



CARMEL AREA WASTEWATER DISTRICT

Regular Board Meeting

3945 Rio Road, Carmel, CA 93923

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

List of Common Acronyms

ACWA	Assoc of California Water Agencies	MG/L	Milligrams per Liter
AF	Acre Feet	MGD	Million Gallons per Day
APWA	American Public Works Assoc	MLSS	Mixed Liquor Suspended Solids
AWWA	American Water Works Assoc	MLVSS	Mixed Liquor Volatile Suspended Solids
BFE	Base Flood Elevation (FEMA)	MOU	Memorandum of Understanding
BMP	Best Management Practice	MPN	Most Probable Number (of coliform organisms)
BOD	Biochemical Oxygen Demand	MPWMD	Monterey Peninsula Water Management District
BTU	British Thermal Units	MSL	[Elevation above] Mean Sea Level
CalPERS	California Public Employees Retirement System	NEC	National Electric Code
CASA	California Association of Sanitation Agencies	NEPA	National Environmental Policy Act
CAWD	Carmel Area Wastewater District	NMFS	National Marine Fisheries Service (NOAA)
CCAMP	Central Coast Ambient Monitoring Program	NOAA	National Oceanic & Atmospheric Administration
CLEAN	Central Coast Long Term Environ Assess Network	NPDES	National Pollutant Discharge Elimination System
CCTV	Closed Circuit Television	NPS	Non-Point Source [Pollution]
CECs	Constituents of Emerging Concern	OM&R	Operations, Maintenance, and Replacement
CEQA	California Environmental Quality Act	OSHA	Occupational Safety & Health Act
CFR	Code of Federal Regulations	PBC	Pebble Beach Company
CIP	Capital Improvement Project/Plan	PBCSD	Pebble Beach Community Services District
CL2	Chlorine	PCB's	Polychlorinated Biphenyls
CMMS	Computerized Maintenance Mgmt Software	PEHP	Post Employment Health Plan
CMOM	Capacity, Management, Operations & Maintenance	pH	Hydrogen Ion Concentration (Potential of Hydrogen)
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 Absorption 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	TDS	Total Dissolved Solids
HP	Horsepower	TOC	Total Organic Carbon
I/I	Infiltration and Inflow	TS/TSS	Total Suspended Solids
IPR	Indirect Potable Reuse	UV	Ultraviolet Treatment
IRWUG	Independent Reclaimed Water Users Group	VFD	Variable Frequency Drive
kw	Kilowatt	VS	Volatile Solids
kwH	Kilowatt hour	VSS	Volatile Suspended Solids
LAFCO	Local Agency Formation Commission	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
MF/RO	Microfiltration/Reverse Osmosis		



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES DECEMBER 7, 2017

CALL TO ORDER - ROLL CALL

- Present:** President: Ken White,
Directors: Michael Rachel, Greg D'Ambrosio, Robert Siegfried and
Charlotte Townsend
- Absent:** None
- Others:** Barbara Buikema, General Manager, Carmel Area Wastewater
District (CAWD)
Irene Bryant, Administrative Services Coordinator, CAWD
Drew Lander, Principal Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley - Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Rob Wellington, District Legal Counsel
Leo M. Laska, Board Director, Pebble Beach Community Services
District (PBCSD)
Mike Niccum, General Manager, PBCSD
Lisa Sullivan, Municipal Resource Group LLC (MRG)
Rudolf Ohlemutz, MRG

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

1. Appearances/Public Comments:

There were no appearances or public comments.

2. Agenda Changes:

Board Action

Following a motion made by Director White and seconded by Director Siegfried the Board unanimously approved amending the agenda to add Legal Counsel Performance Evaluation to the Closed Session.

3. Employee Introduction:

Chris Foley, new CAWD Maintenance Superintendent was introduced and welcomed.

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.

4. Administration Department Operational and Organizational Assessment – Presentation and Report by Municipal Resource Group LLC

President White asked that the report be accepted and then be taken up by the Salary & Benefits Committee and the Budget Committee for recommendations and possible integration into the 2018-19 budget document. Committee recommendations will be considered by the Board at its March 22, 2018 meeting in conjunction with the Preliminary Budget.

Lisa Sullivan of MRG noted that her MRG colleague Nadine Levin had a large presence in the CAWD assessment and regreted that she was unable to attend today's meeting. Ms. Sullivan stated that during the course of the review it became evident that the dedication and professionalism of CAWD's administrative staff is a major asset of the District. Mr. Rudolf Ohlemutz of MRG gave a review of the types of analyses performed, objectives, assumptions, and findings. Ms. Sullivan presented Human Resources recommendations. She also recommended performance measures to reflect the District's mission, vision and values. She then reviewed the conclusions of the study.

Board Action

Following a motion made by Director Townsend and seconded by Director Rachel the Board unanimously accepted the report.

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 unanimously approved the Regular Meeting Minutes of October 26, 2017, and enacted the following Consent Calendar Agenda items:

- 5.** Approve Regular Board Meeting Minutes of – October 26, 2017
- 6.** Receive and Accept Bank Statement Review by Hayashi Wayland – September 2017
- 7.** Receive and Accept Schedule of Cash Receipts and Disbursements – October 2017
- 8.** Approve Register of Disbursements – Carmel Area Wastewater District – October 2017
- 9.** Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – October 2017
- 10.** Receive and Accept Financial Statements and Supplementary Schedules – October 2017

11. Receive and Accept Collection System Superintendent's Report – October 2017
12. Receive and Accept Treatment Facility Operations Report –August 2017, September 2017, and October 2017
13. Receive and Accept Laboratory/Environmental Compliance Report – October 2017
Director Siegfried requested the issue of repeated inspections for non-compliant restaurants be a future agenda item for the Board to determine how to cover staff costs.
14. Receive and Accept General Engineering and Maintenance Report – October and November 2017
15. Receive and Accept Plant Operations Report – October and November 2017

RESOLUTIONS/ORDINANCES

16. **Resolution No. 2017-49;** A Resolution Adopting the CAWD/PBCSD Reclamation Project Audit for the Year Ending 06-30-17 - *Report by Barbara Buikema, General Manager*

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend the Board unanimously adopted Resolution No. 2017-49.

17. **Resolution No. 2017-50;** A Resolution Approving Plans and Specifications for the Replacement of a Sewer Collector Line and Authorizing Staff to Call for Bids for the Work Under the Heading "FY 2017/18 Sewer Line Replacement – San Carlos Between Sixth and Ocean" - *Report By Drew Lander, Principal Engineer*

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend the Board unanimously adopted Resolution No. 2017-50.

18. **Resolution No. 2017-51;** A Resolution Authorizing the General Manager and Members of the Salary/Benefits Committee, on Behalf of the Board, to Sign the 2018-2020 Contract Negotiating Ground Rules - *Report By Barbara Buikema, General Manager*

District Counsel Wellington explained in detail the negotiation process under the Meyers-Milias-Brown Act. He recommended wording needed to clarify the proposed Contract Negotiating Ground Rules.

Director White felt the current process, where the General Manager as chief negotiator communicates the Board's stance, is more efficient than involving two committee members. Employees have the right and the opportunity to address the Salary and Benefits Committee at committee meetings. Operations Superintendent, Ed Waggoner stated that the Contract Negotiating Ground Rules were drafted primarily to give new employees who are represented in negotiations an understanding of the process to determine level of interest and participation.

Ms. Buikema suggested that since the document is written by the employees, that the suggested changes be incorporated, the document reviewed by Counsel, and the revised document be presented back to the employees.

Board Action

Following a motion made by Director White and seconded by Director Townsend the Board unanimously approved that Counsel's suggested changes be incorporated into the Contract Negotiating Ground Rules and then submitted for legal counsel review and subsequently brought back to the Board for further consideration.

- 19. Resolution No. 2017-52;** A Resolution Selecting President and President Pro Tem, and Appointing Secretary and Secretary Pro Tem of the Carmel Area Wastewater District for a Term of One Year Commencing December 7, 2017 - *Report by Irene Bryant, Board Secretary*

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend the Board unanimously adopted Resolution No. 2017-52 appointing Director Kennedy White as Board President and Director Robert Siegfried as President Pro Tem for the 2018 term.

Board Action

Following a motion made by Director Siegfried and seconded by Director Townsend the Board unanimously adopted Resolution No. 2017-52 appointing Irene Bryant as the Board Secretary and James Grover as Secretary Pro Tem for the 2018 term.

- 20.** Conference Attendance, PBCSD Board Meeting Attendance, and Board Member Committee Assignments for 2018 – *Report by Irene Bryant, Board Secretary*

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director White the Board unanimously appointed the same 2017 committee members for 2018.

- 21.** Summary of Monterey County Treasurer Report Dated September 30, 2017 – *Report by Barbara Buikema, General Manager*

The report was informational only – no action required.

- 22.** Summary of Pension Plan Meeting of November 2, 2017 and Hastie Financial 2017 3rd Qtr Performance Review and 4th Qtr Action Plan – *Report by Barbara Buikema, General Manager*

Director Siegfried requested to know what data is used to determine standard deviation calculations; Ms. Buikema will ask Hastie for a formal response.

The report was informational only – no action required.

- 23.** Pebble Beach Community Services District – Regular Board Meeting on October 27, 2017 - *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 that a matter be set as a future Agenda Item.

COMMUNICATIONS

- 24. General Manager's Report** – *Oral Report by General Manager Barbara Buikema*
Ms. Buikema reported that staff and Mr. Waggoner cordially invite the Board to lunch on December 20, 2017.

The Board concurred to hold a special meeting on January 11, 2018 at 9:30 a.m. as a workshop to consider the results of the employee survey.

Ms. Buikema suggested an open house be held to commemorate the completion of Phase I of treatment plant improvements. The Board selected January 11, 2018 following the employee survey workshop.

Ms. Buikema recognized Engineer Lander and Superintendent Lauer for their significant efforts in submitting two grant applications on behalf of the District; both grants passed initial review and have been forwarded to OES for consideration. President White thanked staff on behalf of the Board.

A second meeting with Carmel River FREE stakeholders will be held in January. The goal remains to begin construction in summer of 2018.

- 25. 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.*

Director Siegfried attended the New Frontiers Water Forum in October at Embassy Suites in Seaside. The marketing of water savings has become lucrative. One firm is seeking to install monitors on incoming pipelines to transmit flow data to analyze for leaks and other opportunities to save water; at some point this type of service may be beneficial to the District. Director D'Ambrosio suggested Board members read the commentary by Mayor Delgado in the December 5, 2017 issue of the Chronicle regarding the Peninsula water issue.

PBCSD Board Public Meeting Notice & Agenda – The next PBCSD meetings are scheduled for: Friday, December 8, 2017 at 9:30a.m. *Director White is scheduled to attend in place of Director Rachel.*

Friday, January 26, 2018 at 9:30a.m. *Director D'Ambrosio is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for: **Wednesday**, February 14, 2018 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: Tuesday, January 16, 2018 at 6:00 pm. *Director Townsend is scheduled to attend.*

26. CLOSED SESSION: as permitted by Government Code was held by the Board as follows:

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**

Public Employee Performance Evaluation

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

The Board convened in closed session at 10:56 a.m. with regard to the two items listed on the agenda. The Board reconvened open session at 11:40 a.m. Legal Counsel announced that the Board had considered the agenda items and had concluded the performance evaluation of the General Manager and Legal Counsel.

As to the matter of the GM's Performance Evaluation, the Board received and discussed a report of the Salary & Benefits Committee's recommendations. The GM's compensation package for fiscal year 2017-18 will include:

- Salary increase of 2.7%
- Additional deduction of 1% paid by employee to CalPERS for Employee Contribution
- A contribution to deferred compensation calculated as follows:
Base amount of \$5,500 as offered two years ago
Scale the base amount up by COLA (i.e. \$5,500 x 1.032 for fiscal year 07-01-16 and then again x 1.027 for fiscal year 07-01-17)
- Compensation package is effective retroactive to 07-01-17

As to the matter of the Legal Counsel's Performance Evaluation, the Board received and discussed a letter from Wellington Law Offices dated December 5, 2017. Legal Counsel's compensation package for fiscal year 2017-18 will include:

- Monthly retainer increase of approximately 18% to \$2,000. per month.
- Retainer increase is effective 01-01-18

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend, the Board unanimously approved the General Manager's and Legal Counsel's compensation packages.

27. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 11:43 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, January 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) SPECIAL BOARD MEETING MINUTES JANUARY 11, 2018

CALL TO ORDER - ROLL CALL The meeting was called to order at 11:00 a.m.

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)
Drew Lander, Principal Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Mark Dias, Safety/Regulatory Compliance Administrator I, CAWD
Deb Mall, District Legal Counsel, Wellington Law Offices
Richard D. Verbanec, Board Director, Pebble Beach Community Services District (PBCSD)
Peter B. McKee, Board Director, PBCSD
Jeffrey B. Froke, Board Director, PBCSD
Richard B. Gebhart, Board Director, PBCSD
Leo M. Laska, Board Director, PBCSD
Mike Niccum, General Manager, PBCSD
Suha Kilic, Deputy General Manager/CFO, PBCSD
David Drewien, Field Operations Supervisor, PBCSD
Justin Ferron, Assistant Engineer, PBCSD
Carrie Theis, Mayor Pro Tem, City of Carmel-by-the-Sea (City of Carmel)
Jan Reimers, Council Member, City of Carmel
Carolyn Hardy, Council Member, City of Carmel
Chip Rerig, City Administrator, City of Carmel
Marc Wiener, Community Planning & Building Director, City of Carmel
Joel Staker, Information Services Manager, City of Carmel

1. OPENING SESSION

A. Appearances/Public Comments:

There were no appearances or public comments.

B. Agenda Changes:

There were no agenda changes.

- 2. Dedication/Reception/Tour At CAWD Treatment Plant at 26900 Hwy One** – As part of this Special Board Meeting of January 11, 2018, the District will conduct a reception/tour of the Treatment Plant to cover the completion of Phase I of its rehabilitation project.

A Phase I Dedication Ceremony was held at the Carmel Area Wastewater Treatment Plant facility. A plaque was presented recognizing the efforts of the District Board and staff. Afterwards, a tour of the new facilities was offered to all interested individuals.

- 3. ADJOURNMENT**

There being no further business to come before the Board, the President adjourned the meeting at 1:00 p.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, January 25, 2018 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

As Reported To:

Irene Bryant, Secretary to the Board

APPROVED:

Ken White, President



HAYASHI | WAYLAND

INDEPENDENT ACCOUNTANTS' REPORT

November 22, 2017

To the Board of Directors
Carmel Area Wastewater District

We have performed the procedures enumerated below, which were agreed to by Carmel Area Wastewater District (CAWD), solely to assist you in connection with a determination as to whether there were differences in the Company's recorded cash disbursements and recorded cash receipts for the month of October 2017. 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.

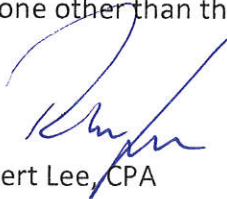
The procedures we performed and the associated findings are as follows:

- (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





HAYASHI | WAYLAND

INDEPENDENT ACCOUNTANTS' REPORT

December 21, 2017

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 November 2017. 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.

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Robert Lee, CPA
Partner
Hayashi Wayland

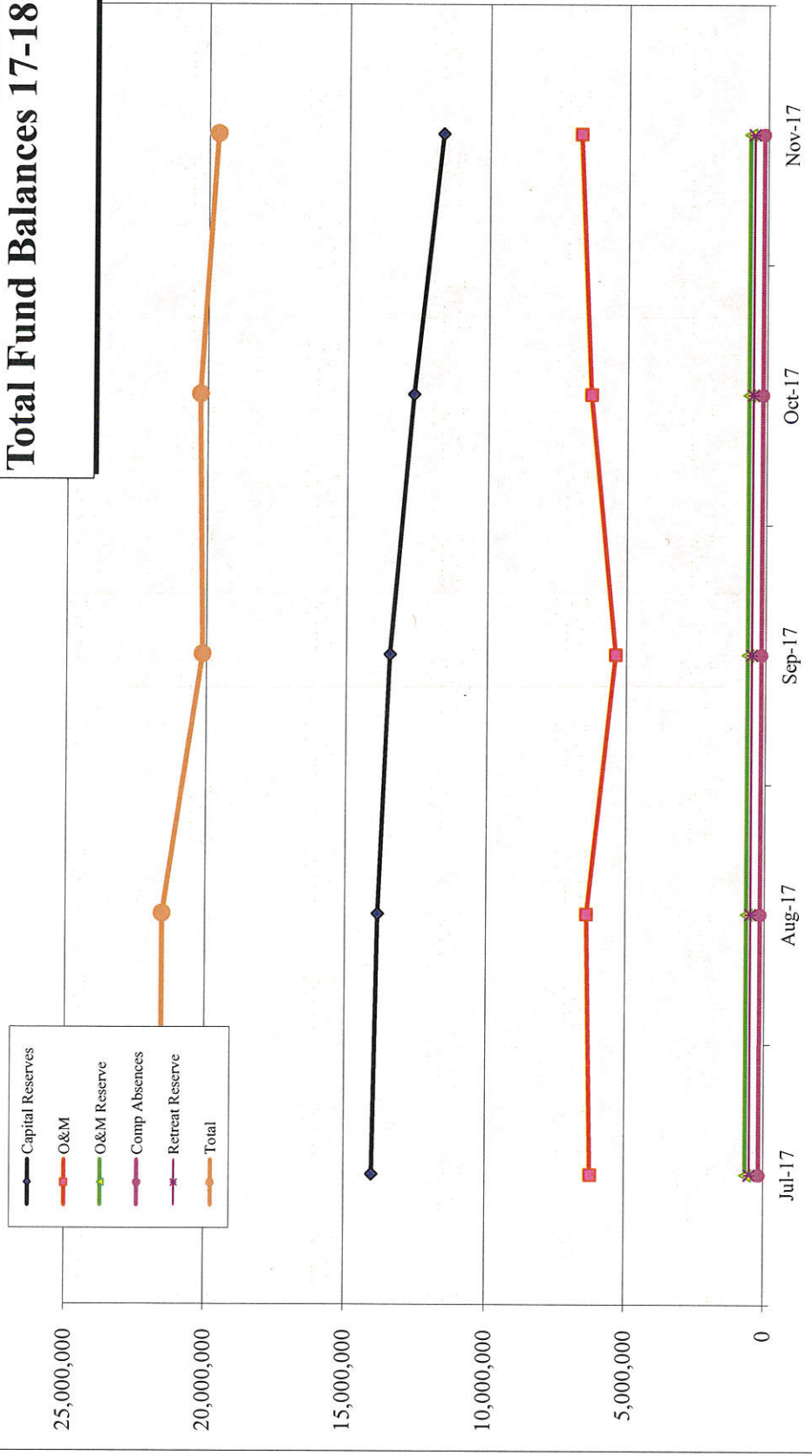
Cc: Mr. Ken White, President



Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - NOV 2017

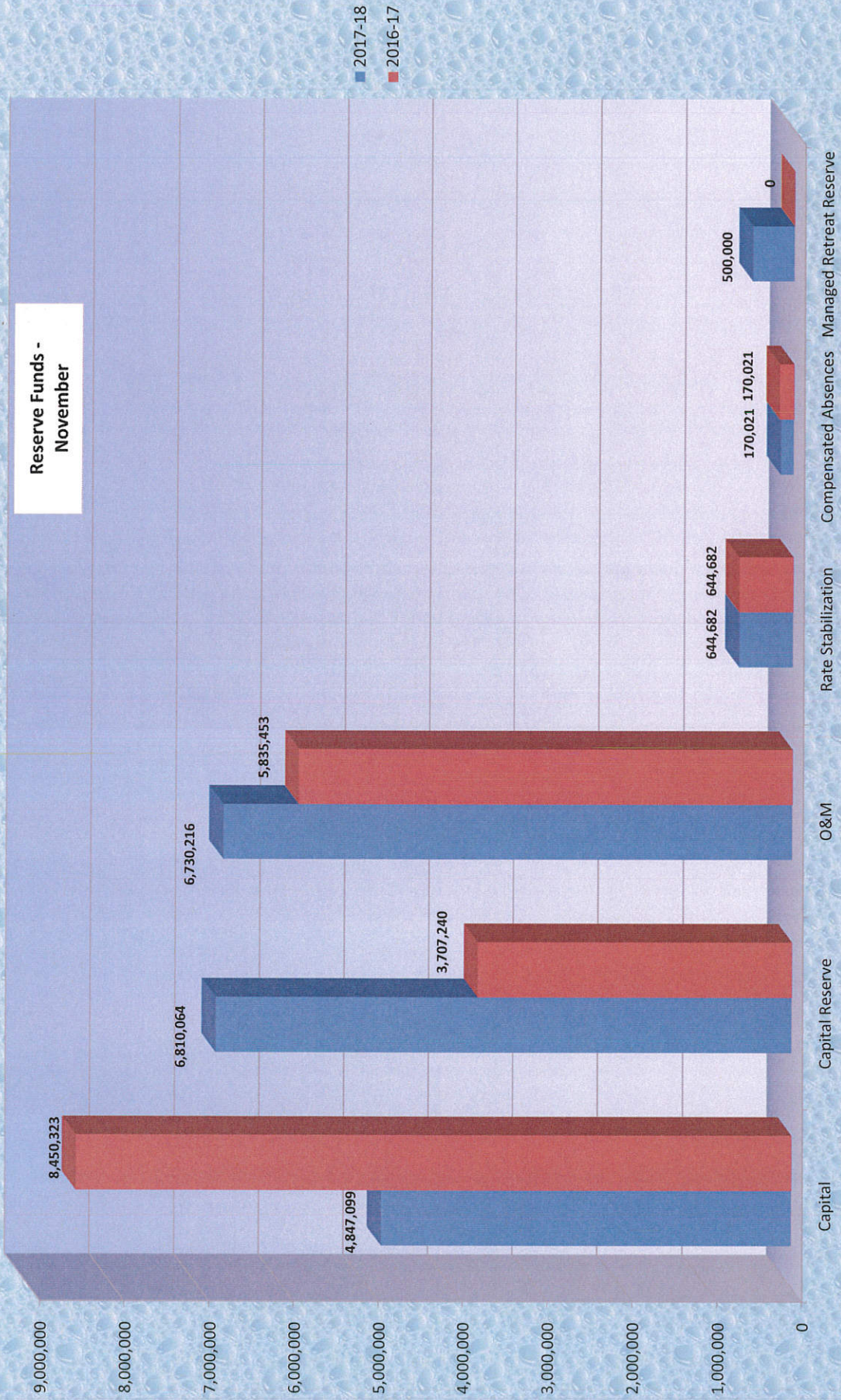
	Capital Fund	Capital Improvement Reserve	General O & M Fund	Rate Stabilization Reserve	Compensated Accruals Reserve	Defend or Managed Retreat Reserve	COUNTY Total Fund Balance	Union Bank Bank O & M Balance	Union Bank Bank PR Balance	L.A.I.F. Balance
Receipts:										
BALANCE BEGINNING OF MONTH	\$5,854,205	\$6,806,269	\$6,320,128	\$644,682	\$157,053	\$500,000	\$20,282,337	\$699,912	\$12,608	\$1,124,329
User Fees			2,982							
Property Taxes		3,795						90,000		
PBCSD Treatment Fees										
Reclamation O & M reimbursement										
Reclamation capital billing										
Permits										
PBCSD capital billing										
Other misc. revenue/expense								214,333		
Interest income								218		
Connection Fees									1	
Void checks										
Insurance proceeds-COBRA										
CCLEAN receipts										
Pooled liability dividend										
W/C dividend										
Total Receipts	0	3,795	2,982	0	0	0	6,777	355,774	1	0
Fund Transfers:										
Transfers to Union Bank O&M	(600,000)									
Transfers to Union Bank PR									265,000	
Replenish rate stabilization fund										
Intra-fund transfers for capital expenditures	(407,106)		407,106							
Rebalance Capital and O&M Reserves										
Total Transfers	(1,007,106)	0	407,106	0	0	0	(600,000)	335,000	265,000	0
Disbursements:										
Operations										
Payroll & payroll taxes										
Employee Dental reimbursements									159,950	
CALPERS EFT								5,477		
CAWD SAM pension EFT								21,743		
CAWD pension loans EFT								6,578		
Home Depot EFT								452		
US Bank EFT								40		
Deferred comp contributions EFT								3,806		
PEHP contributions EFT									7,596	
Bank/ADP fees									1,712	
Highlands Bond Debt Service Payment									476	
Annual County admin billing fee										
Unfunded CALPERS liability										
All American mailing fee										
Total Disbursements	0	0	0	0	0	0	0	1,780	169,734	0
BALANCE END OF MONTH	4,847,099	6,810,064	6,730,216	644,682	157,053	500,000	19,689,114	48,988	107,875	1,124,329

