TOTAL Operating Supplies | <u>144,544.95</u> | <u>96,783.81</u> | <u>(47,761.14)</u> | -49.3 % |
| Contract Services | | | | |
| Contract Services | 264,232.09 | 261,484.18 | (2,747.91) | -1.1 % |
| TOTAL Contract Services | <u>264,232.09</u> | <u>261,484.18</u> | <u>(2,747.91)</u> | -1.1 % |

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, September 2018 - current month, Consolidated by account

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|--|--|---|-------------------------------------|--------------|
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 111,455.03 | 226,539.24 | 115,084.21 | 50.8 % |
| TOTAL Repairs and Maintenance | 111,455.03 | 226,539.24 | 115,084.21 | 50.8 % |
| Utilities | | | | |
| Utilities | 96,344.94 | 109,214.52 | 12,869.58 | 11.8 % |
| TOTAL Utilities | 96,344.94 | 109,214.52 | 12,869.58 | 11.8 % |
| Travel and Meetings | | | | |
| Travel and Meetings | 4,251.84 | 28,431.24 | 24,179.40 | 85.0 % |
| TOTAL Travel and Meetings | 4,251.84 | 28,431.24 | 24,179.40 | 85.0 % |
| Permits and Fees | | | | |
| Permits and Fees | 33,254.50 | 40,967.00 | 7,712.50 | 18.8 % |
| TOTAL Permits and Fees | 33,254.50 | 40,967.00 | 7,712.50 | 18.8 % |
| Memberships and Subscriptions | | | | |
| Memberships and Subscriptions | 2,665.00 | 3,533.73 | 868.73 | 24.6 % |
| TOTAL Memberships and Subscriptions | 2,665.00 | 3,533.73 | 868.73 | 24.6 % |
| Safety | | | | |
| Safety | 15,712.31 | 14,473.77 | (1,238.54) | -8.6 % |
| TOTAL Safety | 15,712.31 | 14,473.77 | (1,238.54) | -8.6 % |
| Other Expenses | | | | |
| Other Expense | 2,928.24 | 6,000.02 | 3,071.78 | 51.2 % |
| TOTAL Other Expenses | 2,928.24 | 6,000.02 | 3,071.78 | 51.2 % |
| TOTAL Operating Expenses | 1,796,887.61 | 2,051,963.90 | 255,076.29 | 12.4 % |
| ***** OPERATING INCOME (LOSS) | (1,354,947.40) | (1,630,930.64) | 275,983.24 | 16.9 % |
| Non-op Income, Expense, Gain or Loss | | | | |
| Other Income or Gain | | | | |
| Other Income, Gain, Expense and Loss | 4,943.13 | 20,959.50 | (16,016.37) | -76.4 % |
| TOTAL Other Income or Gain | 4,943.13 | 20,959.50 | (16,016.37) | -76.4 % |
| TOTAL Non-op Income, Expense, Gain or Loss | 4,943.13 | 20,959.50 | (16,016.37) | -76.4 % |
| ***** NET INCOME (LOSS) | (1,350,004.27) | (1,609,971.14) | 259,966.87 | 16.1 % |
| ***** NET INCOME (LOSS) | (1,350,004.27) | (1,609,971.14) | 259,966.87 | 16.1 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Field
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 3

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------|--|---|---|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 3,623.42 | 3,325.05 | (298.37) | -9.0 % |
| TOTAL Truck and Auto Expenses | 3,623.42 | 3,325.05 | (298.37) | -9.0 % |
| Operating Supplies | | | | |
| Operating Supplies | 5,010.00 | 6,249.99 | 1,239.99 | 19.8 % |
| TOTAL Operating Supplies | 5,010.00 | 6,249.99 | 1,239.99 | 19.8 % |
| Contract Services | | | | |
| Contract Services | 553.50 | 5,000.01 | 4,446.51 | 88.9 % |
| TOTAL Contract Services | 553.50 | 5,000.01 | 4,446.51 | 88.9 % |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 0.00 | 8,750.01 | 8,750.01 | 100.0 % |
| TOTAL Repairs and Maintenance | 0.00 | 8,750.01 | 8,750.01 | 100.0 % |
| Safety | | | | |
| Safety | 2,453.97 | 642.54 | (1,811.43) | -281.9 % |
| TOTAL Safety | 2,453.97 | 642.54 | (1,811.43) | -281.9 % |
| TOTAL Operating Expenses | 11,640.89 | 23,967.60 | 12,326.71 | 51.4 % |
| ***** OPERATING INCOME (LOSS) | (11,640.89) | (23,967.60) | 12,326.71 | 51.4 % |
| ***** NET INCOME (LOSS) | (11,640.89) | (23,967.60) | 12,326.71 | 51.4 % |
| ***** NET INCOME (LOSS) | (11,640.89) | (23,967.60) | 12,326.71 | 51.4 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 4

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|-------------------------------------|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 125,837.93 | 132,436.50 | 6,598.57 | 5.0 % |
| TOTAL Salaries and Payroll Taxes | 125,837.93 | 132,436.50 | 6,598.57 | 5.0 % |
| Employee Benefits | | | | |
| Employee Benefits | 50,907.23 | 55,009.52 | 4,102.29 | 7.5 % |
| TOTAL Employee Benefits | 50,907.23 | 55,009.52 | 4,102.29 | 7.5 % |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 1,088.02 | 5,370.00 | 4,281.98 | 79.7 % |
| TOTAL Truck and Auto Expenses | 1,088.02 | 5,370.00 | 4,281.98 | 79.7 % |
| General and Administrative | | | | |
| General and Administrative | 259.19 | 0.00 | (259.19) | |
| TOTAL General and Administrative | 259.19 | 0.00 | (259.19) | |
| Office Expense | | | | |
| Office Expense | 195.67 | 1,087.50 | 891.83 | 82.0 % |
| TOTAL Office Expense | 195.67 | 1,087.50 | 891.83 | 82.0 % |
| Operating Supplies | | | | |
| Operating Supplies | 54,922.99 | 16,075.02 | (38,847.97) | -241.7 % |
| TOTAL Operating Supplies | 54,922.99 | 16,075.02 | (38,847.97) | -241.7 % |
| Contract Services | | | | |
| Contract Services | 88,144.83 | 72,437.52 | (15,707.31) | -21.7 % |
| TOTAL Contract Services | 88,144.83 | 72,437.52 | (15,707.31) | -21.7 % |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 70,517.70 | 142,699.27 | 72,181.57 | 50.6 % |
| TOTAL Repairs and Maintenance | 70,517.70 | 142,699.27 | 72,181.57 | 50.6 % |
| Utilities | | | | |
| Utilities | 2,597.37 | 429.99 | (2,167.38) | -504.1 % |
| TOTAL Utilities | 2,597.37 | 429.99 | (2,167.38) | -504.1 % |
| Travel and Meetings | | | | |
| Travel and Meetings | 893.50 | 4,907.49 | 4,013.99 | 81.8 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 4

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------------|--|---|---|--------------|
| TOTAL Travel and Meetings | 893.50 | 4,907.49 | 4,013.99 | 81.8 % |
| Permits and Fees | | | | |
| Permits and Fees | 0.00 | 4,400.00 | 4,400.00 | 100.0 % |
| TOTAL Permits and Fees | 0.00 | 4,400.00 | 4,400.00 | 100.0 % |
| Memberships and Subscriptions | | | | |
| Memberships and Subscriptions | 1,487.00 | 577.50 | (909.50) | -157.5 % |
| TOTAL Memberships and Subscriptions | 1,487.00 | 577.50 | (909.50) | -157.5 % |
| Safety | | | | |
| Safety | 3,970.98 | 4,451.22 | 480.24 | 10.8 % |
| TOTAL Safety | 3,970.98 | 4,451.22 | 480.24 | 10.8 % |
| TOTAL Operating Expenses | 400,822.41 | 439,881.53 | 39,059.12 | 8.9 % |
| ***** OPERATING INCOME (LOSS) | (400,822.41) | (439,881.53) | 39,059.12 | 8.9 % |
| ***** NET INCOME (LOSS) | (400,822.41) | (439,881.53) | 39,059.12 | 8.9 % |
| ***** NET INCOME (LOSS) | (400,822.41) | (439,881.53) | 39,059.12 | 8.9 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
*Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 5*

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|-------------------------------------|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 141,714.28 | 132,739.66 | (8,974.62) | -6.8 % |
| TOTAL Salaries and Payroll Taxes | 141,714.28 | 132,739.66 | (8,974.62) | -6.8 % |
| Employee Benefits | | | | |
| Employee Benefits | 58,832.70 | 59,364.39 | 531.69 | 0.9 % |
| TOTAL Employee Benefits | 58,832.70 | 59,364.39 | 531.69 | 0.9 % |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 9,808.27 | 10,080.01 | 271.74 | 2.7 % |
| TOTAL Truck and Auto Expenses | 9,808.27 | 10,080.01 | 271.74 | 2.7 % |
| General and Administrative | | | | |
| General and Administrative | 259.19 | 13,749.99 | 13,490.80 | 98.1 % |
| TOTAL General and Administrative | 259.19 | 13,749.99 | 13,490.80 | 98.1 % |
| Office Expense | | | | |
| Office Expense | 253.88 | 2,642.49 | 2,388.61 | 90.4 % |
| TOTAL Office Expense | 253.88 | 2,642.49 | 2,388.61 | 90.4 % |
| Operating Supplies | | | | |
| Operating Supplies | 3,692.09 | 5,704.98 | 2,012.89 | 35.3 % |
| TOTAL Operating Supplies | 3,692.09 | 5,704.98 | 2,012.89 | 35.3 % |
| Contract Services | | | | |
| Contract Services | 16,569.66 | 21,012.52 | 4,442.86 | 21.1 % |
| TOTAL Contract Services | 16,569.66 | 21,012.52 | 4,442.86 | 21.1 % |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 30,180.68 | 55,250.00 | 25,069.32 | 45.4 % |
| TOTAL Repairs and Maintenance | 30,180.68 | 55,250.00 | 25,069.32 | 45.4 % |
| Utilities | | | | |
| Utilities | 10,396.87 | 9,763.77 | (633.10) | -6.5 % |
| TOTAL Utilities | 10,396.87 | 9,763.77 | (633.10) | -6.5 % |
| Travel and Meetings | | | | |
| Travel and Meetings | 1,124.64 | 2,825.01 | 1,700.37 | 60.2 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 5

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------------|--|---|---|--------------|
| TOTAL Travel and Meetings | 1,124.64 | 2,825.01 | 1,700.37 | 60.2 % |
| Permits and Fees | | | | |
| Permits and Fees | 3,021.00 | 3,200.00 | 179.00 | 5.6 % |
| TOTAL Permits and Fees | 3,021.00 | 3,200.00 | 179.00 | 5.6 % |
| Memberships and Subscriptions | | | | |
| Memberships and Subscriptions | 275.00 | 512.49 | 237.49 | 46.3 % |
| TOTAL Memberships and Subscriptions | 275.00 | 512.49 | 237.49 | 46.3 % |
| Safety | | | | |
| Safety | 897.23 | 3,075.00 | 2,177.77 | 70.8 % |
| TOTAL Safety | 897.23 | 3,075.00 | 2,177.77 | 70.8 % |
| Other Expenses | | | | |
| Other Expense | 180.00 | 0.00 | (180.00) | |
| TOTAL Other Expenses | 180.00 | 0.00 | (180.00) | |
| TOTAL Operating Expenses | 277,205.49 | 319,920.31 | 42,714.82 | 13.4 % |
| ***** OPERATING INCOME (LOSS) | (277,205.49) | (319,920.31) | 42,714.82 | 13.4 % |
| ***** NET INCOME (LOSS) | (277,205.49) | (319,920.31) | 42,714.82 | 13.4 % |
| ***** NET INCOME (LOSS) | (277,205.49) | (319,920.31) | 42,714.82 | 13.4 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 6

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|---|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 253,131.42 | 277,432.88 | 24,301.46 | 8.8 % |
| TOTAL Salaries and Payroll Taxes | 253,131.42 | 277,432.88 | 24,301.46 | 8.8 % |
| Employee Benefits | | | | |
| Employee Benefits | 110,253.23 | 109,113.82 | (1,139.41) | -1.0 % |
| TOTAL Employee Benefits | 110,253.23 | 109,113.82 | (1,139.41) | -1.0 % |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 285.83 | 1,502.00 | 1,216.17 | 81.0 % |
| TOTAL Truck and Auto Expenses | 285.83 | 1,502.00 | 1,216.17 | 81.0 % |
| General and Administrative | | | | |
| General and Administrative | 3,009.56 | 17,250.01 | 14,240.45 | 82.6 % |
| TOTAL General and Administrative | 3,009.56 | 17,250.01 | 14,240.45 | 82.6 % |
| Office Expense | | | | |
| Office Expense | 4,042.85 | 9,692.55 | 5,649.70 | 58.3 % |
| TOTAL Office Expense | 4,042.85 | 9,692.55 | 5,649.70 | 58.3 % |
| Operating Supplies | | | | |
| Operating Supplies | 78,920.12 | 66,303.81 | (12,616.31) | -19.0 % |
| TOTAL Operating Supplies | 78,920.12 | 66,303.81 | (12,616.31) | -19.0 % |
| Contract Services | | | | |
| Contract Services | 129,845.53 | 113,303.77 | (16,541.76) | -14.6 % |
| TOTAL Contract Services | 129,845.53 | 113,303.77 | (16,541.76) | -14.6 % |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 9,178.30 | 18,514.98 | 9,336.68 | 50.4 % |
| TOTAL Repairs and Maintenance | 9,178.30 | 18,514.98 | 9,336.68 | 50.4 % |
| Utilities | | | | |
| Utilities | 76,360.54 | 93,400.02 | 17,039.48 | 18.2 % |
| TOTAL Utilities | 76,360.54 | 93,400.02 | 17,039.48 | 18.2 % |
| Travel and Meetings | | | | |
| Travel and Meetings | 1,686.48 | 9,461.25 | 7,774.77 | 82.2 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 6

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------------|--|---|---|--------------|
| TOTAL Travel and Meetings | 1,686.48 | 9,461.25 | 7,774.77 | 82.2 % |
| Permits and Fees | | | | |
| Permits and Fees | 6,181.50 | 9,315.00 | 3,133.50 | 33.6 % |
| TOTAL Permits and Fees | 6,181.50 | 9,315.00 | 3,133.50 | 33.6 % |
| Memberships and Subscriptions | | | | |
| Memberships and Subscriptions | 903.00 | 1,899.99 | 996.99 | 52.5 % |
| TOTAL Memberships and Subscriptions | 903.00 | 1,899.99 | 996.99 | 52.5 % |
| Safety | | | | |
| Safety | 6,602.72 | 5,930.01 | (672.71) | -11.3 % |
| TOTAL Safety | 6,602.72 | 5,930.01 | (672.71) | -11.3 % |
| Other Expenses | | | | |
| Other Expense | 0.00 | 500.01 | 500.01 | 100.0 % |
| TOTAL Other Expenses | 0.00 | 500.01 | 500.01 | 100.0 % |
| TOTAL Operating Expenses | 680,401.08 | 733,620.10 | 53,219.02 | 7.3 % |
| ***** OPERATING INCOME (LOSS) | (680,401.08) | (733,620.10) | 53,219.02 | 7.3 % |
| ***** NET INCOME (LOSS) | (680,401.08) | (733,620.10) | 53,219.02 | 7.3 % |
| ***** NET INCOME (LOSS) | (680,401.08) | (733,620.10) | 53,219.02 | 7.3 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 7

| | <i>3 Months Ended</i> <i>September 30, 2018</i> | <i>3 Months Ended</i> <i>September 30, 2018</i> <i>Budget</i> | <i>Variance</i> <i>Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|---|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 138,134.04 | 160,344.69 | 22,210.65 | 13.9 % |
| TOTAL Salaries and Payroll Taxes | 138,134.04 | 160,344.69 | 22,210.65 | 13.9 % |
| Employee Benefits | | | | |
| Employee Benefits | 53,042.80 | 78,858.47 | 25,815.67 | 32.7 % |
| TOTAL Employee Benefits | 53,042.80 | 78,858.47 | 25,815.67 | 32.7 % |
| Director's Expenses | | | | |
| Director's Expenses | 4,899.01 | 7,862.49 | 2,963.48 | 37.7 % |
| TOTAL Director's Expenses | 4,899.01 | 7,862.49 | 2,963.48 | 37.7 % |
| Truck and Auto Expenses | | | | |
| Truck and Auto Expenses | 1,378.40 | 795.02 | (583.38) | -73.4 % |
| TOTAL Truck and Auto Expenses | 1,378.40 | 795.02 | (583.38) | -73.4 % |
| General and Administrative | | | | |
| General and Administrative | 12,061.32 | 57,995.49 | 45,934.17 | 79.2 % |
| TOTAL General and Administrative | 12,061.32 | 57,995.49 | 45,934.17 | 79.2 % |
| Office Expense | | | | |
| Office Expense | 9,643.80 | 8,524.99 | (1,118.81) | -13.1 % |
| TOTAL Office Expense | 9,643.80 | 8,524.99 | (1,118.81) | -13.1 % |
| Operating Supplies | | | | |
| Operating Supplies | 197.85 | 325.02 | 127.17 | 39.1 % |
| TOTAL Operating Supplies | 197.85 | 325.02 | 127.17 | 39.1 % |
| Contract Services | | | | |
| Contract Services | 28,683.50 | 49,730.36 | 21,046.86 | 42.3 % |
| TOTAL Contract Services | 28,683.50 | 49,730.36 | 21,046.86 | 42.3 % |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 0.00 | 249.99 | 249.99 | 100.0 % |
| TOTAL Repairs and Maintenance | 0.00 | 249.99 | 249.99 | 100.0 % |
| Utilities | | | | |
| Utilities | 6,990.16 | 5,620.74 | (1,369.42) | -24.4 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 7

