



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES DECEMBER 13, 2018

CALL TO ORDER - ROLL CALL

Present: President: Ken White

Directors: Greg D'Ambrosio, Michael Rachel, Robert Siegfried, and
Charlotte Townsend

Absent: None

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Rachel Lather, Principal Engineer, CAWD
Patrick Treanor, Plant Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Irene Bryant, Administrative Assistant/Board Clerk, CAWD
Domine Barringer, Administrative Assistant/Board Clerk, 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
Drew Lander, Senior Construction Manager, MNS Engineers

ADMINISTER CEREMONIAL OATH OF OFFICE

1. Appointed To The Office Of CAWD, Director For A Term Of 4 Years:

- Michael Rachel
- Kennedy White

Directors Rachel and White took a ceremonial oath of office administered by Ms. Bryant. The District expressed congratulations and thanks for their continued service.

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

2. Appearances/Public Comments:

Mr. Niccum wanted to recognize and thank Chris Foley for an immediate response and dedicated commitment in helping to fix a level indicator failure at the Spanish Bay Pump Station. He expressed that this is another example of the two districts working together.

3. Agenda Changes:

There were no agenda changes.

OTHER ITEMS BEFORE THE BOARD

4. CAWD New Hires - Employee Introductions:

- Rachel Lather, Principal Engineer
- Domine Barringer, Administrative Assistant/Board Clerk

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

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Siegfried the Board approved the Regular Meeting Minutes of October 25, 2018 and enacted the following Consent Calendar items:

5. Approve Regular Board Meeting Minutes of – October 25, 2018.
6. Receive and Accept Bank Statement Review By Hayashi Wayland – September 2018 and October 2018
7. Receive and Accept Schedule of Cash Receipts and Disbursements – October 2018
8. Approve Register of Disbursements - Carmel Area Wastewater District – October 2018

On check no: 32866 to Kennedy/Jenks, Director D'Ambrosio asked what percentage of the design is completed for Phase II? Mr. Treanor advised 30% now, 60% projected for February/March, and full completion in Fall 2019.

Director D'Ambrosio asked for a progress update on the Hatton Canyon roadbed. Ms. Lather explained that the design is almost complete and we are waiting for mitigation requirements to be added to the plans. Mr. Treanor said that the path was walked with State Park representatives. An approach for erosion avoidance, path rehabilitation, and walking surface stability was agreed upon. Timing and implementation is being worked out. Director Townsend commended staff for their continued progress on this complex and important project.

On check no: 32847 Buckles-Smith and project no: 18-05, Director Rachel asked and Mr. Foley confirmed that the PLC remote panel expenditure is part of the Capital plan. Director Siegfried asked if we'll list capital expenditures separately, and Ms. Buikema advised that "(CAPITAL)" will be listed on the disbursement register if the total project costs reach our capitalization threshold of \$10,000.

9. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – October 2018
10. Receive and Accept Financial Statements and Supplementary Schedules – October 2018
11. Receive and Accept Collection System Reports – October and November 2018

Director Siegfried inquired and Mr. Lauer confirmed that what appears to be a random cycle in the main line cleaning routes is actually based on a rotational system, scheduled monthly intervals, and areas of active root intrusion.

In an attempt to mitigate SSOs (Sanitary Sewer Overflows) that may have been started by a plumber's work, Director D'Ambrosio suggested that the District highlight this possibility in our next newsletter and also send a direct mailer to all plumbers. Mr. Lauer confirmed that to solve this problem, staff took a public outreach approach. These reminders will also be added to handouts given during the plumbing permit/application process. President White asked if this is a common occurrence and Mr. Lauer confirmed that it is not.

12. Receive and Accept Treatment Facility Operations Report – August 2018, September 2018 and October 2018

In reviewing energy efficiency, Director Siegfried asked what interval CAWD should be reporting the kW-h Per Acre Foot. Mr. Treanor responded that the answer would depend on what we're trying to understand, and since each month can vary, quarters may be a better indicator to show averages and trends.

Regarding PG&E disbursements, Director Rachel asked if we can track or prevent high kW-h demand during peak usage times/costs? Does our SCADA have the ability to keep larger loads coming on or spiking at the same time? Mr. Foley said we do not have that coordinated between different process areas, but that generally loads are fairly consistent, come on slowly, and ramp up. The control system is naturally attenuating the demand/spikes. Mr. Waggoner added that usage spikes could show up on the RO (Reverse Osmosis) part of the bill due to system sequencing and FEB (Flow Equalization Basin) level even though the components don't all come on at the same time.