Total Fund Balances 17-18



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

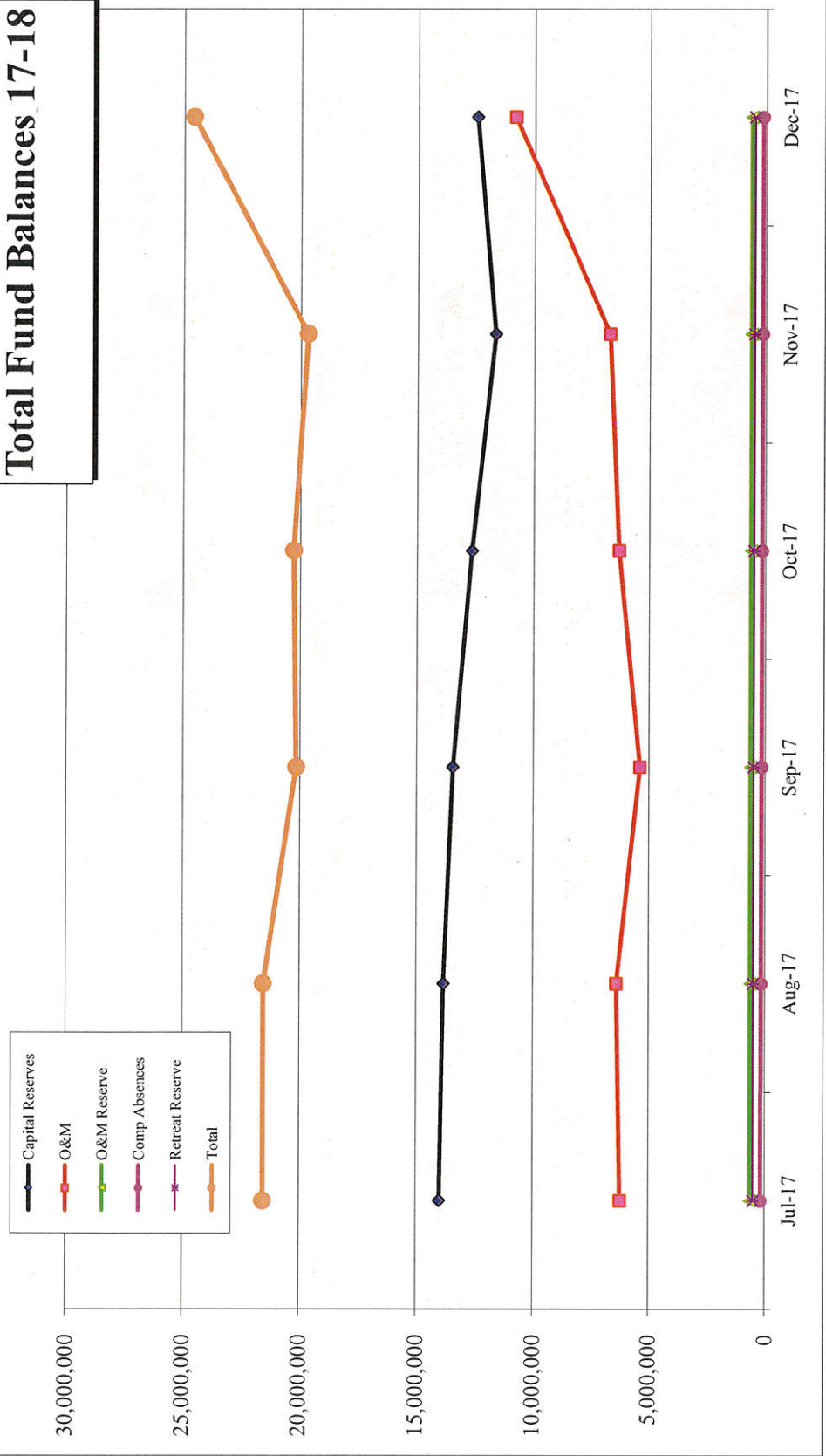
Reserve Funds - November



**Carmel Area Wastewater District
Schedule of Cash Receipts and Disbursements - DEC 2017**

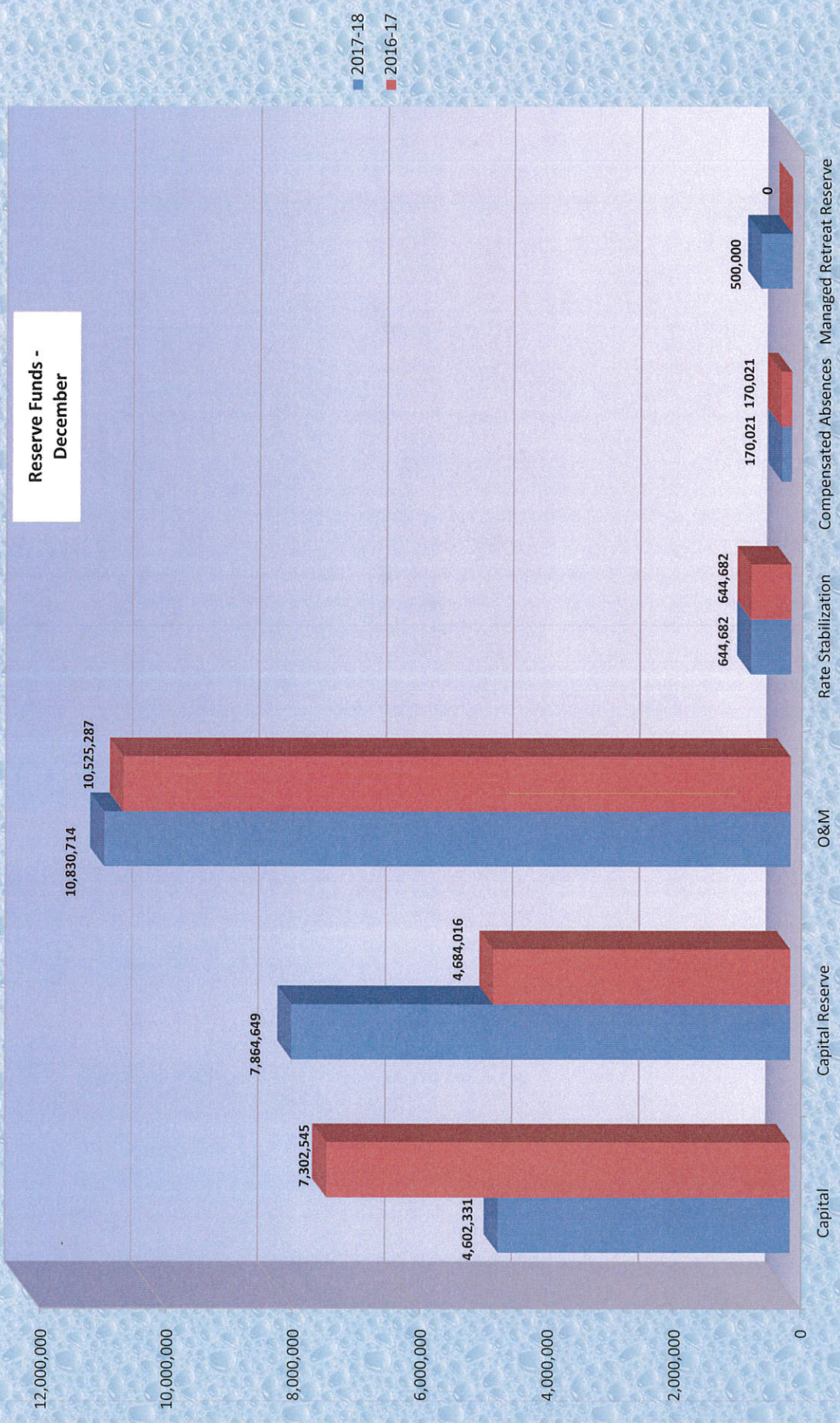
	Capital Fund	Capital Improvement Reserve	General O & M Fund	Rate Stabilization Reserve	Compensated Accruals Reserve	Defend or Managed Reserve	COUNTY Total Fund Balance	Union Bank Bank O & M Balance	Union Bank Bank PR Balance	L.A.L.F. Balance
BALANCE BEGINNING OF MONTH	\$4,847,099	\$6,810,064	\$6,730,216	\$644,682	\$157,053	\$500,000	\$19,689,114	\$48,988	\$107,875	\$1,124,329
Receipts:										
User Fees			4,455,731					69,681		
Property Taxes		1,054,585						90,000		
PBCSD Treatment Fees								71,726		
Reclamation O & M reimbursement								111,425		
Reclamation capital billing								900		
Permits								108,170		
PBCSD capital billing								2,815		
Other misc. revenue/expense										
Interest income										
Connection Fees										
Void checks										
Insurance proceeds-COBRA										
CCLEAN receipts								2,747		
Pooled liability dividend										
W/C dividend										
Total Receipts	0	1,054,585	4,455,731	0	0	0	5,510,316	457,464	1	0
Fund Transfers:										
Transfers to Union Bank O&M	(244,768)		(355,232)					600,000		
Transfers to Union Bank PR								(185,000)	185,000	
Replenish rate stabilization fund										
Intra-fund transfers for capital expenditures										
Rebalance Capital and O&M Reserves										
Total Transfers	(244,768)	0	(355,232)	0	0	0	(600,000)	415,000	185,000	0
Disbursements:										
Operations								443,262		
Payroll & payroll taxes									171,775	
Employee Dental reimbursements								2,089		
CALPERS EFT								22,926		
CAWD SAM pension EFT								6,578		
CAWD pension loans EFT								746		
Home Depot EFT								309		
US Bank EFT								5,752		
Deferred comp contributions EFT									13,525	
PEHP contributions EFT									2,372	
Bank/ADP fees								350	1,673	
Highlands Bond Debt Service Payment										
Annual County admin billing fee										
Unfunded CALPERS liability										
All American mailing fee										
Total Disbursements	0	0	0	0	0	0	0	482,012	189,345	0
BALANCE END OF MONTH	4,602,331	7,864,649	10,830,714	644,682	157,053	500,000	24,599,430	439,440	103,531	1,124,329

Total Fund Balances 17-18



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

Reserve Funds -
December



Carmel Area Wastewater District
Disbursements
Nov-17

Date	Check	Vendor	Description	Amount
11/01/17	31558	Applied Marine Sciences	CCLEAN bill for ocean monitoring	25,441.17
11/01/17	31559	Bestor Engineers	Mark boundaries for Admin building fence (CAPITAL)	2,020.00
11/01/17	31560	Cal-Am Water	Monthly service	1,856.51
11/01/17	31561	Calcon Systems	Repair on PLC 5	643.75
11/01/17	31562	Carmel Marina Corporation	Admin building garbage	47.01
11/01/17	31563	Clark Pest Control	Plant and maintenance building monthly service	336.00
11/01/17	31564	Culligan Water	C&I exchange tanks for lab	34.50
11/01/17	31565	Datco Services	4Q testing fees	175.50
11/01/17	31566	Keenan & Associates	Health insurance premium	19,696.30
11/01/17	31567	Marcello & Company	Progress payment for audit	12,500.00
11/01/17	31568	McCabe & Company	Coastal Commission permit consultation (CAPITAL)	10,000.00
11/01/17	31569	MetLife-Group Benefits	Life insurance premium	620.40
11/01/17	31570	Monterey County Tax Collector	Annual CSA #50 fee and MPWMD fee	362.98
11/01/17	31571	Municipal Resource Group	Admin operational assessment progress payment	4,600.00
11/01/17	31572	Patelco Credit Union	Health Savings Account contribution	5,013.01
11/01/17	31573	Pure Water	Monthly service	151.75
11/01/17	31574	TPx Communications	Monthly service	1,134.92
11/01/17	31575	Unum Life Ins.	Long term disability premium	1,499.74
11/01/17	31576	Vision Service Plan	Vision insurance premium	570.70
11/08/17	31577	VOID-TEST CHECK		0.00
11/08/17	31578	James Grover	Dental	119.00
11/08/17	31579	American Fidelity Assurance Company	Monthly flex account billing	141.90
11/08/17	31580	Anderson Pacific Engineering	WWTP phase I progress payment No. 25 (CAPITAL)	314,849.00
11/08/17	31581	Applied Marine Sciences	CCLEAN bill for ocean monitoring	21,199.50
11/08/17	31582	AT&T Mobility	Cell phone service	594.11
11/08/17	31583	Calcon Systems	CIP SCADA PLC screens (CAPITAL)	7,000.00
11/08/17	31584	Christian Schmidt	Dental	594.22
11/08/17	31585	Cintas Corp	Laundry service and new safety vests	2,425.21
11/08/17	31586	Consolidated Electric	Freight on a returned item	66.89
11/08/17	31587	Daryl Lauer	Dental	175.00
11/08/17	31588	Direct TV	Monthly service	57.99
11/08/17	31589	Drew Lander	Dental	2,288.80
11/08/17	31590	eNPDES.com & Associates	Annual lab software renewal - CIWQS e-SMR	750.00
11/08/17	31591	Gregory Ange	Dental	247.00
11/08/17	31592	Kennedy/Jenks Consultants	Construction management WWTP phase I (CAPITAL)	60,794.55
11/08/17	31593	Michael Garrison	Dental	279.00
11/08/17	31594	Michael Rachel	Dental	1,497.93
11/08/17	31595	MNS Engineers	WWTP phase I on-call engineering services (CAPITAL)	13,567.50

**Carmel Area Wastewater District
Disbursements
Nov-17**

Date	Check	Vendor	Description	Amount
11/08/17	31596	Petty Cash	Refill petty cash at the admin office	190.15
11/08/17	31597	Raymond DeOcampo	Dental	276.00
11/08/17	31598	Sage Software	Annual accounting software renewal	1,655.00
11/08/17	31599	Shape Inc.	New pump at the Highlands pump station (CAPITAL)	18,554.55
11/13/17	31600	Carmel Marina Corporation	Admin and Plant garbage	1,705.98
11/13/17	31601	CSRMA	Annual property insurance premium	21,702.14
11/13/17	31602	CWEA-SFBS	Training class registration	130.00
11/13/17	31603	First Alarm	Plant quarterly alarm	257.01
11/13/17	31604	George & Margaret Grasso	User fee refund-duplicate charges on same APN	2,440.10
11/13/17	31605	Gold Star Painting	Clarifier #1 crack repair and coating (CAPITAL)	22,225.00
11/13/17	31606	Hach Company	Testing chemicals	291.24
11/13/17	31607	Kemira Water Solutions	Ferric chloride	2,259.27
11/13/17	31608	Liberty Composting	Sludge hauling	6,454.24
11/13/17	31609	Office Team	Temp service at the admin office	605.69
11/13/17	31610	Sharp Engineering & Construction	Install fiber conduit, new traffic rated gate valve, concrete pad for storage tank	11,524.33
11/13/17	31611	TPx Communications	Monthly telephone	1,152.32
11/14/17	31612	VOID	OVERFLOW STUB	0.00
11/14/17	31613	VOID	OVERFLOW STUB	0.00
11/14/17	31614	Edges Electrical	Electrical supplies for Plant repairs	9,787.20
11/14/17	31615	Evantec Corporation	Lab supplies	419.20
11/14/17	31616	Fastenal Company	Operating supplies and office supplies	1,191.31
11/20/17	31617	Acme Analytical Solutions	Potassium iodide crystals, acetic acid and potassium iodate	346.25
11/20/17	31618	All American Mailing Inc.	Mailing services for newsletter	870.70
11/20/17	31619	Allied Fluid Products	Flat hose fittings	595.63
11/20/17	31620	Ann Muraski	Fall/Winter newsletter design, writing and editing	6,300.00
11/20/17	31621	Axiom Engineers	HVAC maintenance at the Plant	880.00
11/20/17	31622	Borges & Mahoney	Chlorine analyzer parts	2,486.03
11/20/17	31623	Buckles-Smith	Operating supplies (CAPITAL \$364.16)	1,273.11
11/20/17	31624	Central Coast Audiology	Employee hearing tests	90.00
11/20/17	31625	City of Foster City	Job posting for safety admin position	250.00
11/20/17	31626	Corix Water Products	Ribera ARV vault lid	614.18
11/20/17	31627	Day Electric	Monte Verde pump station hydro ranger and 8th and Scenic pump station gas regulator	1,617.57
11/20/17	31628	Fast Response On-Site Training	Hearing tests and respiratory exams	905.00
11/20/17	31629	Ferguson Enterprises	Scum pump lug harnesses	78.91
11/20/17	31630	Flo-Line Technology	KBS MLR pump repair and new ABS pump (CAPITAL \$9,719.35)	11,373.40
11/20/17	31631	Got.Net	Internet service	24.20
11/20/17	31632	Grainger	Operating supplies	218.33
11/20/17	31633	Hayashi & Wayland Accounting	Bank reconciliation oversight	300.00

**Carmel Area Wastewater District
Disbursements
Nov-17**

Date	Check	Vendor	Description	Amount
11/20/17	31634	Johnson Marigot Consulting	CIP-Calle La Cruz force main (CAPITAL)	14,147.63
11/20/17	31635	Kelly-Moore Paint	Paint for Plant projects	1,170.69
11/20/17	31636	McMaster-Carr	Operating supplies	265.15
11/20/17	31637	Microscope LLC	Operations microscope camera	249.50
11/20/17	31638	Monterey Regional Waste Mgmt. Dist.	Hazardous material disposal and waste disposal	556.44
11/20/17	31639	The NELAC Institute	TNI quality manual template for the lab	57.50
11/20/17	31640	North County Industrial Machine Shop	Fabricate overhang cover for the DAFT polymer mixing project	874.00
11/20/17	31641	Printworx	Fall/Winter newsletter	908.00
11/20/17	31642	Quinn Company	Equipment rental	621.83
11/20/17	31643	R&R Compressor Service	Compressor for aeration bubble system	9,228.79
11/20/17	31644	Rescue Tech Health & Safety Training	Confined space and hazwoper training	18,558.56
11/20/17	31645	Salinas Armature and Motor Works	Filtrate pump repair	2,868.38
11/20/17	31646	Scarborough Lumber (Ace Hardware)	Operation supplies	30.71
11/20/17	31647	Schaff & Wheeler	Review hydraulic models (CAPITAL)	1,400.00
11/20/17	31648	Sharp Engineering & Construction	Excavation for fiber optic vault	2,000.00
11/20/17	31649	Solenis LLC	DAFT polymer-Praestol K 144 L	3,364.75
11/20/17	31650	SRT Consultants	Grant writing services for various projects (CAPITAL)	15,536.18
11/20/17	31651	Teledyne Instruments	Refrigeration assembly for primary #2 sampler	1,375.99
11/20/17	31652	Wellington Law Offices	Legal services	4,698.00
11/22/17	31653	American Fidelity Assurance Company	Monthly flex account billing	283.82
11/22/17	31654	AT&T CALNET 3	Various telephone lines for devices	697.54
11/22/17	31655	Best Best & Krieger	Legal services	150.00
11/22/17	31656	Cal-Am Water	Monthly service	1,022.86
11/22/17	31657	Calcon Systems	CIP SCADA PLC screens (CAPITAL)	14,300.00
11/22/17	31658	CAWD/PCSD Reclamation Project	Lab tertiary PG&E	540.14
11/22/17	31659	Leapfrog Consulting Catherine Hambley	HR consulting services	1,000.00
11/22/17	31660	MBS Business Systems	Quarterly copier fees for Plant copier	971.44
11/22/17	31661	Municipal Resource Group	Admin operational assessment progress payment	9,800.00
11/22/17	31662	OVERFLOW STUB		0.00
11/22/17	31663	Pacific Gas & Electric	Monthly service	43,728.74
11/22/17	31664	Sierra Chemical	Chlorine	1,147.43
11/22/17	31665	Smile Business Products	Quarterly copier fees for admin copier	1,478.58
11/22/17	31666	Swedberg Electric	Various electrical work and repairs at the Plant and pump stations	8,750.00
11/22/17	31667	West Yost Associates	Collection system hydraulic model-Phase 2	2,173.00
11/30/17	31668	American Fidelity Assurance Company	Monthly flex account billing	283.82
11/30/17	31669	American Fidelity Assurance	Monthly employee Sec 125 plan insurance billing	446.88
11/30/17	31670	Anderson Pacific Engineering	WWTP rehab project progress payment No. 26 (CAPITAL)	371,284.11
11/30/17	31671	Applied Marine Sciences	CCLEAN bill for ocean monitoring	34,528.91

**Carmel Area Wastewater District
Disbursements**

Nov-17

Date	Check	Vendor	Description	Amount
11/30/17	31672	Barry Blevins	Calcon training meeting	40.00
11/30/17	31673	Bates Homes	Various projects at the Plant (CAPITAL \$6,620.00)	30,980.00
11/30/17	31674	Calcon Systems	SCADA ignition software support renewal	4,769.72
11/30/17	31675	Carlton's Fire Extinguisher	Annual service	739.00
11/30/17	31676	Carmel Pine Cone	Legal notice regarding liquid food waste	120.00
11/30/17	31677	Charles Day/Engel	Medical deduction reimbursement	376.11
11/30/17	31678	Clark Pest Control	Plant and maintenance building monthly service	168.00
11/30/17	31679	Concern: EAP	Annual renewal	3,825.00
11/30/17	31680	CSI HR Group LLC	Recruitment for Maint. Superintendent	5,000.00
11/30/17	31681	Design & Construction Resources	Reference manual - ENR Square Foot Cost book 2018	91.13
11/30/17	31682	Direct TV	Monthly service	62.24
11/30/17	31683	Grainger	Two metering pumps	2,335.16
11/30/17	31684	Interstate Battery System	Batteries for back up generator	804.18
11/30/17	31685	Johnson Marigot Consulting	Pipeline replacement project services (CAPITAL)	17,025.91
11/30/17	31686	Karla Cristi	Reimbursement for safety waders	152.93
11/30/17	31687	McCabe & Company	Coastal Commission permit consultation (CAPITAL)	10,000.00
11/30/17	31688	Monterey Bay Analytical Services	Biosolids, monthly, semi-annual infl, Final effl and O&G	5,217.00
11/30/17	31689	Monterey Peninsula Powder Coating	Powder coat SS awning frame	350.00
11/30/17	31690	Monterey Auto Supply	Repair parts	253.16
11/30/17	31691	Office Team	Admin temp services	451.02
11/30/17	31692	Peninsula Welding and Medical Supply	Non-liquid cylinders for the lab	69.30
11/30/17	31693	Peterson Trucks	Repair Vaccon fuel leak	596.10
11/30/17	31694	Quill Corporation	Office supplies	85.03
11/30/17	31695	SRT Consultants	Grant writing services for various projects (CAPITAL)	7,697.63
11/30/17	31696	Town & Country Gardening	Repair irrigation leak at the admin building	479.79
11/30/17	31697	Turf Image, Inc.	GIS mapping for display and reports	360.00
				1,306,943.66

**Carmel Area Wastewater District
Disbursements
Dec-17**

Date	Check	Vendor	Description	Amount
12/01/17	31698	Keenan & Associates	Health insurance premium	21,185.58
12/01/17	31699	VOID-WRONG VENDOR	VOID-WRONG VENDOR	0.00
12/01/17	31700	Patelco Credit Union	Health Savings Account contribution	2,826.01
12/01/17	31701	Unum Life Ins.	Long term disability premium	1,499.74
12/01/17	31702	Vision Service Plan	Vision insurance premium	417.05
12/01/17	31703	MetLife-Group Benefits	Life insurance premium	594.95
12/01/17	31704	Rebuild-it Services Group	Rebuilt Primary Clarifier #1 drive (CAPITAL)	106,374.21
12/06/17	31705	3T Equipment	Patch kit for sewer repair	924.60
12/06/17	31706	Air Resources Board-PERP	Portable equipment registration program-engine	570.00
12/06/17	31707	Allied Fluid Products	Steel crimp sleeve for hose and gaskets to seal methane gas and glycol coolant	921.26
12/06/17	31708	American Fidelity Assurance	Monthly employee Sec 125 plan insurance billing	462.38
12/06/17	31709	AT&T Mobility	Cell phone service	621.80
12/06/17	31710	AT&T CALNET 3	Various telephone lines for devices	688.91
12/06/17	31711	Buckles-Smith	Electrical wire for aeration and Pulsed Air System and pump station plugs and receptacles	1,308.16
12/06/17	31712	California Chamber of Commerce	Annual dues	649.00
12/06/17	31713	Central Valley Business Forms	CAWD check stock	546.46
12/06/17	31714	Cintas Corporation	Laundry service	1,447.67
12/06/17	31715	Culligan Water	C&I Exchange service for lab	16.75
12/06/17	31716	CWEA	Employee certifications	270.00
12/06/17	31717	Edges Electrical	Pump station surge protector and various repair parts	269.34
12/06/17	31718	OVERFLOW STUB		0.00
12/06/17	31719	Fastenal Company	Restocking vending machine and operating supplies for Plant projects	2,455.68
12/06/17	31720	FedEx	Shipping for samples to be analyzed	208.28
12/06/17	31721	First Alarm	Battery for Admin building	37.72
12/06/17	31722	Fisher Scientific	Lab and safety supplies	1,939.31
12/06/17	31723	Got.Net	Internet service	24.20
12/06/17	31724	Grainger	Pump station batteries and UPS and filters for blower building	1,035.08
12/06/17	31725	Harrington Industrial Plastics	Parts for Degas valves and a basket strainer for the new hypochlorite building	4,925.38
12/06/17	31726	Kemira Water Solutions	Ferric chloride solution	1,854.81
12/06/17	31727	Liberty Composting	Sludge hauling	5,092.36
12/06/17	31728	McCabe & Company	Coastal Commission permit consultation (CAPITAL)	10,000.00
12/06/17	31729	McMaster-Carr	Operating supplies	606.49
12/06/17	31730	Mission Communications	SCADA battery replacements for the pump stations	185.00
12/06/17	31731	MNS Engineers	WWTP phase I on-call engineering services (CAPITAL)	4,117.50
12/06/17	31732	Monterey Auto Supply	Forklift battery	134.49
12/06/17	31733	Pure Water	Monthly service	190.00
12/06/17	31734	R&R Compressor Service	Coalescing air filter for Pulsed Air Mixing System compressor	314.00
12/06/17	31735	R2 Engineering	Primary scum pump repair parts	2,820.66
12/06/17	31736	Scarborough Lumber (Ace Hardware)	Collection operating supplies	59.09

Carmel Area Wastewater District
Disbursements
Dec-17

Date	Check	Vendor	Description	Amount
12/06/17	31737	Shape Inc.	Spring slam hatch for the pipe gallery at the Hacienda pump station	4,344.50
12/06/17	31738	Sharp Engineering & Construction	Grading access road behind the plant	16,800.00
12/06/17	31739	Smitty's Janitorial	Monthly service	1,110.00
12/06/17	31740	Titus Industrial Group	24 composite manholes	18,640.65
12/06/17	31741	Town & Country Gardening	Monthly service	610.00
12/06/17	31742	Toyota Material Handling	Forklift service, new controller for cart	1,130.88
12/06/17	31743	Turf Image, Inc.	GIS mapping for display and reports	420.00
12/06/17	31744	Univar USA	Sodium bisulfate	11,664.38
12/06/17	31745	The UPS Store	Shipping to Hazard Mitigation Grants Program	83.40
12/06/17	31746	Weco Industries LLC	Swivel for Unit #35 and pole for hydr trucks	1,013.54
12/07/17	31747	RedZone Robotics, Inc.	Annual ICOMMM maintenance contract	4,200.00
12/08/17	31748	Barbara Buikema	Dental, vision copay, business meeting expenses (dental \$145.00)	320.38
12/08/17	31749	Charlotte Townsend	Dental	265.00
12/08/17	31750	Christian Schmidt	Dental	79.00
12/08/17	31751	Daryl Lauer	Dental	368.00
12/08/17	31752	Edward Waggoner	Dental, shelves (dental \$144.00)	519.00
12/08/17	31753	Hank Matz	Dental	115.00
12/08/17	31754	James Grover	Dental	119.00
12/08/17	31755	Karla Cristi	Dental	181.00
12/08/17	31756	Michael Garrison	Dental	495.20
12/08/17	31757	Robert Siegfried	Dental	148.00
12/12/17	31758	Patelco Credit Union	Health Savings Account contribution	2,405.70
12/20/17	31759	American Fidelity Assurance Company	Monthly flex account billing	141.91
12/20/17	31760	Bamboo Reef Enterprises	Hydro testing SCBA cylinders	232.00
12/20/17	31761	Boot Barn	Employee work boots	596.64
12/20/17	31762	Cal-Am Water	Monthly service	1,012.17
12/20/17	31763	Calcon Systems	CIP SCADA PLC screens (CAPITAL)	12,554.00
12/20/17	31764	Carmel Marina Corporation	Admin and Plant garbage	605.00
12/20/17	31765	CAWD/PBCSD Reclamation Project	Lab tertiary PG&E	535.20
12/20/17	31766	Cintas Corporation	Laundry service	343.40
12/20/17	31767	County of Mo. Sheriffs Office Alarm Unit	Annual admin building alarm permit	30.00
12/20/17	31768	Dadiw Associates	Board minutes recording	220.00
12/20/17	31769	Datco Services	Employee controlled substance test	54.50
12/20/17	31770	Denise Duffy & Associates	Hatton Canyon on-call environmental services (CAPITAL)	2,773.00
12/20/17	31771	Edges Electrical	Repair parts	148.44
12/20/17	31772	Exceedio	Employee computer	1,394.50
12/20/17	31773	Fastenal Company	Operating supplies	1,399.03
12/20/17	31774	Fisher Scientific	Lab supplies	2,371.37
12/20/17	31775	Glen Hudgens, MD	Employee exam	120.00

Carmel Area Wastewater District

Disbursements

Dec-17

Date	Check	Vendor	Description	Amount
12/20/17	31776	Hach Company	Lab supplies	527.67
12/20/17	31777	Justifacts Credential Verification	New employee report	80.75
12/20/17	31778	Kennedy/Jenks Consultants	WWTP Phase I and Phase II planning (CAPITAL \$107,509.47)	116,993.47
12/20/17	31779	Lemos Service	Forklift propane	89.32
12/20/17	31780	McMaster-Carr	Pump station ventilation fans	1,269.36
12/20/17	31781	Monterey Bay Urgent Care	New employee exam	168.00
12/20/17	31782	Monterey Tire	Vaccon front tires	1,819.03
12/20/17	31783	Municipal Resource Group	Admin operational assessment progress payment	4,417.50
12/20/17	31784	Pacific EcoRisk	NPDES toxicity sample testing	4,714.80
12/20/17	31785	Peninsula Welding & Medical Supply	Non-liquid cylinders for the lab	69.30
12/20/17	31786	OVERFLOW STUB		0.00
12/20/17	31787	Pacific Gas & Electric	Monthly service	29,986.59
12/20/17	31788	Pure Water	Monthly service	134.75
12/20/17	31789	Quest Diagnostics	New employee report	49.00
12/20/17	31790	Red Wing Business Advantage Account	Employee work boots	1,826.35
12/20/17	31791	Rescue Tech Health & Safety Training	First aid and CPR training	1,500.00
12/20/17	31792	Schaff & Wheeler	CRFREE lagoon and hydraulic models review (CAPITAL \$1,440.00)	3,090.00
12/20/17	31793	Smitty's Janitorial	Monthly service	1,110.00
12/20/17	31794	Swedberg Electric	Aeration mixers and air valve circuits	1,348.00
12/20/17	31795	SWRCB-ELAP Fees	Annual Environmental Laboratory Accreditation Program fees	2,221.50
12/20/17	31796	TPx Communications	Monthly telephone service	1,135.25
12/20/17	31797	West Yost Associates	Collection system hydraulic model I-Phase 2 and CIP Program Development for Collections	5,643.13
				445,351.48

CAWD/PBCSD Reclamation Project
Disbursements
Nov-17

Date	Check	Vendor	Description	Amount
11/8/2017	7935	eNPDES.com & Associates	Annual renewal of lab software-CIWQS e-SMR	750.00
11/14/2017	7936	Brenntag Pacific	Ammonium hydroxide and potassium hydroxide	26,981.69
11/14/2017	7937	Evantec Corp	Lab supplies	702.60
11/14/2017	7938	Fisher Scientific	Safety supplies	331.89
11/14/2017	7939	Hach Company	Lab supplies	661.23
11/14/2017	7940	Kemira Water Solutions	PAX-XL19 for Clearlogx system	2,864.84
11/14/2017	7941	Pebble Beach Co	COP interest expense	9,193.97
11/14/2017	7942	Professional Water Technologies	RO pre-filters	3,732.88
11/20/2017	7943	Acme Analytical Solutions	Potassium iodide crystals, acetic acid and potassium iodate	2,040.23
11/20/2017	7944	Cal-Am Water	Monthly service	2,130.39
11/20/2017	7945	CAWD	Reimbursement for Kennedy/Jenks and Anderson Pacific billings (CAPITAL)	51,134.78
11/20/2017	7946	Grainger	Pre-filters	46.07
11/20/2017	7947	Microscope LLC	Operations microscope camera	249.50
11/20/2017	7948	The NELAC Institute	TNI quality manual template for the lab	57.50
11/20/2017	7949	Pebble Beach Co	Bond principal and interest, letter of credit fees current and past and project rep costs	235,257.38
11/20/2017	7950	PBCSD	Capital and O&M reimbursements	46,486.44
11/20/2017	7951	RefurbiUPS.com	PLC 5 replacement UPS	569.99
11/20/2017	7952	Teledyne Instruments	Tertiary sampler repair parts	848.72
11/22/2017	7953	CAWD	Secondary and aeration PG&E reimbursements	15,138.62
11/22/2017	7954	Pacific Gas & Electric	Tertiary and MF/RO	34,077.58
11/22/2017	7955	Sierra Chemical Co.	Chlorine	2,400.77
11/30/2017	7956	CAWD	Reimbursement for Anderson Pacific No. 26 and Plant O&M (CAPITAL \$60,290.48)	116,877.70
11/30/2017	7957	Fisher Scientific	Lab supplies	258.83
11/30/2017	7958	Inorganic Ventures	Lab supplies	574.73
11/30/2017	7959	Myron L Company	Annual service on Myron-L 6PII	102.33
11/30/2017	7960	Pebble Beach Co	Bond principal and interest, letter of credit fees current and past and project rep costs	467,060.82
				1,020,531.48