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------------|--|---|-------------------------------------|--------------|
| TOTAL Utilities | 6,990.16 | 5,620.74 | (1,369.42) | -24.4 % |
| Travel and Meetings | | | | |
| Travel and Meetings | 547.22 | 11,237.49 | 10,690.27 | 95.1 % |
| TOTAL Travel and Meetings | 547.22 | 11,237.49 | 10,690.27 | 95.1 % |
| Permits and Fees | | | | |
| Permits and Fees | 24,052.00 | 24,052.00 | 0.00 | |
| TOTAL Permits and Fees | 24,052.00 | 24,052.00 | 0.00 | |
| Memberships and Subscriptions | | | | |
| Memberships and Subscriptions | 0.00 | 543.75 | 543.75 | 100.0 % |
| TOTAL Memberships and Subscriptions | 0.00 | 543.75 | 543.75 | 100.0 % |
| Safety | | | | |
| Safety | 654.39 | 375.00 | (279.39) | -74.5 % |
| TOTAL Safety | 654.39 | 375.00 | (279.39) | -74.5 % |
| Other Expenses | | | | |
| Other Expense | 2,748.24 | 5,500.01 | 2,751.77 | 50.0 % |
| TOTAL Other Expenses | 2,748.24 | 5,500.01 | 2,751.77 | 50.0 % |
| TOTAL Operating Expenses | 283,032.73 | 412,015.51 | 128,982.78 | 31.3 % |
| ***** OPERATING INCOME (LOSS) | (283,032.73) | (412,015.51) | 128,982.78 | 31.3 % |
| | | | | |
| ***** NET INCOME (LOSS) | (283,032.73) | (412,015.51) | 128,982.78 | 31.3 % |
| | | | | |
| ***** NET INCOME (LOSS) | (283,032.73) | (412,015.51) | 128,982.78 | 31.3 % |

Carmel Area Wastewater District
Budgeted Operating Expenses-Reclamation
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 8

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|-------------------------------------|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 137,960.34 | 119,358.87 | (18,601.47) | -15.6 % |
| TOTAL Salaries and Payroll Taxes | 137,960.34 | 119,358.87 | (18,601.47) | -15.6 % |
| Operating Supplies | | | | |
| Operating Supplies | 1,074.25 | 2,124.99 | 1,050.74 | 49.4 % |
| TOTAL Operating Supplies | 1,074.25 | 2,124.99 | 1,050.74 | 49.4 % |
| Contract Services | | | | |
| Contract Services | 435.07 | 0.00 | (435.07) | |
| TOTAL Contract Services | 435.07 | 0.00 | (435.07) | |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 1,166.08 | 1,074.99 | (91.09) | -8.5 % |
| TOTAL Repairs and Maintenance | 1,166.08 | 1,074.99 | (91.09) | -8.5 % |
| Safety | | | | |
| Safety | 1,133.02 | 0.00 | (1,133.02) | |
| TOTAL Safety | 1,133.02 | 0.00 | (1,133.02) | |
| TOTAL Operating Expenses | 141,768.76 | 122,558.85 | (19,209.91) | -15.7 % |
| ***** OPERATING INCOME (LOSS) | (141,768.76) | (122,558.85) | (19,209.91) | -15.7 % |
| ***** NET INCOME (LOSS) | (141,768.76) | (122,558.85) | (19,209.91) | -15.7 % |
| ***** NET INCOME (LOSS) | (141,768.76) | (122,558.85) | (19,209.91) | -15.7 % |

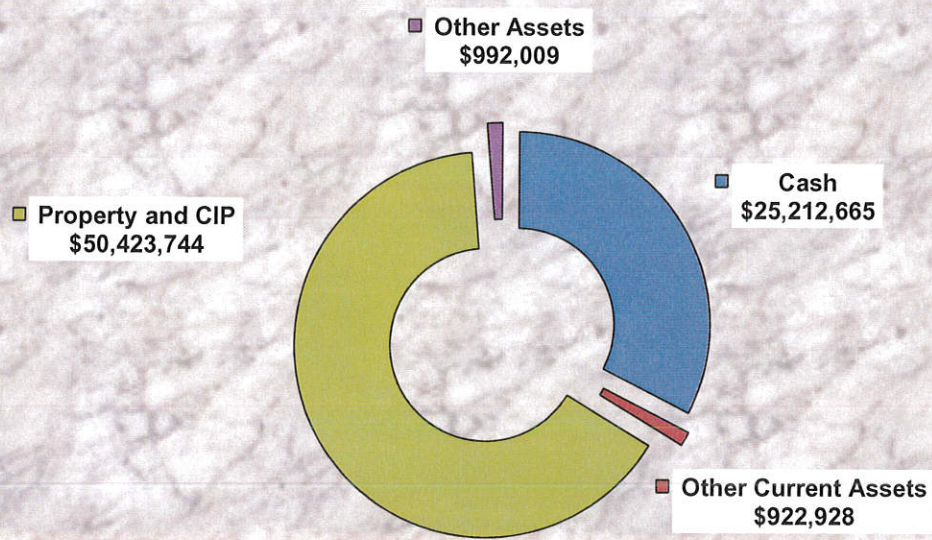
Carmel Area Wastewater District
Budgeted Operating Exp.-Waste to Energy
Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 9

| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|-------------------------------|--|---|-------------------------------------|--------------|
| Income | | | | |
| Revenue | 290.55 | 0.00 | 290.55 | |
| TOTAL Income | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |
| ***** | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |
| ***** OPERATING INCOME | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |
| ***** OPERATING INCOME (LOSS) | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |
| ***** NET INCOME (LOSS) | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |
| ***** NET INCOME (LOSS) | <u>290.55</u> | <u>0.00</u> | <u>290.55</u> | |

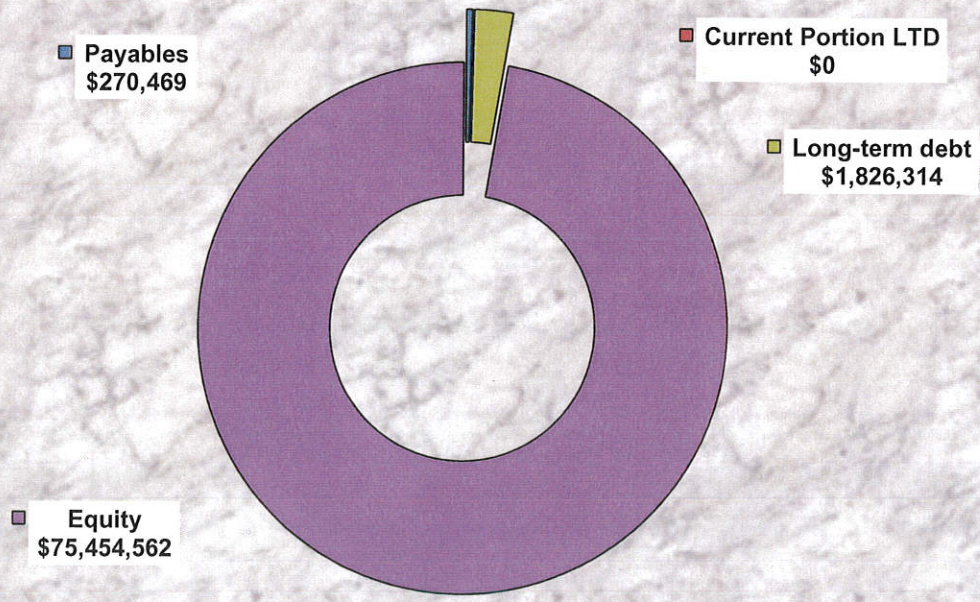
Carmel Area Wastewater District
Budgeted Operating Exp.-Brine Disposal
*Year-to-Date Variance, September 2018 - current month, Consolidated by
account, Department 10*

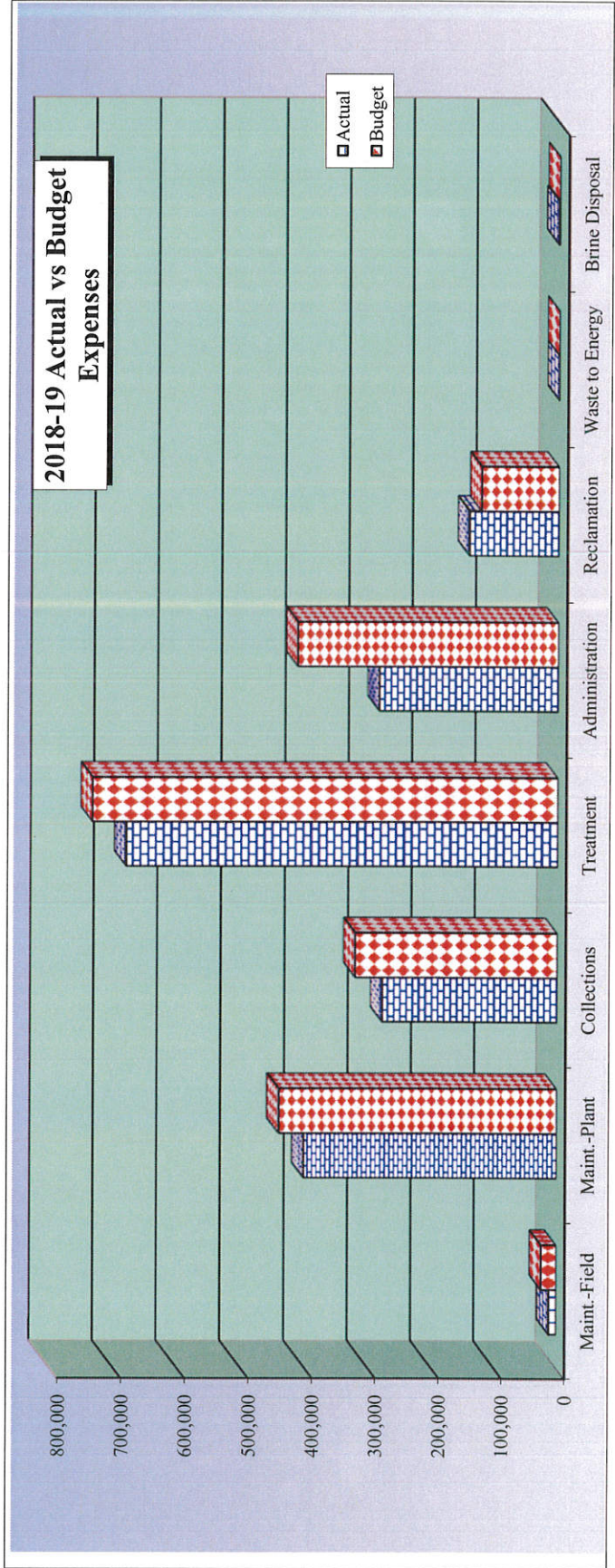
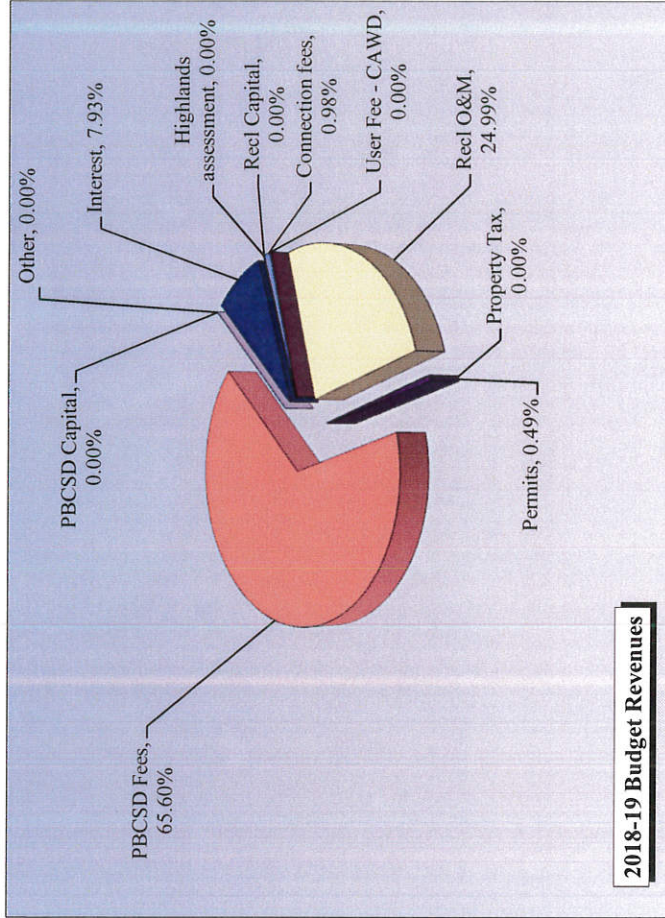
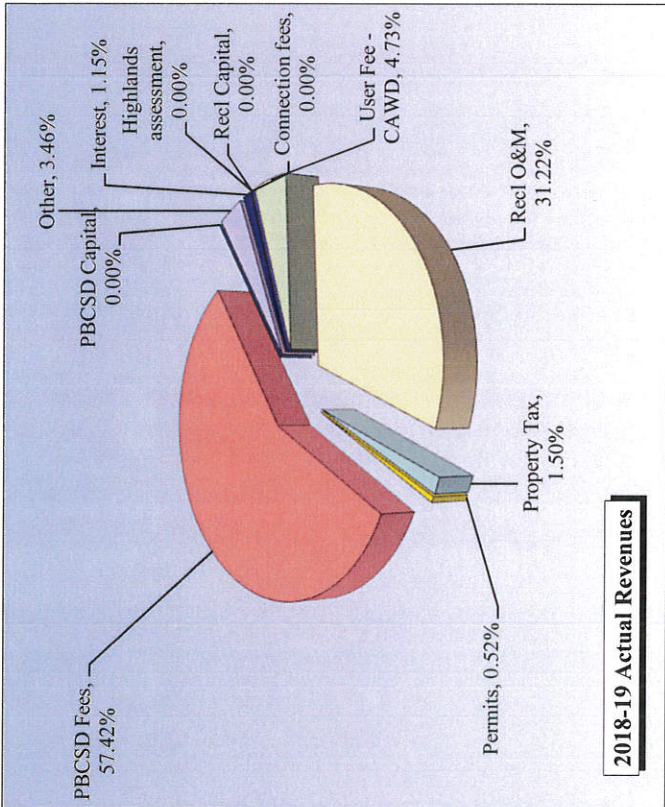
| | <i>3 Months Ended September 30, 2018</i> | <i>3 Months Ended September 30, 2018 Budget</i> | <i>Variance Fav/<Unf></i> | <i>% Var</i> |
|----------------------------------|--|---|-------------------------------------|--------------|
| ***** | 0.00 | 0.00 | 0.00 | |
| ***** OPERATING INCOME | 0.00 | 0.00 | 0.00 | |
| Operating Expenses | | | | |
| Salaries and Payroll Taxes | | | | |
| Salaries and Payroll Taxes | 813.33 | 0.00 | (813.33) | |
| Payroll taxes | 63.00 | 0.00 | (63.00) | |
| TOTAL Salaries and Payroll Taxes | 876.33 | 0.00 | (876.33) | |
| Operating Supplies | | | | |
| Operating Supplies | 727.65 | 0.00 | (727.65) | |
| TOTAL Operating Supplies | 727.65 | 0.00 | (727.65) | |
| Repairs and Maintenance | | | | |
| Repairs and Maintenance | 412.27 | 0.00 | (412.27) | |
| TOTAL Repairs and Maintenance | 412.27 | 0.00 | (412.27) | |
| TOTAL Operating Expenses | 2,016.25 | 0.00 | (2,016.25) | |
| ***** OPERATING INCOME (LOSS) | (2,016.25) | 0.00 | (2,016.25) | |
| ***** NET INCOME (LOSS) | (2,016.25) | 0.00 | (2,016.25) | |
| ***** NET INCOME (LOSS) | (2,016.25) | 0.00 | (2,016.25) | |

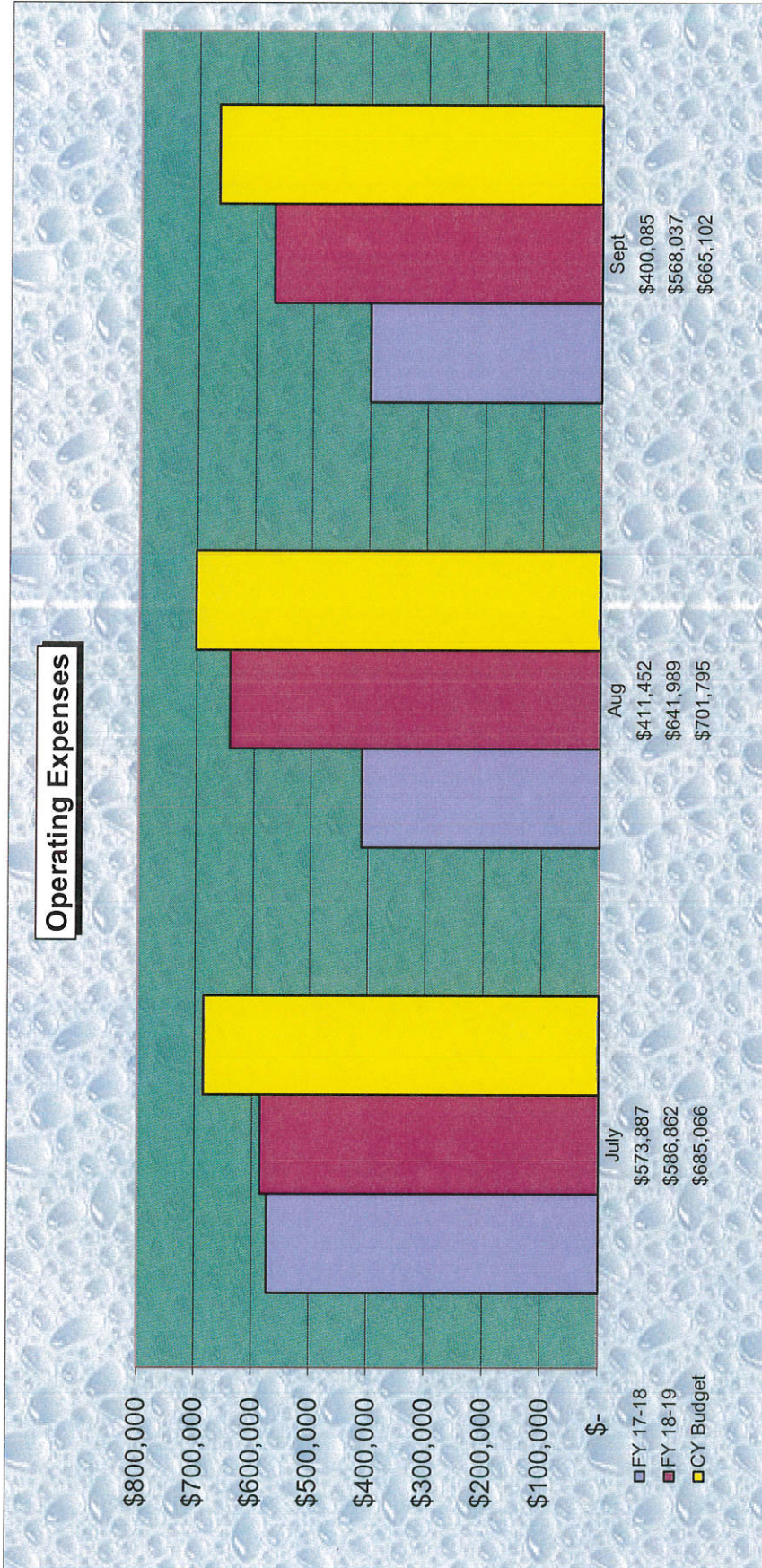
Assets - September 30, 2018



Liabilities - September 30, 2018







Carmel Area Wastewater District
 Capital Expenditures
 2018-19

| | BEG BAL | SEP | CURRENT YTD | CUMULATIVE TOTAL | ANNUAL BUDGET | BUDGET SPENT |
|--|--------------|-----|--------------|------------------|---------------|--------------|
| <u>CAPITAL PURCHASES</u> | | | | | | |
| <u>Admin</u> | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | NA |
| <u>Collections</u> | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | NA |
| | 0 | 0 | 0 | 0 | 0 | NA |
| | 0 | 0 | 0 | 0 | 0 | NA |
| | 0 | 0 | 0 | 0 | 0 | NA |
| <u>Treatment</u> | | | | | | |
| Mainsaver Purchasing Model and Connect-(RECL 33.33%) | 20,000 | | 20,000 | 20,000 | 40,000 | NA |
| | 0 | | 0 | 0 | 0 | NA |
| | 0 | | 0 | 0 | 0 | NA |
| | 0 | | 0 | 0 | 0 | NA |
| RECL share | (6,666) | | (6,666) | (6,666) | 0 | #DIV/0! |
| PBCSD share (1/3 of cost) | (4,445) | | (4,445) | (4,445) | 0 | NA |
| | 8,889 | | 8,889 | 8,889 | 40,000 | NA |