13. Receive and Accept Safety and Regulatory Compliance Report – October and November 2018

Director Siegfried questioned whether adding nitrogen to the system is consistent with the District's mission statement with respect to our environmental responsibility. Mr. Waggoner explained that the plant process goes through full nitrification for respiratory safety reasons, and that pilot approaches are being tested and refined. Director Siegfried stated that further analysis was warranted if we don't know where all the nitrogen is going, and Ms. Buikema confirmed that staff will consider this and report back.

14. Receive and Accept Laboratory/Environmental Compliance Report – October and November 2018
15. Receive and Accept Capital Projects Report/Implementation Schedule – October and November 2018
16. Receive and Accept Plant Operations Report – October and November 2018

Director Siegfried asked if the noise is emanating from the RO plant or normal plant operations? Ms. Buikema stated it appears to be coming from the RO pad. Mr. Waggoner advised the source seems to be specifically from 2 main areas: the RO feed pumps and two venting compressors, and that Mr. Treanor is looking into sound blankets.

Director Siegfried inquired and Mr. Waggoner confirmed that the plant is not changing to UF (ultrafiltration) but remaining with MF (microfiltration) membranes on Cell #3.

17. Receive and Accept Maintenance Projects Report – October and November 2018

Director Siegfried inquired if the Lab computer was hooked up to the network now and Mr. Foley confirmed that it was.

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.

ORDINANCES

18. **Ordinance No. 2018-02**; An Ordinance Amending Ordinance Number 44 – So As To Revise The Provision For The Installation Of Collecting Sewer Lines By Individuals - *Report by Barbara Buikema, General Manager*

Ms. Buikema stated the only limitation to increasing the refund period from 10 to 20 years will be the additional staff time required to track the process. Director D'Ambrosio pointed out that this will break down barriers and give more opportunity to connect and expand the sewer system. Director Siegfried asked how this change will be broached with Highlands Sanitary Association. Ms. Buikema clarified that there is no provision to make this amendment retroactive and that she will notify HSA accordingly.

Board Action

Following a motion made by Director Siegfried and seconded by Director Townsend the Board unanimously adopted Ordinance No. 2018-02.

RESOLUTIONS

- 19. Resolution No. 2018-48;** A Resolution Authorizing The General Manager To Enter Into A Contract With Bryan Mailey Electric For Electrical Services In Fiscal Year 2018-2019 In An Amount Not To Exceed \$285,000 - *Report by Chris Foley, Maintenance Superintendent*

Mr. Foley stated the additional \$185,000 budget will accelerate plant rehabilitation, be useful on reclamation and collection projects, and bridge gaps between Phase I & II. Director Rachel pointed out this is a large increase request with only 7 months left in the fiscal year and inquired what percentage of savings may be gained? Mr. Foley confirmed this approach may provide significant and up to 50% savings in some areas by keeping design, project management, and materials purchase in house.

Director D'Ambrosio asked if these additional funds will be coming out of the O&M Budget? Mr. Foley replied no, that the costs are already budgeted line items and will be appropriately applied at the project and work order level for an even distribution.

Director Siegfried asked how many sole source contracts we have and staff advised 2: SCADA and electrical.

Ms. Buikema confirmed staff is encouraged to do blanket purchase orders to present for Board approval and track in CMMS.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend the Board unanimously adopted Resolution No. 2018-48

- 20. Resolution No. 2018-49;** A Resolution Adopting The Amended Memorandum Of Understanding For The Integrated Regional Water Management (IRWM) In The Monterey Peninsula, Carmel Bay, And South Monterey Bay Regions And Authorizing Staff To Join And Participate In The Regional Water Management Group - *Report By Barbara Buikema, General Manager*

Director White pointed out the costs may be staff time but the Board agreed with Ms. Buikema that this would be a resource for problem resolution, agency collaboration, good outreach and additional funding.

Board Action

Following a motion made by Director Townsend and seconded by Director Rachel the Board unanimously adopted Resolution No. 2018-49

- 21. Resolution No. 2018-50;** A Resolution Adopting The CAWD/PBCSD Reclamation Project Audit For The Year Ending 06-30-18 - *Report By Barbara Buikema, General Manger*

Ms. Buikema advised this was a fairly routine, clean audit that was approved by the Reclamation Management Committee on 11-07-18.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend the Board unanimously adopted Resolution No. 2018-50.