CAWD/PBCSD Reclamation Project
Disbursements

Dec-17

Date	Check	Vendor	Description	Amount
12/6/2017	7961	Alliant Insurance	Commercial package for 2018	18,426.38
12/6/2017	7962	Brenntag Pacific	Phosphoric acid, citric acid, ammonium hydroxide and sodium hypochlorite	7,405.79
12/6/2017	7963	Fisher Scientific	Lab and safety supplies	1,846.93
12/6/2017	7964	McMaster-Carr	SS locking insert for tertiary sampler repair	14.83
12/6/2017	7965	Professional Water Technologies	Opticlean A to clean RO membranes	2,013.80
12/6/2017	7966	Thermo Electron North America	Shipping charges for lab supplies	500.00
12/8/2017	7967	Standard & Poor's	Annual surveillance fee for COP's	3,500.00
12/8/2017	7968	Thermo Electron North America	Shipping charges for lab supplies	4,414.49
12/20/2017	7969	Cal-Am Water	Monthly service	2,130.39
12/20/2017	7970	CAWD	Secondary and aeration PG&E, O&M & capital (CAPITAL \$12,675.85)	51,577.23
12/20/2017	7971	Fastenal Company	Hitch pins and clips for pumps	45.34
12/20/2017	7972	Fisher Scientific	Lab supplies	1,302.90
12/20/2017	7973	Hach Company	Lab supplies	527.66
12/20/2017	7974	Harrington Industrial Plastics	Saddle clamps for skid project (CAPITAL)	492.63
12/20/2017	7975	Pebble Beach Co.	Bond principal and interest, letter of credit fees current and past and project rep costs	232,383.69
12/20/2017	7976	PBCSD	O&M reimbursements	24,005.94
12/20/2017	7977	Pacific Gas & Electric	Tertiary and MF/RO	26,727.12
12/20/2017	7978	SWRCB-ELAP Fees	Annual Environmental Lab Accreditation Program fees	2,221.50
				379,536.62



**Financial Statements
and
Supplementary Schedules**

November 2017

January 25, 2018

Carmel Area Wastewater District

Balance Sheet

November 2017

ASSETS

Current Assets			
Cash			
Cash	20,970,306.08		
TOTAL Cash	20,970,306.08	20,970,306.08	
Other Current Assets			
Other Current Assets	732,616.08		
TOTAL Other Current Assets	732,616.08	732,616.08	
TOTAL Current Assets		21,702,922.16	
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	7,378,948.19		
TOTAL Treatment Equipment	7,378,948.19	7,378,948.19	
Collection Structures			
Collection Structures	1,040,749.41		
TOTAL Collection Structures	1,040,749.41	1,040,749.41	
Collection Equipment			
Collection Equipment	938,907.27		
TOTAL Collection Equipment	938,907.27	938,907.27	
Sewers		10,920,200.13	
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	3,825,883.93		
TOTAL Other Fixed Assets	3,825,883.93	3,825,883.93	
Capital Improvement Projects			
Capital Improvement Projects	17,654,702.37		
TOTAL Capital Improvement Projects	17,654,702.37	17,654,702.37	
Accumulated depreciation		(44,108,994.69)	
TOTAL Fixed Assets		50,631,149.20	
Other Assets			
Other Assets		992,009.00	
TOTAL Other Assets		992,009.00	
TOTAL ASSETS		73,326,080.36	

Carmel Area Wastewater District

Balance Sheet

November 2017

LIABILITIES

Current Liabilities		
Current Liabilities	424,447.72	
TOTAL Current Liabilities	<hr/>	424,447.72
Long-Term Liabilities		
Long Term Liabilities	1,988,551.80	
TOTAL Long-Term Liabilities	<hr/>	1,988,551.80
TOTAL LIABILITIES		<hr/> 2,412,999.52

NET POSITION

Net Assets	71,685,189.28	
Year-to-Date Earnings	(772,108.44)	
	<hr/>	
TOTAL NET POSITION		70,913,080.84
TOTAL LIABILITIES & NET POSITION		<hr/> 73,326,080.36

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, November 2017 - current month, Consolidated by account

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	750,014.15	644,560.40	105,453.75	16.4 %
TOTAL Income	<u>750,014.15</u>	<u>644,560.40</u>	<u>105,453.75</u>	16.4 %
Adjustments				
Discounts	7.36	0.00	7.36	
TOTAL Adjustments	<u>7.36</u>	<u>0.00</u>	<u>7.36</u>	
*****	<u>750,021.51</u>	<u>644,560.40</u>	<u>105,461.11</u>	16.4 %
***** OPERATING INCOME	<u>750,021.51</u>	<u>644,560.40</u>	<u>105,461.11</u>	16.4 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,101,996.57	1,215,012.21	113,015.64	9.3 %
TOTAL Salaries and Payroll Taxes	<u>1,101,996.57</u>	<u>1,215,012.21</u>	<u>113,015.64</u>	9.3 %
Employee Benefits				
Employee Benefits	339,861.89	429,299.82	89,437.93	20.8 %
TOTAL Employee Benefits	<u>339,861.89</u>	<u>429,299.82</u>	<u>89,437.93</u>	20.8 %
Director's Expenses				
Director's Expenses	9,334.37	12,020.80	2,686.43	22.3 %
TOTAL Director's Expenses	<u>9,334.37</u>	<u>12,020.80</u>	<u>2,686.43</u>	22.3 %
Truck and Auto Expenses				
Truck and Auto Expenses	17,181.89	51,368.50	34,186.61	66.6 %
TOTAL Truck and Auto Expenses	<u>17,181.89</u>	<u>51,368.50</u>	<u>34,186.61</u>	66.6 %
General and Administrative				
General and Administrative	110,645.47	110,187.50	(457.97)	-0.4 %
TOTAL General and Administrative	<u>110,645.47</u>	<u>110,187.50</u>	<u>(457.97)</u>	-0.4 %
Office Expense				
Office Expense	17,900.34	25,850.00	7,949.66	30.8 %
TOTAL Office Expense	<u>17,900.34</u>	<u>25,850.00</u>	<u>7,949.66</u>	30.8 %
Operating Supplies				
Operating Supplies	90,304.27	158,452.00	68,147.73	43.0 %
TOTAL Operating Supplies	<u>90,304.27</u>	<u>158,452.00</u>	<u>68,147.73</u>	43.0 %
Contract Services				
Contract Services	199,877.35	368,504.20	168,626.85	45.8 %
TOTAL Contract Services	<u>199,877.35</u>	<u>368,504.20</u>	<u>168,626.85</u>	45.8 %

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, November 2017 - current month, Consolidated by account

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Repairs and Maintenance				
Repairs and Maintenance	252,889.40	326,318.85	73,429.45	22.5 %
TOTAL Repairs and Maintenance	<u>252,889.40</u>	<u>326,318.85</u>	<u>73,429.45</u>	22.5 %
Utilities				
Utilities	161,031.49	170,377.05	9,345.56	5.5 %
TOTAL Utilities	<u>161,031.49</u>	<u>170,377.05</u>	<u>9,345.56</u>	5.5 %
Travel and Meetings				
Travel and Meetings	9,446.03	34,466.75	25,020.72	72.6 %
TOTAL Travel and Meetings	<u>9,446.03</u>	<u>34,466.75</u>	<u>25,020.72</u>	72.6 %
Permits and Fees				
Permits and Fees	40,940.50	49,660.00	8,719.50	17.6 %
TOTAL Permits and Fees	<u>40,940.50</u>	<u>49,660.00</u>	<u>8,719.50</u>	17.6 %
Memberships and Subscriptions				
Memberships and Subscriptions	3,503.63	16,452.10	12,948.47	78.7 %
TOTAL Memberships and Subscriptions	<u>3,503.63</u>	<u>16,452.10</u>	<u>12,948.47</u>	78.7 %
Safety				
Safety	31,241.42	18,730.20	(12,511.22)	-66.8 %
TOTAL Safety	<u>31,241.42</u>	<u>18,730.20</u>	<u>(12,511.22)</u>	-66.8 %
Other Expenses				
Other Expense	29,069.41	21,416.70	(7,652.71)	-35.7 %
TOTAL Other Expenses	<u>29,069.41</u>	<u>21,416.70</u>	<u>(7,652.71)</u>	-35.7 %
TOTAL Operating Expenses	<u>2,415,224.03</u>	<u>3,008,116.68</u>	<u>592,892.65</u>	19.7 %
***** OPERATING INCOME (LOSS)	<u>(1,665,202.52)</u>	<u>(2,363,556.28)</u>	<u>698,353.76</u>	29.5 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
Other Income, Gain, Expense and Loss	893,094.08	969,283.75	(76,189.67)	-7.9 %
TOTAL Other Income or Gain	<u>893,094.08</u>	<u>969,283.75</u>	<u>(76,189.67)</u>	-7.9 %
TOTAL Non-op Income, Expense, Gain or Loss	<u>893,094.08</u>	<u>969,283.75</u>	<u>(76,189.67)</u>	-7.9 %
***** NET INCOME (LOSS)	<u>(772,108.44)</u>	<u>(1,394,272.53)</u>	<u>622,164.09</u>	44.6 %
***** NET INCOME (LOSS)	<u>(772,108.44)</u>	<u>(1,394,272.53)</u>	<u>622,164.09</u>	44.6 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Field
*Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 3*

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 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				
Truck and Auto Expenses				
Truck and Auto Expenses	6,459.57	35,062.50	28,602.93	81.6 %
TOTAL Truck and Auto Expenses	6,459.57	35,062.50	28,602.93	81.6 %
Office Expense				
Office Expense	31.73	0.00	(31.73)	
TOTAL Office Expense	31.73	0.00	(31.73)	
Operating Supplies				
Operating Supplies	0.00	10,416.65	10,416.65	100.0 %
TOTAL Operating Supplies	0.00	10,416.65	10,416.65	100.0 %
Contract Services				
Contract Services	0.00	208.35	208.35	100.0 %
TOTAL Contract Services	0.00	208.35	208.35	100.0 %
Repairs and Maintenance				
Repairs and Maintenance	8,693.42	9,916.65	1,223.23	12.3 %
TOTAL Repairs and Maintenance	8,693.42	9,916.65	1,223.23	12.3 %
Safety				
Safety	0.00	1,081.30	1,081.30	100.0 %
TOTAL Safety	0.00	1,081.30	1,081.30	100.0 %
TOTAL Operating Expenses	15,184.72	56,685.45	41,500.73	73.2 %
***** OPERATING INCOME (LOSS)	(15,184.72)	(56,685.45)	41,500.73	73.2 %
***** NET INCOME (LOSS)	(15,184.72)	(56,685.45)	41,500.73	73.2 %
***** NET INCOME (LOSS)	(15,184.72)	(56,685.45)	41,500.73	73.2 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 4

	<i>5 Months Ended</i> <i>November 30, 2017</i>	<i>5 Months Ended</i> <i>November 30, 2017</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	130,502.05	126,842.27	(3,659.78)	-2.9 %
TOTAL Salaries and Payroll Taxes	130,502.05	126,842.27	(3,659.78)	-2.9 %
Employee Benefits				
Employee Benefits	49,221.33	63,084.82	13,863.49	22.0 %
TOTAL Employee Benefits	49,221.33	63,084.82	13,863.49	22.0 %
Truck and Auto Expenses				
Truck and Auto Expenses	3,112.98	11,437.60	8,324.62	72.8 %
TOTAL Truck and Auto Expenses	3,112.98	11,437.60	8,324.62	72.8 %
General and Administrative				
General and Administrative	471.54	0.00	(471.54)	
TOTAL General and Administrative	471.54	0.00	(471.54)	
Office Expense				
Office Expense	133.68	1,770.80	1,637.12	92.5 %
TOTAL Office Expense	133.68	1,770.80	1,637.12	92.5 %
Operating Supplies				
Operating Supplies	13,226.87	34,166.65	20,939.78	61.3 %
TOTAL Operating Supplies	13,226.87	34,166.65	20,939.78	61.3 %
Contract Services				
Contract Services	13,423.55	93,541.75	80,118.20	85.6 %
TOTAL Contract Services	13,423.55	93,541.75	80,118.20	85.6 %
Repairs and Maintenance				
Repairs and Maintenance	178,122.00	231,250.05	53,128.05	23.0 %
TOTAL Repairs and Maintenance	178,122.00	231,250.05	53,128.05	23.0 %
Utilities				
Utilities	122.29	208.35	86.06	41.3 %
TOTAL Utilities	122.29	208.35	86.06	41.3 %
Travel and Meetings				
Travel and Meetings	1,570.68	6,416.65	4,845.97	75.5 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 4

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	1,570.68	6,416.65	4,845.97	75.5 %
Permits and Fees				
Permits and Fees	0.00	2,083.35	2,083.35	100.0 %
TOTAL Permits and Fees	0.00	2,083.35	2,083.35	100.0 %
Memberships and Subscriptions				
Memberships and Subscriptions	535.00	1,562.55	1,027.55	65.8 %
TOTAL Memberships and Subscriptions	535.00	1,562.55	1,027.55	65.8 %
Safety				
Safety	2,112.14	1,173.00	(939.14)	-80.1 %
TOTAL Safety	2,112.14	1,173.00	(939.14)	-80.1 %
Other Expenses				
Other Expense	6,933.20	5,000.00	(1,933.20)	-38.7 %
TOTAL Other Expenses	6,933.20	5,000.00	(1,933.20)	-38.7 %
TOTAL Operating Expenses	399,487.31	578,537.84	179,050.53	30.9 %
***** OPERATING INCOME (LOSS)	(399,487.31)	(578,537.84)	179,050.53	30.9 %
***** NET INCOME (LOSS)	(399,487.31)	(578,537.84)	179,050.53	30.9 %
***** NET INCOME (LOSS)	(399,487.31)	(578,537.84)	179,050.53	30.9 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 5

	<i>5 Months Ended</i> <i>November 30, 2017</i>	<i>5 Months Ended</i> <i>November 30, 2017</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	203,330.39	194,985.61	(8,344.78)	-4.3 %
TOTAL Salaries and Payroll Taxes	203,330.39	194,985.61	(8,344.78)	-4.3 %
Employee Benefits				
Employee Benefits	76,486.14	89,842.95	13,356.81	14.9 %
TOTAL Employee Benefits	76,486.14	89,842.95	13,356.81	14.9 %
Truck and Auto Expenses				
Truck and Auto Expenses	5,847.80	2,318.35	(3,529.45)	-152.2 %
TOTAL Truck and Auto Expenses	5,847.80	2,318.35	(3,529.45)	-152.2 %
General and Administrative				
General and Administrative	9,708.70	37,954.15	28,245.45	74.4 %
TOTAL General and Administrative	9,708.70	37,954.15	28,245.45	74.4 %
Office Expense				
Office Expense	62.98	5,070.85	5,007.87	98.8 %
TOTAL Office Expense	62.98	5,070.85	5,007.87	98.8 %
Operating Supplies				
Operating Supplies	7,071.66	8,045.80	974.14	12.1 %
TOTAL Operating Supplies	7,071.66	8,045.80	974.14	12.1 %
Contract Services				
Contract Services	18,303.05	74,538.35	56,235.30	75.4 %
TOTAL Contract Services	18,303.05	74,538.35	56,235.30	75.4 %
Repairs and Maintenance				
Repairs and Maintenance	53,721.93	56,791.70	3,069.77	5.4 %
TOTAL Repairs and Maintenance	53,721.93	56,791.70	3,069.77	5.4 %
Utilities				
Utilities	14,584.57	16,308.35	1,723.78	10.6 %
TOTAL Utilities	14,584.57	16,308.35	1,723.78	10.6 %
Travel and Meetings				
Travel and Meetings	2,186.83	5,541.70	3,354.87	60.5 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 5

	<i>5 Months Ended</i> <i>November 30, 2017</i>	<i>5 Months Ended</i> <i>November 30, 2017</i> <i>Budget</i>	<i>Variance</i> <i>Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	2,186.83	5,541.70	3,354.87	60.5 %
Permits and Fees				
Permits and Fees	4,572.00	5,500.00	928.00	16.9 %
TOTAL Permits and Fees	4,572.00	5,500.00	928.00	16.9 %
Memberships and Subscriptions				
Memberships and Subscriptions	897.68	925.00	27.32	3.0 %
TOTAL Memberships and Subscriptions	897.68	925.00	27.32	3.0 %
Safety				
Safety	7,753.11	6,300.00	(1,453.11)	-23.1 %
TOTAL Safety	7,753.11	6,300.00	(1,453.11)	-23.1 %
TOTAL Operating Expenses	404,526.84	504,122.81	99,595.97	19.8 %
***** OPERATING INCOME (LOSS)	(404,526.84)	(504,122.81)	99,595.97	19.8 %
***** NET INCOME (LOSS)	(404,526.84)	(504,122.81)	99,595.97	19.8 %
***** NET INCOME (LOSS)	(404,526.84)	(504,122.81)	99,595.97	19.8 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 6

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 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	371,863.35	453,595.56	81,732.21	18.0 %
TOTAL Salaries and Payroll Taxes	371,863.35	453,595.56	81,732.21	18.0 %
Employee Benefits				
Employee Benefits	137,437.39	180,454.25	43,016.86	23.8 %
TOTAL Employee Benefits	137,437.39	180,454.25	43,016.86	23.8 %
Truck and Auto Expenses				
Truck and Auto Expenses	1,485.14	1,475.00	(10.14)	-0.7 %
TOTAL Truck and Auto Expenses	1,485.14	1,475.00	(10.14)	-0.7 %
General and Administrative				
General and Administrative	64,106.05	34,708.35	(29,397.70)	-84.7 %
TOTAL General and Administrative	64,106.05	34,708.35	(29,397.70)	-84.7 %
Office Expense				
Office Expense	10,010.35	9,700.00	(310.35)	-3.2 %
TOTAL Office Expense	10,010.35	9,700.00	(310.35)	-3.2 %
Operating Supplies				
Operating Supplies	69,939.92	101,031.25	31,091.33	30.8 %
TOTAL Operating Supplies	69,939.92	101,031.25	31,091.33	30.8 %
Contract Services				
Contract Services	117,969.61	136,477.00	18,507.39	13.6 %
TOTAL Contract Services	117,969.61	136,477.00	18,507.39	13.6 %
Repairs and Maintenance				
Repairs and Maintenance	7,754.34	25,860.45	18,106.11	70.0 %
TOTAL Repairs and Maintenance	7,754.34	25,860.45	18,106.11	70.0 %
Utilities				
Utilities	138,699.46	144,812.45	6,112.99	4.2 %
TOTAL Utilities	138,699.46	144,812.45	6,112.99	4.2 %
Travel and Meetings				
Travel and Meetings	4,524.42	11,591.70	7,067.28	61.0 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
*Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 6*

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	4,524.42	11,591.70	7,067.28	61.0 %
Permits and Fees				
Permits and Fees	17,513.50	26,076.65	8,563.15	32.8 %
TOTAL Permits and Fees	17,513.50	26,076.65	8,563.15	32.8 %
Memberships and Subscriptions				
Memberships and Subscriptions	1,322.32	3,291.65	1,969.33	59.8 %
TOTAL Memberships and Subscriptions	1,322.32	3,291.65	1,969.33	59.8 %
Safety				
Safety	21,376.17	9,259.20	(12,116.97)	-130.9 %
TOTAL Safety	21,376.17	9,259.20	(12,116.97)	-130.9 %
Other Expenses				
Other Expense	604.00	833.35	229.35	27.5 %
TOTAL Other Expenses	604.00	833.35	229.35	27.5 %
TOTAL Operating Expenses	964,606.02	1,139,166.86	174,560.84	15.3 %
***** OPERATING INCOME (LOSS)	(964,606.02)	(1,139,166.86)	174,560.84	15.3 %
***** NET INCOME (LOSS)	(964,606.02)	(1,139,166.86)	174,560.84	15.3 %
***** NET INCOME (LOSS)	(964,606.02)	(1,139,166.86)	174,560.84	15.3 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
*Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 7*

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 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	213,662.04	224,688.97	11,026.93	4.9 %
TOTAL Salaries and Payroll Taxes	213,662.04	224,688.97	11,026.93	4.9 %
Employee Benefits				
Employee Benefits	76,717.03	95,917.80	19,200.77	20.0 %
TOTAL Employee Benefits	76,717.03	95,917.80	19,200.77	20.0 %
Director's Expenses				
Director's Expenses	9,334.37	11,520.80	2,186.43	19.0 %
TOTAL Director's Expenses	9,334.37	11,520.80	2,186.43	19.0 %
Truck and Auto Expenses				
Truck and Auto Expenses	276.40	1,075.05	798.65	74.3 %
TOTAL Truck and Auto Expenses	276.40	1,075.05	798.65	74.3 %
General and Administrative				
General and Administrative	28,938.41	37,525.00	8,586.59	22.9 %
TOTAL General and Administrative	28,938.41	37,525.00	8,586.59	22.9 %
Office Expense				
Office Expense	7,661.60	9,308.35	1,646.75	17.7 %
TOTAL Office Expense	7,661.60	9,308.35	1,646.75	17.7 %
Operating Supplies				
Operating Supplies	65.82	625.00	559.18	89.5 %
TOTAL Operating Supplies	65.82	625.00	559.18	89.5 %
Contract Services				
Contract Services	49,377.20	63,738.75	14,361.55	22.5 %
TOTAL Contract Services	49,377.20	63,738.75	14,361.55	22.5 %
Repairs and Maintenance				
Repairs and Maintenance	274.34	2,083.35	1,809.01	86.8 %
TOTAL Repairs and Maintenance	274.34	2,083.35	1,809.01	86.8 %
Utilities				
Utilities	7,625.17	9,047.90	1,422.73	15.7 %

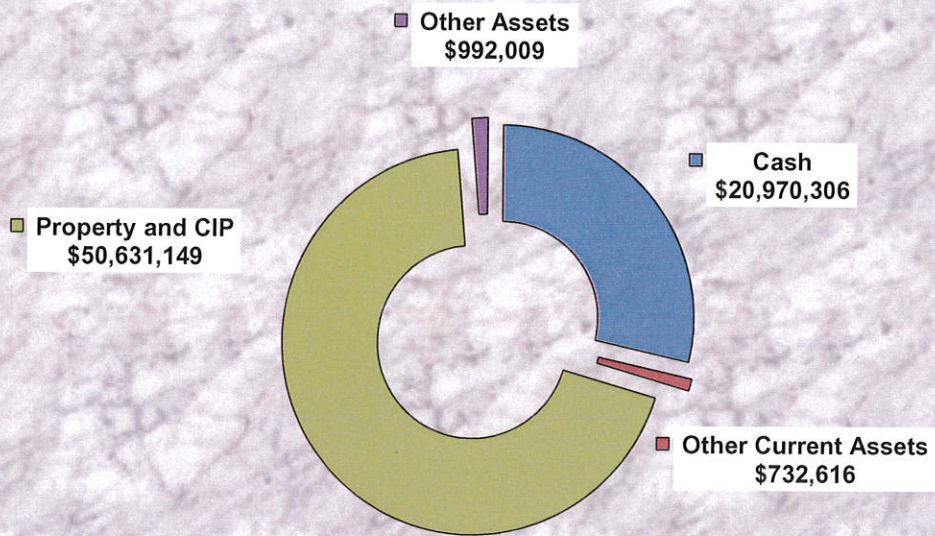
Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 7

	<i>5 Months Ended November 30, 2017</i>	<i>5 Months Ended November 30, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Utilities	7,625.17	9,047.90	1,422.73	15.7 %
Travel and Meetings				
Travel and Meetings	1,164.10	10,916.70	9,752.60	89.3 %
TOTAL Travel and Meetings	1,164.10	10,916.70	9,752.60	89.3 %
Permits and Fees				
Permits and Fees	18,855.00	16,000.00	(2,855.00)	-17.8 %
TOTAL Permits and Fees	18,855.00	16,000.00	(2,855.00)	-17.8 %
Memberships and Subscriptions				
Memberships and Subscriptions	748.63	10,672.90	9,924.27	93.0 %
TOTAL Memberships and Subscriptions	748.63	10,672.90	9,924.27	93.0 %
Safety				
Safety	0.00	916.70	916.70	100.0 %
TOTAL Safety	0.00	916.70	916.70	100.0 %
Other Expenses				
Other Expense	21,532.21	15,583.35	(5,948.86)	-38.2 %
TOTAL Other Expenses	21,532.21	15,583.35	(5,948.86)	-38.2 %
TOTAL Operating Expenses	436,232.32	509,620.62	73,388.30	14.4 %
***** OPERATING INCOME (LOSS)	(436,232.32)	(509,620.62)	73,388.30	14.4 %
***** NET INCOME (LOSS)	(436,232.32)	(509,620.62)	73,388.30	14.4 %
***** NET INCOME (LOSS)	(436,232.32)	(509,620.62)	73,388.30	14.4 %

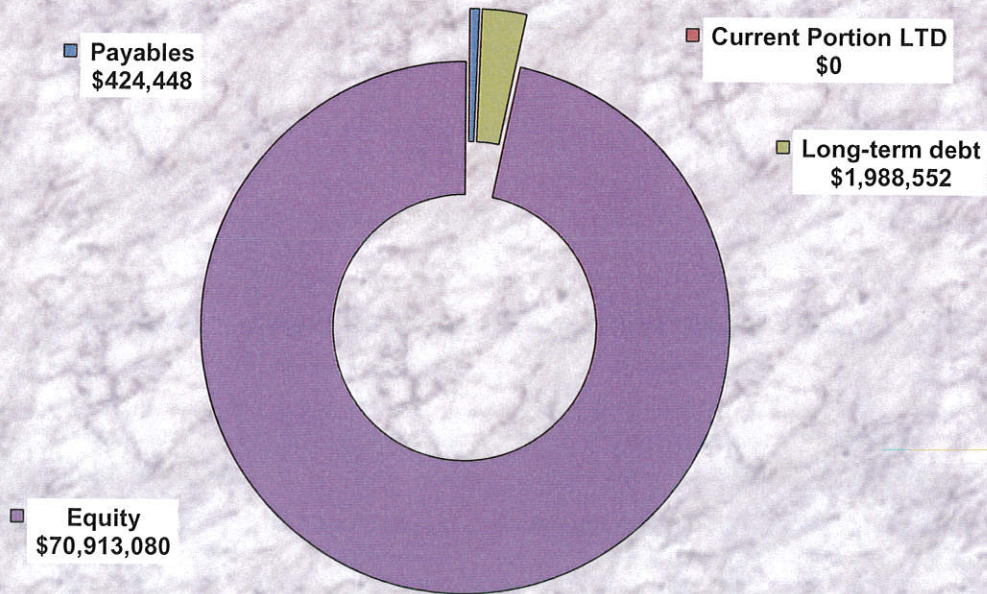
Carmel Area Wastewater District
Budgeted Operating Expenses-Reclamation
Year-to-Date Variance, November 2017 - current month, Consolidated by
account, Department 8