Total Capital Purchases 18-19

**Carmel Area Wastewater District
Capital Expenditures
2018-19**

| | BEG BAL | SEP | CURRENT YTD | CUMULATIVE TOTAL | ANNUAL BUDGET | BUDGET SPENT |
|--|------------------|---------------|---------------|------------------|---------------|--------------|
| <u>CIP PROJECTS</u> | | | | | | |
| <u>Collections</u> | | | | | | |
| Design and construction plans for Calle La Cruz force main | 182,581 | 147 | 4,157 | 186,738 | 0 | NA |
| Construction of new Gravity Sewer Line-Carmel Meadows | 117,152 | 0 | 0 | 117,152 | 0 | NA |
| Hatton Canyon Trail | 169,355 | 0 | 285 | 169,640 | 0 | #DIV/0! |
| <u>Treatment</u> | | | | | | |
| Study SCADA, PLC, and Communication Systems (RECL 50%) | 370,965 | 0 | 773 | 371,738 | 0 | NA |
| Waste Gas Burner | 563,717 | 0 | 0 | 563,717 | 7,736 | NA |
| SBS Tank Rehab (Brine Disposal) | 3,443 | 7,322 | 7,890 | 11,333 | 0 | NA |
| Aeration Basin #5 Baffle | 0 | 2,425 | 2,425 | 2,425 | 30,000 | 8.08% |
| Aeration Basin #6 Baffle | 0 | 2,425 | 2,425 | 2,425 | 30,000 | 8.08% |
| RECL share | | 0 | (386) | (185,869) | 0 | NA |
| PBCSD share (1/3 of cost) | | (1,617) | (1,746) | (255,256) | (22,579) | 7.73% |
| Total CIP Projects 18-19 | 1,407,213 | 10,702 | 15,823 | 984,043 | 45,157 | NA |

**Carmel Area Wastewater District
Capital Expenditures
2018-19**

| | BEG BAL | SEP | CURRENT YTD | CUMULATIVE TOTAL | ANNUAL BUDGET | BUDGET SPENT |
|---|-------------------|---------------|---------------|-------------------|----------------|--------------|
| <u>LONG TERM CIP PROJECTS</u> | | | | | | |
| Treatment | | | | | | |
| Electrical Upgrade | 157,042 | 0 | 0 | 157,042 | 0 | NA |
| Standby blower replacement | 932,876 | 0 | 0 | 932,876 | 13,195 | NA |
| Storm water improvements | 562,669 | 0 | 0 | 562,669 | 7,517 | NA |
| Thickener (RECL 50%) | 942,381 | 0 | 0 | 942,381 | 12,894 | NA |
| Hypo/SBS (RECL 40%) | 2,930,043 | 0 | 0 | 2,930,043 | 45,704 | NA |
| Portable RAS pumping | 1,118,978 | 0 | 0 | 1,118,978 | 18,051 | NA |
| Digester firm capacity Improvements | 5,340,025 | 0 | 0 | 5,340,025 | 90,283 | NA |
| #1 Water improvements | 377,108 | 0 | 0 | 377,108 | 4,718 | NA |
| #3 Water system improvements | 323,065 | 0 | 0 | 323,065 | 2,469 | NA |
| Dewatering | 1,278,111 | 0 | 0 | 1,278,111 | 17,173 | NA |
| Standby & main power improvements | 3,435,491 | 0 | 0 | 3,435,491 | 54,592 | NA |
| Perimeter Fencing | 0 | 1,500 | 1,500 | 1,500 | 50,000 | 3.00% |
| Outfall Crossing rehabilitation | 229,365 | 587 | 16,629 | 245,994 | 0 | NA |
| Microturbine/Gas Conditioning System | 400 | 410 | 1,010 | 1,410 | 0 | NA |
| Microturbine | 161,807 | 0 | 13,300 | 175,106 | 0 | NA |
| Mainsaver Inventory Module (RECL 33%) | 13,400 | 0 | 6,179 | 19,579 | 0 | NA |
| SCADA Network Phase II | 0 | 0 | 234 | 234 | 150,000 | NA |
| WWTP Phase II Design | 0 | 9,323 | 9,323 | 9,323 | 874,985 | 1.07% |
| RECL share | | 0 | (2,060) | (1,649,734) | (24,729) | NA |
| PBCSD share (1/3 of cost) | | (3,940) | (15,371) | (5,400,400) | (438,951) | NA |
| | 17,802,761 | 7,880 | 30,743 | 10,800,800 | 877,901 | NA |
| Total Long Term CIP Projects 18-19 | | | | | | |
| Total Capital (net of RECL and PBCSD) | 19,209,974 | 27,471 | 55,455 | 11,793,733 | 963,058 | NA |

**Carmel Area Wastewater District
Variance Analysis
2018-19**

YTD Actual/
YTD Budget
Variance

Maintenance - Field

| | | |
|-------------------------|----------|---|
| Truck and Auto Expenses | -9.00% | Timing difference-small dollar amounts: Actual \$3,623, Budget \$3,325. |
| Safety | -281.90% | Timing-training underbudgeted slightly |

Maintenance - Plant

| | | |
|-------------------------------|----------|---|
| Operating Supplies | -241.70% | Electrical supplies underbudgeted. |
| Contract Services | -21.70% | Network administration-Mainsaver unbudgeted. |
| Utilities | -504.10% | New phones unbudgeted. |
| Memberships and Subscriptions | -157.50% | Maintenance department memberships unbudgeted-small dollar amounts. |

Collections

| | | |
|----------------------------|--------|--|
| Salaries and Payroll Taxes | -6.80% | Timing difference-vacation buy backs and comp time cash out. |
| Utilities | -6.50% | New phones unbudgeted. |

Treatment

| | | |
|--------------------|---------|---|
| Operating Supplies | -19.00% | Timing difference-polymer and general supplies. |
| Contract Services | -14.60% | Sea level rise study budgeted in capital. |
| Safety | -11.30% | Timing difference-supplies and training. |

Administration

| | | |
|-------------------------|---------|---|
| Truck and Auto Expenses | -73.40% | Insurance underbudgeted: actual \$1,378, budget \$605 |
| Office Expense | -13.10% | Timing difference-furnishings and fixtures, temp service. |
| Utilities | -24.40% | New phones unbudgeted. |
| Safety | -74.50% | Timing difference-training. |

Waste to Energy

Unbudgeted

Brine Disposal

Unbudgeted

District Obligations:

1) 2004 Highlands Project Bond Proceeds \$3,057,165 -- Balance \$1,090,000

STAFF REPORT



TO: Board of Directors
 FROM: Daryl Lauer, Collection Superintendent
 DATE: October 25, 2018
 SUBJECT: Monthly Report – September 2018

RECOMMENDATION

Receive Report- Informational only; no action required.

Permits Issued

| | |
|---|-------------|
| Sewer Lateral Permits issued in September | 8 |
| Total Fees..... | \$ 1,110.00 |

Maintenance

Attached is a map of the locations cleaned in past three months. There were no CCTV sewer line inspections during the month of September.

| Cleaning period | Footage Cleaned | Percentage Cleaned | Size of Pipe Cleaned |
|-----------------|-----------------|--------------------|----------------------|
| July | 42,431 ft. | 10.32% | 6 – 12 inches |
| August | 72,770 ft. | 17.70% | 6 – 27 inches |
| September | 42,556 ft. | 10.35% | 6 – 12 inches |

Construction Activities

During the final paving of the climbing lane project of Highway 1, contractors installed 7 new manhole frame and lids.

General Comments

All Collections staff completed required annual safety training in September. Areas of training were hazwoper refresher, confined space refresher, confined space rescue refresher, hearing test, Air Purifying Respirator (APR) fit test, forklift recertification, aerial manlift recertification, back-hoe/loader/skid steer recertification and fire extinguisher training.

Service calls responded to by crew

| Date | Time | Callout | Resolution |
|-------------|-------------|----------------|-----------------------------|
| 9/18/18 | 10:40 AM | Lateral backup | Owner to call their plumber |

USA Location Requests – 88

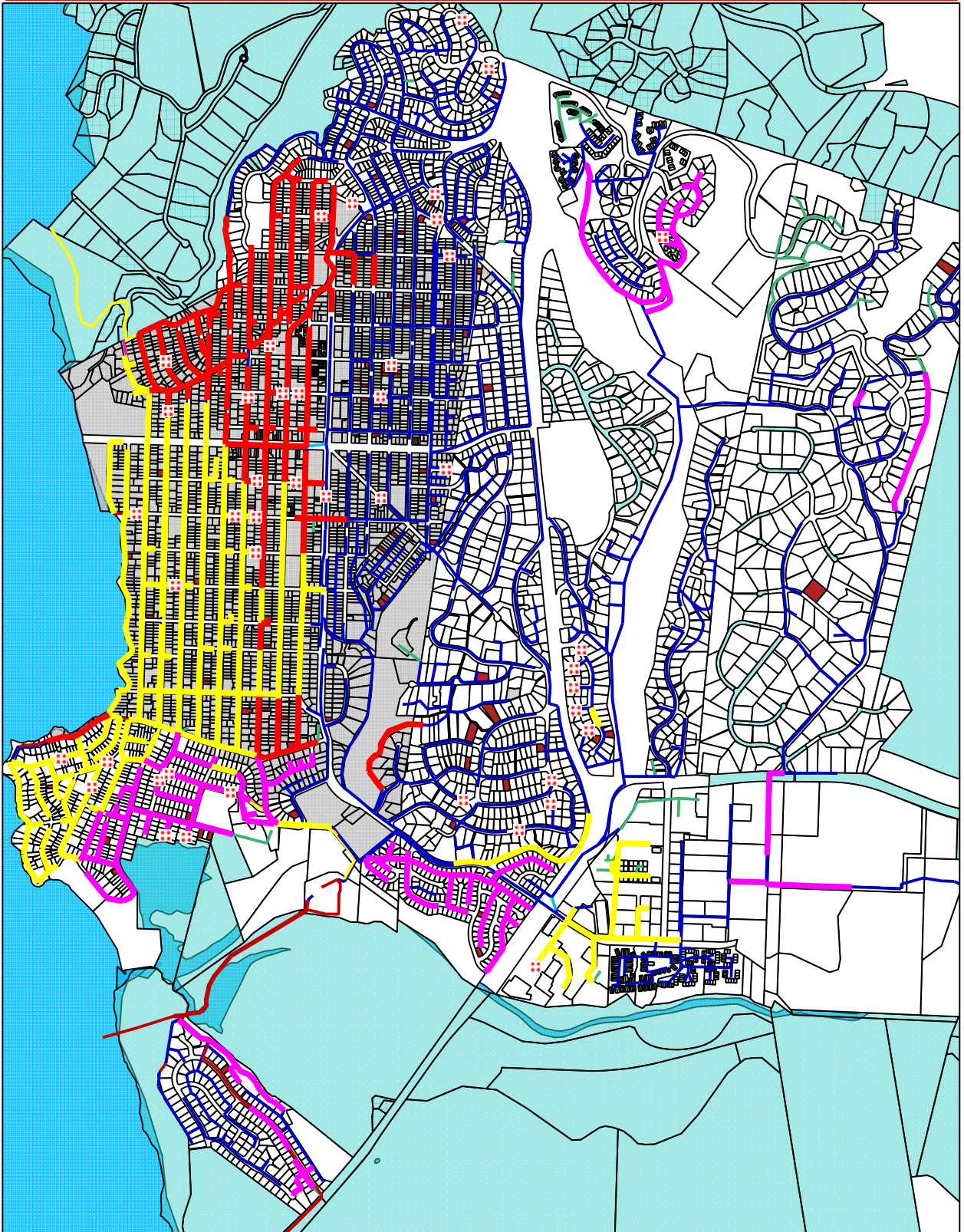
Plumbing permit inspections – 6

FUNDING

N/A- Informational item only

July (Magenta) 42,431 feet
August (Yellow) 72,770 feet
September (Red) 42,556 feet

Monthly Cleaning Report



RedZone[®]
ROBOTICS

10/3/2018



Wastewater Treatment Facility Operations Report

| | HYDRAULIC LOADINGS | | | | | YEAR-TO-DATE | |
|-------------------------|--------------------|-----------------|----------------|----------------|---------------|---------------|---------------|
| Report for: July 2018 | Total Monthly, MG | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total | MG | acre-feet |
| CAWD Flow | 25.589 | 0.825 | 0.779 | 0.870 | 69.829 | 178.53 | 547.65 |
| PBCSD Flow | 11.056 | 0.357 | 0.324 | 0.385 | 30.171 | 86.19 | 264.40 |
| Total Plant Flow | 36.645 | 1.182 | 1.103 | 1.255 | 100.00 | 264.73 | 812.05 |
| Tertiary Flow | 31.673 | 1.022 | 0.858 | 1.138 | 86.432 | 188.37 | 577.83 |
| Ocean Discharge | 4.821 | 0.156 | 0.128 | 0.179 | 13.156 | 80.70 | 247.55 |
| Potable Water | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| | Monthly | | | Annual | | |
|---------------|----------------|-------------|-------------------|----------------|-------------|-------------------|
| Potable Water | Flushing Cycle | Meet Demand | Equipment Failure | Flushing Cycle | Meet Demand | Equipment Failure |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0% |

TERTIARY PROCESS HISTORY

| | |
|---|------------------------------|
| Total Annual Reclamation Production (2018) | 188.37 MG (578.11 acre-ft.) |
| Total Lifetime Reclamation Production (94-18) | 7.36 BG (22.59 B acre-ft.) |
| 12 Month Rolling Total Reclamation Production | 340.24 MG (1044.21 acre-ft.) |

ELECTRICAL COSTS

| Monthly Totals | July '18 kWh | Price per kWh | July'18 | Jun'18 | May '18 | Apr'18 |
|------------------------------------|-------------------|---------------|---------------------|--------------------------|---------------------|---------------------|
| Secondary | 140,916.00 | \$ 0.178 | \$ 25,111.46 | \$ 21,790.35 | \$ 23,417.21 | \$ 27,773.70 |
| Blowers | 48,530.64 | \$ 0.191 | \$ 9,263.12 | \$ 9,930.68 | \$ 8,499.50 | \$ 7,681.64 |
| CAWD Total | 189,446.64 | | \$ 34,374.58 | \$ 31,721.03 | \$ 31,916.71 | \$ 35,455.34 |
| Tertiary | 89,871.80 | \$ 0.195 | \$ 17,533.51 | \$ 17,852.68 | \$ 15,726.97 | \$ 7,250.00 |
| MF/RO | 104,324.00 | \$ 0.205 | \$ 21,426.05 | \$ 22,703.79 | \$ 22,229.97 | \$ 11,611.23 |
| Reclaim Total | 194,195.80 | | \$ 38,959.56 | \$ 40,556.47 | \$ 37,956.94 | \$ 18,861.23 |
| Adjusted Monthly Totals (1) | CAWD Total | | \$ 25,135.40 | Reclamation Total | | \$ 48,198.74 |