- 22. Resolution No. 2018-51;** A Resolution Ratifying The Actions Of The General Manager To Execute A Minor Services Contract With Trussell Technologies In An Amount Not To Exceed \$30,000 For Additional Engineering Services Pertaining To Microfiltration-Reverse Osmosis (MF-RO) Operation Support For The Reclamation Project - *Report by Patrick Treanor, Plant Engineer*

Mr. Treanor advised that the RMC approved the additional \$30,000 budget at their last meeting and asked to move forward ASAP. President White inquired if it was a bid and Mr. Treanor clarified no, it was a follow along contract to the most qualified contractor for this type of work.

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel the Board unanimously adopted Resolution No. 2018-51.

- 23. Resolution No. 2018-52;** A Resolution Authorizing The General Manager To Enter Into A Contract With The Carmel Highlands (Yankee Point/Spindrift) Neighborhood To Manage The Feasibility Study Being Undertaken By MNS Engineers Inc In The Amount of \$45,000 And To Authorize Recovery of Staff Time Spent In Contract Administration - *Report By Barbara Buikema, General Manager*

Ms. Buikema advised that the indemnification clause has been removed from the agreement with the neighborhood and moved to the contract with MNS. This occurred and was agreed upon after a joint meeting with CAWD, Legal Counsel, and neighborhood representatives. After the feasibility study, CAWD hopes this to be a viable project.

Director Rachel pointed out that the current septic location for most of these residences is located on the ocean side, a long distance to install lateral lines, and with a high degree of difficulty.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Rachel the Board unanimously adopted Resolution No. 2018-52.

- 24. Resolution No. 2018-53;** A Resolution Authorizing The General Manager To Enter Into A Contract With MNS Engineers Inc In The Amount of \$45,000 To Manage The Sewer Feasibility Study On The Carmel Highlands Project - *Report By Barbara Buikema, General Manager*

Counsel Wellington referred back to the neighborhood agreement (page 160 in the Board packet) and reiterated for the record under section II. Compensation: participants will be responsible for *all* costs from MNS and correlated that to the MNS contract (page 172 in

Board packet) under section Compensation that this is a total fee of \$45,000 as a Not To Exceed amount.

Board Action

Following a motion made by Director Rachel and seconded by Director Siegfried the Board unanimously adopted Resolution No. 2018-53.

- 25. Resolution No. 2018-54;** A Resolution Selecting A President And President Pro Tem, And Appointing A Secretary And Secretary Pro Tem Of The Carmel Area Wastewater District, For A Term Of One Year Commencing On December 13, 2018 - *Report By Irene Bryant, Board Secretary*

Board Action

Following a motion made by Director Rachel and seconded by Director D'Ambrosio, the Board unanimously adopted Res No. 2018-54 appointing Director Kennedy White as Board President and Director Robert Siegfried as President Pro-Tem; Domine Barringer as Board Secretary and Irene Bryant as Secretary Pro-Tem for the 2019 term.

OTHER ACTION ITEMS BEFORE THE BOARD

- 26.** Independent Financial Audit For Fiscal Year Ending June 30, 2018 By Marcello & Company – *Report by Barbara Buikema, General Manager*

Ms. Buikema stated this was a normal year and clean audit and commended Mr. Grover for another year of proficient and accurate handling of financial duties.

Board Action

Following a motion made by Director D'Ambrosio and seconded by President White, the Board unanimously accepted the CAWD Annual Financial Statements and Independent Audit Report as meeting the requirements for an annual independent audit.

- 27.** CAWD Pension Plan – Actuarial Review By Nicolay Consulting July 1, 2018 – *Report by Barbara Buikema, General Manager*

Ms. Buikema advised that we are doing quite well by being 100% funded for the SAM (Strategic Asset Management) pension plan. This means the District does not have to make contributions for this fiscal year.

Board Action

Following a motion made by Director White and seconded by Director Siegfried, the Board unanimously accepted the CAWD 2018 Actuary Report.

- 28.** Request To Change CAWD Regular Board Meeting Date To 2nd Thursday - *Report by Barbara Buikema, General Manager*

Director Siegfried asked that his request be pulled as it would create an unacceptable situation of reporting 2 months behind.

Board Action

Following a motion made by Director White and seconded by Director Siegfried, the Board unanimously agreed to table this item and continue as status quo with the Regular Board Meetings occurring on the last Thursday of the month.

- 29.** Conference Attendance, PBCSD Board Meeting Attendance, and Board Member Committee Assignments for 2019 – *Report by Irene Bryant, Board Secretary*

Ms. Buikema reminded Directors to contact the Board Secretary for registration and travel arrangements for conferences they are interested in attending.