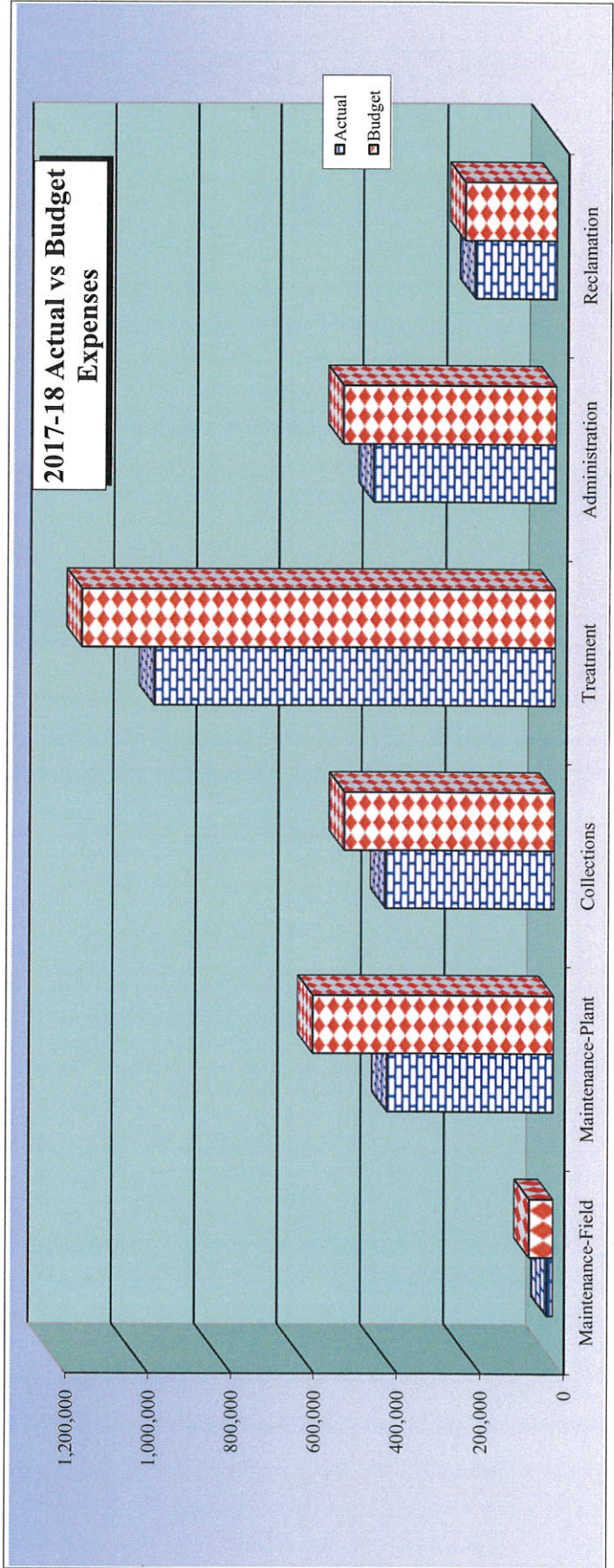
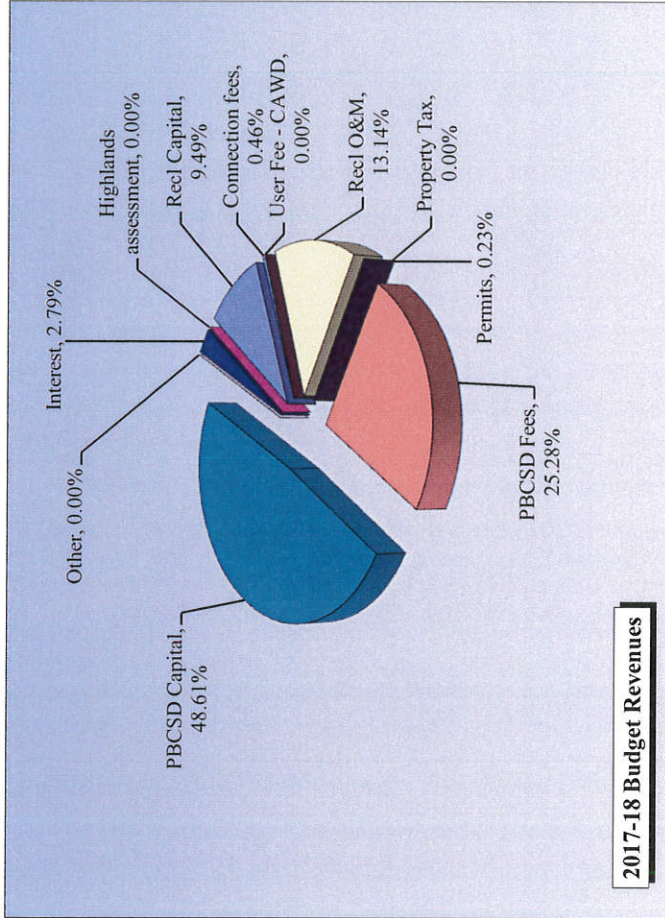
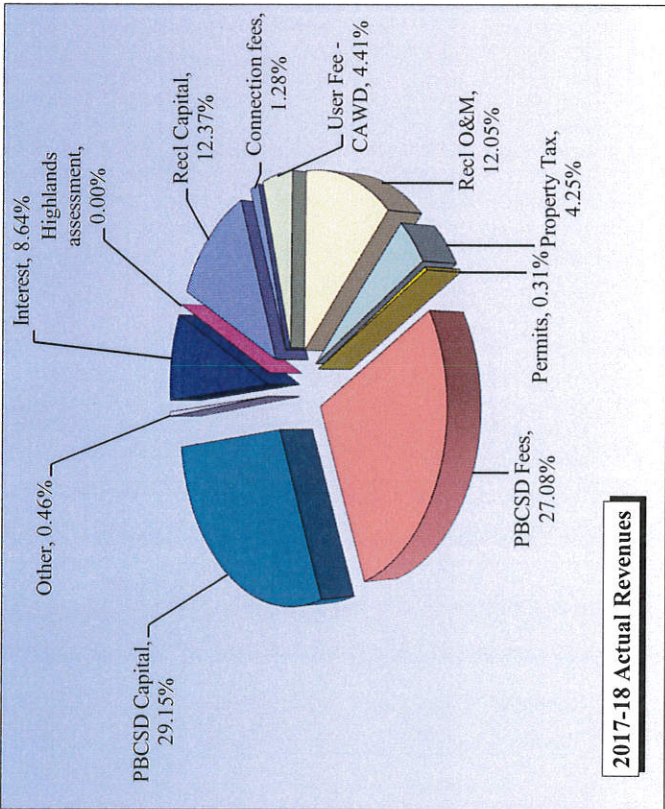
	<i>5 Months Ended</i> <i>November 30, 2017</i>	<i>5 Months Ended</i> <i>November 30, 2017</i> <i>Budget</i>	<i>Variance</i> <i>Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	182,638.74	214,899.80	32,261.06	15.0 %
TOTAL Salaries and Payroll Taxes	182,638.74	214,899.80	32,261.06	15.0 %
Director's Expenses				
Director's Expenses	0.00	500.00	500.00	100.0 %
TOTAL Director's Expenses	0.00	500.00	500.00	100.0 %
General and Administrative				
General and Administrative	7,420.77	0.00	(7,420.77)	
TOTAL General and Administrative	7,420.77	0.00	(7,420.77)	
Operating Supplies				
Operating Supplies	0.00	4,166.65	4,166.65	100.0 %
TOTAL Operating Supplies	0.00	4,166.65	4,166.65	100.0 %
Contract Services				
Contract Services	803.94	0.00	(803.94)	
TOTAL Contract Services	803.94	0.00	(803.94)	
Repairs and Maintenance				
Repairs and Maintenance	4,323.37	416.65	(3,906.72)	-937.7 %
TOTAL Repairs and Maintenance	4,323.37	416.65	(3,906.72)	-937.7 %
TOTAL Operating Expenses	195,186.82	219,983.10	24,796.28	11.3 %
***** OPERATING INCOME (LOSS)	(195,186.82)	(219,983.10)	24,796.28	11.3 %
***** NET INCOME (LOSS)	(195,186.82)	(219,983.10)	24,796.28	11.3 %
***** NET INCOME (LOSS)	(195,186.82)	(219,983.10)	24,796.28	11.3 %

Assets - November 30, 2017

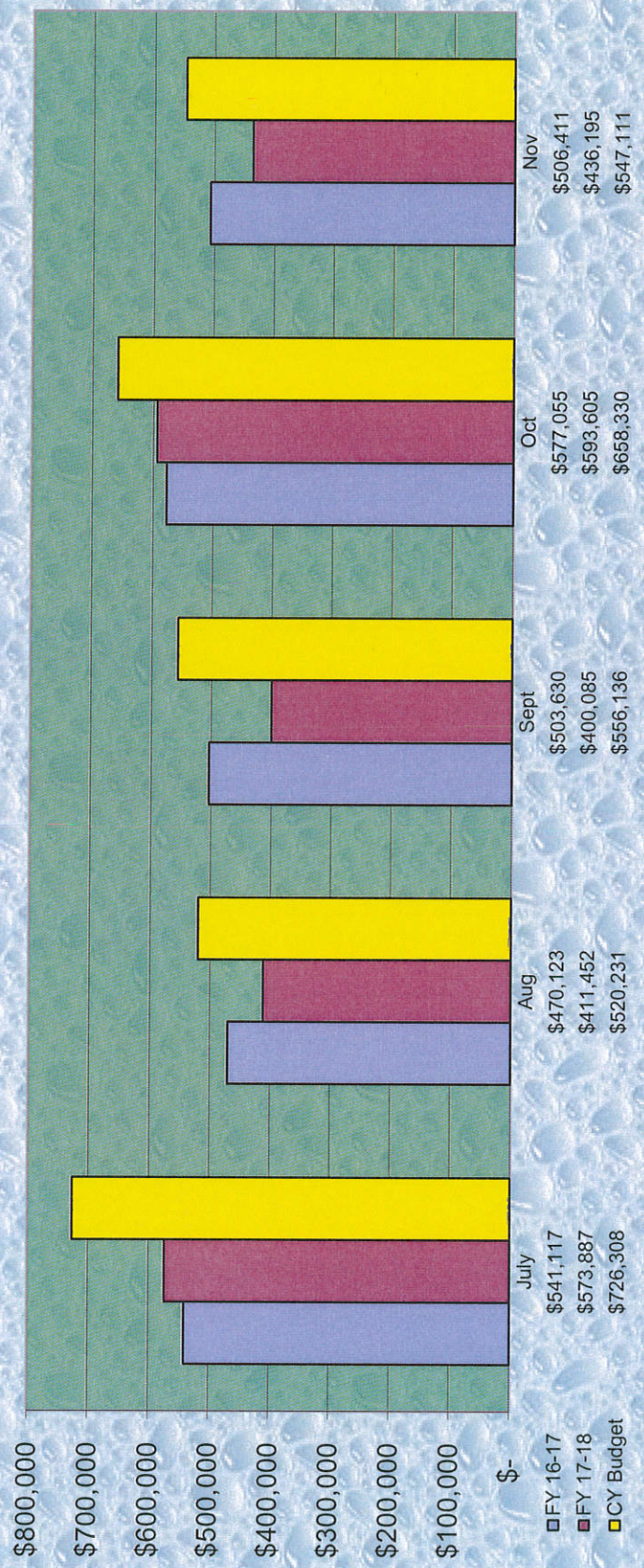


Liabilities - November 30, 2017





Operating Expenses



**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	NOV	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
Admin building fence (unbudgeted)		0	23,875	23,875	0	NA
<u>Collections</u>						
Larson sewer replacement (unbudgeted)		0	245,196	245,196	0	NA
Highlands Pump Station pumps		0	28,274	28,274	40,000	70.68%
<u>Treatment</u>						
Rebuild watercham (unbudgeted)		0	8,724	8,724	0	NA
Micrologix controller-influent wet well mixer		0	13,200	13,200	13,000	101.54%
Caterpillar compact track loader		0	54,952	54,952	55,000	99.91%
		0	0	0	0	NA
		0	0	0	0	NA
RECL share		0	0	0	0	NA
PBCSD share (1/3 of cost)		0	(25,625)	(25,625)	0	NA
		0	348,596	348,596	108,000	NA

Total Capital Purchases 17-18

**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	NOV	CURRENT		CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
			YTD				
<u>CIP PROJECTS</u>							
<u>Collections</u>							
Design and construction plans for Calle La Cruz force main	123,079	(4,372)	14,768		137,846	300,000	4.92%
Construction of new Gravity Sewer Line-Carmel Meadows Hatton Canyon Trail	117,152	2,773	4,778		121,930	0	NA
	0	2,566	20,128		20,128	800,000	2.52%
<u>Treatment</u>							
H2S scrubber tanks	44,920	0	0		44,920	0	NA
Study SCADA, PLC, and Communication Systems (RECL 50%)	277,815	12,554	52,813		330,628	0	NA
Waste Gas Burner	383,607	3,430	147,326		530,932	265,000	55.59%
Influent Pump St. Wet Well Mixing System	0	0	0		0	13,000	NA
RECL share		(6,277)	(26,407)		(165,314)	0	NA
PBCSD share (1/3 of cost)		(3,236)	(57,911)		(247,055)	(92,667)	62.49%
Total CIP Projects 17-18	946,572	7,439	155,494		774,015	1,285,333	60.22%

**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	NOV	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>LONG TERM CIP PROJECTS</u>						
Treatment						
Electrical Upgrade	155,571	0	0	155,571	0	NA
Standby blower replacement	860,918	5,850	19,593	880,511	65,000	30.14%
Storm water improvements	477,030	3,333	29,902	506,932	50,000	59.80%
Thickener (RECL 50%)	811,287	5,716	77,422	888,708	175,000	44.24%
Hypo/SBS (RECL 40%)	2,222,399	20,263	423,855	2,646,254	650,000	65.21%
Portable RAS pumping	969,940	8,003	69,596	1,039,536	300,000	23.20%
Digester firm capacity Improvements	4,182,752	40,027	751,475	4,934,228	1,000,000	75.15%
#1 Water improvements	330,674	2,092	22,858	353,532	25,000	91.43%
#3 Water system improvements	308,408	1,095	4,715	313,123	25,000	18.86%
Dewatering	1,111,758	7,614	94,498	1,206,256	350,000	27.00%
Standby & main power improvements	3,061,493	24,204	93,312	3,154,805	750,000	12.44%
Outfall Crossing rehabilitation	11,748	27,969	43,945	55,692	120,000	36.62%
Primary Clarifier #2	110,334	0	36,843	147,177	225,000	16.37%
Primary Clarifier #1	0	106,374	185,993	185,993	225,000	82.66%
RECL share		(10,963)	(208,252)	(1,502,856)	(347,500)	59.93%
PBCSD share (1/3 of cost)		(80,526)	(548,585)	(4,988,487)	(1,204,167)	45.56%
	14,614,312	161,052	1,097,170	9,976,975	2,408,333	414.27%
Total Long Term CIP Projects 17-18						
Total Capital (net of RECL and PBCSD)	15,560,884	168,490	1,601,260	11,099,585	3,801,666	291.97%

**Carmel Area Wastewater District
Variance Analysis
2017-18**

**YTD Actual/
YTD Budget
Variance**

Maintenance - Plant

Safety	-80.10%	Safety supplies underbudgeted-ACT \$796, BUD \$83. Timing difference for training.
Other Expense	-38.70%	Recruiting underbudgeted-ACT \$6,933, BUD \$5,000.

Collections

Truck and Auto Expenses	-152.20%	Insurance underbudgeted.
Safety	-23.10%	Timing difference for training and uniforms, boots & gear.

Treatment

General and Administrative	-84.70%	Legal underbudgeted, engineering underbudget due to timing.
Safety	-130.90%	Supplies and training underbudgeted.

Administration

Permits and Fees	-17.80%	LAFCO underbudgeted.
Other Expense	-38.20%	Rate payer claims underbudgeted - \$10,000 deductible paid for prior claims

District Obligations:

1) 2004 Highlands Project Bond Proceeds \$3,057,165 -- Balance \$1,240,000

**Carmel Area Wastewater District
2017-18 Resolutions Amending the Budget**

Resolution #	Description	Budgeted	Amendment	Spent To Date
2017-27	Installation of a fiber optic communication line to the Plant inadvertently left off the 2017-18 budget.	\$ -	\$ 60,000	\$ -
Total To Date		<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ -</u>
Contingencies		<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ -</u>



**Financial Statements
and
Supplementary Schedules**

December 2017

January 25, 2018

Carmel Area Wastewater District

Balance Sheet

December 2017

ASSETS		
Current Assets		
Cash		
Cash	26,266,729.99	
TOTAL Cash	26,266,729.99	
Other Current Assets		
Other Current Assets	475,919.06	
TOTAL Other Current Assets	475,919.06	
TOTAL Current Assets		26,742,649.05
Fixed Assets		
Land		
Land	308,059.76	
TOTAL Land	308,059.76	
Treatment Structures		
Treatment Structures	51,546,420.23	
TOTAL Treatment Structures	51,546,420.23	
Treatment Equipment		
Treatment Equipment	7,400,557.10	
TOTAL Treatment Equipment	7,400,557.10	
Collection Structures		
Collection Structures	1,040,749.41	
TOTAL Collection Structures	1,040,749.41	
Collection Equipment		
Collection Equipment	938,907.27	
TOTAL Collection Equipment	938,907.27	
Sewers		
		10,920,200.13
Disposal Facilities		
Disposal Facilities	1,126,272.60	
TOTAL Disposal Facilities	1,126,272.60	
Other Fixed Assets		
Other Fixed Assets	3,825,883.93	
TOTAL Other Fixed Assets	3,825,883.93	
Capital Improvement Projects		
Capital Improvement Projects	17,793,857.37	
TOTAL Capital Improvement Projects	17,793,857.37	
Accumulated depreciation		
		(44,108,994.69)
TOTAL Fixed Assets		50,791,913.11
Other Assets		
Other Assets		992,009.00
TOTAL Other Assets		992,009.00
TOTAL ASSETS		78,526,571.16

Carmel Area Wastewater District

Balance Sheet

December 2017

LIABILITIES

Current Liabilities		
Current Liabilities	425,044.98	
TOTAL Current Liabilities	<u>425,044.98</u>	425,044.98
Long-Term Liabilities		
Long Term Liabilities	1,956,028.14	
TOTAL Long-Term Liabilities	<u>1,956,028.14</u>	1,956,028.14
TOTAL LIABILITIES		<u>2,381,073.12</u>

NET POSITION

Net Assets	71,685,189.28	
Year-to-Date Earnings	4,460,308.76	
TOTAL NET POSITION		<u>76,145,498.04</u>
TOTAL LIABILITIES & NET POSITION		<u>78,526,571.16</u>

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, December 2017 - current month, Consolidated by account

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Income				
Revenue	5,332,743.87	4,970,734.68	362,009.19	7.3 %
TOTAL Income	5,332,743.87	4,970,734.68	362,009.19	7.3 %
Adjustments				
Discounts	14.46	0.00	14.46	
TOTAL Adjustments	14.46	0.00	14.46	
*****	5,332,758.33	4,970,734.68	362,023.65	7.3 %
***** OPERATING INCOME	5,332,758.33	4,970,734.68	362,023.65	7.3 %
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	1,309,446.67	1,435,923.51	126,476.84	8.8 %
TOTAL Salaries and Payroll Taxes	1,309,446.67	1,435,923.51	126,476.84	8.8 %
Employee Benefits				
Employee Benefits	374,403.60	491,846.40	117,442.80	23.9 %
TOTAL Employee Benefits	374,403.60	491,846.40	117,442.80	23.9 %
Director's Expenses				
Director's Expenses	11,393.37	14,324.96	2,931.59	20.5 %
TOTAL Director's Expenses	11,393.37	14,324.96	2,931.59	20.5 %
Truck and Auto Expenses				
Truck and Auto Expenses	21,117.96	60,790.20	39,672.24	65.3 %
TOTAL Truck and Auto Expenses	21,117.96	60,790.20	39,672.24	65.3 %
General and Administrative				
General and Administrative	185,826.15	183,510.00	(2,316.15)	-1.3 %
TOTAL General and Administrative	185,826.15	183,510.00	(2,316.15)	-1.3 %
Office Expense				
Office Expense	21,413.64	30,950.00	9,536.36	30.8 %
TOTAL Office Expense	21,413.64	30,950.00	9,536.36	30.8 %
Operating Supplies				
Operating Supplies	123,572.82	190,142.40	66,569.58	35.0 %
TOTAL Operating Supplies	123,572.82	190,142.40	66,569.58	35.0 %
Contract Services				
Contract Services	225,652.71	408,107.54	182,454.83	44.7 %
TOTAL Contract Services	225,652.71	408,107.54	182,454.83	44.7 %

Carmel Area Wastewater District
Budgeted Income Statement
Year-to-Date Variance, December 2017 - current month, Consolidated by account

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
Repairs and Maintenance				
Repairs and Maintenance	294,718.77	390,182.62	95,463.85	24.5 %
TOTAL Repairs and Maintenance	294,718.77	390,182.62	95,463.85	24.5 %
Utilities				
Utilities	184,022.56	204,452.46	20,429.90	10.0 %
TOTAL Utilities	184,022.56	204,452.46	20,429.90	10.0 %
Travel and Meetings				
Travel and Meetings	11,991.16	41,360.10	29,368.94	71.0 %
TOTAL Travel and Meetings	11,991.16	41,360.10	29,368.94	71.0 %
Permits and Fees				
Permits and Fees	43,732.00	51,185.00	7,453.00	14.6 %
TOTAL Permits and Fees	43,732.00	51,185.00	7,453.00	14.6 %
Memberships and Subscriptions				
Memberships and Subscriptions	4,532.63	19,742.52	15,209.89	77.0 %
TOTAL Memberships and Subscriptions	4,532.63	19,742.52	15,209.89	77.0 %
Safety				
Safety	33,714.13	22,270.24	(11,443.89)	-51.4 %
TOTAL Safety	33,714.13	22,270.24	(11,443.89)	-51.4 %
Other Expenses				
Other Expense	34,845.46	22,500.04	(12,345.42)	-54.9 %
TOTAL Other Expenses	34,845.46	22,500.04	(12,345.42)	-54.9 %
TOTAL Operating Expenses	2,880,383.63	3,567,287.99	686,904.36	19.3 %
***** OPERATING INCOME (LOSS)	2,452,374.70	1,403,446.69	1,048,928.01	74.7 %
Non-op Income, Expense, Gain or Loss				
Other Income or Gain				
Other Income, Gain, Expense and Loss	2,007,934.06	2,201,231.50	(193,297.44)	-8.8 %
TOTAL Other Income or Gain	2,007,934.06	2,201,231.50	(193,297.44)	-8.8 %
TOTAL Non-op Income, Expense, Gain or Loss	2,007,934.06	2,201,231.50	(193,297.44)	-8.8 %
***** NET INCOME (LOSS)	4,460,308.76	3,604,678.19	855,630.57	23.7 %
***** NET INCOME (LOSS)	4,460,308.76	3,604,678.19	855,630.57	23.7 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Field
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 3*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 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				
Truck and Auto Expenses				
Truck and Auto Expenses	10,063.64	42,075.00	32,011.36	76.1 %
TOTAL Truck and Auto Expenses	10,063.64	42,075.00	32,011.36	76.1 %
Office Expense				
Office Expense	31.73	0.00	(31.73)	
TOTAL Office Expense	31.73	0.00	(31.73)	
Operating Supplies				
Operating Supplies	80.00	12,499.98	12,419.98	99.4 %
TOTAL Operating Supplies	80.00	12,499.98	12,419.98	99.4 %
Contract Services				
Contract Services	0.00	250.02	250.02	100.0 %
TOTAL Contract Services	0.00	250.02	250.02	100.0 %
Repairs and Maintenance				
Repairs and Maintenance	13,886.06	11,899.98	(1,986.08)	-16.7 %
TOTAL Repairs and Maintenance	13,886.06	11,899.98	(1,986.08)	-16.7 %
Safety				
Safety	0.00	1,297.56	1,297.56	100.0 %
TOTAL Safety	0.00	1,297.56	1,297.56	100.0 %
TOTAL Operating Expenses	24,061.43	68,022.54	43,961.11	64.6 %
***** OPERATING INCOME (LOSS)	(24,061.43)	(68,022.54)	43,961.11	64.6 %
***** NET INCOME (LOSS)	(24,061.43)	(68,022.54)	43,961.11	64.6 %
***** NET INCOME (LOSS)	(24,061.43)	(68,022.54)	43,961.11	64.6 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 4

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 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	158,153.28	149,904.50	(8,248.78)	-5.5 %
TOTAL Salaries and Payroll Taxes	158,153.28	149,904.50	(8,248.78)	-5.5 %
Employee Benefits				
Employee Benefits	50,618.28	72,951.93	22,333.65	30.6 %
TOTAL Employee Benefits	50,618.28	72,951.93	22,333.65	30.6 %
Truck and Auto Expenses				
Truck and Auto Expenses	3,444.98	13,725.12	10,280.14	74.9 %
TOTAL Truck and Auto Expenses	3,444.98	13,725.12	10,280.14	74.9 %
General and Administrative				
General and Administrative	11,973.46	0.00	(11,973.46)	
TOTAL General and Administrative	11,973.46	0.00	(11,973.46)	
Office Expense				
Office Expense	1,659.25	2,124.96	465.71	21.9 %
TOTAL Office Expense	1,659.25	2,124.96	465.71	21.9 %
Operating Supplies				
Operating Supplies	15,671.63	40,999.98	25,328.35	61.8 %
TOTAL Operating Supplies	15,671.63	40,999.98	25,328.35	61.8 %
Contract Services				
Contract Services	13,903.61	110,250.10	96,346.49	87.4 %
TOTAL Contract Services	13,903.61	110,250.10	96,346.49	87.4 %
Repairs and Maintenance				
Repairs and Maintenance	200,581.19	277,500.06	76,918.87	27.7 %
TOTAL Repairs and Maintenance	200,581.19	277,500.06	76,918.87	27.7 %
Utilities				
Utilities	131.42	250.02	118.60	47.4 %
TOTAL Utilities	131.42	250.02	118.60	47.4 %
Travel and Meetings				
Travel and Meetings	1,920.68	7,699.98	5,779.30	75.1 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Maint. Plant
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 4*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	1,920.68	7,699.98	5,779.30	75.1 %
Permits and Fees				
Permits and Fees	0.00	2,500.02	2,500.02	100.0 %
TOTAL Permits and Fees	0.00	2,500.02	2,500.02	100.0 %
Memberships and Subscriptions				
Memberships and Subscriptions	535.00	1,875.06	1,340.06	71.5 %
TOTAL Memberships and Subscriptions	535.00	1,875.06	1,340.06	71.5 %
Safety				
Safety	2,354.05	1,407.60	(946.45)	-67.2 %
TOTAL Safety	2,354.05	1,407.60	(946.45)	-67.2 %
Other Expenses				
Other Expense	12,265.25	5,000.00	(7,265.25)	-145.3 %
TOTAL Other Expenses	12,265.25	5,000.00	(7,265.25)	-145.3 %
TOTAL Operating Expenses	473,212.08	686,189.33	212,977.25	31.0 %
***** OPERATING INCOME (LOSS)	(473,212.08)	(686,189.33)	212,977.25	31.0 %
***** NET INCOME (LOSS)	(473,212.08)	(686,189.33)	212,977.25	31.0 %
***** NET INCOME (LOSS)	(473,212.08)	(686,189.33)	212,977.25	31.0 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 5*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 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	238,838.26	230,437.54	(8,400.72)	-3.6 %
TOTAL Salaries and Payroll Taxes	238,838.26	230,437.54	(8,400.72)	-3.6 %
Employee Benefits				
Employee Benefits	87,067.92	103,654.50	16,586.58	16.0 %
TOTAL Employee Benefits	87,067.92	103,654.50	16,586.58	16.0 %
Truck and Auto Expenses				
Truck and Auto Expenses	5,847.80	2,335.02	(3,512.78)	-150.4 %
TOTAL Truck and Auto Expenses	5,847.80	2,335.02	(3,512.78)	-150.4 %
General and Administrative				
General and Administrative	24,086.10	56,284.98	32,198.88	57.2 %
TOTAL General and Administrative	24,086.10	56,284.98	32,198.88	57.2 %
Office Expense				
Office Expense	125.74	6,085.02	5,959.28	97.9 %
TOTAL Office Expense	125.74	6,085.02	5,959.28	97.9 %
Operating Supplies				
Operating Supplies	7,410.13	9,654.96	2,244.83	23.3 %
TOTAL Operating Supplies	7,410.13	9,654.96	2,244.83	23.3 %
Contract Services				
Contract Services	19,217.16	75,805.02	56,587.86	74.6 %
TOTAL Contract Services	19,217.16	75,805.02	56,587.86	74.6 %
Repairs and Maintenance				
Repairs and Maintenance	53,908.92	66,750.04	12,841.12	19.2 %
TOTAL Repairs and Maintenance	53,908.92	66,750.04	12,841.12	19.2 %
Utilities				
Utilities	17,216.85	19,570.02	2,353.17	12.0 %
TOTAL Utilities	17,216.85	19,570.02	2,353.17	12.0 %
Travel and Meetings				
Travel and Meetings	4,036.83	6,650.04	2,613.21	39.3 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Collections
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 5*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	4,036.83	6,650.04	2,613.21	39.3 %
Permits and Fees				
Permits and Fees	4,572.00	5,500.00	928.00	16.9 %
TOTAL Permits and Fees	4,572.00	5,500.00	928.00	16.9 %
Memberships and Subscriptions				
Memberships and Subscriptions	1,167.68	1,110.00	(57.68)	-5.2 %
TOTAL Memberships and Subscriptions	1,167.68	1,110.00	(57.68)	-5.2 %
Safety				
Safety	8,012.49	7,560.00	(452.49)	-6.0 %
TOTAL Safety	8,012.49	7,560.00	(452.49)	-6.0 %
Other Expenses				
Other Expense	444.00	0.00	(444.00)	
TOTAL Other Expenses	444.00	0.00	(444.00)	
TOTAL Operating Expenses	471,951.88	591,397.14	119,445.26	20.2 %
***** OPERATING INCOME (LOSS)	(471,951.88)	(591,397.14)	119,445.26	20.2 %
***** NET INCOME (LOSS)	(471,951.88)	(591,397.14)	119,445.26	20.2 %
***** NET INCOME (LOSS)	(471,951.88)	(591,397.14)	119,445.26	20.2 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 6*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 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	430,638.80	536,067.47	105,428.67	19.7 %
TOTAL Salaries and Payroll Taxes	430,638.80	536,067.47	105,428.67	19.7 %
Employee Benefits				
Employee Benefits	150,176.35	205,847.97	55,671.62	27.0 %
TOTAL Employee Benefits	150,176.35	205,847.97	55,671.62	27.0 %
Truck and Auto Expenses				
Truck and Auto Expenses	1,485.14	1,475.00	(10.14)	-0.7 %
TOTAL Truck and Auto Expenses	1,485.14	1,475.00	(10.14)	-0.7 %
General and Administrative				
General and Administrative	98,611.81	76,250.02	(22,361.79)	-29.3 %
TOTAL General and Administrative	98,611.81	76,250.02	(22,361.79)	-29.3 %
Office Expense				
Office Expense	10,719.35	11,640.00	920.65	7.9 %
TOTAL Office Expense	10,719.35	11,640.00	920.65	7.9 %
Operating Supplies				
Operating Supplies	100,288.36	121,237.50	20,949.14	17.3 %
TOTAL Operating Supplies	100,288.36	121,237.50	20,949.14	17.3 %
Contract Services				
Contract Services	131,725.88	152,347.44	20,621.56	13.5 %
TOTAL Contract Services	131,725.88	152,347.44	20,621.56	13.5 %
Repairs and Maintenance				
Repairs and Maintenance	21,744.89	31,032.54	9,287.65	29.9 %
TOTAL Repairs and Maintenance	21,744.89	31,032.54	9,287.65	29.9 %
Utilities				
Utilities	157,601.00	173,774.94	16,173.94	9.3 %
TOTAL Utilities	157,601.00	173,774.94	16,173.94	9.3 %
Travel and Meetings				
Travel and Meetings	4,524.42	13,910.04	9,385.62	67.5 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Treatment
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 6*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Travel and Meetings	4,524.42	13,910.04	9,385.62	67.5 %
Permits and Fees				
Permits and Fees	20,305.00	27,184.98	6,879.98	25.3 %
TOTAL Permits and Fees	20,305.00	27,184.98	6,879.98	25.3 %
Memberships and Subscriptions				
Memberships and Subscriptions	1,432.32	3,949.98	2,517.66	63.7 %
TOTAL Memberships and Subscriptions	1,432.32	3,949.98	2,517.66	63.7 %
Safety				
Safety	23,253.36	10,905.04	(12,348.32)	-113.2 %
TOTAL Safety	23,253.36	10,905.04	(12,348.32)	-113.2 %
Other Expenses				
Other Expense	604.00	1,000.02	396.02	39.6 %
TOTAL Other Expenses	604.00	1,000.02	396.02	39.6 %
TOTAL Operating Expenses	1,153,110.68	1,366,622.94	213,512.26	15.6 %
***** OPERATING INCOME (LOSS)	(1,153,110.68)	(1,366,622.94)	213,512.26	15.6 %
***** NET INCOME (LOSS)	(1,153,110.68)	(1,366,622.94)	213,512.26	15.6 %
***** NET INCOME (LOSS)	(1,153,110.68)	(1,366,622.94)	213,512.26	15.6 %

Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
*Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 7*

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 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	261,375.42	265,541.51	4,166.09	1.6 %
TOTAL Salaries and Payroll Taxes	261,375.42	265,541.51	4,166.09	1.6 %
Employee Benefits				
Employee Benefits	86,541.05	109,392.00	22,850.95	20.9 %
TOTAL Employee Benefits	86,541.05	109,392.00	22,850.95	20.9 %
Director's Expenses				
Director's Expenses	11,043.37	13,824.96	2,781.59	20.1 %
TOTAL Director's Expenses	11,043.37	13,824.96	2,781.59	20.1 %
Truck and Auto Expenses				
Truck and Auto Expenses	276.40	1,180.06	903.66	76.6 %
TOTAL Truck and Auto Expenses	276.40	1,180.06	903.66	76.6 %
General and Administrative				
General and Administrative	43,734.01	50,975.00	7,240.99	14.2 %
TOTAL General and Administrative	43,734.01	50,975.00	7,240.99	14.2 %
Office Expense				
Office Expense	8,877.57	11,100.02	2,222.45	20.0 %
TOTAL Office Expense	8,877.57	11,100.02	2,222.45	20.0 %
Operating Supplies				
Operating Supplies	122.70	750.00	627.30	83.6 %
TOTAL Operating Supplies	122.70	750.00	627.30	83.6 %
Contract Services				
Contract Services	59,891.92	69,454.96	9,563.04	13.8 %
TOTAL Contract Services	59,891.92	69,454.96	9,563.04	13.8 %
Repairs and Maintenance				
Repairs and Maintenance	274.34	2,500.02	2,225.68	89.0 %
TOTAL Repairs and Maintenance	274.34	2,500.02	2,225.68	89.0 %
Utilities				
Utilities	9,073.29	10,857.48	1,784.19	16.4 %

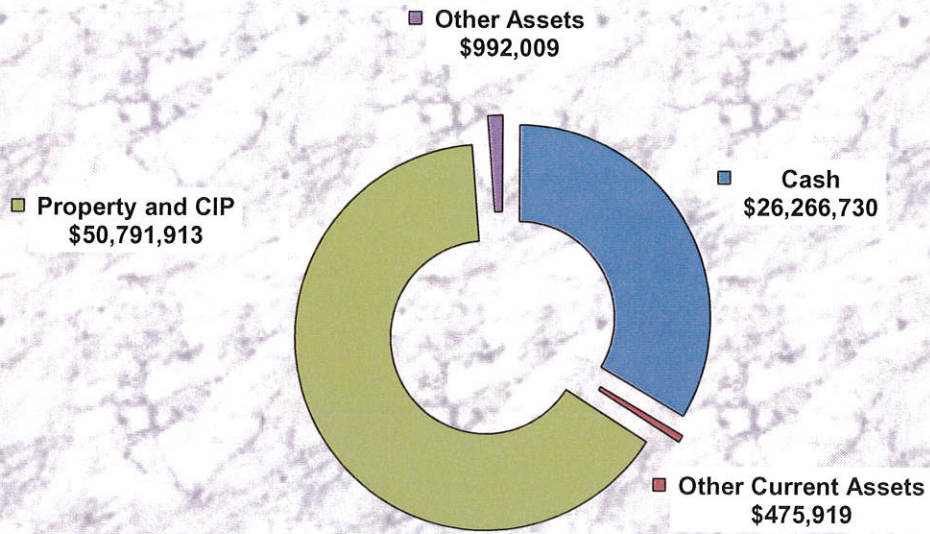
Carmel Area Wastewater District
Budgeted Operating Expenses-Admin.
Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 7

	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TOTAL Utilities	9,073.29	10,857.48	1,784.19	16.4 %
Travel and Meetings				
Travel and Meetings	1,509.23	13,100.04	11,590.81	88.5 %
TOTAL Travel and Meetings	1,509.23	13,100.04	11,590.81	88.5 %
Permits and Fees				
Permits and Fees	18,855.00	16,000.00	(2,855.00)	-17.8 %
TOTAL Permits and Fees	18,855.00	16,000.00	(2,855.00)	-17.8 %
Memberships and Subscriptions				
Memberships and Subscriptions	1,397.63	12,807.48	11,409.85	89.1 %
TOTAL Memberships and Subscriptions	1,397.63	12,807.48	11,409.85	89.1 %
Safety				
Safety	57.10	1,100.04	1,042.94	94.8 %
TOTAL Safety	57.10	1,100.04	1,042.94	94.8 %
Other Expenses				
Other Expense	21,532.21	16,500.02	(5,032.19)	-30.5 %
TOTAL Other Expenses	21,532.21	16,500.02	(5,032.19)	-30.5 %
TOTAL Operating Expenses	524,561.24	595,083.59	70,522.35	11.9 %
***** OPERATING INCOME (LOSS)	(524,561.24)	(595,083.59)	70,522.35	11.9 %
***** NET INCOME (LOSS)	(524,561.24)	(595,083.59)	70,522.35	11.9 %
***** NET INCOME (LOSS)	(524,561.24)	(595,083.59)	70,522.35	11.9 %

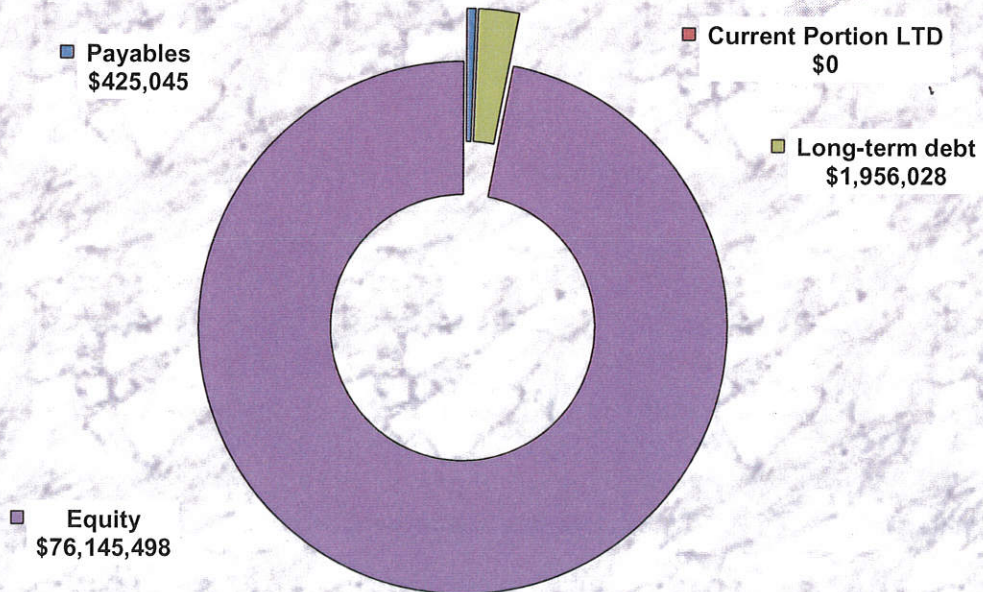
Carmel Area Wastewater District
Budgeted Operating Expenses-Reclamation
Year-to-Date Variance, December 2017 - current month, Consolidated by
account, Department 8

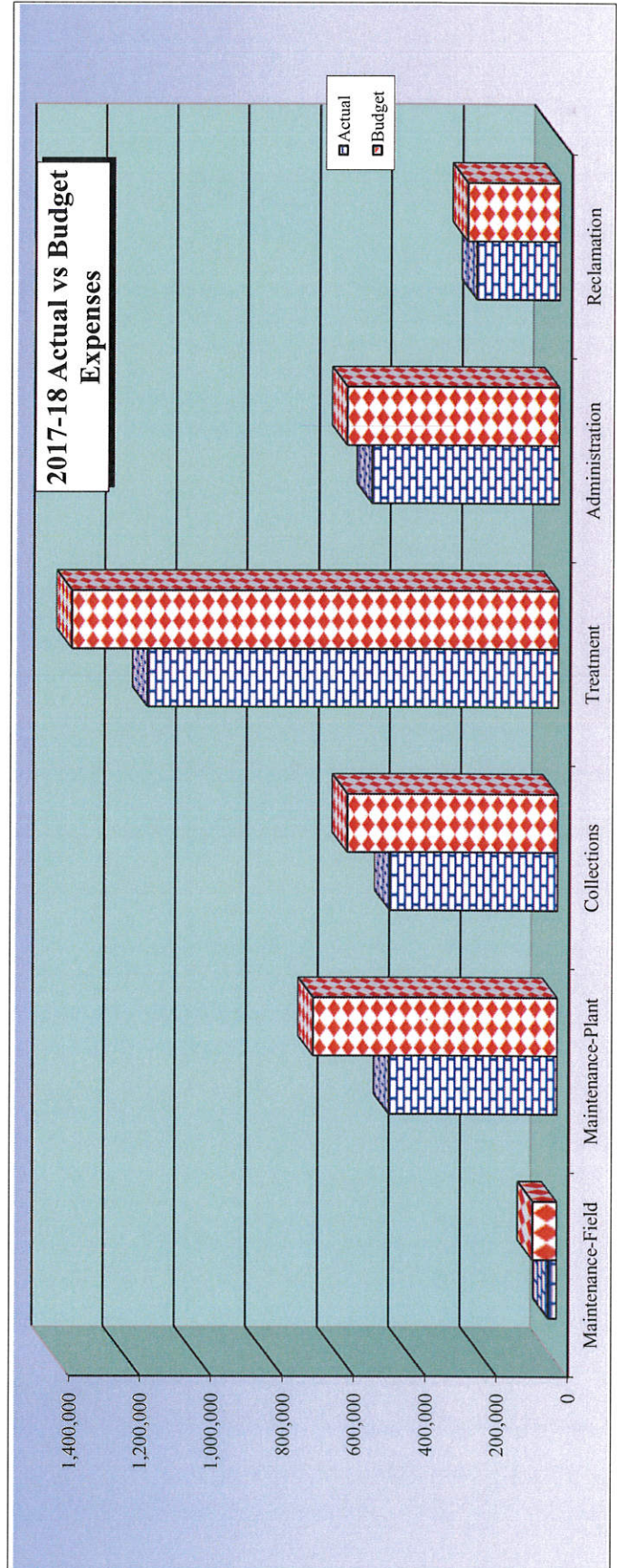
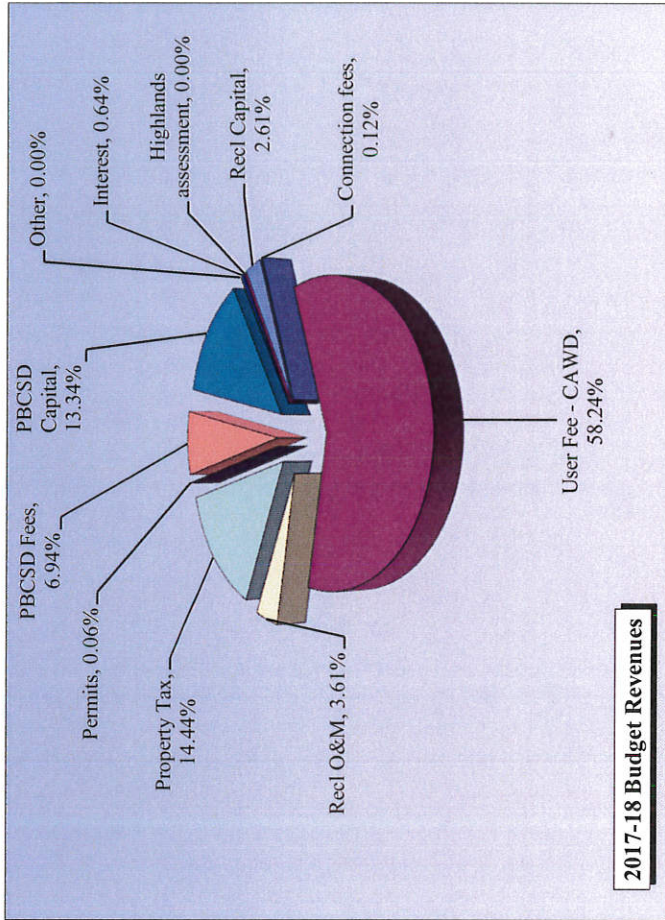
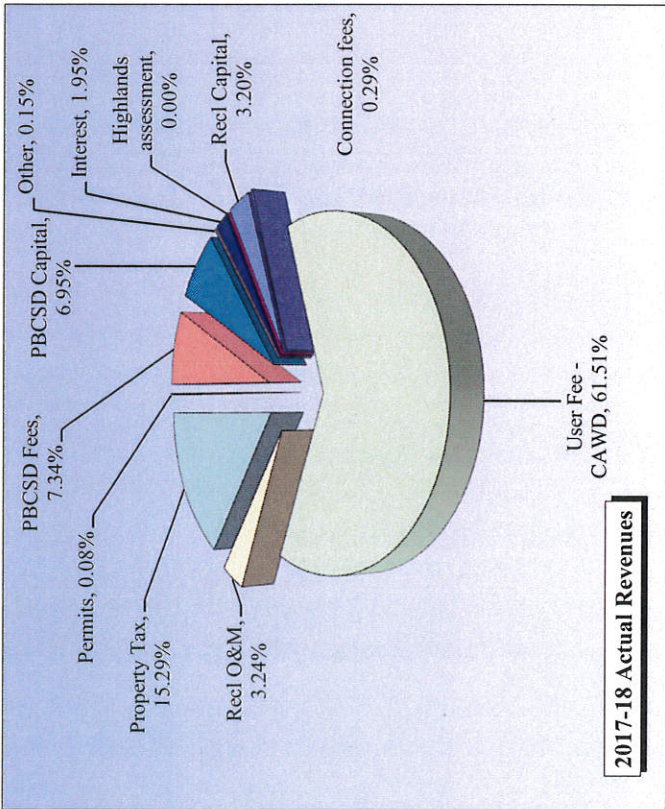
	<i>6 Months Ended December 31, 2017</i>	<i>6 Months Ended December 31, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
*****	0.00	0.00	0.00	
***** OPERATING INCOME	0.00	0.00	0.00	
Operating Expenses				
Salaries and Payroll Taxes				
Salaries and Payroll Taxes	220,440.91	253,972.49	33,531.58	13.2 %
TOTAL Salaries and Payroll Taxes	220,440.91	253,972.49	33,531.58	13.2 %
Director's Expenses				
Director's Expenses	350.00	500.00	150.00	30.0 %
TOTAL Director's Expenses	350.00	500.00	150.00	30.0 %
General and Administrative				
General and Administrative	7,420.77	0.00	(7,420.77)	
TOTAL General and Administrative	7,420.77	0.00	(7,420.77)	
Operating Supplies				
Operating Supplies	0.00	4,999.98	4,999.98	100.0 %
TOTAL Operating Supplies	0.00	4,999.98	4,999.98	100.0 %
Contract Services				
Contract Services	914.14	0.00	(914.14)	
TOTAL Contract Services	914.14	0.00	(914.14)	
Repairs and Maintenance				
Repairs and Maintenance	4,323.37	499.98	(3,823.39)	-764.7 %
TOTAL Repairs and Maintenance	4,323.37	499.98	(3,823.39)	-764.7 %
Safety				
Safety	37.13	0.00	(37.13)	
TOTAL Safety	37.13	0.00	(37.13)	
TOTAL Operating Expenses	233,486.32	259,972.45	26,486.13	10.2 %
***** OPERATING INCOME (LOSS)	(233,486.32)	(259,972.45)	26,486.13	10.2 %
***** NET INCOME (LOSS)	(233,486.32)	(259,972.45)	26,486.13	10.2 %

Assets - December 31, 2017

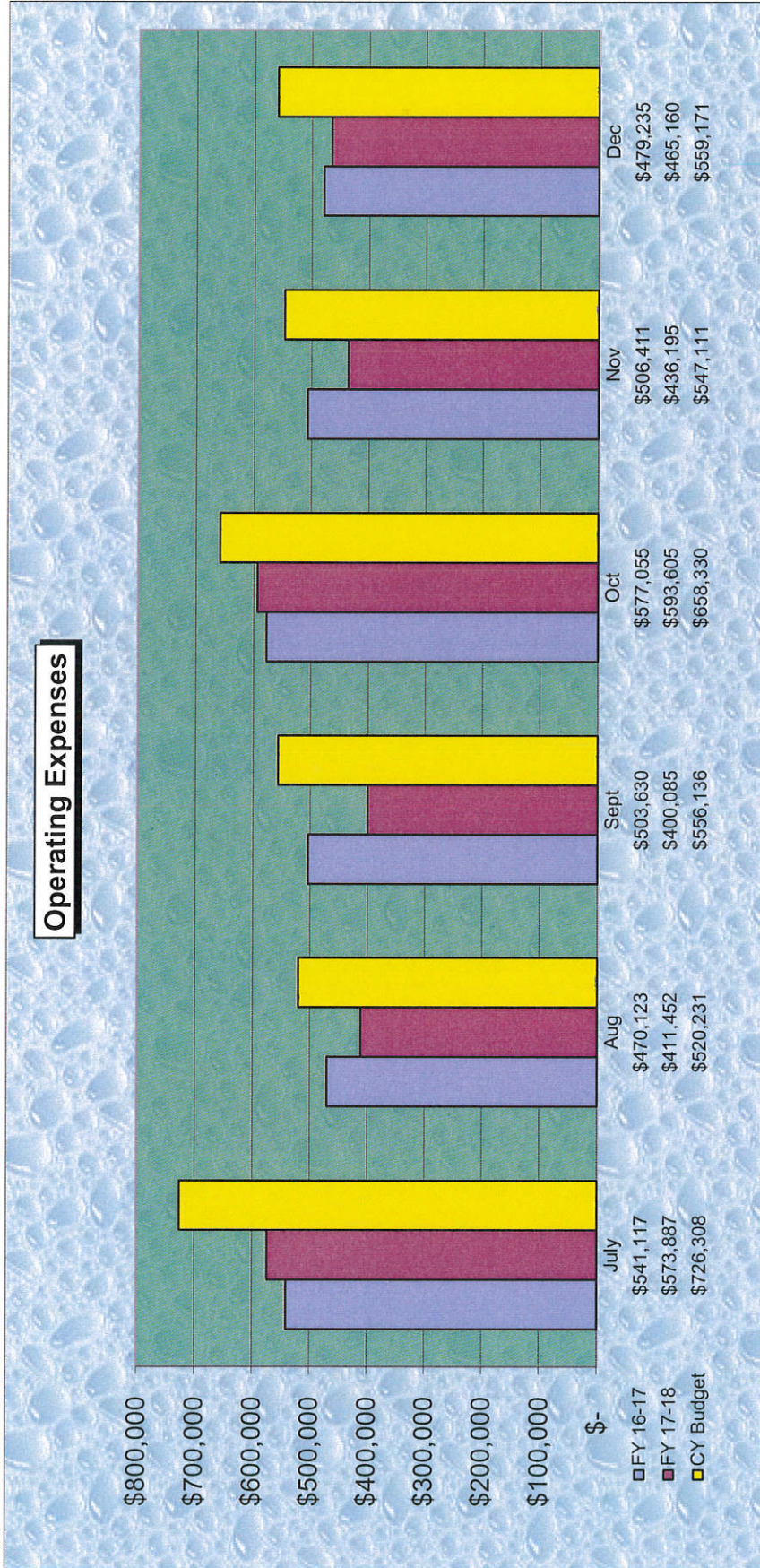


Liabilities - December 31, 2017





Operating Expenses



**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	DEC	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>CAPITAL PURCHASES</u>						
<u>Admin</u>						
Admin building fence (unbudgeted)		0	23,875	23,875	0	NA
<u>Collections</u>						
Larson sewer replacement (unbudgeted)		0	245,196	245,196	0	NA
Highlands Pump Station pumps		0	28,274	28,274	40,000	70.68%
<u>Treatment</u>						
Rebuild watercham (unbudgeted)		0	8,724	8,724	0	NA
Micrologix controller-influent wet well mixer		0	13,200	13,200	13,000	101.54%
Caterpillar compact track loader		0	54,952	54,952	55,000	99.91%
Thermo Scientific Gallery Discrete Analyzer		21,609	21,609	21,609	22,500	96.04%
		0	0	0	0	NA
RECL share		0	0	0	0	NA
PBCSD share (1/3 of cost)		(7,203)	(32,828)	(32,828)	0	NA
	14,406	363,002	363,002	363,002	130,500	NA

Total Capital Purchases 17-18

**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	DEC	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	123,079	3,376	18,144	141,222	300,000	6.05%
Construction of new Gravity Sewer Line-Carmel Meadows Hatton Canyon Trail	117,152 0	0 1,330	4,778 21,458	121,930 21,458	0 800,000	NA 2.68%
<u>Treatment</u>						
H2S scrubber tanks	44,920	0	0	44,920	0	NA
Study SCADA, PLC, and Communication Systems (RECL 50%)	277,815	0	52,813	330,628	0	NA
Waste Gas Burner	383,607	1,333	148,659	532,266	265,000	56.10%
Influent Pump St. Wet Well Mixing System	0	1,968	1,968	1,968	13,000	15.14%
RECL share		0	(26,407)	(165,314)	0	NA
PBCSD share (1/3 of cost)		(1,100)	(59,011)	(248,156)	(92,667)	63.68%
Total CIP Projects 17-18	946,572	6,907	162,401	780,922	1,285,333	60.76%

**Carmel Area Wastewater District
Capital Expenditures
2017-18**

	BEG BAL	DEC	CURRENT YTD	CUMULATIVE TOTAL	ANNUAL BUDGET	BUDGET SPENT
<u>LONG TERM CIP PROJECTS</u>						
Treatment						
Electrical Upgrade	155,571	0	0	155,571	0	NA
Standby blower replacements	860,918	261	19,854	880,772	65,000	30.54%
Storm water improvements	477,030	14,080	43,982	521,012	50,000	87.96%
Thickener (RECL 50%)	811,287	2,233	79,655	890,941	175,000	45.52%
Hypo/SBS (RECL 40%)	2,222,399	74,622	498,476	2,720,875	650,000	76.69%
Portable RAS pumping	969,940	3,577	73,173	1,043,113	300,000	24.39%
Digester firm capacity Improvements	4,182,752	18,327	769,803	4,952,555	1,000,000	76.98%
#1 Water improvements	330,674	1,768	24,626	355,299	25,000	98.50%
#3 Water system improvements	308,408	(118)	4,597	313,005	25,000	18.39%
Dewatering	1,111,758	50	94,548	1,206,306	350,000	27.01%
Standby & main power improvements	3,061,493	6,221	99,533	3,161,026	750,000	13.27%
Outfall Crossing rehabilitation	11,748	10,128	54,073	65,820	120,000	45.06%
Primary Clarifier #2	110,334	0	36,843	147,177	225,000	16.37%
Primary Clarifier #1	0	0	185,993	185,993	225,000	82.66%
RECL share		(30,965)	(239,217)	(1,533,821)	(347,500)	68.84%
PBCSD share (1/3 of cost)		(33,394)	(581,979)	(5,021,882)	(1,204,167)	48.33%
Total Long Term CIP Projects 17-18	14,614,312	66,788	1,163,958	10,043,763	2,408,333	417.04%
Total Capital (net of RECL and PBCSD)	15,560,884	88,101	1,689,361	11,187,687	3,824,166	292.55%

**Carmel Area Wastewater District
Variance Analysis
2017-18**

YTD Actual/
YTD Budget
Variance

Maintenance - Field

Repairs and Maintenance	-16.70%	Timing difference for pump station equipment and manholes-budget amortized equally.
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Maintenance - Plant

Salaries and Payroll Taxes	-5.50%	Overtime not budgeted.
Safety	-67.20%	Safety supplies and fire extinguisher underbudgeted. Timing difference for training.
Other Expense	-145.30%	Recruiting underbudgeted-ACT \$12,265, BUD \$5,000.

Collections

Truck and Auto Expenses	-150.40%	Insurance underbudgeted.
Memberships and Subscriptions	-5.20%	Timing difference-ACT \$1,168, BUD \$1,110.
Safety	-6.00%	Timing difference for training and uniforms, boots & gear.

Treatment

General and Administrative	-29.30%	Legal underbudgeted, engineering underbudget due to timing.
Safety	-113.20%	Supplies and training underbudgeted.

Administration

Permits and Fees	-17.80%	LAFCO underbudgeted.
Other Expense	-30.50%	Rate payer claims underbudgeted - \$10,000 deductible paid for prior claims

District Obligations:

1) 2004 Highlands Project Bond Proceeds \$3,057,165 -- Balance \$1,240,000

**Carmel Area Wastewater District
2017-18 Resolutions Amending the Budget**

Resolution #	Description	Budgeted	Amendment	Spent To Date
2017-27	Installation of a fiber optic communication line to the Plant inadvertently left off the 2017-18 budget.	\$ -	\$ 60,000	\$ -
Total To Date		<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ -</u>
Contingencies		<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ -</u>



STAFF REPORT

TO: Board of Directors
 FROM: Daryl Lauer, Collection Superintendent
 DATE: January 25, 2018
 SUBJECT: Monthly Report – November / December

PERMITS ISSUED

Sewer Lateral Permits issued in November & December.....	9
Total Fees.....	\$ 900.00

MAINTENANCE & REPAIRS

The Collection crew cleaned approximately 63,482 feet of sewer mains for the month of November and 58,889 feet in the month of December, this represents 15.44% and 14.32% of the District’s collection system lines. The mains cleaned ranged from six inches to twenty seven inch in size. Attached is a map of the locations cleaned in November and December and the previous month. There were no CCTV inspections performed on sewer mains during this reporting period.