kW-h Per Acre Foot

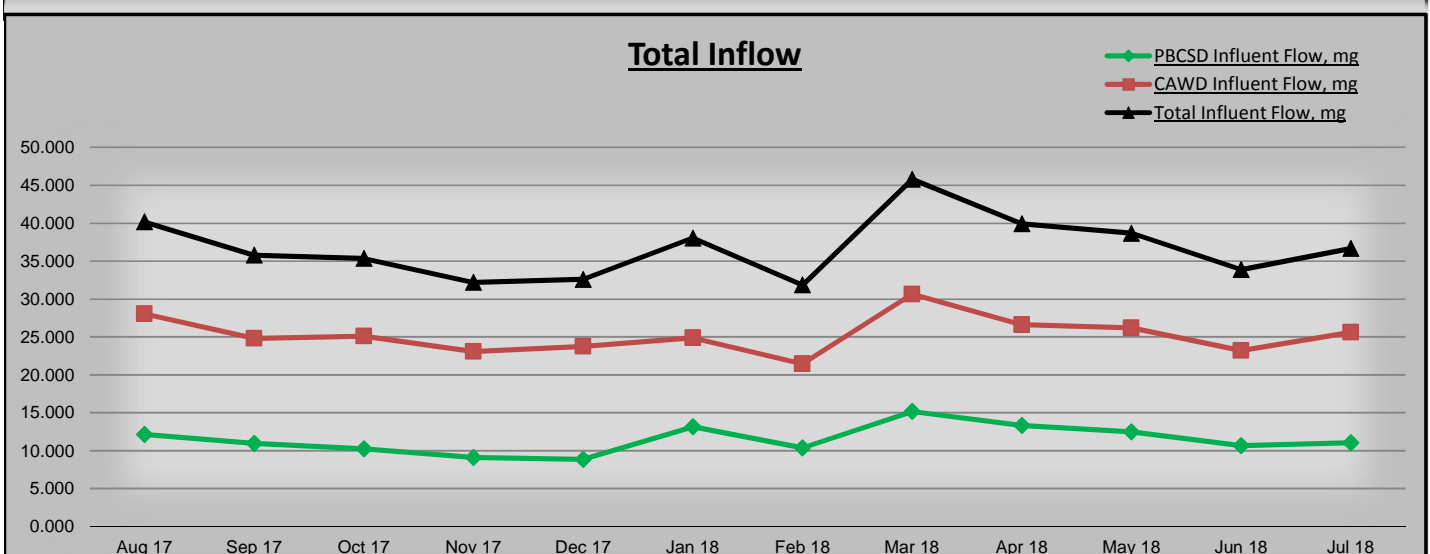
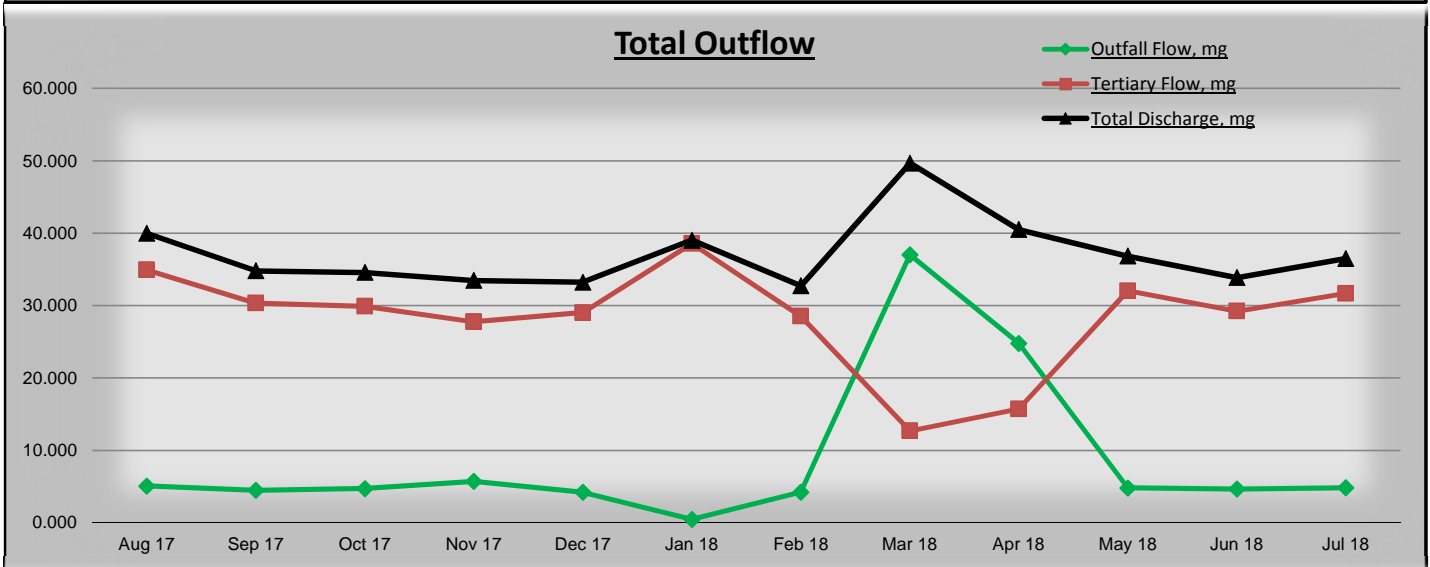
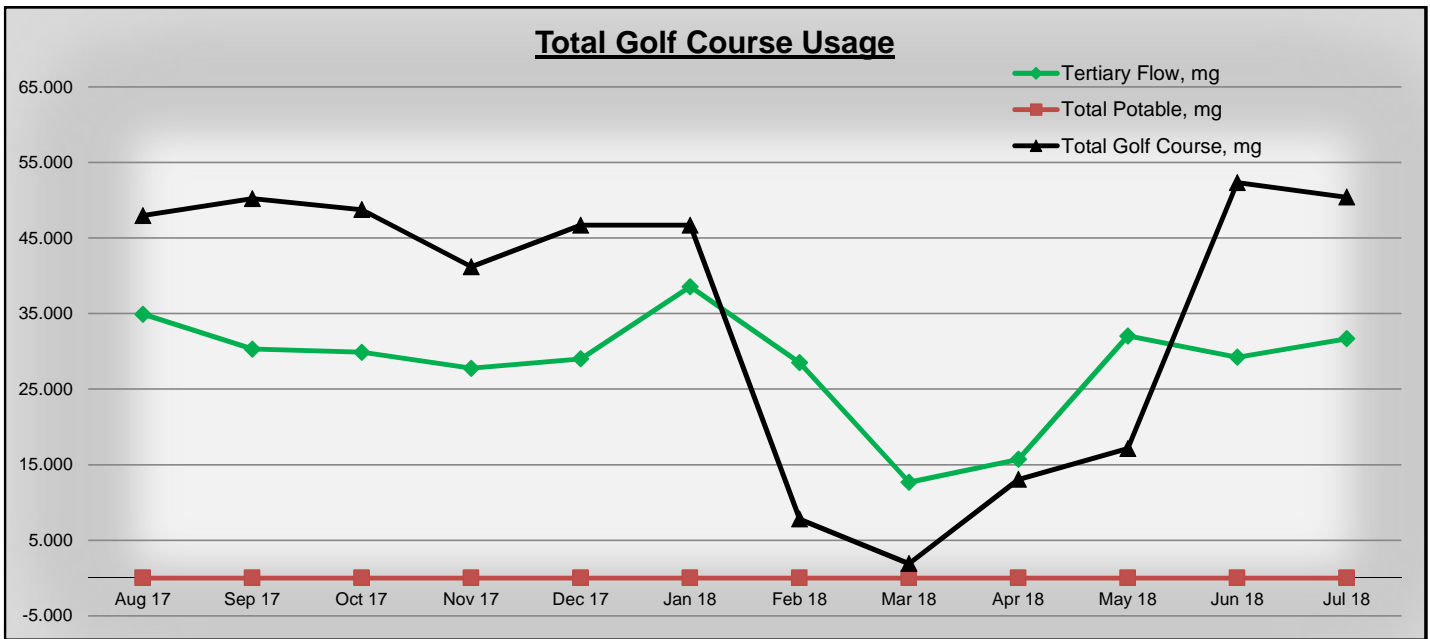
| | 2017 | | | | 2018 | | | |
|-------------|---------|---------|---------|---------|---------|---------|-------|-------|
| | 1 QTR | 2 QTR | 3 QTR | 4 QTR | 1 QTR | 2 QTR | 3 QTR | 4 QTR |
| CAWD | 1407.39 | 1374.11 | 1601.12 | 2000.04 | 1770.27 | 1692.20 | n/a | n/a |
| Reclamation | 2579.46 | 1871.10 | 1813.37 | 1923.82 | 1780.18 | 2260.45 | n/a | n/a |

MICROTURBINE SUMMARY

| Month | July '18 kWh | Jun'18 | May '18 | Apr'18 | Accumulated Totals |
|-----------------|--------------|--------|---------|--------|--------------------|
| Production, kWh | 10,865 | 13,610 | 14,650 | 13,436 | 666,328.00 |

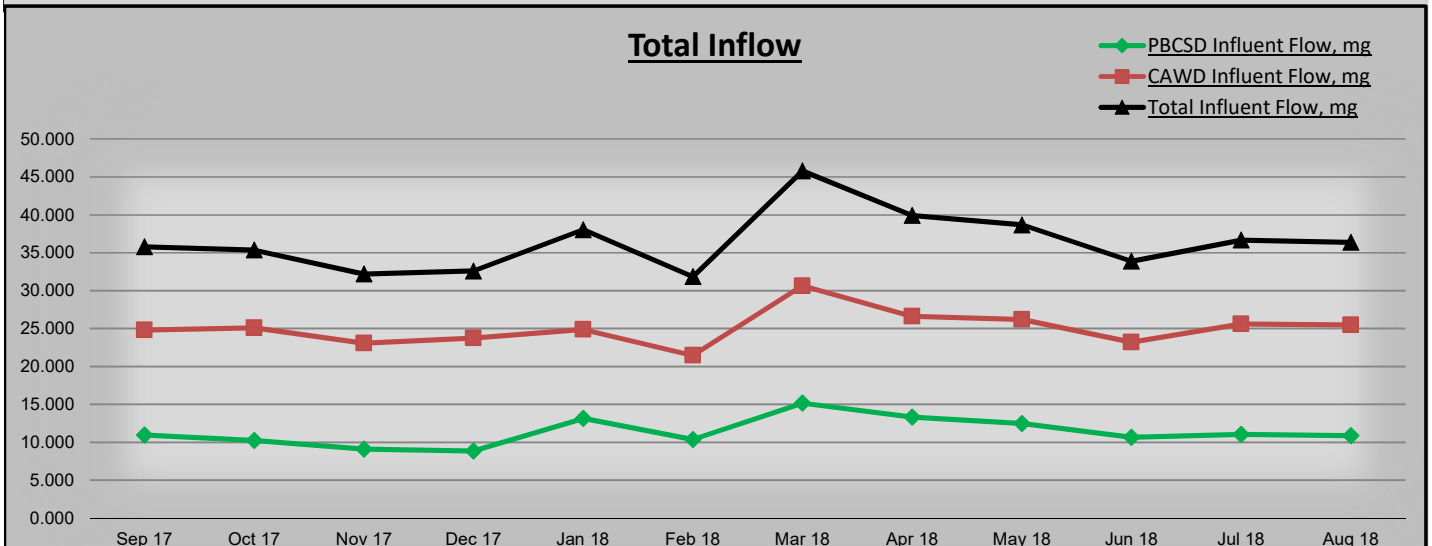
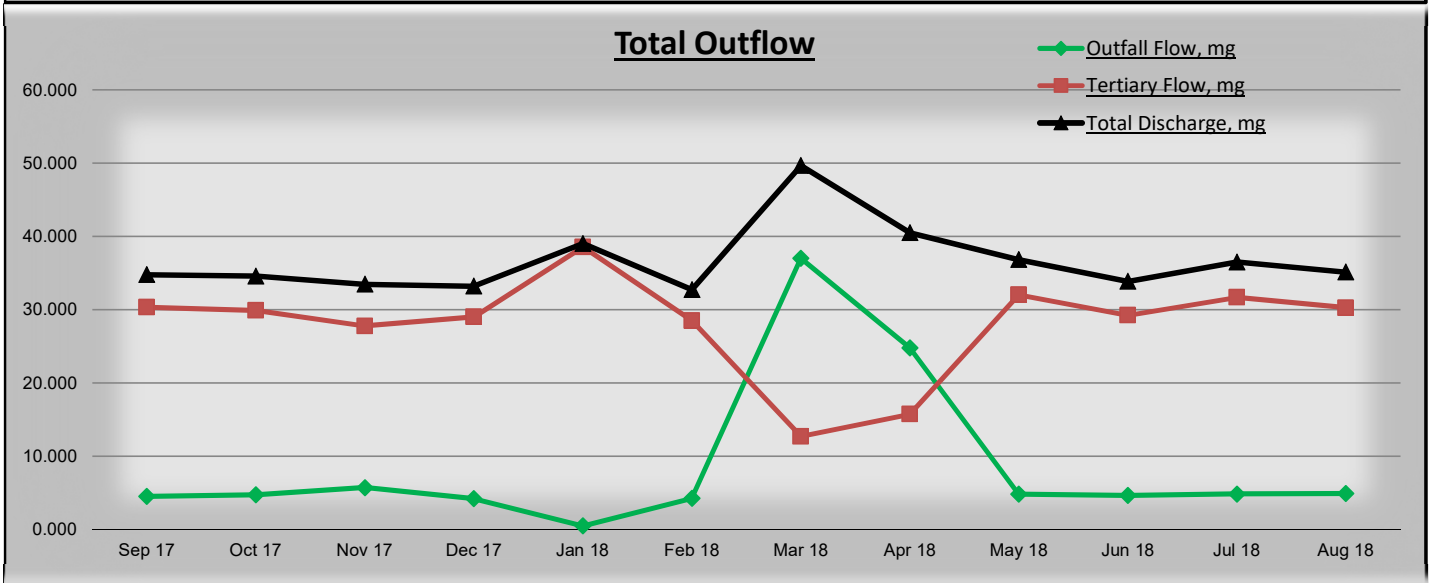
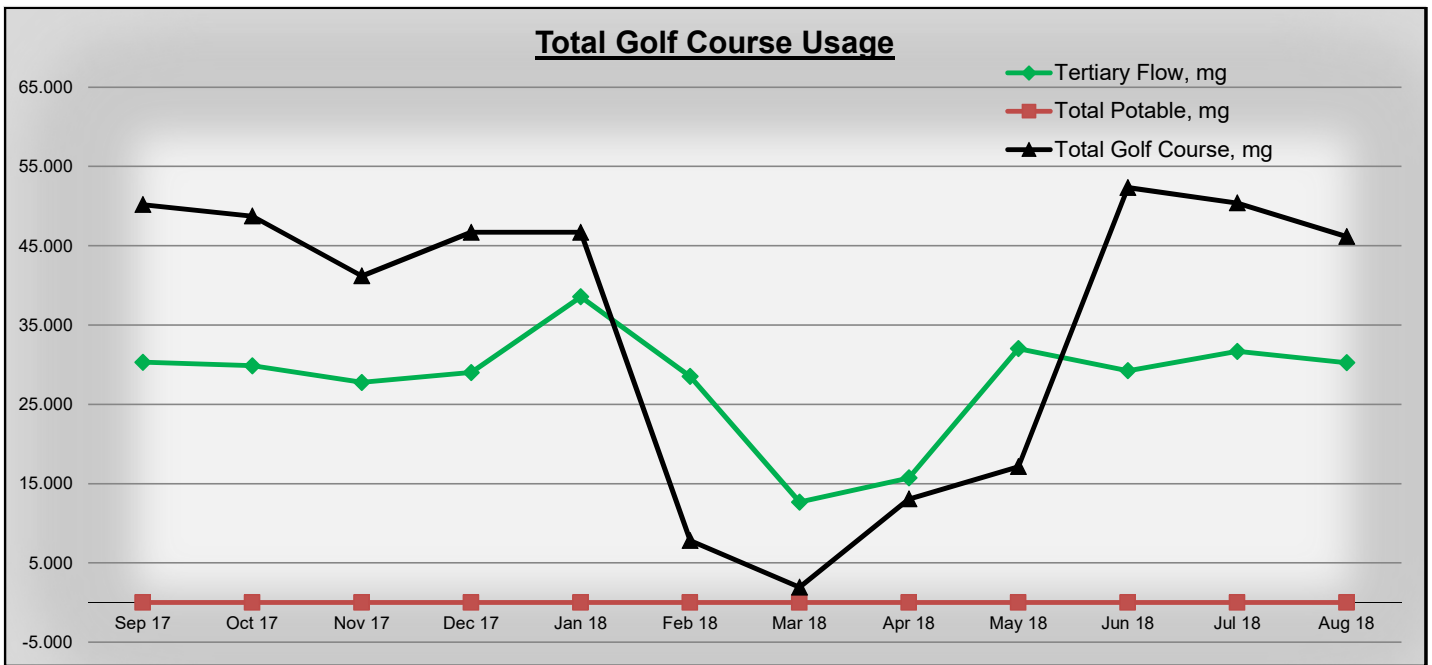
COMMENTS

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



Wastewater Treatment Facility Operations Report

| HYDRAULIC LOADINGS | | | | | | | | YEAR-TO-DATE | |
|---|----------------------|--------------------|------------------------------|---------------------|---------------------|---------------------|---------------|--------------|--|
| Report for: August 2018 | Total Monthly, MG | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total | MG | acre-feet | | |
| CAWD Flow | 25.482 | 0.822 | 0.760 | 0.871 | 70.110 | 204.02 | 625.82 | | |
| PBCSD Flow | 10.864 | 0.350 | 0.313 | 0.415 | 29.890 | 97.06 | 297.72 | | |
| Total Plant Flow | 36.346 | 1.172 | 1.073 | 1.286 | 100.00 | 301.07 | 923.54 | | |
| Tertiary Flow | 30.250 | 0.969 | 0.629 | 1.177 | 83.228 | 218.62 | 670.63 | | |
| Ocean Discharge | 4.879 | 0.157 | 0.113 | 0.269 | 13.424 | 85.58 | 262.51 | | |
| Potable Water | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | | |
| Monthly | | | | Annual | | | | | |
| Potable Water | Flushing Cycle | Meet Demand | Equipment Failure | Flushing Cycle | Meet Demand | Equipment Failure | | | |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0% | | | |
| TERTIARY PROCESS HISTORY | | | | | | | | | |
| Total Annual Reclamation Production (2018) | | | 218.62 MG (670.95 acre-ft.) | | | | | | |
| Total Lifetime Reclamation Production (94-18) | | | 7.58 BG (23.27 B acre-ft.) | | | | | | |
| 12 Month Rolling Total Reclamation Production | | | 335.58 MG (1029.89 acre-ft.) | | | | | | |
| ELECTRICAL COSTS | | | | | | | | | |
| Monthly Totals | Aug '18 kWh | Price per kWh | Aug'18 | July'18 | Jun '18 | May '18 | | | |
| Secondary | 120,985.00 | \$ 0.184 | \$ 22,246.67 | \$ 25,111.46 | \$ 21,790.35 | \$ 23,417.21 | | | |
| Blowers | 48,875.52 | \$ 0.187 | \$ 9,138.52 | \$ 9,263.12 | \$ 9,930.68 | \$ 8,499.50 | | | |
| CAWD Total | 169,860.52 | | \$ 31,385.19 | \$ 34,374.58 | \$ 31,721.03 | \$ 31,916.71 | | | |
| Tertiary | 87,191.08 | \$ 0.197 | \$ 17,179.94 | \$ 17,533.51 | \$ 17,852.68 | \$ 15,726.97 | | | |
| MF/RO | 119,943.00 | \$ 0.208 | \$ 24,987.80 | \$ 21,426.05 | \$ 22,703.79 | \$ 22,229.97 | | | |
| Reclaim Total | 207,134.08 | | \$ 42,167.74 | \$ 38,959.56 | \$ 40,556.47 | \$ 37,956.94 | | | |
| Adjusted Monthly Totals (1) | CAWD Total | \$ 23,252.85 | | Reclamation Total | | \$ 50,300.08 | | | |
| kW-h Per Acre Foot | | | | | | | | | |
| 2017 | | | | 2018 | | | | | |
| | 1 QTR | 2 QTR | 3 QTR | 4 QTR | 1 QTR | 2 QTR | 3 QTR | 4 QTR | |
| CAWD | 1407.39 | 1374.11 | 1601.12 | 2000.04 | 1770.27 | 1692.20 | n/a | n/a | |
| Reclamation | 2579.46 | 1871.10 | 1813.37 | 1923.82 | 1780.18 | 2260.45 | n/a | n/a | |
| MICROTURBINE SUMMARY | | | | | | | | | |
| Month | August '18 kWh | July'18 | Jun'18 | May '18 | Accumulated Totals | | | | |
| Production, kWh | 11,457 | 10,865 | 13,610 | 14,650 | 677,785.00 | | | | |
| COMMENTS | | | | | | | | | |
| (1) Cost adjustment for Reclamation percentage for Secondary power costs and CAWD's percentage for Tertiary's | | | | | | | | | |
| 'power costs due to the Lab's power usage | | | | | | | | | |