Director White suggested that the current Board Committee assignments remain intact since things are running smoothly. He also thanked the Directors for their ongoing participation. Members were encouraged to initiate further discussion should there be a different recommendation or request to change committee assignments.

This report was informational only – no action required at this time. The Board Committee Assignments will appear on the January agenda for final acceptance.

- 30.** Vehicle Insurance Claim For Director Siegfried - *Report by Barbara Buikema, General Manager*

Director Siegfried recused himself and departed the room. Much detailed discussion and analysis ensued between the Board, Legal Counsel and the General Manager. The Board noted that the factors presented for this claim were ambiguous, and that decisions made today could set a precedence going forward. It was agreed that this claim request revealed a need to review and possibly redraft or clarify sections of the District's Vehicle Use and Travel Policies, as well as the need to ensure that policy requirements be uniformly applied to employees and Board members alike when conducting District business.

Board Action

Following a motion made by Director Rachel and seconded by Director D'Ambrosio, the remaining Board unanimously agreed to reimburse: \$100 Conference registration and \$54.50 Mileage as per policy, as well as the rental fees for the period the vehicle was in the shop for repairs from 7/27/17-8/14/17.

- 31.** District Expense Reimbursement Policy Review - *Report by Barbara Buikema, General Manager*

Board Action

The Board and staff discussed suggested amendments and unanimously reaffirmed that the Expense Reimbursement Policy will need amendments to align with travel, conference, and vehicle use policy changes.

- 32.** Grind To Energy Pilot Project Update For Increased Methane Production From Anaerobic Digesters - *Report by Ed Waggoner, Operations Superintendent*

Board Action

Following a motion made by Director Siegfried and seconded by Director D'Ambrosio, the Board unanimously agreed to extend the pilot project for Food Waste Slurry for an additional one (1) year.

INFORMATION/DISCUSSION ITEMS

- 33.** Summary of Monterey County Treasurer Report Dated September 30, 2018 – Report by Barbara Buikema, General Manager

The report was informational only – no action required.

- 34.** Summary of Pension Plan Meeting of November 5, 2018 and Hastie Financial 2018 3rd Qtr Performance Review and 4th Qtr Action Plan – Report by Barbara Buikema, General Manager

The report was informational only – no action required.

- 35.** Pebble Beach Community Services District – Regular Board Meeting of October 26, 2018 – Report by Barbara Buikema, General Manager

The report was informational only – no action required.

STAFF & BOARD MEMBER REPORTS

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

COMMUNICATIONS

- 36.** General Manager's Report - Oral Report by Barbara Buikema, General Manager
- Corona Road Neighborhood Meeting
December 20, 2018 At 6:00pm
Carmel Highlands Fire Protection District
73 Fern Canyon Road, Carmel-by-the-Sea
 - Possible Dates For CAWD Board of Directors Strategy Session
January 22, 2019 – Time And Location TBD

- 37. 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, December 7, 2018 at 9:30a.m. *Director D'Ambrosio attended.*
Friday, January 25, 2019 at 9:30a.m. *Director Rachel is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for:
Wednesday, February 13, 2019 at 9:30 a.m. *Director Townsend and Director White are scheduled to attend.*

Special Districts Association of Monterey County–

The next SDA meeting is scheduled for:

Tuesday, January 15, 2019 at 6:00 pm. *Director Townsend is scheduled to attend.*

38. CLOSED SESSION

Pursuant to Government Code Section 54956 and 54957 et seq., the Board met in closed session.

- A. Conference with Legal Counsel** – Anticipated Litigation: significant exposure to litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 – one potential case.
- B. Conference with Labor Negotiators** pursuant to Government Code Section 54957.6. District designated representatives: Board of Directors
Unrepresented Employees: All
- C. Public Employee Performance Evaluation** pursuant to Government Code Section 54957(b). Title: General Manager
- D. Conference with Labor Negotiators** pursuant to Government Code Section 54957.6. District designated representatives: Board of Directors
Unrepresented Employee: General Manager

The Board convened in closed session at 10:45 a.m. with regard to the items listed on the agenda, and reconvened to open session at 12:45 p.m. Legal Counsel announced that in closed session the Board took up each of the four items listed on the closed session agenda and received information from Counsel on item 38.A.; received information from its labor negotiators on item 38.B. and D.; and conducted the performance evaluation on the General Manager under item 38.C.; and as to each matter no reportable action was taken.

39. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 12:46 p.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, January 31, 2019 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