September	47,948	11.66%
October	55,632	13.53%
November	63,482	15.44%
December	58,889	14.32%

Construction Activities

Staff has been working with the contractor regarding the construction of the manhole at the intersection of 14th & 15th. There has been some constraints regarding the traffic around the River school. Currently the Carmel Lagoon is up and the water table is delaying this project. Once the Lagoon is open and the river is flowing staff will work with the school on a date for construction.

General Comments

Staff has submitted all the necessary forms and documentation requested by FEMA.

Annual Collection Report

See attachment

Sewage problems responded to by crew

November:

November 6th – Lateral Backup

Called by Homeowner for a lateral overflowing at 25462 Carmel Knolls Drive. Staff found no problems in the District's main line and informed the homeowner to call a plumber of their choice to relieve the blockage.

12:25 – 12:40 PM

November 7th – Odor Complaint

Called by Main Office to the NE Corner of San Antonio and 4th for an odor complaint. The homeowner directed staff into a bedroom next to the bathroom that was having the odor problem. Staff found no problems with the SRV or the lateral and recommended that a plumber of their choice clean the roof vent.

10:30 – 11:00 AM

November 11th – Lateral Overflow;

Called by CFD for a lateral overflowing on the SE corner of Dolores and 7th. Staff found no problems in the District's main line and informed the business owner to call a plumber of their choice to relieve the blockage. CFD and County Health Department asked for assistance in the cleanup of the spill that reached the storm drain. .

1:03 – 1:51 PM

November 19th – High Level Alarm;

Called by SCADA for a high level alarm at Monte Verde & 16th pump station. Staff

arrived on scene to find the alarm had cleared. Staff tested the pumps to check for any blockages.

1:07 – 1:45 PM

November 20th – Lateral Backup;

Called by Homeowner for a lateral overflowing at 2928 Franciscan Way. Staff found no problems in the Districts main line and informed the homeowner to call a plumber of their choice to relieve the blockage.

9:00 – 9:10 AM

November 21st – Damaged Sewer Line;

Called by Main Office for a report of a contractor hitting a sewer line at 3 SE of 1st on San Carlos. Staff responded to find a water service had been hit by the contractor. Staff gave the contractor the proper contact information to get the leak fixed.

3:13 – 4:00 PM

December:

December 22nd – Lateral Backup;

Called by Homeowner for a lateral overflowing at 24395 San Luis Ave. Staff found no problems in the District's main line and informed the homeowner to call a plumber of their choice to relieve the blockage.

1:45 – 1:50 PM

December 25th – Pump Station power fail;

Called by SCADA for a power fail at Monte Verde pump station. Staff monitored the station until power was restored.

4:08 – 4:35 PM

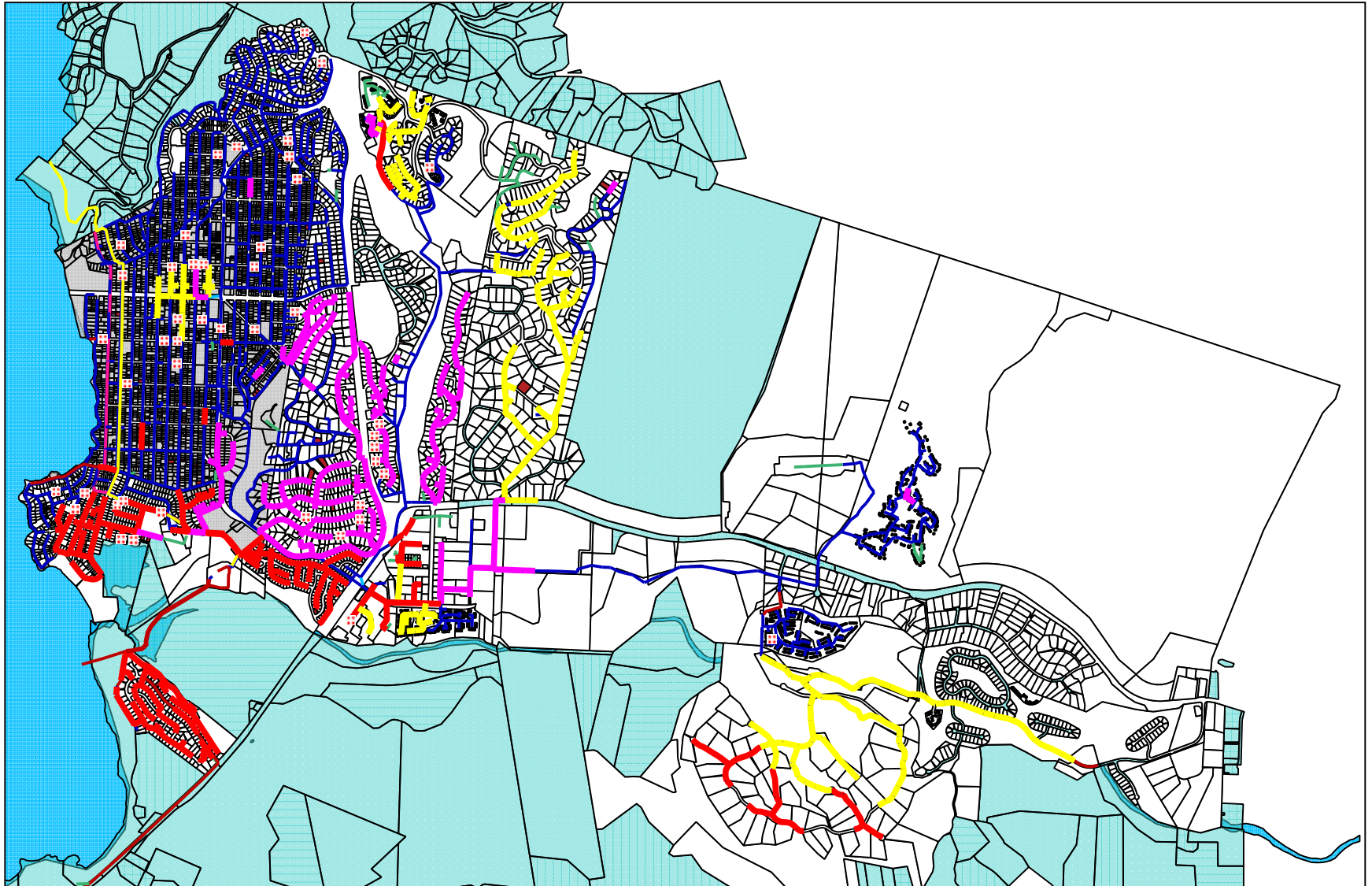
USA Location Requests – Nov. – 53

Dec. - 63

Overflow valve inspections – 0

October (Magenta) 55,632 feet
November (Yellow) 63,482 feet
December (Red) 58,889 feet

Monthly Cleaning Routes

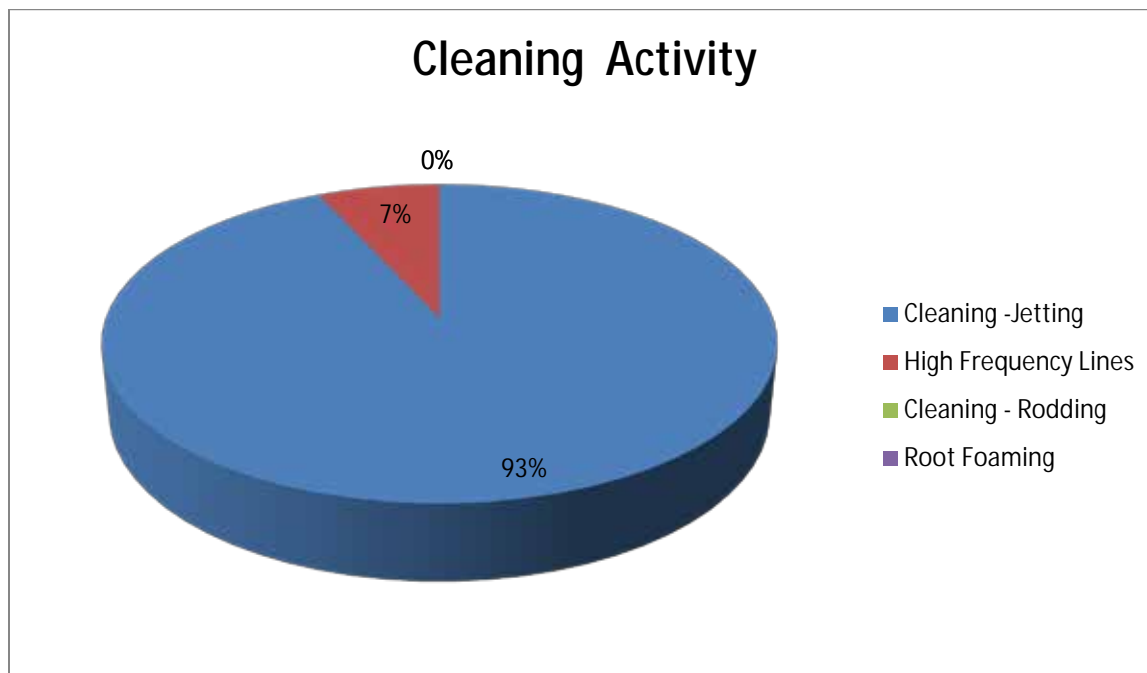


CAWD Collection Annual Report For 2017

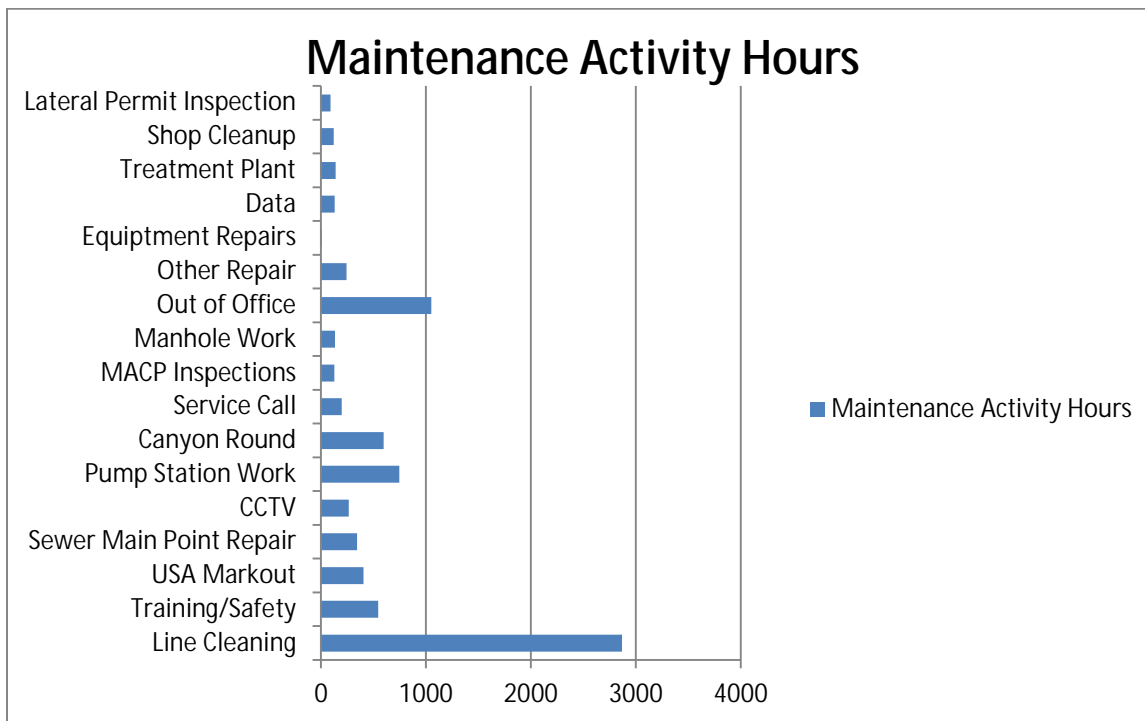
This report provides an overall summary of cleaning activity, construction, and Sanitary Sewer Overflow (SSO) information for the year of 2017.

Cleaning Activity: The Collection crew maintains 408,581 feet of gravity sewer lines and 21,600 feet of force mains in the District. During 2017 staff cleaned the equivalent to the entire system in little over 8 months. The types of cleaning methods used are hydro-cleaning, power rodding and root foaming.

Activity	Feet Cleaned
Cleaning - Jetting	626,979 ft.
High Frequency Lines	46,163 ft.
Cleaning - Rodding	0 ft.
Root Foaming	0 ft.
Total	673,142 ft.



Maintenance Activity: Collection crews responded to 88 service calls in 2017, with private lateral problems being the majority of the calls. The remaining calls were for odor complaints, pump station related problems, backed-up plumbing, and rattling manholes. Crews inspected 113 private lateral repairs, ranging from complete lateral replacement to spot repairs. There were 928 Underground Service Alerts mark outs for 2017. Collection crews were able to CCTV inspect 30,599 feet of sewer line. The District’s root foaming program ended up with budget year 17/18 work to be completed in calendar year 2018.



Construction Activity: During 2017 there were several projects that were completed, starting with the replacement of the power service to the Bay & Scenic pump station. This project replaced 600 feet of corroded electrical conduit with new PVC conduit and electrical wire. This upgrade was approved by PG&E, who then took ownership of the

line up to the station. This action eliminated the District's responsibility for the 600 foot run to the station.

Line segment R736 to R796 which is located in an easement behind 3650 Lazarro Drive was replaced in February. This was the replacement of a damaged sewer line that had 3 previous SSO's.

Staff installed 12 lockable manhole frame and lids made of a composite material to prevent frame and lid corrosion throughout the district.

The City of Carmel paving project happened at the end of 2016. The City did not pave during 2017, however they have a paving project starting in the spring of 2018 where the District will supply the contractor with new manhole frames and lids.

The Larson Field trunk main rehabilitation was a success during the summer of 2017. The District went with a CIPP (Cure in Place Pipe) rehabilitation method to fix severely damaged asbestos concrete pipe. This project consisted of the by-pass of a 600 ft., 27-inch, 350,000 GPD trunk main for two days and the installation of a cured fiberglass pipe.

The installation of a new manhole in the intersection of 14th & 15th will repair defects in the 12-inch pipe line and give the District redundant capacity. This project could not be completed in 2017 due to the level of the lagoon and the water table at the location of the new manhole so construction will begin in the spring of 2018.

Other Notable Activity: The Staff in Collections completed all of the necessary week long training courses in Confined Space Rescue and Hazwopper this year. Staff assisted the Operations and Maintenance staff during the final year of the Phase One Treatment Plant CIP. These

tasked included the cleaning of wet wells, installation of sewer lines, water line repairs, general plumbing, and potholing.

The GIS location of all District sewer assets was completed in the beginning of 2017 and is currently being used for the District’s Capacity model and to build the District’s Long Term CIP. Staff has spent a large amount of time gathering data for the Capacity Study, Long Term CIP, and FEMA documentation during 2017. The District currently has two applications in progress for grant funding, one for the Hatton Canyon sewer line replacement project, and the other for the outfall/force main lagoon crossing. I would like to congratulate the Collection Staff in finishing year 2017 with zero work time lost.

SSO Summary:

DATE	SPILL LOCATION	GALLONS SPILLED	GALLONS RECOVERED	CAUSE OF SPILL
2/6/2017	3650 Lazarro Dr.	1650	0	Roots
2/23/2017	Hatton Canyon	145,000	0	Pipe Failure
6/29/2017	3327 Camino Del Monte	17	0	Roots
8/17/2017	11 th & Torres	780	250	Free Flowing Root

SSO #1 occurred at 3650 Lazarro Dr. and was caused by roots growing in from a joint in the pipe. Staff used CCTV to inspect the line segment and locate the defect following the SSO. The line segment was replaced following the SSO due to the history of overflows on this line segment.

SSO #2 occurred on the Hatton Canyon easement. California experienced several large rain events that led to the access road being washed away in most areas in Hatton Canyon. The erosion around MH

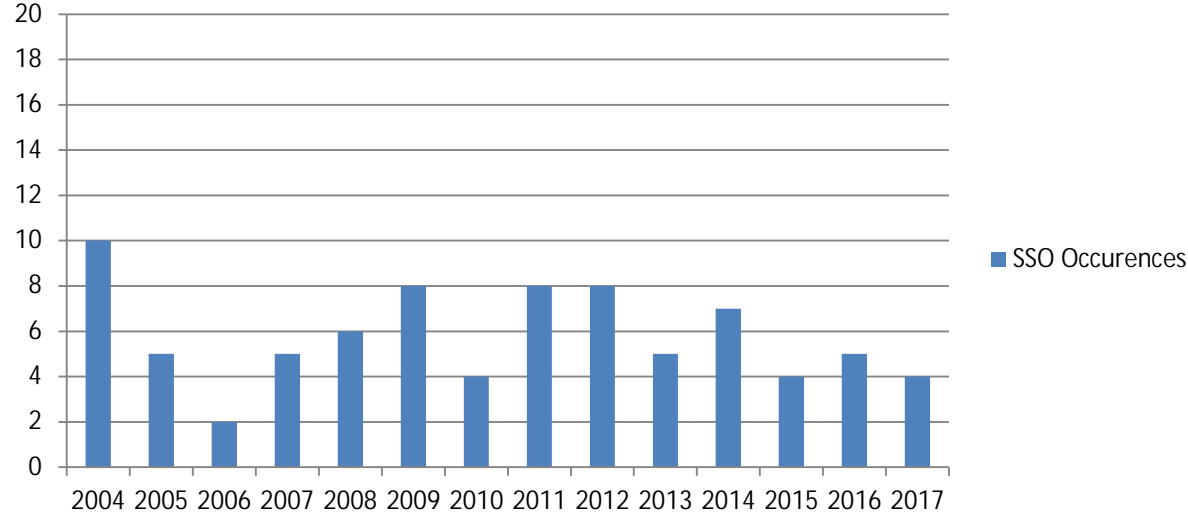
P802 led to a collapse of the pipe on the downstream side of the manhole. Staff had to carry by-pass equipment into the canyon to stop the SSO. A contractor was called in for repairs of the road and the sewer pipe. A pipeline design is currently underway for a Summer/Fall 2018 replacement of the entire Hatton Canyon pipeline. Staff has completed a FEMA grant application for assistance on the pipeline replacement as well as the road replacement.

SSO #3 occurred at 3327 Camino Del Monte and was caused by a root growing in at the pipe joint. An inspection was made following the SSO of this line segment and a large tree is located above the location of the root mass. Since there is only one lateral connected above the location of the roots staff added this line segment to the District's root foaming program and will continue to monitor this line segment. Additionally, a spot repair could be made there in the future.

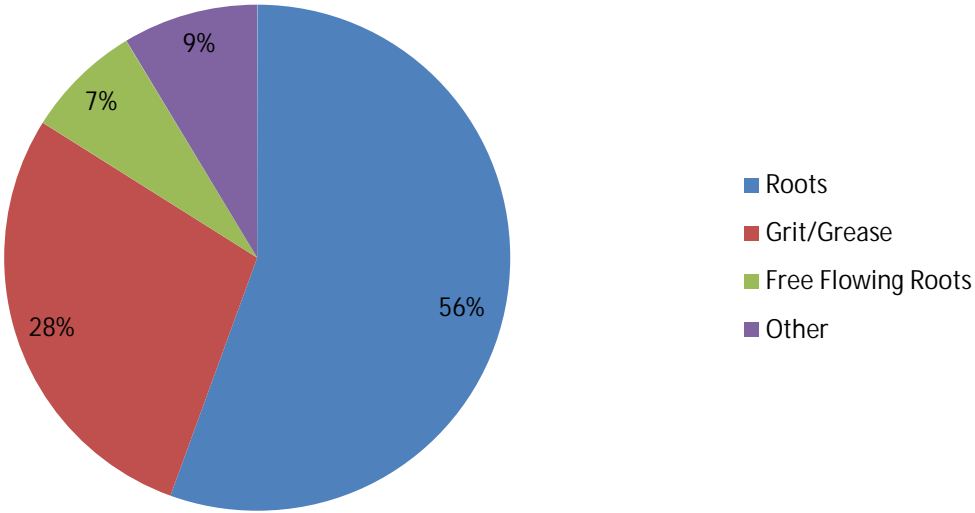
SSO #4 occurred at a manhole just inside the gate of the entrance to Doolittle Park at 11th & Torres and was caused by free flowing roots that a plumber cut loose and then became hung up on an offset joint in the pipe. A CCTV inspection was made following the SSO of that line segment and no defects were found other than the offset in the District's main line. Staff was unable to determine the location of the resident that had their drain cleaned.

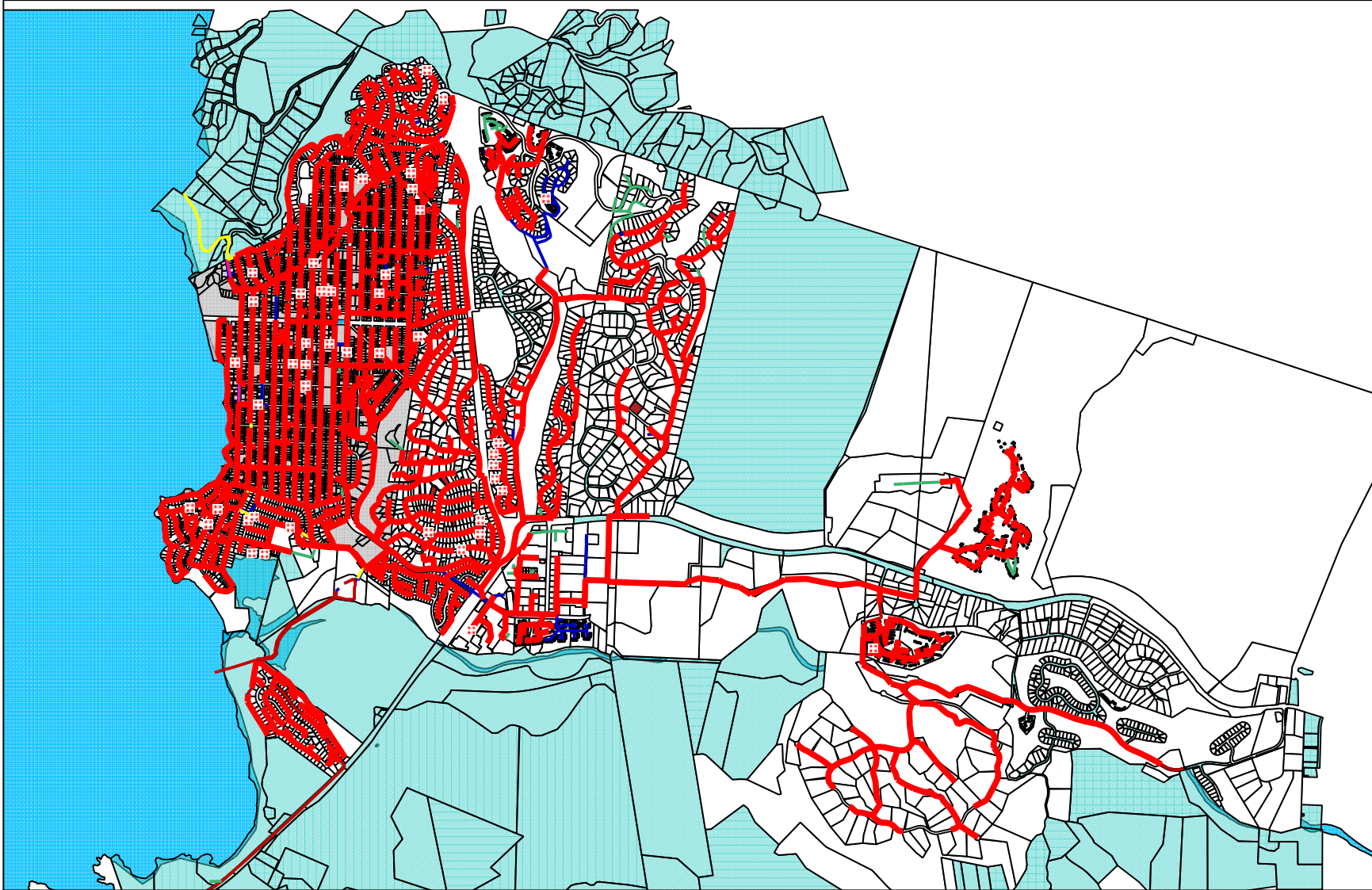
A map of all spill locations is attached to this report.

Sewer Main SSO History - Frequency



Cause of Spills Since 2004

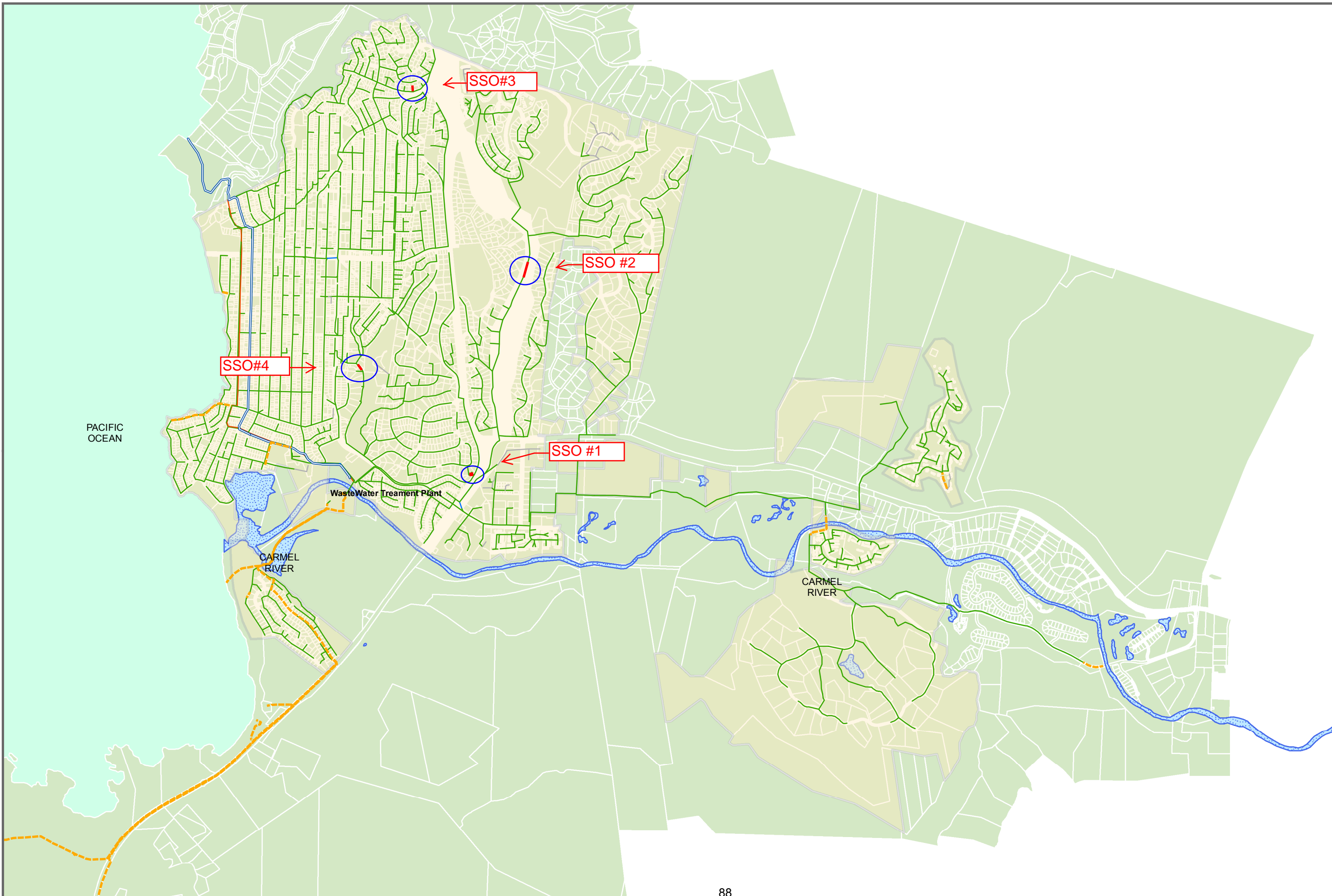




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ROBOTICS

1/5/2018





- Legend**
- ForceMains
 - Sewer Pipes**
 - Gravity
 - Private
 - PBCSD
 - Forcemain
 - FM Outfall
 - OFW
 - Reclamation
 - Service Area
 - County Parcels

Carmel Area Wastewater District
Sanitary Sewer System Inventory



Created by
RedZone Robotics
Revised 10/2013

Wastewater Treatment Facility Operations Report

	HYDRAULIC LOADINGS					YEAR-TO-DATE	
Report for: October 2017	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	25.077	0.809	0.659	0.994	70.969	296.03	908.06
PBCSD Flow	10.258	0.331	0.282	0.371	29.031	164.24	503.81
Total Plant Flow	35.335	1.140	0.987	1.314	100.00	460.27	1411.87
Tertiary Flow	29.869	1.124	0.987	1.284	84.531	275.88	846.25
Ocean Discharge	4.706	0.163	0.138	0.222	13.318	221.82	680.42
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	Monthly			Annual		
Potable Water	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure
	0.0%	0.0%	0.0%	0.0%	0.0%	0%

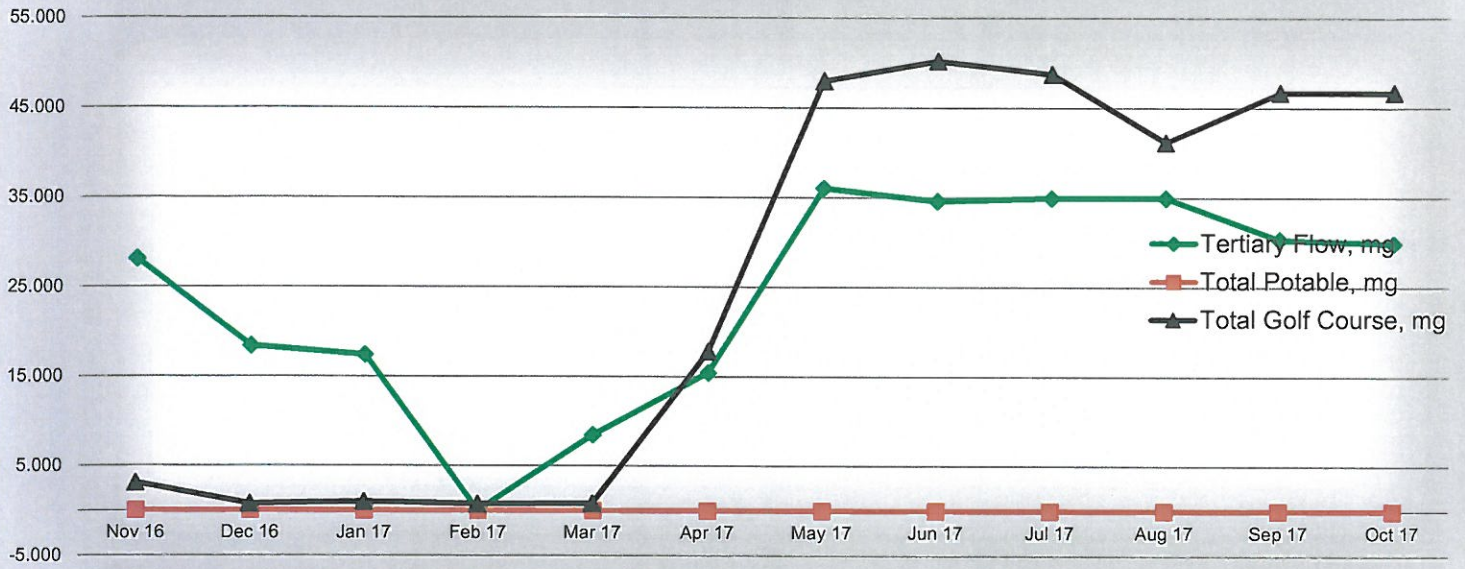
TERTIARY PROCESS HISTORY	
Total Monthly Reclamation Production	29.87 MG (91.67 acre-ft.)
Total Annual Reclamation Production (2017)	240.04 MG (736.68 acre-ft.)
Total Lifetime Reclamation Production (94-17)	6.09 BG (18.70 B acre-ft.)
Total Riparian Habitat Discharge (94-17)	49.79 MG (152.80 acre-ft.)
12 Month Rolling Total Reclamation Production	258.45 MG (793.18 acre-ft.)