Wastewater Treatment Facility Operations Report

| | HYDRAULIC LOADINGS | | | | | YEAR-TO-DATE | |
|-------------------------------|----------------------|--------------------|-------------------|-------------------|---------------|---------------|----------------|
| Report for: September 2018 | Total Monthly, MG | Avg. Daily, MGD | Min Daily, MGD | Max Daily, MGD | % of Total | MG | acre-feet |
| CAWD Flow | 23.073 | 0.769 | 0.723 | 0.894 | 69.457 | 227.09 | 696.59 |
| PBCSD Flow | 10.146 | 0.338 | 0.305 | 0.384 | 30.543 | 107.20 | 328.84 |
| Total Plant Flow | 33.219 | 1.107 | 1.028 | 1.278 | 100.00 | 334.29 | 1025.44 |
| Tertiary Flow | 29.086 | 0.953 | 0.647 | 1.240 | 87.558 | 247.71 | 759.85 |
| Ocean Discharge | 4.276 | 0.143 | 0.102 | 0.205 | 12.872 | 89.86 | 275.63 |
| Potable Water | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| | Monthly | | | Annual | | |
|---------------|-------------------|-------------|----------------------|-------------------|-------------|-------------------|
| Potable Water | Flushing Cycle | Meet Demand | Equipment Failure | Flushing Cycle | Meet Demand | Equipment Failure |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0% |

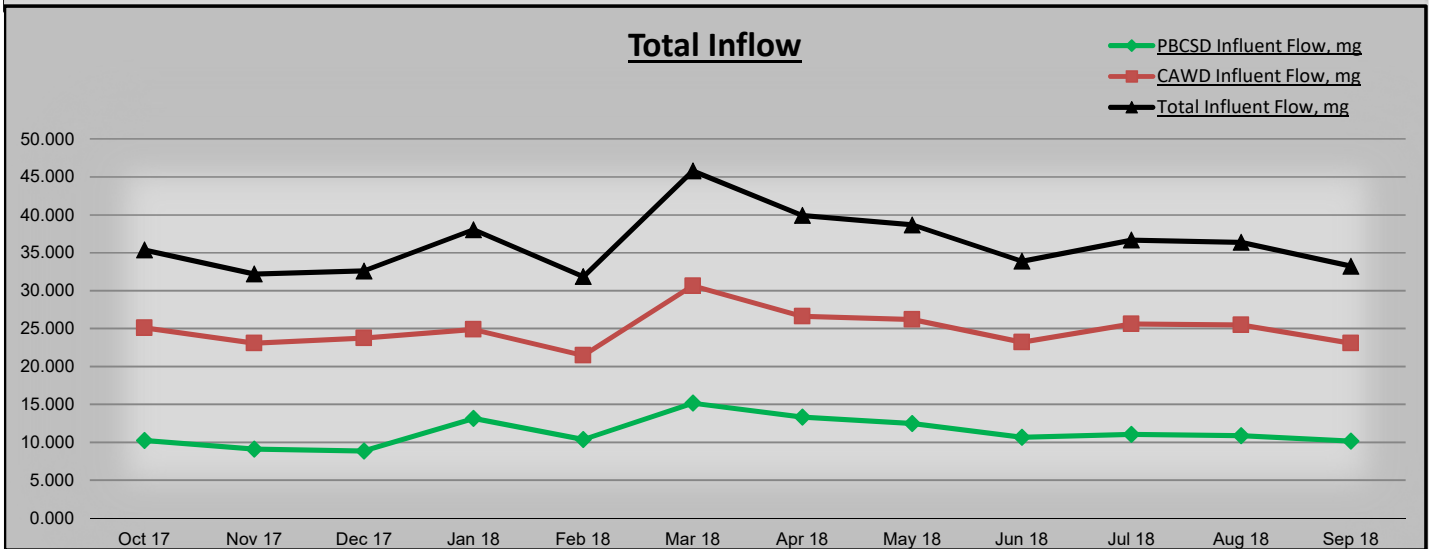
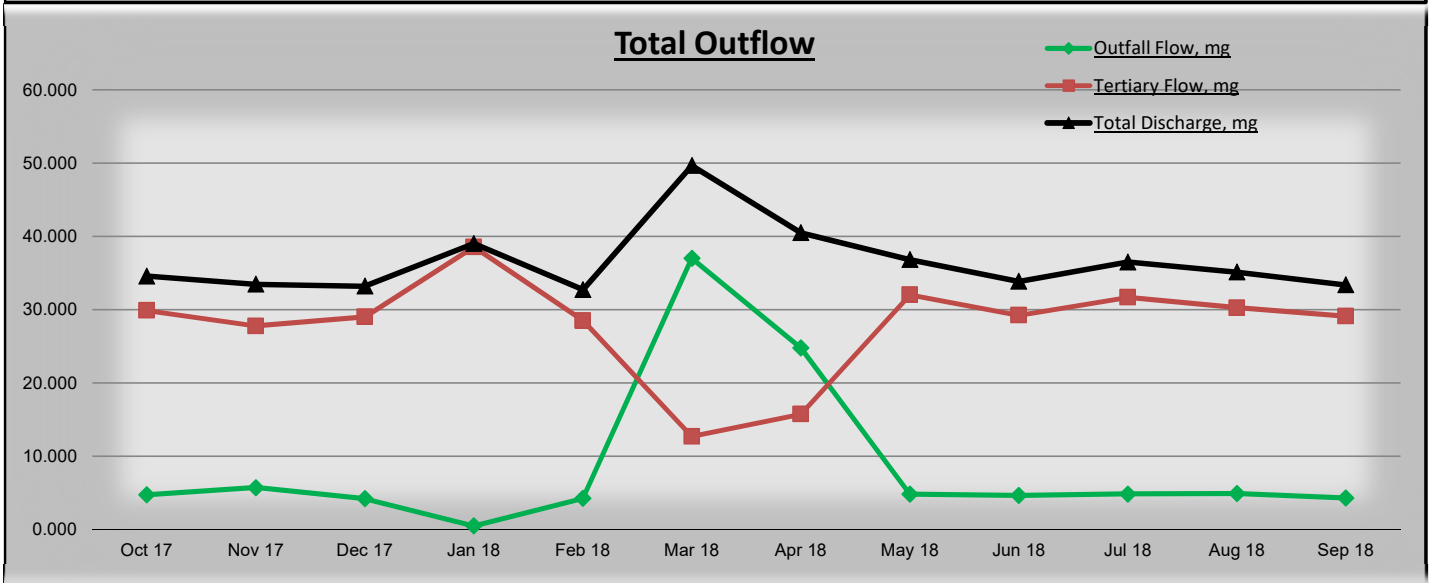
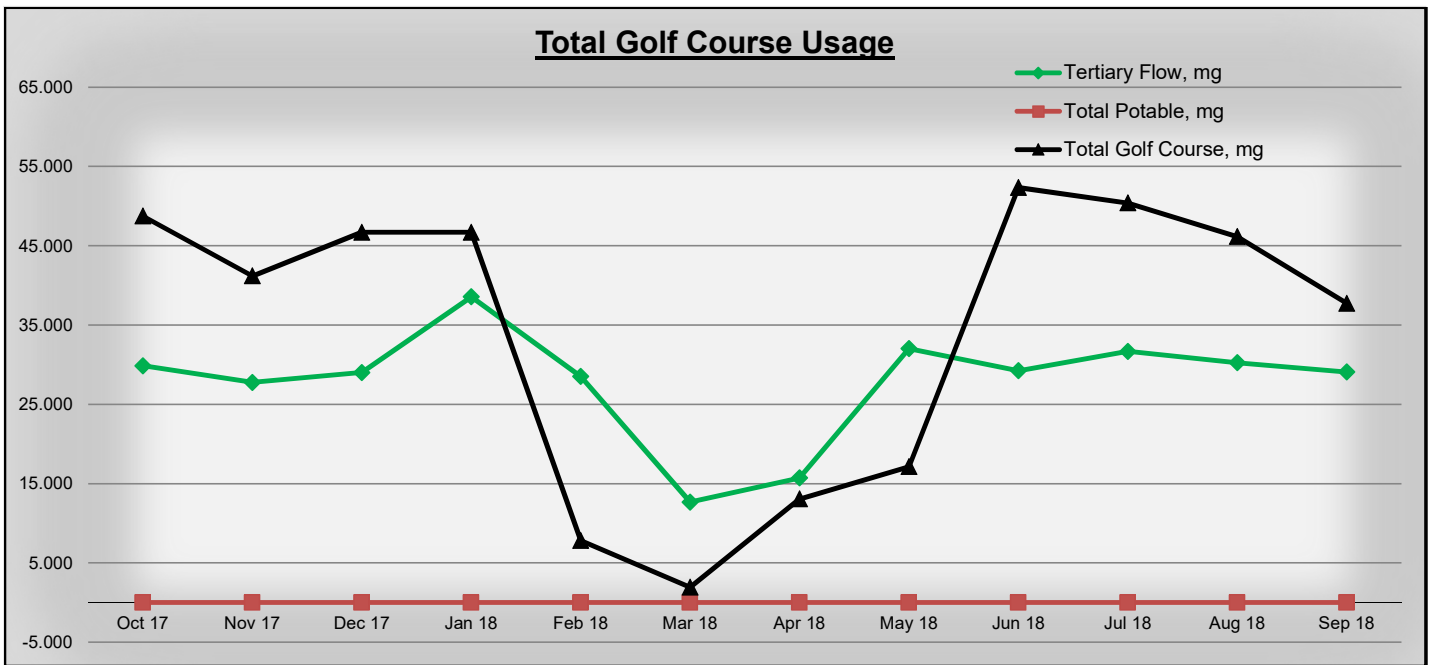
| TERTIARY PROCESS HISTORY | |
|---|------------------------------|
| Total Annual Reclamation Production (2018) | 246.54 MG (756.64 acre-ft.) |
| Total Lifetime Reclamation Production (94-18) | 7.83 BG (24.02 B acre-ft.) |
| 12 Month Rolling Total Reclamation Production | 334.36 MG (1026.14 acre-ft.) |

| ELECTRICAL COSTS | | | | | | |
|------------------------------------|-------------------|---------------|---------------------|--------------------------|---------------------|---------------------|
| Monthly Totals | Sept '18 kWh | Price per kWh | Sept'18 | Aug'18 | July '18 | Jun '18 |
| Secondary | 141,993.00 | \$ 0.183 | \$ 25,935.21 | \$ 22,246.67 | \$ 25,111.46 | \$ 21,790.35 |
| Blowers | 45,411.28 | \$ 0.190 | \$ 8,638.06 | \$ 9,138.52 | \$ 9,263.12 | \$ 9,930.68 |
| CAWD Total | 187,404.28 | | \$ 34,573.27 | \$ 31,385.19 | \$ 34,374.58 | \$ 31,721.03 |
| Tertiary | 87,796.60 | \$ 0.198 | \$ 17,384.70 | \$ 17,179.94 | \$ 17,533.51 | \$ 17,852.68 |
| MF/RO | 115,238.00 | \$ 0.211 | \$ 24,351.67 | \$ 24,987.80 | \$ 21,426.05 | \$ 22,703.79 |
| Reclaim Total | 203,034.60 | | \$ 41,736.37 | \$ 42,167.74 | \$ 38,959.56 | \$ 40,556.47 |
| Adjusted Monthly Totals (1) | CAWD Total | | \$ 24,975.34 | Reclamation Total | | \$ 51,334.30 |

| kW-h Per Acre Foot | | | | | | | | |
|--------------------|---------|---------|---------|---------|---------|---------|---------|-------|
| | 2017 | | | | 2018 | | | |
| | 1 QTR | 2 QTR | 3 QTR | 4 QTR | 1 QTR | 2 QTR | 3 QTR | 4 QTR |
| CAWD | 1407.39 | 1374.11 | 1601.12 | 2000.04 | 1770.27 | 1692.20 | 1678.08 | n/a |
| Reclamation | 2579.46 | 1871.10 | 1813.37 | 1923.82 | 1780.18 | 2260.45 | 2164.89 | n/a |

| MICROTURBINE SUMMARY | | | | | |
|----------------------|-------------------|--------|---------|---------|--------------------|
| Month | September '18 kWh | Aug'18 | July'18 | Jun '18 | Accumulated Totals |
| Production, kWh | 11,383 | 11,457 | 10,865 | 13,610 | 689,168.00 |

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



STAFF REPORT



To: Board of Directors

From: Mark Dias, Safety and
Regulatory Compliance Administrator

Date: October 25, 2018

Subject: Monthly Report for September 2018

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Safety & Training

Annual Safety Weeks - each year two weeks are set aside for dedicated safety training.

- During the week of Sept 10, approximately 56 heavy equipment and rigging trainings were given to 17 operations and maintenance staff. Depending on job title and duties, staff were (re)certified in forklift, backhoe/loader, skid steer, aerial man-lift and hoists/rigging.
- During the week of Sept 17, approximately 43 trainings were given to 21 staff. Depending on job title and duties, staff were (re)certified in Confined Space Entry, Confined Space Rescue and in Hazardous Waste Operations and Emergency Response (HAZWOPER).

There are over 42 “confined spaces” throughout the treatment facility and collection system. These include clarifiers, numerous vaults, contact basins and lift-station wet wells. CalOSHA requires annual refresher training on topics such as correct air monitoring technique, pre-planning for rescue and the three roles of entry team members (supervisor, attendant and entrant(s)). The new (June 2017) Confined Space Entry policy was reviewed. In a separate day-long training, the 10 members of the rescue team learned new handling techniques for safely lifting and passing an injured person on a stretcher through stairwells and over objects. The day ended

with a scenario which required a vertical retrieval of a “downed” coworker using the new davit system. Moving forward, confined space training will deemphasize theoretical scenarios and emphasize training for the actual hazards and spaces at the plant and practical use of rescue gear and equipment.

Ongoing Safety Improvements

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

- Fall Safety – vault hatches. **Background:** As described in previous reports, six vault hatches were identified for replacement with built-in fall protection and greater ease of operation. Installation timeline is 6-8 weeks after authorization. **Update:** redesigned hatch drawings were submitted by vendor. Updated bids have been received and order is imminent for five hatches. A different vendor, with different hatch configuration will be needed for remaining hatches. Interim safety protocols for the existing hatches have been implemented.
- Respiratory Safety – gas levels at the Calle La Cruz lift station (Ribera Road). **Background:** As described in previous reports, the wet well receives wastewater from the Carmel Highlands. The longer travel-time allows the anaerobic generation of dangerous hydrogen sulfide gas. Gas levels were high enough to warrant locking the hatch and preventing access until the gas could be mitigated. Four options were identified and are being tried in order of increasing cost. The first option –using cakes of potassium permanganate—was not effective. The second option, using a biological treatment, was started in June supplied free by the vendor. **Update:** the dosage of the biological treatment was increased in September. However, the trial was stopped because data from the continuous logger showed gas levels were still well above health/exposure limits. The Collections and Operations superintendents are investigating option #3 (calcium nitrate) which will require mixing and dosing equipment. Additional options are being explored. Monthly tracking continuing.
- Planned installation of additional fire hydrants. **Background:** As first described in the July report, during the Fire Department walk-through in June it was noted that the plant only has two fire hydrants. Both are located on the south side of the site. While not required by the Fire Department, two additional locations were identified where existing plumbing could be retrofitted with fire hydrants. The locations are in front of the breakroom and at the effluent building. These are much closer to areas where firefighting may be needed such as the office buildings, the shop, the collections building and the Pad. **Update:** A vendor has been selected for the work, however a leaking isolation valve must first be replaced by CAWD staff. The work can occur within a few days after valve replacement.

- New Item- Bulk aqueous ammonia system repairs.
CAWD receives bulk deliveries of 19% aqueous ammonia approximately once per month. The bulk tank is located outdoors on the south side of the tertiary building with permanent secondary containment. Newly implemented gas monitoring equipment showed that ammonia vapors are escaping out of the tank lid during the filling process. A tank vendor was consulted and the system is not ideal for aqueous ammonia. Several key components of the system will either have to be retrofitted or the system replaced with a new tank and vents specifically designed for aqueous ammonia. Operations staff have consistently been required to wear respirators during the filling process. Until the system is improved, an Interim Operating Procedure (IOP) has been promulgated and deliveries are overseen by the Safety Officer. A key change in the IOP is to access the SCADA system via a wireless tablet and remotely monitor the tank level at a safe distance rather than stand near the tank during filling.

Tours and Outreach

One tour was given in September to approximately 24 MPC students enrolled in an environmental studies course.

Injuries, first aid responses, worker compensation claims

There were no injuries, first aid responses or worker compensation claims in September. The current tracking matrix is below.

| | Work Related Injuries and Illnesses for 2018 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 | 3 | 1.5 | 10 | 1.5 |
| First Aid (non-OSHA) | 0 | 0 | 0 | 0 | 0 |

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors

From: Ray De Ocampo
Laboratory/Environmental Compliance
Supervisor

Date: October 25, 2018

Subject: Monthly Report – September 2018

RECOMMENDATION

Receive Report-Informational only; No action required

DISCUSSION

LABORATORY REPORT

- CAWD Biosolids sampling was collected and sent to the contract laboratory on 09-05-18.
- CCLEAN 30-day Dry Season Final Effluent sampling was completed on 09-06-18.
- CCLEAN Pyrethroid and Fipronil Final Effluent sampling was complete on 09-12-18.
- CAWD Final Effluent Semi-Annual Toxicity sampling was collected and sent to the contract laboratory on 09-18-18.
- Laboratory Staff attended various safety training sessions during the week of Sept. 17-21, 2018.
- Ms. Mui attended the Tristate Conference from Sept. 24-27, 2018.
- The laboratory computer used for BOD analysis hard drive stopped working, called Exceedio to trouble shoot and they found the same problem during their diagnostics. The laboratory had a computer to replace the non-operable computer and Exceedio was able to get the BOD program installed and have the workstation working again. Exceedio is going to try to recover data from the hard drive that was stored on it.

ENVIRONMENTAL COMPLIANCE REPORT

- Notified Robata Grill that grease trap is required to be installed per the CAWD Pretreatment Ordinance and will comply, issued a 30-day period to have the trap installed.
- Rancho Canada Golf Club was non-compliant with excessive grease. A warning was issued on 8/13/18. A follow up inspection on 09/4/18, the grease trap was compliant.
- On 9-13-18, CAWD Environmental Compliance Supervisor De Ocampo attended the Carmel Restaurant group meeting with several owners of Carmel restaurants. I spoke about the CAWD Pretreatment Program and the City of Carmel Stormwater Inspection. This was a first time for CAWD to be invited to this meeting and it was good to be involved.
- The City of Carmel Stormwater Inspection has been completed. A total of 65 inspections were performed out of the 75 on the list. There were some restaurants and wine rooms that have closed. Ms. Agnes Topp from the City of Carmel has been informed and she will review.
- Mr. Weidner-Holland is continuing to participate in the Pretreatment Facility Inspector (PFI) committee that is reviewing and updating the handbook for the Sacramento State Water Program.

Restaurant Inspection Table

| Restaurant | Compliant | Reason for Non-Compliance | Comments |
|--|------------------|----------------------------------|---|
| Rancho Canada Golf (Wedgewood Banquet) | Yes | | Follow up on 09/4/18 and was compliant. |
| Tree House Café | Yes | | |
| Cantinetta de Luca | Yes | | Stormwater Inspection*, SC Inspection |
| Manzoni Cellars | Yes | | Stormwater Inspection |
| Windy Oaks Wine | Yes | | Stormwater Inspection |
| Caraccioli Cellars | Yes | | Stormwater Inspection |
| Terry's Lounge-Cypress Inn | Yes | | Stormwater Inspection*, SC Inspection |
| Yafa | Yes | | Stormwater, Source Control Inspection |
| Sade | Yes | | Stormwater Inspection |
| Villa Sombreros | Yes | | Stormwater Inspection*, SC Inspection |

* denotes that City of Carmel Environmental Compliance Manager is reviewing inspection notes to see if follow up is needed.

Grocery Store/Delicatessen Inspection Table

| Grocery Store/Delicatessen | Compliant | Reason for Non-Compliance | Comments |
|-----------------------------------|------------------|----------------------------------|-----------------|
| No inspections | | | |
| | | | |

Restaurant Compliance Table

| % Compliance | Maintenance | Mechanical |
|---------------------|--------------------|-------------------|
| July 2018 | 100% | 100% |
| Aug 2018 | 98% | 98% |
| Sept 2018 | 99% | 99% |

FUNDING

N/A-Informational item only

| Project Number | Task Name | Manager | Start | Finish | Cost | 2018 | | 2019 | | 2020 | | 20 |
|----------------|---|----------------|-------------|--------------|----------------|------|----|------|----|------|----|----|
| | | | | | | H1 | H2 | H1 | H2 | H1 | H2 | H1 |
| | Projects Implementation Plan Schedule | | | | | | | | | | | |
| | Treatment Plant Projects | | | | | | | | | | | |
| 18-01 | Phase 2 - WWTP Rehabilitation Project | Treanor | Mon 4/30/18 | Thu 5/13/21 | \$7,700,000.00 | | | | | | | |
| | In House Projects | | | | | | | | | | | |
| 18-02 | Ops Building SCADA Room | Foley | Mon 4/2/18 | Tue 10/23/18 | \$140,000.00 | | | | | | | |
| 18-03 | CMMS Improvements | Foley | Wed 7/11/18 | Fri 2/1/19 | \$100,000.00 | | | | | | | |
| 18-04 | PLC Replacement Project (PARTIAL RECLAMATION) | Treanor/Foley | Fri 5/4/18 | Tue 6/25/19 | \$400,000.00 | | | | | | | |
| 18-05 | PLC/SCADA Programming | Foley | Thu 7/5/18 | Wed 4/29/20 | \$300,000.00 | | | | | | | |
| 18-06 | Disinfection Analyzer Project (PARTIAL RECLAMATION) | Waggoner/Young | Mon 1/7/19 | Tue 11/19/19 | \$220,000.00 | | | | | | | |
| 18-07 | Digester No. 1 & Old No. 2 Purging and Cleaning | Waggoner/Young | Fri 3/1/19 | Wed 10/2/19 | \$125,000.00 | | | | | | | |
| 18-08 | Standby Power Reliability Project (PARTIAL RECLAMATION) | Treanor | Mon 10/8/18 | Fri 10/23/20 | \$730,000.00 | | | | | | | |
| 18-09 | Secondary Clarifier No. 1 Rehab | Waggoner | Thu 7/5/18 | Tue 6/11/19 | \$100,000.00 | | | | | | | |
| 18-10 | Aeration Basin Improvements (PARTIAL RECLAMATION) | Waggoner | Wed 6/27/18 | Thu 3/28/19 | \$100,000.00 | | | | | | | |
| 18-11 | Digester No. 1 Control Building | Foley | Thu 3/1/18 | Tue 1/15/19 | \$410,000.00 | | | | | | | |
| 18-12 | NPDES Permit Application (PARTIAL RECLAMATION) | Waggoner | Thu 3/1/18 | Mon 12/31/18 | \$0.00 | | | | | | | |
| 18-13 | Blower PLC Mods & LCP Rebuild | Foley | Tue 6/26/18 | Fri 1/24/20 | \$133,000.00 | | | | | | | |
| | Lunch Room MCC Replace with Panelboard | Foley | Fri 1/18/19 | Mon 6/24/19 | \$140,000.00 | | | | | | | |
| | Dewatering Conveyor and Hatch Upgrades | Treanor | Tue 6/25/19 | Wed 9/11/19 | \$103,000.00 | | | | | | | |
| | Chlorine Contact Pipe Gallery Repairs | Treanor | Wed 9/11/19 | Fri 12/6/19 | \$44,000.00 | | | | | | | |
| | RAS Pump/Piping Rehab | Treanor | Fri 12/6/19 | Fri 5/1/20 | \$106,000.00 | | | | | | | |
| | Miscellaneous Demo | Treanor | Fri 5/1/20 | Fri 5/15/20 | \$27,000.00 | | | | | | | |
| | Minor Bid Projects | | | | | | | | | | | |
| | Plant Fence Replacement | TBD | Fri 5/15/20 | Tue 1/4/22 | \$75,000.00 | | | | | | | |
| | Influent Pump Station Wet Well Concrete Repair | TBD | Fri 5/15/20 | Tue 1/4/22 | \$75,000.00 | | | | | | | |
| | Blower Air Line Leak Repair | TBD | Tue 1/4/22 | Thu 2/9/23 | \$40,000.00 | | | | | | | |
| | Digester No. 1 Rehab | TBD | Thu 2/9/23 | Thu 11/30/23 | \$660,000.00 | | | | | | | |
| | Paving Project | TBD | Mon 3/2/20 | Fri 11/26/21 | \$150,000.00 | | | | | | | |
| | Treatment Plant Studies & O&M Manuals | Treanor | Tue 4/3/18 | Tue 11/23/21 | \$370,000.00 | | | | | | | |
| | Online O&M Manual | Treanor | Tue 1/1/19 | Tue 11/23/21 | \$150,000.00 | | | | | | | |
| 18-14 | Sea Level Rise Study | Treanor | Tue 4/3/18 | Wed 10/31/18 | \$220,000.00 | | | | | | | |
| | Collections Projects | | | | | | | | | | | |
| 18-15 | Outfall Lagoon Crossing (PARTIAL TREATMENT PLANT) | Treanor | Thu 3/1/18 | Fri 11/6/20 | \$1,400,000.00 | | | | | | | |
| 18-16 | Highlands H2S Control | Lauer | Mon 4/16/18 | Fri 8/31/18 | \$0.00 | | | | | | | |

| Project Number | Task Name | Manager | Start | Finish | Cost | 2018 | | 2019 | | 2020 | | 20 |
|----------------|---|---------------|--------------|--------------|--------------|------|----|------|----|------|----|----|
| | | | | | | H1 | H2 | H1 | H2 | H1 | H2 | H1 |
| 18-27 | Highlands FM ARVs | Lauer | Mon 9/10/18 | Mon 12/24/18 | \$60,000.00 | | | | | | | |
| | Highlands FM Flushing | Lauer | Mon 7/6/20 | Fri 10/16/20 | \$75,000.00 | | | | | | | |
| 18-17 | Hatton Canyon Pipe Bursting | Treanor | Wed 5/23/18 | Fri 10/18/19 | \$400,000.00 | | | | | | | |
| 18-18 | Pump Station PLC/SCADA Replacement | Foley/Treanor | Wed 7/18/18 | Fri 2/14/20 | \$300,000.00 | | | | | | | |
| 18-19 | Standard Plans and Specs Update | TBD | Fri 11/2/18 | Thu 2/28/19 | \$0.00 | | | | | | | |
| 18-20 | Permitting Procedures Streamlining | Lauer | Thu 8/2/18 | Wed 9/26/18 | \$0.00 | | | | | | | |
| 18-21 | Highlands and Riley Ranch Annexation | Buikema | Thu 8/2/18 | Thu 1/24/19 | \$0.00 | | | | | | | |
| | Carmel Meadows Gravity Sewer Improvements | TBD | Mon 7/6/20 | Wed 6/9/21 | \$500,000.00 | | | | | | | |
| | Rio Road Trunk Main Rehab | TBD | Thu 6/3/21 | Wed 8/3/22 | \$730,000.00 | | | | | | | |
| | Pescadero | TBD | Thu 8/4/22 | Wed 10/4/23 | \$300,000.00 | | | | | | | |
| | Upper High Meadows | TBD | Mon 6/3/19 | Fri 7/31/20 | \$120,000.00 | | | | | | | |
| | Rancho Canada New Line | TBD | Mon 8/3/20 | Fri 10/1/21 | \$400,000.00 | | | | | | | |
| | Pine Hill Sewer Line | TBD | Mon 10/4/21 | Fri 12/2/22 | \$300,000.00 | | | | | | | |
| | Morris Drive Pipe Replacement | TBD | Mon 10/4/21 | Fri 12/2/22 | \$100,000.00 | | | | | | | |
| | Collections Studies | Lauer/Treanor | Thu 5/24/18 | Tue 6/11/19 | \$175,000.00 | | | | | | | |
| 18-22 | Capacity Study/20 yr CIP | Lauer/Treanor | Thu 5/24/18 | Fri 9/28/18 | \$100,000.00 | | | | | | | |
| 18-23 | New Connections Master Plan | Lauer/Treanor | Thu 8/30/18 | Tue 12/25/18 | \$0.00 | | | | | | | |
| | Monte Verde and Bay/Scenic FM Assessment | Lauer/Treanor | Wed 12/26/18 | Tue 6/11/19 | \$75,000.00 | | | | | | | |
| | Reclamation Projects | | | | | | | | | | | |
| 18-24 | Reclamation Sand Filter Integration Project | Waggoner | Wed 5/9/18 | Tue 10/2/18 | \$200,000.00 | | | | | | | |
| 18-25 | EQ Basin Pump Electrical | Foley | Mon 10/8/18 | Thu 1/17/19 | \$80,000.00 | | | | | | | |
| 18-26 | RO Pretreatment Acid Tanks and Containment | Treanor | Fri 6/8/18 | Fri 6/14/19 | \$80,000.00 | | | | | | | |
| | Reclamation Studies | Treanor | Mon 7/1/19 | Fri 5/29/20 | \$35,000.00 | | | | | | | |

STAFF REPORT



To: Board of Directors
From: Ed Waggoner, Operation Superintendent
Date: October 25, 2018
Subject: Monthly Operations Report for September 2018

RECOMMENDATION

Receive Report-Informational only; no action required

DISCUSSION

Treatment Plant:

- The treatment plant in general is working well. The operational challenges from the previous month have been corrected and strategy changes have taken effect on Project # 18-13 Blower PLC (Programable Logic Controller) Upgrades.
- Project # 18-10 Aeration Basin Improvements. Operations Staff and Mathews Mechanical continued installing equipment from PHI Incorporated on pilot testing of a new mixing system in the Aeration Basin #6 and Aeration Basin #5. PHI Inc. staff is scheduled to be onsite and commence startup during the week of October 15th. Note: Mathews Mechanical was contracted to assist operations staff to complete this project before the winter rainy season.
- CAWD Staff is continuing to pinpoint noise source(s) from the Treatment Facility.
- California American Water Engineers and Private Consultants onsite on September 21st to observe the PHI Mixing Systems at the Influent Pump Station and Flow Equalization Basin.

Reclamation:

- Staff continues to monitor the used Carter Lake MF membranes in MF Cell #2. Currently the TMP (Trans membrane pressures) and Resistance values are within operating parameters specified by the manufacture. New cleaning procedures recommended by Trussell Technologies were executed in late August with limited success.
- Staff has been monitoring the TMP (Trans Membrane Pressure) and Resistance values on Cell #3 which contain the Memcor S10N membranes that were install on Jan 2016. CAWD Staff and Trussell technologies made the decision to order a second replace membrane set of Retrofit UF membranes from Scinor Water America to replace the Memcor S10N membranes. Delivery and installation is scheduled for the week of October 22nd.
- Project # 18-24, Staff continues rehabilitating the Coagulation/Flocculation Basins and Dyansand Filters. All the mechanical work on the coagulation/flocculation equipment and piping is complete. The temporary discharge piping is complete and tested. Staff is waiting for the new pump to arrive to feed the Dyansand filter effluent to the MF/RO System. Late October is the goal of staff for startup.

Staff Development:

- Plant in-house training continues with weekly Safety meetings. Annual Safety Training for Staff Completed during the weeks of September 10th and 17th .
- Operations Superintendent/Maintenance Superintendent on Fridays every week has Operations/Maintenance training (1 hour) which is mandatory for Operations Staff and is available to Laboratory, Maintenance, Collection and any other CAWD employees.

Capital Improvement Phase 2

- Staff continues to communicate daily with Patrick Treanor (CAWD) on Phase 2 assessments of plant equipment and planning for the following areas; Influent Pump Station, Headworks, Blower Building, Chlor/Dechlor Building, Effluent Building, Digester No. 1, Digester No. 1 Control Building and Dewatering Building. October 3rd Kennedy-Jenks Site Visit scheduled.

Meetings Attended

- September 11th Water Awareness Committee of Monterey County Board Meeting, Marina Coast Water District hosted the meeting.
- September 20th, Monterey Bay Waterworks Association Annual Training and Vendor show at Castroville Community Center.
- September 24th thru 27th The following Laboratory and Operations staff members attended the Annual Tri-State Seminar at the South Point Hotel in Las Vegas. Fanny Mui, Christian Schmidt and Ed Waggoner

Discharge Permit Violations

- No Reclamation Permit 93-72 discharge violations for the month of August 2018.
- No Violations on the NPDES (National Pollutant Discharge Elimination System) NPDES Number CA0047996, Order No. R3-2014-0012.

FUNDING

N/A-Informational item only.

STAFF REPORT



To: Board of Directors
From: Chris Foley, Maintenance Superintendent
Date: October 25, 2018
Subject: Monthly Maintenance Report – September 2018

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Maintenance Projects in Progress

- The programmable logic controllers in the treatment plant and reclamation plant have been updated to the same firmware and hardware version. By implementing a standard version, more features are available and only one version of the software is required to program the controllers. This also makes it possible for H2O Innovations to implement the remote monitoring of the reverse osmosis system so improvements can be recommended and to enable monitoring of the reclamation system via the new Ignition SCADA system.
- A new concrete pad and bladder tank was installed for the plant 1 water system. This will decrease the starting and stopping of the new water pressure pumps to increase life expectancy and reduce the maintenance required.
- All the new Wireless access points have been installed in the treatment plant so that staff can access the Mainsaver application throughout the plant.
- Staff performed a site visit with Frisch Engineering to audit the electrical and control systems for lift stations. This is the first step in the programmable logic controller upgrade project.

Upcoming Maintenance Projects

- Staff is working with a consultant on a new influent pump de-ragging cycle. This work is to implement an automated de-ragging cycle using the programmable logic controller. Currently operations staff has to derag the pumps multiple times per week and the goal of this program is to reduce the manual de-ragging by staff.
- Mainsaver will be onsite in October to implement the operations inspection rounds via tablets. This will eliminate duplicate data entry and allow staff to submit work requests while in front of the equipment which will save time and improve data capture.
- The Gabilan fire crew is scheduled in October to clear all the brush from the treatment plant fencing. This is required so that the fencing can be repaired.
- Preventive maintenance is scheduled for the 750 kilowatt and 450 kilowatt generators at the treatment plant so the generators are in top condition for the winter.

Staff Development

- Michael Skinkle and Chris Foley attended the Tri-State Conference. Some of the training were concrete coating application, basics of disinfection and troubleshooting analytical instruments such as pH and Turbidity.
- Staff is preparing for winter and training topics include treatment plant standby power circuit breaker operation and troubleshooting power outages.
- Chris Foley and Mark Dias attended a safety vision and strategy session with Leapfrog Consulting.

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: October 25, 2018
Subject: Sandbar Management Cost Sharing Request

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing:

1. **DEFERRED 10-08-18:** That the Board authorizes an expenditure to reimburse Monterey County for 1/3 of sandbar management costs or up to \$100,000 in fiscal year 2018-19 for Carmel Lagoon Management; and
2. **DEFERRED 10-08-18:** That the Board authorizes the use of the Contingency line item for fiscal year 2018-19 for Carmel Lagoon Management; and
3. **APPROVED 10-08-18:** That the Board supports the efforts of Monterey County in the formation of an Assessment District to include all affected property owners and manage the long-term costs of Carmel Lagoon Management; and
4. **NO ACTION 10-08-18:** That the Board agrees to consider a position to provide funding of Carmel Lagoon Management as part of its annual budget process only after the Board of Supervisors approves a resolution to undertake and establish an assessment district to include all affected property owners.

DISCUSSION

This issue was presented to the Board at a Special Meeting on October 8, 2018. At that time items #1 & 2 were deferred until a meeting with Supervisor Mary Adams could be arranged. Item #3 was approved by the full board. No action was taken on Item #4.