ELECTRICAL COSTS						
Monthly Totals	October '17 kWh	Price per kWh	Oct '17	Sep. '17	Aug. '17	July '17
Secondary	135,771.30	\$ 0.199	\$ 27,004.75	\$ 23,810.79	\$ 25,154.53	\$ 25,003.78
Blowers	66,133.60	\$ 0.159	\$ 10,488.78	\$ 61,188.48	\$ 12,331.70	\$ 13,634.30
Tertiary	81,371.88	\$ 0.199	\$ 16,160.43	\$ 16,844.63	\$ 17,127.12	\$ 15,787.39
MF/RO	97,185.00	\$ 0.184	\$ 17,917.15	\$ 17,600.80	\$ 21,840.24	\$ 23,663.16
Monthly Totals	380,461.78	\$ 0.188	\$ 71,571.11	\$ 119,444.70	\$ 76,453.59	\$ 78,088.63

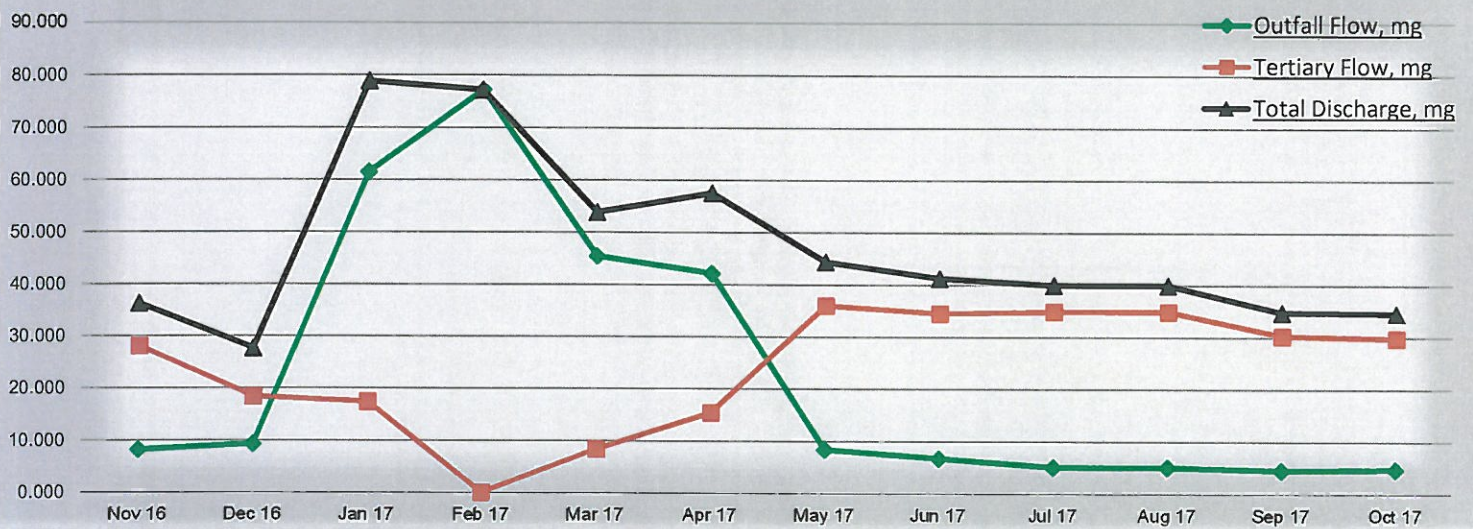
MICROTURBINE SUMMARY					
Month	Oct '17 kWh	Sept'17	Aug'17	Jul '17	Accumulated Totals
Production, kWh	743	2,120	3,393	3,393	611,302.00

COMMENTS
There was 1 sampling permit violation for the month of October. Effluent Settleable Solids exceedence
Price/kWh Total reported as weighted average.

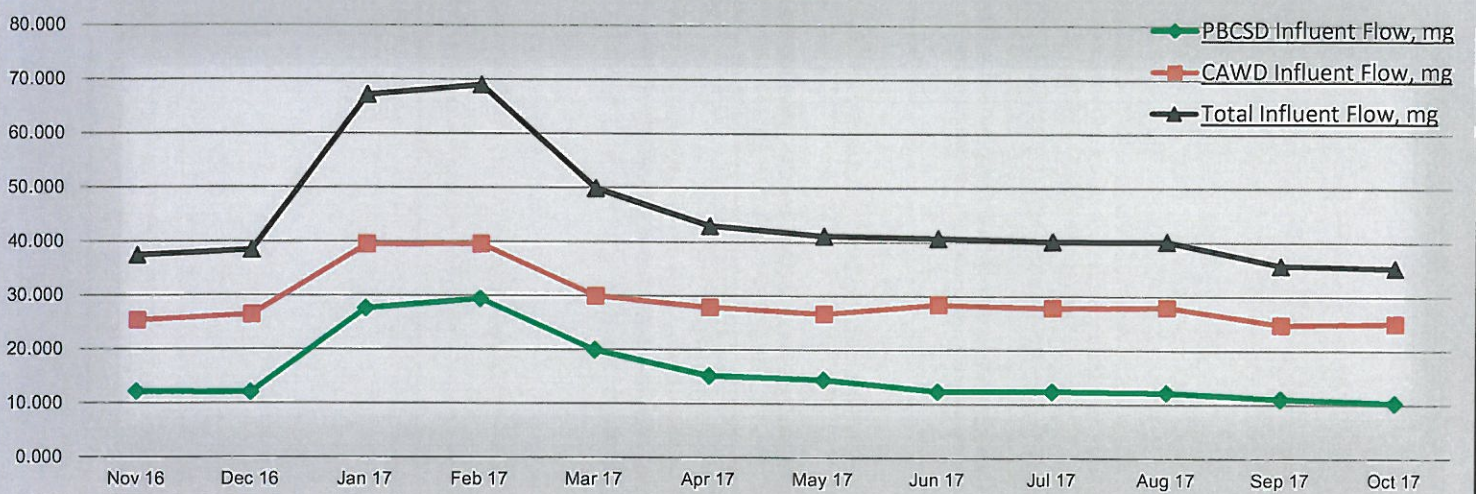
Total Golf Course Usage



Total Outflow



Total Inflow



Wastewater Treatment Facility Operations Report

	HYDRAULIC LOADINGS					YEAR-TO-DATE	
Report for: November 2017	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	23.075	0.809	0.691	0.889	71.704	319.10	978.85
PBCSD Flow	9.106	0.304	0.266	0.384	28.296	173.35	531.74
Total Plant Flow	32.181	1.073	0.970	1.273	100.00	492.45	1510.59
Tertiary Flow	27.759	1.124	0.987	1.284	86.259	303.64	931.40
Ocean Discharge	5.693	0.163	0.138	0.222	17.691	225.29	691.08
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	Monthly			Annual		
Potable Water	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure
	0.0%	0.0%	0.0%	0.0%	0.0%	0%

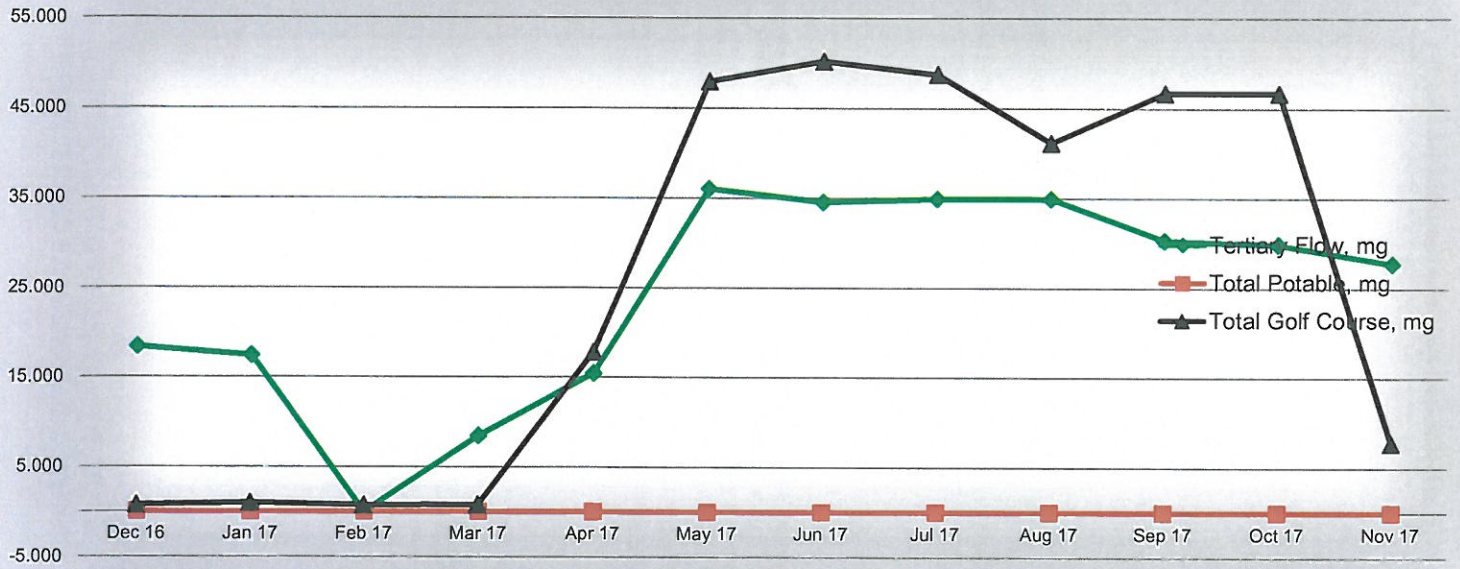
TERTIARY PROCESS HISTORY	
Total Monthly Reclamation Production	27.76 MG (85.19 acre-ft.)
Total Annual Reclamation Production (2017)	267.80 MG (821.88 acre-ft.)
Total Lifetime Reclamation Production (94-17)	6.36 BG (19.52 B acre-ft.)
Total Riparian Habitat Discharge (94-17)	49.79 MG (152.80 acre-ft.)
12 Month Rolling Total Reclamation Production	260.24 MG (798.69 acre-ft.)

ELECTRICAL COSTS						
Monthly Totals	November '17 kWh	Price per kWh	Nov '17	Oct '17	Sep. '17	Aug. '17
Secondary	143,615.00	\$ 0.133	\$ 19,039.11	\$ 27,004.75	\$ 23,810.79	\$ 25,154.53
Blowers	63,237.12	\$ 0.132	\$ 8,350.44	\$ 10,488.78	\$ 61,188.48	\$ 12,331.70
Tertiary	73,840.08	\$ 0.158	\$ 11,635.31	\$ 16,160.43	\$ 16,844.63	\$ 17,127.12
MF/RO	94,508.00	\$ 0.160	\$ 15,091.81	\$ 17,917.15	\$ 17,600.80	\$ 21,840.24
Monthly Totals	375,200.20	\$ 0.144	\$ 54,116.67	\$ 71,571.11	\$ 119,444.70	\$ 76,453.59

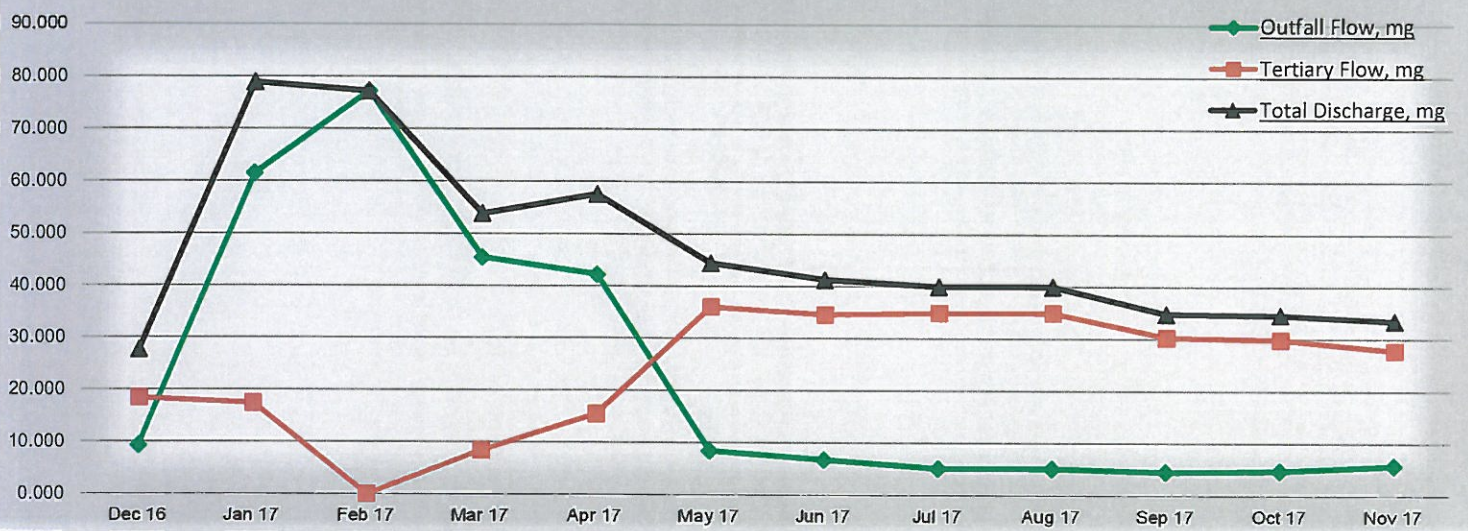
MICROTURBINE SUMMARY					
Month	Nov '17 kWh	Sept'17	Aug'17	Jul '17	Accumulated Totals
Production, kWh	0	2,120	3,393	3,393	610,559.00

COMMENTS	
Micro Turbines are off-line for repairs	
Price/kWh Total reported as weighted average.	

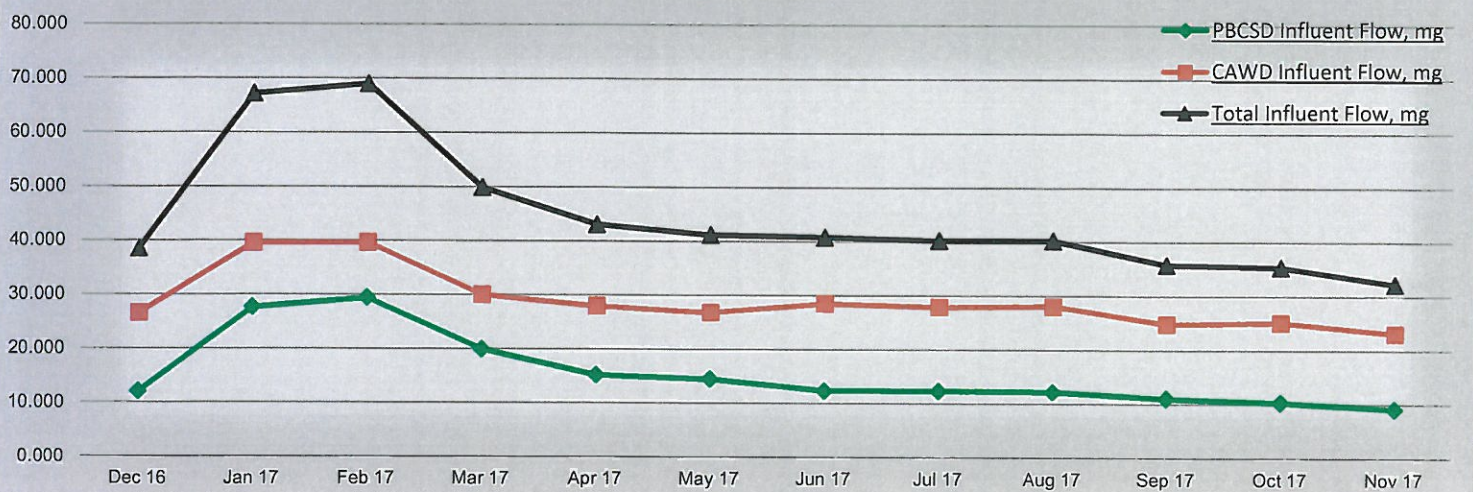
Total Golf Course Usage



Total Outflow



Total Inflow



Wastewater Treatment Facility Operations Report

	HYDRAULIC LOADINGS					YEAR-TO-DATE	
Report for: December 2017	Total Monthly, MG	Avg. Daily, MGD	Min Daily, MGD	Max Daily, MGD	% of Total	MG	acre-feet
CAWD Flow	23.733	1.298	0.677	0.922	72.832	342.84	1051.65
PBCSD Flow	8.853	0.286	0.241	0.408	27.168	182.20	558.90
Total Plant Flow	32.586	1.051	0.935	1.314	100.00	525.04	1610.54
Tertiary Flow	29.017	0.953	0.746	1.298	89.047	332.65	1020.41
Ocean Discharge	4.199	0.135	0.060	0.186	12.886	229.14	702.89
Potable Water	0.000	0.000	0.000	0.000	0.000	0.000	0.000

	Monthly			Annual		
Potable Water	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure	Potable Water Use Due to Flushing Cycle	Potable Water Use to Meet Demand	Potable Water Use Due to Equipment Failure
	0.0%	0.0%	0.0%	0.0%	0.0%	0%

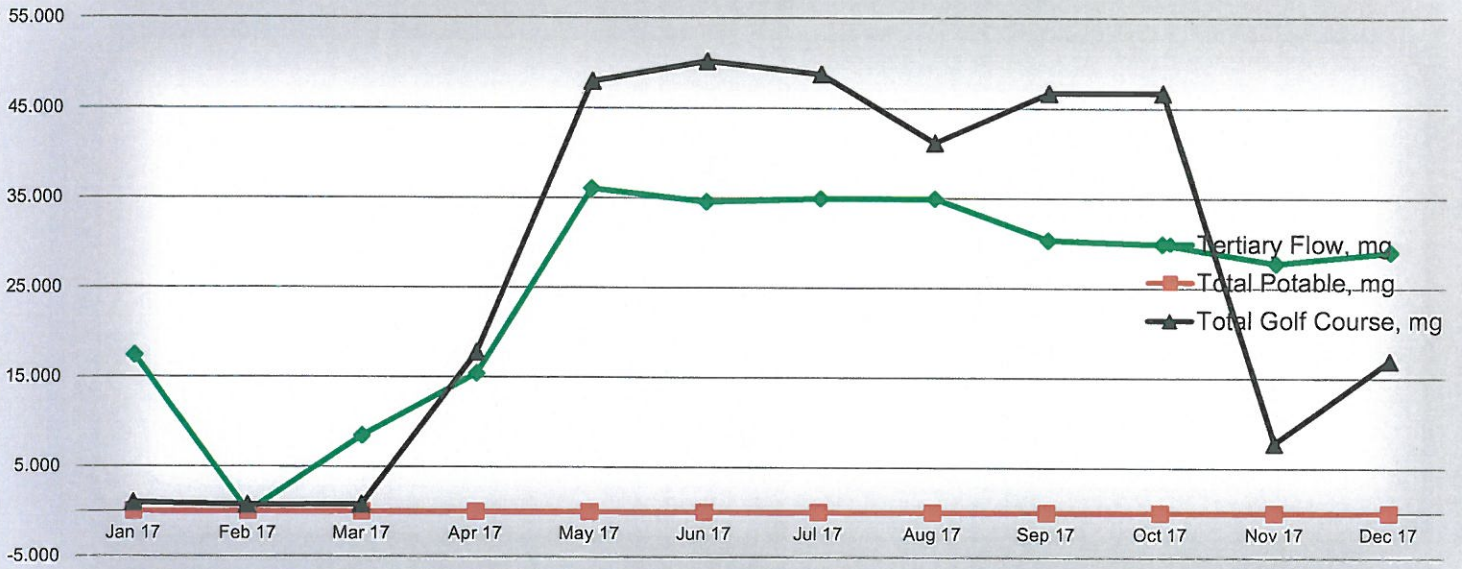
TERTIARY PROCESS HISTORY	
Total Monthly Reclamation Production	29.02 MG (89.05 acre-ft.)
Total Annual Reclamation Production (2017)	296.82 MG (910.93 acre-ft.)
Total Lifetime Reclamation Production (94-17)	6.66 BG (20.43 B acre-ft.)
Total Riparian Habitat Discharge (94-17)	49.79 MG (152.80 acre-ft.)
12 Month Rolling Total Reclamation Production	298.64 MG (916.53 acre-ft.)

ELECTRICAL COSTS						
Monthly Totals	December '17 kWh	Price per kWh	Dec'17	Nov '17	Oct '17	Sep. '17
Secondary	145,577.00	\$ 0.133	\$ 19,421.27	\$ 19,039.11	\$ 27,004.75	\$ 23,810.79
Blowers	59,801.28	\$ 0.132	\$ 7,870.94	\$ 8,350.44	\$ 10,488.78	\$ 61,188.48
Tertiary	80,560.32	\$ 0.143	\$ 11,528.26	\$ 11,635.31	\$ 16,160.43	\$ 16,844.63
MF/RO	83,854.00	\$ 0.153	\$ 12,834.85	\$ 15,091.81	\$ 17,917.15	\$ 17,600.80
Monthly Totals	369,792.60	\$ 0.140	\$ 51,655.32	\$ 71,571.11	\$ 119,444.70	\$ 76,453.59

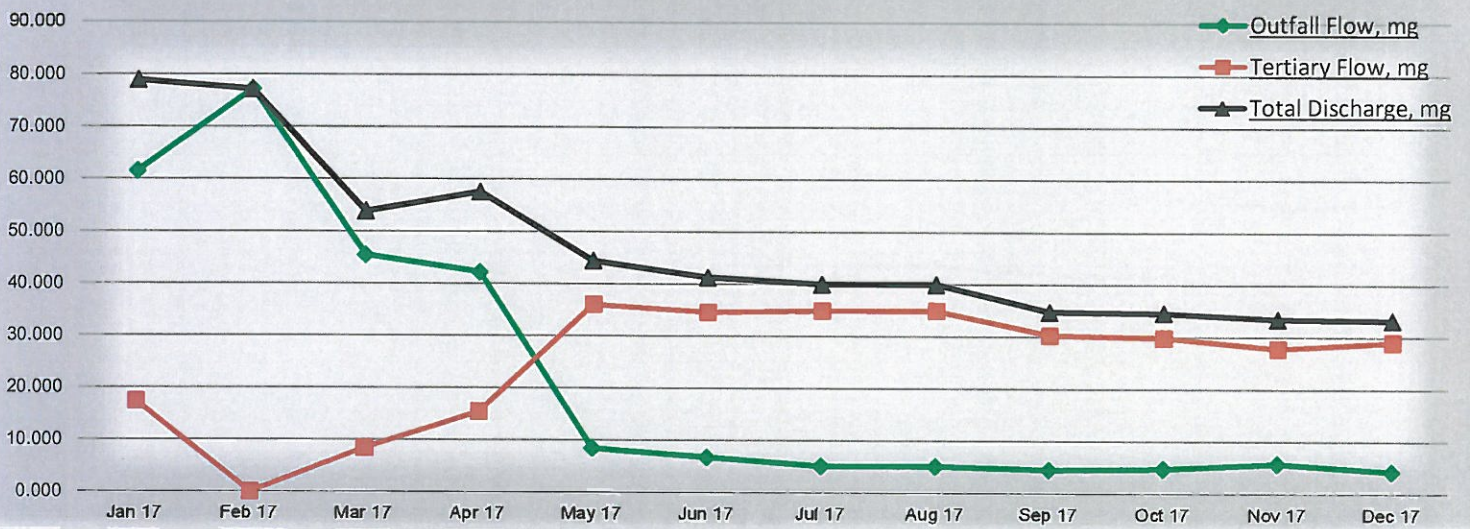
MICROTURBINE SUMMARY					
Month	Dec '17 kWh	Nov'17	Sept'17	Aug'17	Accumulated Totals
Production, kWh	0	0	2,120	3,393	610,559.00

COMMENTS	
Micro Turbines are off-line for repairs	
Price/kWh Total reported as weighted average.	

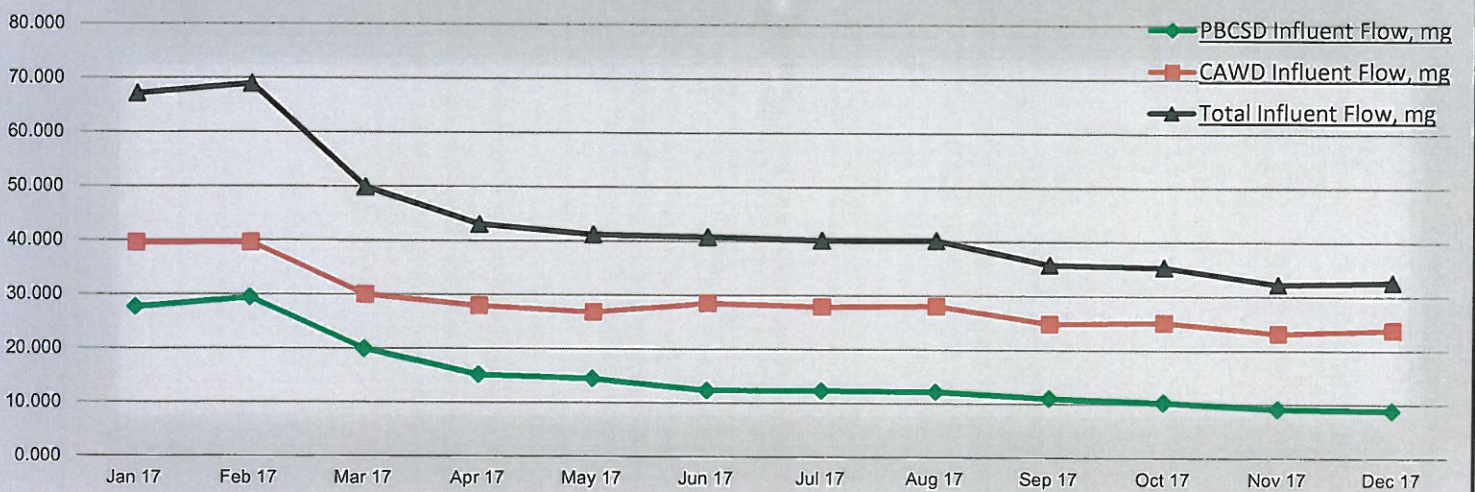
Total Golf Course Usage



Total Outflow



Total Inflow



STAFF REPORT



To: Board of Directors

From: Mark Dias, Safety and
Regulatory Compliance Administrator

Date: January 25, 2018

Subject: Monthly Report – December 2017

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

Safety & Training

At the monthly safety meeting in December, new Maintenance Superintendent Chris Foley introduced himself to staff and outlined some initial areas of focus including making CAWD's safety programs more usable (accessible, practical) for all staff while concurrently streamlining administrative and data-entry duties.