The meeting with Supervisor Mary Adams is scheduled for October 22, 2018 – after this staff report’s issuance. Directors White and Siegfried will report on the meeting at the October 25, 2018 session.

The attached Resolution #2018-43 has been modified to include the suggestions made from the 09-27-18 & 10-08-18 board meetings.

FINANCIAL

There was no provision made for this expenditure in the 2018-19 Budget.

There is a Contingency line item for the Treatment Plant of \$104,370 in the 2018-19 Budget. Staff recommends that this amount be assigned to Sandbar Management for 2018-19.

Going forward the District will need to budget for this item on an annual basis.

RESOLUTION NO. 2018-43 AMENDED

A RESOLUTION ADOPTING AND AUTHORIZING THE CONTRIBUTION OF 1/3 CARMEL LAGOON SANDBAR MANAGEMENT COSTS, UP TO \$100,000., TO ASSIST MONTEREY COUNTY FOR FISCAL YEAR 2018-19 ONLY AND TO CONSIDER FUNDING UP TO 1/3 OF SANDBAR MANAGEMENT COSTS ANNUALLY THEREAFTER CONDITIONED UPON THE BOARD OF SUPERVISORS APPROVAL TO UNDERTAKE FORMATION OF AN ASSESSMENT DISTRICT

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WHEREAS, the Board of Directors recognizes the need to manage the sandbar in the Carmel Lagoon to protect the Treatment Plant from flooding due to the lagoon backing up and desires to maintain lagoon elevation at no more than 12 feet; and

WHEREAS, the Board of Directors has listened to staff testimony and reviewed the staff report regarding the necessity to assist the County financially in this effort; and

WHEREAS, the Board finds that the need for Carmel Lagoon Management necessitates that the District participate in funding the effort during fiscal year 2018-19; and

WHEREAS, the Board fully expects the County of Monterey will form an Assessment District and expects other property owners around the Carmel Lagoon to participate in these efforts at sandbar management and flood control; and

WHEREAS, staff has testified to the satisfaction of the Board that the District has the ability to contribute 1/3 of sandbar management costs, up to \$100,000., in the current fiscal year and that it is an appropriate use of District funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the

Carmel Area Wastewater District, as follows:

1. That the Board authorizes an expenditure to reimburse Monterey County for 1/3 of sandbar management costs, up to \$100,000., in fiscal year 2018-19 for Carmel Lagoon Management; and
2. That the Board authorizes the use of the Contingency line item for fiscal year 2018-19 for Carmel Lagoon Management; and
3. *Approved at 10-08-18 Special Board Meeting:* That the Board supports the efforts of Monterey County in the formation of an Assessment District to include all affected property owners and manage the long-term costs of Carmel Lagoon Management; and
4. That the Board agrees to consider a conditional position to provide long term funding of Carmel Lagoon Management as part of its annual budget process only after the Board of Supervisors approves a resolution to undertake and establish an assessment district to include all affected property owners.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on October 25, 2018 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS

ABSENT: BOARD MEMBERS:

ATTEST:

Secretary to the Board

President of the Board

STAFF REPORT



To: Board of Directors

From: Patrick Treanor, Plant Engineer

Date: October 25, 2018

Subject: Project #18-17 - Adoption of Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan for the Hatton Canyon Sewer Replacement Project

RECOMMENDATION

It is recommended that the Board of Directors:

1. Review and consider the attached Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Plan (MMRP) for the Hatton Canyon Sewer Replacement Project
2. Find that based on the IS/MND and the public review that there is no substantial evidence that the project will have a significant effect on the environment and that the mitigated negative declaration reflects the District's independent judgment and analysis.
3. Adopt the Mitigated Negative Declaration for the Hatton Canyon Sewer Replacement Project and,
4. Adopt the accompanying Mitigation Monitoring and Reporting Plan.

DISCUSSION

At the June 28, 2018 Board meeting, the Board of Directors was presented the Draft IS/MND for the Hatton Canyon Sewer Replacement Project. After the June meeting, public notifications occurred and county and state filings were submitted as required by the California Environmental Quality Act (CEQA). The formal public comment period was 30 days from August 6th, 2018 through September 5th, 2018. The public review period did not reveal any objections or unmitigated impacts associated with the project, indicating that up front consultations were satisfactory in identifying impacts to be mitigated.

On September 5th the State Clearinghouse provided a letter confirming that no state agencies submitted comments on the project and CAWD has complied with the State Clearinghouse requirements for draft environmental document review pursuant to CEQA. The project team

including CAWD staff and the environmental consultant will continue to coordinate with State Parks and permitting agencies as the project moves forward.

The project is located adjacent to an ephemeral streambed and therefore mitigation and monitoring measures were included in the project to avoid impacts to habitat, and sensitive animal/plant species known to be living or potentially living in the project area. Furthermore, the project includes measures to mitigate impacts to potential cultural artifacts in the area although the potential for uncovering artifacts was deemed to be unlikely based on archeological reviews and the fact that the project employs minimally invasive construction methods.

The Final IS/MND is posted on the District website for Board review to facilitate adopting a Mitigated Negative Declaration for the project in accordance with Section 15074 of CEQA Guidelines.

The Mitigation Monitoring and Reporting Plan (MMRP) is attached which summarizes the mitigation measures that must be adopted by the board in accordance with Section 15074 of CEQA Guidelines.

**MITIGATION MONITORING AND REPORTING
PLAN**

for

HATTON CANYON

SEWER REPLACEMENT PROJECT



CARMEL AREA WASTEWATER DISTRICT

October 2018

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MITIGATION MONITORING AND REPORTING PROGRAM
for the Hatton Canyon Sewer Replacement Project

INTRODUCTION

Section 21081.6 of the California Public Resources Code and Section 15091(d) and Section 15097 of the California Environmental Quality Act (CEQA) Guidelines require public agencies “to adopt a reporting or monitoring program for changes to the project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment.” This Mitigation Monitoring and Reporting Program (MMRP) has been prepared for the Hatton Canyon Sewer Replacement Project (Project). This MMRP is based on the mitigation measures included in the Final Initial Study/Mitigated Negative Declaration (IS/MND).

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|--|--|---|---|--|
| <p>Biological Resources – Special Status Plant Species</p> | <p><u>Mitigation Measure BIO-1</u></p> <p>The contractor shall document all Monterey pine and coast live oak trees removed during construction. Following construction, all Monterey pine and coast live oak trees six inches dbh or greater that are removed shall be replaced at a 1:1 success ratio and a Revegetation Plan shall be prepared by a qualified biologist and submitted to the District for approval prior to the initiation of grading. The plan shall include, but is not limited to, a detailed description of restoration areas, source material and planting specifications, and a monitoring program that describes annual monitoring efforts which incorporate success criteria and contingency plans if success criteria are not met.</p> | <p>During and After Construction</p> | <p>Construction Contractor, Qualified Biologist</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |
| <p>Biological Resources – Special Status Plant Species</p> | <p><u>Mitigation Measure BIO-2</u></p> <p>The following measures shall be employed to avoid potential impacts to Monterey pine and coast live oak trees within or adjacent to the proposed project area during construction:</p> <p>Trees six inches dbh or greater located within or adjacent to the construction area that are not scheduled for removal shall be protected from damage by construction equipment by the use of temporary fencing in combination with wrapping of trunks with protective materials where ever there may be construction present. Fencing shall consist of chain link, heavy duty snowdrift or plastic mesh, hay bales, or field fence. Fencing shall not be attached to the tree but free standing and self-supporting so as not to damage trees. Fencing shall be rigidly supported both vertically and horizontally and shall stand a minimum of height of six feet above grade. Fenced areas and the trunk protection materials shall remain in place during the entire construction period</p> <p>Trenching construction located adjacent to trees should be done by hand where practical and any roots greater than 1.5 inches in diameter should be bridged or pruned appropriately.</p> <p>Any roots of trees that must be cut should be cut by manually digging a trench and cutting exposed roots with a saw, vibrating knife, rock saw, narrow trencher with sharp blades, or other approved root pruning equipment.</p> <p>Any roots of trees that are damaged during grading or excavation should be exposed to sound tissue and cut cleanly with a saw.</p> <p>If significant roots are identified that must be removed that will destabilize or negatively affect the trees, the Construction Manager will be notified immediately and a determination for removal will be assessed and made as required by law for treatment of the area that will not risk death, decline or instability of the tree consistent with the implementation of appropriate</p> | <p>Prior to and During Construction</p> | <p>Construction Contractor</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|---|---|------------------------------|---|--|
| | <p>construction design approaches to minimize affects, such as hand digging, bridging or tunneling under roots, etc.</p> <p>Deposit of fill, soil compaction, parking of vehicles or heavy equipment, stockpiling of construction materials, and/or dumping of materials is not to be allowed adjacent to trees, especially within fenced areas.</p> <p>Any necessary pruning shall be conducted so as not to unnecessarily injure the tree. General principles of pruning include placing cuts immediately beyond the branch collar, making clean cuts by scoring the underside of the branch first.</p> | | | |
| <p>Biological Resources – Special Status Wildlife Species</p> | <p><u>Mitigation Measure BIO-3</u></p> <p>A qualified biologist shall conduct an Employee Education Program for construction crew and District staff prior to construction activities. A qualified biologist shall meet with the construction crew at the onset of construction at the proposed project area to educate the construction crew on the following: 1) the appropriate access route in and out of the construction area and review proposed project boundaries; 2) how a biological monitor will examine the area and agree upon a method that will ensure the safety of the monitor during such activities, 3) the special-status species that may be present; 4) the specific mitigation measures that will be incorporated into the construction effort; 5) the general provisions and protections afforded by the USFWS and the CDFW and the penalties for non-compliance; and 6) the proper procedures if a special-status animal is encountered within the proposed project site.</p> | <p>Prior to Construction</p> | <p>Qualified Biologist</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |
| <p>Biological Resources – Special Status Wildlife Species</p> | <p><u>Mitigation Measure BIO-4</u></p> <p>A representative shall be appointed by the District who will be the contact source for any employee or contractor who may inadvertently kill or injure a special-status species or find one dead, injured, or trapped. The representative shall notify the qualified biologist immediately to notify the appropriate regulatory agency (USFWS and/or CDFW). The representative shall be identified during the Employee Education Program and his/her contact information shall be provided to the qualified biologist.</p> | <p>Prior to Construction</p> | <p>Carmel Area Wastewater District; District Representative</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |
| <p>Biological Resources – Special Status Wildlife Species</p> | <p><u>Mitigation Measure BIO-5</u></p> <p>A qualified biologist shall conduct pre-construction surveys for woodrat nests within the Proposed Project Area and within a buffer zone of 25 feet from the proposed project Area. All woodrat nests shall be flagged for avoidance of direct construction impacts where feasible. Nests that cannot be avoided shall be manually deconstructed. Deconstruction includes clearing the vegetation from around the nest prior to dismantling to encourage the dispersal of</p> | <p>Prior to Construction</p> | <p>Qualified Biologist</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|---|---|---|---|--|
| | <p>the animal during dismantling due to lack of sufficient cover, and/or dismantling by hand, allowing animals to escape either along existing woodrat trails or toward other available habitat. If a litter of young is found or suspected, nest materials should be replaced, and the nest left alone for two to three weeks before a recheck to verify that the young are capable of independent survival before proceeding with the next dismantling.</p> | | | |
| <p>Biological Resources – Special Status Wildlife Species</p> | <p><u>Mitigation Measure BIO-6</u></p> <p>Construction activities that may directly (e.g., vegetation removal) or indirectly affect (e.g. noise/ground disturbance) nesting raptors and/or other protected bird species will be timed to avoid the breeding and nesting seasons. Specifically, trenching, pipe bursting, and vegetation removal can be scheduled after September 16 and before January 31.</p> <p>If construction activities must occur during the breeding and nesting season (February 1 through September 15), a qualified biologist shall conduct pre-construction surveys for nesting raptors and other protected avian species within 300 feet of the proposed construction activities. Pre-construction surveys should be conducted no more than 7 days prior to the start of the construction activities during the early part of the breeding season (February through April) and no more than 14 days prior to the initiation of these activities during the late part of the breeding season (May through August). Based on the results of these surveys, one or more of the following will occur:</p> <p>If it is determined that nests of raptors or other migratory bird are not present at the site, no additional mitigation is required.</p> <p>If raptors or other migratory bird nests are identified, the qualified biologist would notify the project proponent and an appropriate no-disturbance buffer would be imposed within which no construction activities or disturbance would take place (generally 300 feet in all directions for raptors; other avian species may have species-specific requirements) until the young of the year have fledged and are no longer reliant upon the nest or parental care for survival, as determined by a qualified biologist.</p> | <p>Prior to and During Construction</p> | <p>Carmel Area Wastewater District, Qualified Biologist</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |
| <p>Biological Resources – Special Status Wildlife Species</p> | <p><u>Mitigation Measure BIO-7</u></p> <p>A qualified biologist will survey the proposed project area and immediately adjacent areas 48 hours before and the morning of the onset of work activities for the presence of CRLF. If any life stage of CRLF is observed, construction activities will not commence until the USFWS is consulted and appropriate actions are taken to allow project activities to continue.</p> | <p>Prior to Construction</p> | <p>Qualified Biologist</p> | <p>Construction Manager, Carmel Area Wastewater District</p> |
| <p>Biological Resources –</p> | <p><u>Mitigation Measure BIO-8</u></p> | <p>During Construction</p> | <p>Qualified Biologist</p> | <p>Construction Manager,</p> |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|--|--|--------------------------|--|---|
| Special Status Wildlife Species | During ground disturbing and vegetation removal activities, a qualified biologist shall survey appropriate areas of the construction site daily before the onset of work activities for the presence of CRLF. The qualified biologist shall remain available to come to the site if a CRLF is identified until all ground disturbing activities are completed. If any life stage of the CRLF is found and these individuals are likely to be killed or injured by work activities, the qualified biologist shall be contacted, and work shall stop in that area until the CRLF has moved on its own out of the work area and the USFWS has been contacted. Construction activities will not resume until the USFWS is consulted and appropriate actions are taken to allow project activities to continue. | | | Carmel Area Wastewater District |
| Biological Resources – Special Status Wildlife Species | <u>Mitigation Measure BIO-9</u> After ground disturbing and vegetation removal activities are complete, or earlier if determined appropriate by the qualified biologist, the qualified biologist will designate a construction monitor to oversee on-site compliance with all avoidance and minimization measures. The qualified biologist shall ensure that this construction monitor receives the sufficient training in the identification of CRLF. The construction monitor or the qualified biologist is authorized to stop work if the avoidance and/or minimization measures are not being followed. If work is stopped, the USFWS shall be notified. The qualified biologist and the construction monitor shall complete a daily log summarizing activities and environmental compliance throughout the duration of the proposed project. | During Construction | Qualified Biologist, Designated Construction Monitor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Special Status Wildlife Species | <u>Mitigation Measure BIO-10</u> To prevent inadvertent entrapment of CRLF and/or Coast Range newt during project construction, all excavated, steep-walled holes or trenches more than two feet deep will be covered at the close of each working day with plywood or similar materials. Before such holes or trenches are filled, they will be thoroughly inspected for trapped animals. | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Special Status Wildlife Species | <u>Mitigation Measure BIO-11</u> Only tightly woven fiber netting or similar material may be used for erosion control at the project site. Coconut coir matting is an acceptable erosion control material. No plastic monofilament matting will be used for erosion control, as this material may ensnare wildlife, including CRLF. | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Special Status | <u>Mitigation Measure BIO-12</u> | During Construction | Carmel Area Wastewater District, | Construction Manager, Carmel Area |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|--|---|-----------------------------------|-------------------------------|---|
| Wildlife Species | Because dusk and dawn are often the times when CRLF are most actively foraging and dispersing, all construction activities should cease one half hour before sunset and should not begin prior to one half hour after sunrise. | | Construction Contractor | Wastewater District |
| Biological Resources – Special Status Wildlife Species | <u>Mitigation Measure BIO-13</u> All trash that may attract predators shall be properly contained, removed from the construction site, and disposed of regularly. Following construction, all trash and construction debris shall be removed from work areas. | During and Following Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Sensitive Habitats | <u>Mitigation Measure BIO-14</u> Disturbance or removal of vegetation shall not exceed the minimum necessary to complete operations. | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Sensitive Habitats | <u>Mitigation Measure BIO-15</u> Protective fencing shall be placed so as to keep construction vehicles and personnel from impacting riparian vegetation and other sensitive habitats adjacent to the proposed project area outside of work limits. Typically, protective fencing, also referred to as Environmentally Sensitive Area (ESA) fencing, is four (4) feet in height and is made of a highly visible color of polypropylene plastic. | Prior to and During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Biological Resources – Sensitive Habitats | <u>Mitigation Measure BIO-16</u> Cleaning and refueling of equipment and vehicles will occur only within designated staging areas on previously paved or graded parking areas. No maintenance, cleaning or fueling of equipment will occur within wetland, other waters of the U.S., or riparian areas, or within 100 feet of such areas if possible. At a minimum, all equipment and vehicles will be checked and maintained on a daily basis to ensure proper operation and avoid potential leaks or spills. During construction, all project-related spills of hazardous materials within or adjacent to proposed project area will be cleaned up immediately. Spill prevention and clean-up materials will be onsite at all times during construction. Construction materials/debris will also be stored within the designated staging areas. No debris, soil, silt, sand, oil, petroleum products, cement, concrete, or washings thereof will be allowed to enter into, or be placed where they may be washed by rainfall or runoff, into riparian or wetland habitats. | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|---|--|-------------------------------------|--|---|
| Biological Resources – Sensitive Habitats | <p><u>Mitigation Measure BIO-17</u></p> <p>Following construction, the area of riparian, wetland, and Monterey pine forest impacted during construction shall be quantified and revegetated. A Revegetation Plan shall be prepared by a qualified biologist and submitted to the District for approval prior to the initiation of construction. The plan shall include the following:</p> <ul style="list-style-type: none"> • a description of the baseline conditions of the habitats impacted; • a detailed description of revegetation areas, sources for plant material, seeding and planting specifications, and any measures required by regulatory permits (such as increased planting ratio to ensure the 1:1 success ratio); • procedures to control non-native species invasion and elimination of existing non-native species within the revegetation areas; and • a monitoring program that describes annual monitoring efforts which incorporate success criteria and contingency plans if success criteria are not met. | Prior to and Following Construction | Carmel Area Wastewater District, Qualified Biologist | Construction Manager, Carmel Area Wastewater District |
| Cultural Resources | <p><u>Mitigation Measure CR-1</u></p> <p>If archaeological resources or human remains are unexpectedly discovered during construction, work shall be halted within 50 meters (±160 feet) of the find until it can be evaluated by a qualified professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated and implemented, with the concurrence of the District. The County Coroner shall be notified in accordance with provisions of Public Resources Code 5097.98-99 in the event human remains are found and the Native American Heritage Commission shall be notified in accordance with the provisions of Public Resources Code section 5097 if the remains are determined to be of Native American origin.</p> | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |
| Transportation | <p><u>Mitigation Measure TR-1</u></p> <p>The construction crew will only access the site via Canada Court or Canyon Drive to the north. Construction vehicles used for mobilization and demobilization of equipment, deliveries or construction materials, and off-hauling of construction materials will not access the project site via Carmel Valley Road during peak commuting hours. In addition, construction vehicles may only turn right when entering the project site via Carmel Valley Road and construction vehicles exiting the project site may only turn right on Carmel Valley Road.</p> | During Construction | Construction Contractor | Construction Manager, Carmel Area Wastewater District |

Mitigation Monitoring and Reporting Program – Hatton Canyon Sewer Replacement Project

| Issue Area | Mitigation Measures | Timing of Implementation | Implementation Responsibility | Verification Responsibility |
|---------------------------|---|--------------------------|---------------------------------|---|
| Tribal Cultural Resources | <p><u>Mitigation Measure TC-1</u></p> <p>Because of their continuing interest in potential discoveries during construction, all listed Native American Contacts shall be notified of any and all discoveries of archaeological resources in the project area.</p> | During Construction | Carmel Area Wastewater District | Construction Manager, Carmel Area Wastewater District |
| Tribal Cultural Resources | <p><u>Mitigation Measure TC-2</u></p> <p>A representative from the OCEN tribe shall be available during all construction activities.</p> | During Construction | Carmel Area Wastewater District | Construction Manager, Carmel Area Wastewater District |

RESOLUTION NO. 2018-46

A RESOLUTION ADOPTING A MITIGATED NEGATIVE
DECLARATION AND MITIGATION MONITORING AND REPORTING
PLAN FOR THE
“HATTON CANYON SEWER REPLACEMENT PROJECT”

-o0o-

WHEREAS, pursuant to Article 6 (Sections 15070-15075) of the CEQA guidelines, the Carmel Area Wastewater District (CAWD), as Lead Agency, has followed the process set forth in this section and as such has considered the Mitigated Negative Declaration prepared for and under the direction of CAWD, and

WHEREAS, a Notice of Intent to Adopt a Mitigated Negative Declaration was filed with the County Clerk on July 27th, 2018, noticed for public review, and submitted to the State Clearinghouse, and

WHEREAS, the public review period occurred over 30 days where all documents and project reports were available to the public for review, and

WHEREAS, no comments were received during the 30 day review period, and

WHEREAS, the Board has reviewed the Initial Study/Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Plan and,

WHEREAS finds that there is no substantial evidence, based on the record as a whole that would support a fair argument that the project, as designed and mitigated, may have a significant environmental impact.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District that it does hereby adopt a Mitigated Negative Declaration and the accompanying Mitigation Monitoring and Reporting Plan for the “Hatton Canyon Sewer Replacement Project.”

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on October 25th, 2018, 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: Barbara Buikema, General Manager

Date: October 25, 2018

Subject: Reimbursement Resolution – Carmel Highlands West

RECOMMENDATION

It is recommended that the Board of Directors approve a resolution declaring its official intent to reimburse certain expenditures from the proceeds of debt for the Carmel Highlands West Project.

DISCUSSION

The District has been approached by the Carmel Highlands West neighborhood about the feasibility of connecting to the District. This neighborhood comprises roughly 300 homes on the west side of Highway 1 from the Highlands Inn south to Otter Cove.

There is a group of residents prepared to go out of pocket \$5K each to cover the preliminary design of a sewer system connection. Should the preliminary design indicate that the project is feasible they would like to recoup their individual costs as part of any borrowing for the entire project.

Throughout this process staff has presented the District's position as one whereby we would assist them in finding appropriate financing. We have been advised that we should have a Board Resolution in place for any funds expended by the District prior to the issuance of any debt obligation. Treasury Regulations section 1.150-2 refers to a bond obligation; however, we were advised to move forward even if the final financing is not a bond that it was better to be proactive and show intent.

We are also working on an agreement with the participants whereby they will agree to pay their portion (pro-rata formula) and to place the debt service on their property tax with the annual user fee.

FUNDING

Current project estimate is roughly \$5M for the entire project. The residents are currently working on obtaining additional engineering estimates.

The intention is to finance all “public” costs of the project. That means it would include:

Annexation costs
Connection fees
Financing costs
Environmental

Engineering Design
Construction
Construction Management
CAWD staff time to manage project

RESOLUTION NO. 2018-47

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CARMEL AREA WASTEWATER DISTRICT
DECLARING ITS OFFICIAL INTENT
TO REIMBURSE CERTAIN EXPENDITURES
FROM THE PROCEEDS OF DEBT
FOR THE CARMEL HIGHLANDS WEST PROJECT**

WHEREAS, the Carmel Area Wastewater District (the “District”) intends to pay the costs of Carmel Highlands West Project (the “project costs”);

WHEREAS, the District anticipates that it will issue debt obligations in the form of a loan agreement the payments under which would contain a separately stated interest component for the purpose of financing the project costs on a long-term basis;

WHEREAS, the District’s obligations under the loan agreement will be considered debt for federal income tax purposes;

WHEREAS, the maximum principal amount of such debt expected to be issued to finance the project costs is \$5,000,000

WHEREAS, the District expects to pay certain project costs prior to the issuance of the debt obligations; and

WHEREAS, in order to obtain favorable treatment of expenditures of proceeds of the debt obligations used to reimburse the District’s prior expenditures, Treasury Regulations section 1.150-2 requires the District to declare its official intent to reimburse such prior project costs expenditures with proceeds of debt;

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

1. Findings. The Board hereby finds and determines that the foregoing recitals are true and correct.
2. Official Intent. The District hereby states that it reasonably expects to reimburse its expenditures on project costs with proceeds of debt to be incurred by the District. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2. This resolution does not bind the District to make any expenditure of project costs or to incur any debt for the project costs.
3. Additional Acts. The officers of the District, and each of them individually, are hereby authorized and directed, to do any and all things and to execute, deliver and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this resolution. All actions heretofore taken by the officers of the District that are

in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

4. Effective Date. This resolution shall take effect from and after its adoption.

ADOPTED on October 25, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager
Patrick Treanor, Plant Engineer

Date: October 25, 2018

Subject: Collection System Expansion Strategy

RECOMMENDATION

This report is informational only – no action required.

DISCUSSION

Background:

Over the past several years there has been increasing interest from groups and individuals outside our collection system to receive sewer service. Some of the community interest comes from inside the existing CAWD service area and some comes from just outside the existing service area. The increasing interest in sewer service extensions has moved CAWD staff to develop a strategy to work with the community individuals and groups on individual projects while at the same time not overextending our staff and resources on infrastructure development that does not directly benefit our current ratepayers. CAWD staff believes that we should do our best to serve new customers who are part of the greater Carmel community, however we should not do it in such a way that reduces our ability to serve our current customers.

Goals of Sewer Collection System Expansion:

1. Provide service to more people who need it – i.e. members of the community with failing septic systems.
2. Use current funds for projects that benefit current ratepayers; not to finance new connections or future connections that do not benefit our current customers.
3. Collect additional water that can be reclaimed and reused (could be between 15 to 200 acre-feet per year depending on level of expansion). Treatment plant is currently about 40% of capacity.
4. Make sure that new sewer infrastructure will meet District standards and requirements

for long term reliability.

5. Follow requirements of the California Environmental Quality Act (CEQA) to avoid environmental impacts.

Current Proposed Expansion Areas:

There are about 12 or more individual areas that are currently being tracked by CAWD due to having a potential need and desire for new sewer service as shown in Table 1.

Table 1 – Current Collection System Expansion Prospects

| Within current CAWD service area | Outside current CAWD service area: |
|---|---|
| <u>September Ranch</u> - Estimated 92 residences (currently undeveloped) | <u>Corona Road Section of Carmel Highlands</u> - Estimated 20 residences |
| <u>Rio Vista Neighborhood</u> - Estimated 45 residences | <u>The entirety of Carmel Highlands</u> - Estimated 200 residences |
| <u>Carmel Hills</u> - Estimated 100 residences | <u>Riley Ranch Rd</u> - Estimated 4 residences |
| <u>Rancho Canada Subdivision</u> - Estimated 182 residences | <u>Carmel Valley Manor</u> - Estimated 160 Senior living residences and support facilities |
| <u>Quail Lodge and Residential</u> - Estimated 160 residences, hotel and restaurant | <u>Mid Valley Shopping Center and Surrounding Neighborhood</u> - Estimated 94 residences, 1 supermarket and 25 commercial units. |
| <u>Residential Development on Valley Greens Drive</u> - Estimated 8 residences (currently undeveloped) | <u>Carmel Valley Ranch</u> - Backwash waste from the existing reclamation facility |
| <u>Various individual parcels in Highlands</u> - Estimated 10 residences | |

Work to Date:

CAWD completed a mass annexation of additional areas around the mouth of Carmel Valley and on Carmel Valley Rd near the existing CAWD collection system. This was done to bring some additional areas into the District that are already relatively close to our collection system around Carmel Hills, Quail Meadows, and September Ranch.

In addition, CAWD is currently doing master planning work for our existing collection system assets to prepare for potential collection system expansion. This includes modeling our existing sewer infrastructure with the addition of new flows to determine if there are any existing trunk lines that may need to be upsized as part of any future upstream expansions. The flow modeling effort approved was \$28,500, and this work complements the current collection system CIP work that is also in progress.

Furthermore, CAWD has recently commissioned a \$29,000 draft preliminary engineering report for extending a trunk line from the existing end of line at Valley Greens Drive as far out as Carmel Valley Ranch and Mid Valley Shopping Center. The work that is currently in progress involves our master planning efforts to make sure future expansions have been evaluated from a high-level perspective so as not to adversely impact our existing infrastructure. The current work commissioned is minor in scale compared to the efforts to move all of the proposed expansion projects forward.

Strategy for Individual Expansion Projects:

Beyond our current master planning efforts each of the individual expansion areas listed in Table 1 pose additional work effort to be completed when a new neighborhood reaches out. These areas of work effort include:

1. Financing – Review of financing options and reimbursement agreements so that existing CAWD ratepayers do not have to front the money for expansion to new users.
2. Preliminary Engineering– Preliminary Engineering Reports/Conceptual Design.
3. Annexation – Working with LAFCO to annex neighborhoods currently not in our service area.
4. CEQA – Expansion of the collection system triggers a CEQA review.
5. Final Design Engineering – Final design and review by District staff to confirm the project will meet District standards.
6. Collection System Construction – Construction of the new collection system assets in the public right of way.
7. Private Lateral Construction – Sewer lateral work on private property to connect homes and businesses to the new collection system.

Financing and Reimbursement Agreements

Staff have been investigating financing options including: grants, bonds, public loans, and private loans. Currently, a preferred financing option appears to be private financing as it is the easiest to obtain for individual projects that are less than \$1 Million. No financing has been secured for any of the potential projects listed in Table 1 as staff is still coordinating the various project proponents' efforts in determining the initial capital cost via preliminary engineering. After preliminary engineering is completed the District can pursue financing in earnest and develop a reimbursement agreement with the project proponents. In some cases (such as September Ranch) the financing has not been a hurdle in the project moving into the Final Design Engineering stage as the developer has been financing these initial costs to date.

Preliminary Engineering

Each area that has been proposed to be connected to the CAWD sewer system requires significant upfront capital investment to develop engineering studies to define the construction costs of the potential collection system expansion. CAWD is not fronting funds to move these preliminary

engineering evaluations forward although staff is investing significant time providing information and advising project proponents on details regarding the individual projects. CAWD staff does not have the capacity to spearhead each of the projects in Table 1. Therefore, CAWD is requiring that Preliminary Engineering Reports be commissioned by the neighborhood stakeholders in order to develop a project description and cost estimate that can be used for developing financing and for coordinating design requirements. To date, many project proponents are slow in moving forward with the Preliminary Engineering efforts, with the exception of September Ranch and Carmel Valley Manor.

Annexation

CAWD completed an annexation of a significant area at the mouth of Carmel Valley and in Carmel Hills area. However, as shown in Table 1 there are still areas outside the current CAWD service area that are prospects for sewer service.

CAWD is coordinating with LAFCO on the additional potential annexation areas and is currently determining the extents that should be included in a new annexation. Much of the annexation coordination efforts are currently being handled by CAWD staff. LAFCO fees are in the range of a few thousand dollars and these costs would be reimbursed as part of the associated connections. The factors that determine the extent of a new annexation include the progress of Preliminary Engineering efforts and of CEQA environmental review.

CEQA

The annexation process involves CEQA review to determine if additional expansion of sewer service triggers any environmental impacts. The major regions that are being considered for annexation include the Highlands area and additional areas farther up Carmel Valley. Each of these areas rely on septic tanks and leach fields currently. In the Highlands area the leach fields are being highly scrutinized by the Monterey County Health Department due to the proximity to the ocean and potential for non-point source pollution into the ocean. The Carmel Valley area is a bit more complicated as there are some who believe that the existing septic tank leach fields are contributing flow into the Carmel River (which could be considered a benefit to fish in terms of flows, but could also be considered a source of pollution). In the case of Carmel Valley, the CEQA review process would need to determine what thresholds of significance exist. Highlands appears to be more straightforward as discharges into the ocean would not benefit the environment.

The CEQA process also brings up the question of whether adding sewer service to new areas is growth inducing. The opinion of CAWD staff is that growth should be controlled based on County land use planning and sewer should not be used as a method to control growth.

Final Design Engineering

After the financing, preliminary engineering, annexation, and CEQA is complete for a project

then final design engineering can commence. Final engineering is currently underway for September Ranch. The strategy that is being used at September Ranch is that the developer has hired an engineer known to the District to design the collection system extension (and also a pump station) to District standards. The District is awaiting the initial design submittal and will provide comments to the developer so that the new system will be acceptable to CAWD and will meet CAWD standards. In this way CAWD will be able to take over the new infrastructure and maintain it in perpetuity. The intention of staff is that outside consultant engineering will be utilized for final design engineering efforts for the majority of the new connection projects. The management of the engineering consultants may be handled by CAWD staff depending on workload, or the management could be handled by the project proponents. In either case, CAWD would carry out extensive review of the design documents to confirm that the construction will meet District standards.

Collection System Construction

If the project design receives final acceptance by CAWD and the financing and reimbursement agreements are in place, the collection system expansion project can move to construction. The strategy for managing construction will depend on current workloads of CAWD staff, and it is likely that a third-party construction manager would be hired to manage the construction.

Private Lateral Construction

Private lateral construction is not within the purview of the District. Therefore, the capital cost and implementation of private lateral work to connect new homes and existing homes with septic systems will be entirely on the individual homeowner or the developer. Connections to the sewer system will be assessed a fee based on a share of the capital cost for the new construction. If the individual connecting was part of an original reimbursement agreement then the cost of connecting will be amortized over the financing period and applied to property tax statement. Late comers who decide to connect after the project has been completed may be required to pay their share of the new construction cost up front. The requirement to pay the proportionate share of the new collection system construction would likely be required for a 15-year period after construction is completed.

Conclusion:

Our strategy for expansion of the collection system to reach new users involves a multi-step process and requires that the affected community be involved to move the project forward. CAWD is currently not employing a strategy of eminent domain to expand the collection system assets but is instead using a more conservative approach that involves the community. The current strategy may change as conditions changes.

Staff Report



TO: Board of Directors,
FROM: Barbara Buikema, General Manager
DATE: October 25, 2018
SUBJECT: November/December Board Meeting Date

RECOMMENDATION

It is recommended that the Board of Directors pass a motion agreeing to cancel the regular November Board meeting and hold the December Board meeting on December 13, 2018.

DISCUSSION

The November Board meeting this year will fall on the Thanksgiving Day holiday.

Staff recommends that the November meeting be cancelled and the December meeting moved to Thursday, December 13, 2018. The December meeting would normally be held on December 27, 2018, the week between Xmas and New Years.

Holding the Board meeting on December 13th places it roughly midway between the October and January 2018 meeting.

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: October 25, 2018

Subject: Pebble Beach Community Services District – Regular Board Meeting
September 28, 2018

DISCUSSION

Agenda items from the September 28, 2018 meeting that are of specific interest to this District:

- Total cash balance at the end of July 2018 was \$15.2M; of that amount, \$10.9M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 85% of District revenues with user fees making up 12%.
- The August 2018 Cash Basis Budget showed total revenues at 0.2% and total expenditures at 3.8%
- Forest Lake Reservoir held 27 MG (million gallons) of recycled water or 23% of permitted capacity. Current storage volume is 10% below the historic average of 30 MG.
- Total irrigation water demand for the 2018 calendar year through August was 716 AF (acre feet). Total demand for the calendar year is 3% below the 5-year average of 735 AF and 3% below the 23-year average annual usage of 736 AF. Forest Lake net storage decrease of approximately 16 million gallons in August. By comparison, a net storage decrease of approximately 8 million gallons was observed in August of last year.
- Average daily wastewater flow of 350,000 GPD was measured in August at the PBCSD-Carmel gate. This represents 30% of the total flow at the CAWD treatment facility. The measured PBCSD flow was 6% below the five-year

average of 371,000 GPD for the month of August; the CAWD total flow was 10% below the five-year average of 1,297,000 GPD for August.

- 2018 Alternative Reclamation Sources through August is 30 AF total.
- The Board authorized a Consumer Driven Health Plan offering through ACWA/JPIA, which is a high-deductible plan combined with individual health savings accounts. The proposed plan will be offered to employees on a voluntary basis. Those employees who do not wish to participate will continue with the current plan.
- The Board approved the adoption of a Public Agencies Post Employment Trust administered by Public Agency Retirement Services (PARS) to provide an alternative strategy for funding current and future pension obligations. Further the Board authorized up to \$1.5M in District funds be deposited into the Trust.
- Average daily wastewater flows measured in million gallons per day (MG) show:

| MONTH | TOTAL | CAWD FLOW | PBCSD FLOW | PBCSD |
|--------------|--------------|------------------|-------------------|--------------|
| July - 18 | 36.645 | 25.589 | 11.056 | 30.171% |
| Aug - 18 | 36.346 | 25.482 | 10.864 | 29.890% |
| Total | 72.991 | 51.071 | 21.920 | 30.031% |