The goal will be to make improvements to reduce the high ratio of administrative time spent tracking and reporting by both staff and the incoming Safety/Compliance Administrator. With these "foundational" improvements time will be freed up to focus on physical safety improvements and training of staff. Areas for more immediate improvement are in visitor safety (tours, contractors) and inventories of existing safety equipment.

December tailgate topics were: Ladder Safety, First Aid kit locations and use of a tourniquet.

Tours and Public Outreach

Staff has received requests for multiple tours in January. The tour requests include students coordinated through the Ventana Wildlife Society, Seaside High and Carmel

Middle School. Staff is excited to start holding tours again due to pause of tours during construction. Mark Dias (Safety/Compliance Administrator) is coordinating tours with the technical tour being provided by operations staff.

Ongoing Safety Improvements

Areas for improvement under review include:

- Integrating existing systems with tablets in order to reduce paperwork and scanning so that documents are easy to access and archive.
- Reorganizing the existing CMMS (Mainsaver) system to track safety equipment inspections and maintenance.
- Leverage CSRMA's impressive toolbox of online resources to improve new employee safety orientation, contractor safety orientation and Lockout Tagout training.
- Review of the lockout tagout program and installation of a new Lockout Tagout center in the operations building.

Injuries, first aid responses, worker compensation claims

There were no accidents, injuries or new worker compensation claims in November or December 2017.

All staff have returned to work with one staff member on modified duty.

Staff is reviewing the injury and accident summary table provided in previous safety staff reports. An updated table will be provided in February.

FUNDING

N/A- Informational item only.

Staff Report



TO: CAWD Board of Directors

FROM: Ray De Ocampo
Laboratory/Environmental Compliance Supervisor

SUBJECT: Monthly Report – November 2017

DATE: January 25, 2018

LABORATORY REPORT

- On November 2, 2017 Laboratory Analyst Holland attended required refresher training for CPR and First Aid.
- CAWD Plant Superintendent Waggoner requested daily analysis of Digester #1 and #2 to monitor the startup and process changes.
- CAWD Plant Superintendent Waggoner requested lab analysis for Phosphate nutrient throughout all treatment plant processes. The laboratory sampled and analyzed for 2 weeks samples in plant. Laboratory staff collected samples in the collection system at designated locations. The Phosphate data analyzed will be compared with the MF RO system Phosphoric Acid cleaning.
- On November 22, 2017, the deadline for the Laboratory Analyst/ Environmental Compliance Inspector closed. The applications were gathered and sent over for review for potential interviews by the Treatment Plant Superintendent and Laboratory Supervisor.

ENVIRONMENTAL COMPLIANCE REPORT

- Mission Ranch staff notified CAWD Environmental Compliance staff that the interceptor will be pumped out. CAWD Inspector De Ocampo contacted Mission Ranch Maintenance Supervisor for inspection and associated pumping inspection forms.
- Staff had limited amount of inspection days due to lab operation analysis and holiday schedule.

Restaurant Inspection Table

Restaurant	Compliant	Reason For Non-Compliance	Comments
A.W. Shucks	Yes		
Carmel Bakery	Yes		
Little Napoli	Yes		
Cantinetta de Luca	Yes		
Hogs Breath	Yes		
Il Foranio	Yes		
The Grill on Ocean	Yes		
Akanoi	Yes		
Mulligan's Public House	Yes		
Lugano's Swiss Bistro	Yes		
Enzo	No	Excessive Grease	Warning Issued, follow up inspection to be performed
Il Tangenio	Yes		
Portabella	No	Excessive Grease	Warning Issued, follow up inspection to be performed
Mediterranean	Yes	Excessive Grease	Warning Issued follow up inspection to be performed.

Grocery Store/Delicatessen Inspection Table

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

Restaurant Compliance Table

Month	Maintenance	Mechanical
September 2017	97%	100%
October 2017	100%	100%
November 2017	97%	100%

Staff Report



TO: CAWD Board of Directors

FROM: Ray De Ocampo
Laboratory/Environmental Compliance Supervisor

SUBJECT: Monthly Report – December 2017

DATE: January 25, 2018

LABORATORY REPORT

- Laboratory staff is continuing to monitor the new digester that has been online
-
- On December 5, 2017 the Thermo-Fisher Gallery Analyzer was delivered. The Gallery training was scheduled for December 19th and 20th.
- On December 12, 2017, the laboratory staff and Plant Superintendent met to discuss the applications of laboratory candidates. There were nine candidates to proceed to the phone interview.
- On December 14, 2017 lab staff installed the pool float to the sample line at the Effluent building. The purpose of the float is to prevent a sample being collected from the wet well floor (sludge blanket) when the water level is too low.

ENVIRONMENTAL COMPLIANCE REPORT

- Trevor Holland has agreed to be on the California State University Sacramento Pretreatment Facility Inspection Manual Update Technical Review Committee. Mr. Holland will be working with other Environmental Compliance Specialists through California and the Tri-State Area to critique, review, and revise the Pretreatment Facility Inspection Field Study Manual.

- The Source Control department had limited amount of site inspections due to extra laboratory analysis and holiday schedule.

Restaurant Inspection Table

Restaurant	Compliant	Reason For Non-Compliance	Comments
Mission Ranch	Yes		
Enzo	Yes		Follow up inspection is compliant
400 Degrees Burgers	Yes		
Mediterranean	Yes		Follow up inspection is compliant
Portabella	Yes		Follow up inspection is compliant.
Pescadera/ Barmel	Yes		
Subway	Yes		
Village Corner	Yes		
Rio Grill	Yes		
Anton & Michel	Yes		

Grocery Store/Delicatessen Inspection Table

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

Restaurant Compliance Table

% Compliance	Maintenance	Mechanical
October 2017	100%	100%
November 2017	97%	100%
December 2017	100%	100%

STAFF REPORT



To: Board of Directors
From: Drew Lander, Principal Engineer
Date: January 25, 2018
Subject: General Engineering

RECOMMENDATION

This item is informational only - no action is required

DISCUSSION

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

General Engineering

The WWTP – Phase 1 project has concluded. The Board presentation and tours went very well on January 11th. The District Engineer is assisting Kennedy/Jenks Consultants with the close out of a very successful project. A final walk through has been completed with Anderson Pacific Engineering Construction, Inc. and a Notice of Final completion will be filed with the Monterey County Recorder’s office no later than January 26th, 2018.

The WWTP Rehabilitation – Phase 1 project was substantially complete on December 14, 2017 which allowed staff to submit the project for consideration into the running for this year’s American Public Works Association (APWA) Construction Project of the Year. There were 11 contenders for the award this year and CAWD has been notified that our project received Honorable Mention behind the Hwy 1 – Pfeiffer Canyon Bridge. This is a significant recognition considering the other project competition this year.

The Carmel Lagoon Outfall environmental document was not ready for circulation as expected at the end of December due to delays providing ground survey and archeological site observation. The lagoon water surface remained high throughout the month of December and the respective consultants were not able to enter the proposed project areas. The new deadline for circulation of the administrative draft of the

environmental document is in January because minor rainfall and County sandbar management at the beginning of the month was enough to open the sandbar and drop the water level.

Monterey County did perform sandbar management this year on the Carmel River beach. The sandbar was graded down prior to the rain events at the end of December. The minor rain event, together with wave over wash, was sufficient to elevate the lagoon enough to begin flowing to the ocean. Staff has been monitoring the lagoon level closely.

Collections

Engineering publicly bid the San Carlos sewer line replacement project and has brought to the Board a recommendation for a contract award. The bids were higher than expected. The bid environment is not ideal at the present time for smaller projects. Engineering will adjust the timing of future project bids or combine them with multiple projects to take advantage of economy of scale.

Treatment

The long awaited fiber optic internet feed has been installed and is now operational for all internet traffic at the treatment plant. This improvement will increase staff productivity associated with using the internet.

Maintenance

The Principal Engineer has continued to assist with the orientation of the new Maintenance Superintendent. Coordination between the Maintenance Department and engineering planning is going very well. The Principal Engineer also assisted in the interview panels for the new Maintenance Mechanic I and Safety/Regulatory Compliance Administrator positions.



<http://monterey.apwa.net>

January 12, 2018

Mr. Drew Lander, Principal Engineer
Carmel Area Wastewater District
3945 Rio Road,
Carmel, CA 93923

Dear Mr. Drew Lander

Subject: Monterey Bay Chapter, American Public Works Association
2018 Awards

Congratulations!

After careful review by the Awards Committee, the Board of Directors is very pleased to announce that your project, The WWTP Rehabilitation Project-Phase 1, has been chosen for special recognition as Honorable Mention for Projects Greater than \$5 Million.

This year was a very successful year resulting in the nomination of **eleven** exceptional projects throughout our three-county area. Each project was impressive! Each sponsoring agency, design team, and construction team should be very proud of their project/nomination. In addition, we have received nominations for the Person of the Year and Young Professional Person of the Year. As you know from other Chapter flyers, we will be celebrating all of our awards at the next Chapter meeting and annual awards presentation:

- Wednesday night
- January 24, 2018 at 5:30 PM
- San Juan Oaks Country Club
- Hollister CA

We are looking forward to your attendance and acceptance of your award! To better inform the attendees about your project, we suggest that you prepare a PowerPoint slideshow that we can use as a preview of your project to the attendees. Because of the large number of projects to be presented, the PowerPoint should consist of perhaps five to ten slides in addition to the title slide. **Please provide your PowerPoint to me by Friday, January 19th**, so we can combine them into a master slideshow to be shown during the dinner and before the program.

Again, we thank you for your support of your local Chapter of APWA and look forward to seeing you and your supporting consultants and contractor representatives on Wednesday, the 24th.

Sincerely

John I. Wallace, PE
Director, Awards

cc: Barbara Buikema, General Manager

2018 Board of Directors

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Kacey Held, Whitson Engineers

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Frank Lopez, Harris & Associates
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2018 APWA Monterey Bay Chapter Awards
Project of the Year and Honorable Mention Projects
To be Recognized at

San Juan Oaks Country Club, Hollister, CA January 24, 2018, 5:30PM

Results	Project	Agency	Contractor	Designer
POTY >5M	Pfeiffer Canyon Bridge	California Department of Transportation – (District 5 - San Luis Obispo)	Golden State Bridge, Inc.	N/A
HM >5M	Carmel Area Wastewater District, WWTP Rehabilitation Project – Phase 1	Carmel Area Wastewater District	Anderson Pacific Engineering Construction, Inc.	Kennedy/Jenks Consultants
HM >5M	Holman Highway 68 Roundabout Project	City of Monterey & TAMC	Granite Construction	Omni-Means, a GHD Company
HM Enviro	El Dorado Park Stormwater Infiltration and Green Infrastructure Retrofit Project	City of Salinas	Anderson Pacific Engineering Construction, Inc.	Wateristas
HM Enviro	City of Soledad Reclaimed Water Transmission Pipeline	City of Soledad	Monterey Peninsula Engineering, Inc.	Harris & Associates
POTY <5M	Branciforte Creek Bicycle/Pedestrian Bridge & Multi-Use Trail Project	City of Santa Cruz Public Works Department	Graniterock	TRC Solutions
HM <5M	Del Monte Boulevard and Beach Road Improvement Project	City of Marina	Monterey Peninsula Engineering (MPE)	Diablo Engineering Group
HM <5M	Interchange Improvements Project – State Highway 1 Northbound & Southbound at Imjin Parkway	City of Marina	Graniterock	Diablo Engineering Group
HM <5M	8 th Avenue and Inter-Garrison Road Roundabout	California State University, Monterey Bay	Monterey Peninsula Engineering	MME
HM <5M	Main Street Improvement Project	City of Watsonville	Earthworks Paving Contractor, Inc.	BFS Landscape Architects
POTY Enviro	Elkhorn Road Emergency Storm Damage Repair	County of Monterey	Granite Construction	MNS Engineers, Inc.



Staff Report

TO: Board of Directors
FROM: Ed Waggoner, Operations Superintendent
SUBJECT: Monthly Report – December 2017
DATE: January 25th, 2018

Plant Operation

Treatment Plant:

The treatment plant in general is working well. Operations Staff continues to make minor process changes to equipment to help improve the downstream processes.

Staff placed Primary Clarifier #2 back into stand-by during the week of December 4th in preparation for the rainy season.

Staff continues to communicate daily with Patrick Treanor (Kenndy-Jenks) and Anderson Pacific staff to coordinate any activities associated with the Capital Improvement Project.

Review technical memo No.3 from Kenndy-Jenks on the remaining electrical Motor Control Centers and Supervisory Control and Data Acquisition upgrades on plant improvements in December.

The new Digester # 2 is receiving all sludge flows and digesting solids at 55 percent volatile reduction rate. Industry standard is between 40 to 55 percent volatile reduction rate of volatile solids pumped to an anaerobic digester.

Reclamation:

Staff continues to monitor the used Carter Lake Micro Filter (MF) membranes in MF Cell #2. Currently the Trans membrane pressures (TMP) and Resistance values are well within operating parameters specified by the manufacturer.

Staff continued to provide data and drawings of the Tertiary System Sand Filters, Micro Filtration and the Reverse Osmosis systems in December with data request from the Trussell Technologies group. A Technical Report on Trussell Technologies recommendations is due at the end of January 2018. On rehabilitating the current Dynasand sand filters with upgrades to improve process water feed to the Micro Filtration system to extend MF membrane life

Training:

Plant in-house training continues with weekly Safety meetings.

Operations Superintendent on Fridays every week has Operations training (1 hour) which is mandatory for Operations Staff and is available to Laboratory, Maintenance, Collection and any other CAWD employees.

Training has been completed with the Capital Project on all new equipment that was installed for the Phase 1 project.

Capital Improvement Construction Activities for Operations

Anderson Pacific has focused all of their work around the cooling water systems for the standby generators. Anderson Pacific started the Punch list items for all other areas of the Phase 1 Project.

Meetings Attended

No meetings attended due to the Holiday Season.

Discharge Permit Violations

No Discharge Violation(s) for the Month of December.

Respectfully Submitted,

Edward Waggoner

Ed Waggoner

STAFF REPORT



To: Board of Directors
From: Chris Foley, Maintenance Superintendent
Date: January 25, 2018
Subject: Monthly Report – December 2017

RECOMMENDATION

Receive Report- Informational only; no action required.

DISCUSSION

New Staff

The maintenance department has 2 new staff members.

Mark Dias is our new Safety and Compliance Administrator. He started On January 2nd. Mark has a strong background in regulatory compliance and inspections through his work at the County Environmental Health Department.

Greg Ange is our new Maintenance Mechanic. Greg brings 20 plus years of experience in the mechanical field and is also a licensed wastewater operator.

Maintenance Projects in Progress

The focus of December has been the CMMS (Mainsaver) Asset Registry and Hierarchy. Staff has been populating and organizing all the new equipment to integrate into the preventative maintenance program.

A plantwide inventory plan was developed and is being implemented. Staff is organizing parts, documenting quantities and relocating equipment to make finding material and information more efficient.

Maintenance has been completed on the Microturbine gas conditioning system. The one

operational microturbine has been offline due to commissioning of the new waste gas burner. The microturbine is scheduled to be placed back in service on January 16th.

Upcoming Maintenance Projects

Operations and Maintenance Staff completed a preventative maintenance walkthrough of the MF/RO pad. The major preventative maintenance items are scheduled for early February and staff reviewed all the items and discussed coordination in order to maintain system operation while still completing maintenance.

Staff is reviewing the vehicle maintenance program and updating to reduce cost and to reduce staff time shuttling vehicles for maintenance while still providing effective preventative maintenance and timely corrective maintenance. Vehicles are especially critical to the Collections department and one goal is to minimize the disruption to their daily work due to vehicle maintenance.

Staff is working with Exceedio on an IT/SCADA network upgrade plan. The goal is to improve WiFi and network security at the treatment plant so that tablets can be implemented and secure remote access can be provided to on-call staff and vendors for support.

AT&T and Exceedio are scheduled to complete the copper to fiber optic migration for internet on January 11th. This will improve productivity of staff by having reliable and fast access to network and web resources.

Staff Development

Staff has created a list of safety training classes for the new safety and compliance administrator. Some of the classes included qualified fall protection inspector and train the trainer for forklift/aerial lift.

Staff has requested a quote from Mainsaver (CMMS Vendor) for a core training refresher and advanced admin training for the Maintenance Superintendent and CMMS administrator to assist in implementing more advanced features such as inspection routes and spare parts tracking.

Draft training budget requests for FY18/19 have been submitted. Goals include continued increase of mechanical knowledge of maintenance staff as well as adding more knowledge and training of electrical and instrumentation maintenance so that reliance on outside contractors can be reduced in the future.

FUNDING

N/A- Informational item only

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: January 25, 2018
Subject: 2018-20 Contract Negotiating Ground Rules

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the General Manager and members of the Salary/Benefits Committee on behalf of the Board to sign the attached 2018-20 Contract Negotiating Ground Rules.

DISCUSSION

This item is returned to the Board from the December 7, 2017 meeting. Staff returned the contract to the Employees with a request for changes as noted during December 7 meeting (see attached letter request).

Employees agreed to all requested changes and have signed the document.

FUNDING

At this time there is no known additional financial cost to this proposal.

Should employees decide they wish to engage either Subject Matter Experts (SME's) or Technical Advisors (TA's) they would be required to bear the cost of their own experts (Participation #8).

Should employees decide they wish to engage a facilitator they would be responsible for the cost of their own facilitator (Negotiation Management #5).

The Agreement makes no provision for mediation if an agreement cannot be reached.



Carmel Area Wastewater District

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

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

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

December 13, 2017

James Grover
Robert Bowman
Chris Dixon

Re: 2018-20 Contract Negotiating Ground Rules

Gentlemen:

The 2018-20 Contract Negotiating Ground Rules was presented at the December 7, 2017 Board meeting for approval. The Board declined to approve the contract in its current form and has requested the following changes:

- Section: Purpose #2
 - Request the following modification: “.... Pursuant to California State Law under *the general provisions of the* Meyers-Millias-Brown Act.”
- Section: Purpose #3
 - Request the following modification: “This MOU will remain in full force and effect until such time as *the current* negotiations are completed and a new local supplement agreement is signed by the parties.”
- Section: Participation #2
 - Request the following modification: “District Representatives: the District will be represented by Barbara Buikema, *as its Chief Negotiator* to reach *any* tentative agreement. Other members of the District’s negotiation team, *if any*, will be identified at the first formal meeting.
- Section: Negotiation Management #1
 - Request the following modification: “The *Employees* will *offer* a complete set of proposals on _____. After *any* joint exchanges *have been made*, no new proposals can be submitted by either party absent mutual agreement of the Chief Negotiators.

The District would like to request a “clean” copy of the agreement incorporating the requested modifications. Assuming that you submit the changes to the District in a timely fashion we will return this item to the Board for approval at their regular January meeting.

Until such time as the 2018-20 Contract Negotiating Ground Rules is formally approved by the Board, the District is prepared to act "as if" the agreement, incorporating all requested modifications, has been formally accepted in order to facilitate continued negotiations during the interim.

Regards,

A handwritten signature in black ink, appearing to read "B. Buikema". The signature is written in a cursive, flowing style.

B. Buikema
General Manager

cc: Wellington Law Offices

**Carmel Area Wastewater District
2018 – 2020 Contract Negotiating Ground Rules**

Purpose

1. The undersigned representatives of the Carmel Area Wastewater District Management and the Employees of Carmel Area Wastewater District hereby agree to the following ground rules to govern the procedural aspects of the meet and confer process between the parties. As used herein, meet and confer process includes any and all impasse procedures.
2. Both the District and Employees agree to meet and confer in good faith pursuant to California State Law under the general provisions of the Meyers-Milias-Brown Act.
3. This MOU will remain in full force and effect until such time as the current negotiations are completed and a new local supplement agreement is signed by the parties.

Location and scheduling

1. The meet and confer sessions shall be scheduled by the Chief Negotiators of each party through mutual agreement. The chief Negotiator for each party shall be responsible for notifying their respective negotiating team members as to the meeting times, dates, locations, etc. Appropriate meeting sites that allow each side to hold confidential caucus shall be agreed to by the parties at the first meeting. Sites may be changed from time to time as the need arises by mutual agreement of the parties.
2. Attendance at the meet and confer sessions shall be limited to the two bargaining teams. Any resources people or guest shall only be invited and allowed to attend by mutual agreement of the parties. Requests by either party to invite anyone other than the declared negotiating team members shall be made in advance of scheduled meetings whenever possible.
3. A fifteen minute break will also be provided as determined by the Chief Negotiators.

Participation

1. The Employees shall be represented by (James Grover) as Chief Negotiator, who shall have the authority to present, amend and receive proposals for discussion and to reach tentative agreement. The parties agree that reasonable release time, without loss of pay or benefits, shall be arranged for up to 3 employees of the District to attend meet and confer sessions. Employees so released shall not be eligible for overtime or other expenses as part of their duties representing the other employees, and no employee who is not scheduled to work when meet and confer sessions are held shall be entitled

to paid release time. Employee representatives shall be released from duty up to 1 hour before meet and confer sessions and up to 1 hour following the meet and confer session, if requested and agreed to by the District, in order to review the meeting and plan the next meeting(s). Each employee representative shall be responsible for properly notifying his/her supervisor and/or when requesting to be released from duty to attend negotiations.

2. District Representatives; the District will be represented by Barbara Buikema, as its Chief Negotiator and to reach tentative agreement. Other members of the District's negotiating team, if any will be identified at the first formal meeting.
3. Composition of Negotiating teams; once formal negotiating teams have been established, and by no later than the second meeting of the parties, all members of both teams should be present to conduct formal negotiations. Every effort will be made by both parties to have all members of both parties to have all members present at each meeting. In the event unforeseen circumstances prevent a member from attending a scheduled meeting, the meeting shall be held with that member absent. If any member misses two scheduled meetings, they shall be automatically and permanently dropped as a member of the negotiating team. No new members may be added after the second meeting. It is the intent of the parties to include members on the negotiating teams who are committed to good faith bargaining and who are committed to being involved in the entire process. The parties acknowledge that the free exchange of complete and accurate information, ideas and opinions can only occur if team members of both parties attend each and every negotiation session.

Nothing contained herein shall prevent either Chief Negotiator from canceling a scheduled meeting prior to the time set for the meeting.

4. All proposals from either side shall be in writing. Any verbal proposals offered during the course of negotiations shall be committed to writing prior to the response from the responding party. Counter proposals shall also be in writing and any verbal counter proposal offered during the course of negotiations shall be committed to writing prior to the next formal meeting.

Except by mutual agreement, no new proposal unrelated to proposals on the table, shall be submitted by either party after the 4th meet and confer session. This is in no way intended to interfere with either party's ability to make counter proposals, but intended to identify all areas of bargaining.

"Package Proposals" may be made by either party at any time in an effort to conclude negotiations and reach agreement. Package proposals may contain new issues if they are intended to further the interests of the parties in reaching agreement and such package shall not be considered bad faith bargaining. Package proposals are understood to mean a proposal in which all items offered must be accepted or rejected as a whole.

5. Request for Information; all requests for information by either party shall be in writing and in enough detail to specify the document or type of information requested.
6. Notes, Records and Minutes; each side shall take their own notes and keep their own records and meeting minutes. No mechanical recording devices such as a tape recorder shall be allowed nor shall the services of a recording stenographer be used.
 - a. Bargaining team members may use non-voice activated lap-tops and may connect to the internet in order to research, make, and keep its own notes and records.
 - b. Cellular phones, smartphones and other mobile communication devices will be placed on vibrate or silent mode during all negotiation sessions.
7. Confidentiality; Both parties agree to the best of their abilities that the confidentiality of the bargaining process will be maintained until such time as a total agreement has been reached or a formal declaration of impasse has been made. Specifically, no press releases, TV or radio ads shall be made, or interviews conducted until either party declares that an impasse has been reached and a discussion on the procedures for attempting to resolve the impasse has been held.

No part of this section is meant to restrict dissemination of information to each teams' constituent groups. This includes copies of minutes and proposals, as well as free discussions of topics, direction, and overall climate of the meetings.

8. Subject Matter Experts (SME's) and Technical Advisors (TA's) must be mutually agreed to in advance by the Chief Negotiators. SME's and TA's will remain silent and play no role in the negotiation process unless authorized by the Chief Negotiators. When authorized, SME's and TA's may only comment on matters within the scope of their expertise.

Negotiation management

1. The Employees will offer a complete set of proposals on _____. After any joint exchanges have been made, no new proposals can be submitted by either party absent mutual agreement of the Chief Negotiators.
2. The parties will alternate presenting proposed supplemental agreement articles. The parties will introduce each proposed article before any discussion of the article takes place. The party introducing the proposal will explain it and provide the meaning, objectives and interests relative to the proposal language. Both parties will be allowed full opportunity to present necessary and relevant information to support their

positions. Both parties recognize the importance of concluding negotiations as expeditiously as reasonably possible.

3. The record of the parties' proposals and agreements for each article and any other joint bargaining documents will be in Microsoft Word format.
4. Caucuses; either party may call a caucus at any time during the bargaining sessions. The bargaining team requesting a caucus will leave the negotiation room to caucus in the caucus room. There is no limit on the number of caucuses held but the parties will make every effort to restrict the number of caucuses and will provide a reasonable estimate on the anticipated length of the caucus and will provide updates if more time is necessary so as not to unduly disrupt or delay negotiations.
5. The parties, by mutual agreement, may enlist the assistance of a facilitator in the bargaining process.
6. Tentative agreements; the parties agree that they will sign off on tentative agreements as they are reached. No proposal shall be binding until an overall agreement is reached and ratified by the parties. Once a total tentative agreement has been reached, each party shall have the obligation to recommend adoption of the total package to their respective constituents.
7. Withdrawn proposals; once either party has withdrawn a proposal, that proposal shall no longer be considered during negotiations, and if applicable, may not be considered in arbitration. Unaccepted package proposals shall not constitute withdrawals.
8. Memorandum of Understanding; When a total agreement is ratified the parties will enter into a written Memorandum of Understanding (MOU). Each side shall make a good faith effort to obtain ratification/approval of their respective constituents. The MOU shall be submitted to the CAWD Employees and upon ratification be submitted to the District's Board. No MOU shall be binding or in effect until it has been approved by the District's Board.
9. These ground rules are effective upon signature by both parties. The parties may amend any provision of these ground rules by mutual consent and in writing.



Employees Chief Negotiator

District Chief Negotiator

Date signed: 12-15-17

Date signed: _____

Effective Date : 12-15-17



Employees Negotiator
Chris Dixon

Date signed: 11/8/17



Employees Negotiator
Robert Bowman

Date signed: _____

Effective Date : _____

Board President
Ken White

Date signed: _____

Board Director
Michael Rachel

Date signed: _____

RESOLUTION NO. 2018-01

A RESOLUTION AUTHORIZING THE GENERAL MANAGER AND MEMBERS OF SALARY/BENEFITS COMMITTEE ON BEHALF OF THE BOARD TO SIGN THE 2018-2020 CONTRACT NEGOTIATING GROUND RULES

-oOo-

WHEREAS, by Staff Report (and accompanying materials) included with the agenda packet for the January 25, 2018, regular meeting of this Board, staff has recommended that this Board authorize signing the employee presented 2018-2020 Contract Negotiating Ground Rules; and

WHEREAS, the Board has determined it is in compliance with the Meyers-Milias-Brown Act and has been fully reviewed by District Counsel; and

WHEREAS, on the basis of staff report and comments of staff, this Board is persuaded that the recommendations noted immediately above are in the best interest of the District.

NOW, THEREFORE, BE IT RESOLVED that the General Manager and Salary/Benefits Committee on behalf for the Board may sign the 2018-2020 Contract Negotiating Ground Rules.

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

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: January 25, 2018
Subject: Update Classification/Salary Schedule

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution approving an update to the District's Classification/Salary Schedule to add a Maintenance Mechanic I position at Range 12.

In addition, it is recommended that the Board of Directors ratify the actions of the General Manager and retroactively allow said position effective December 27, 2017.

DISCUSSION

Staffing in the Maintenance Department allows for two staff mechanics – the 2017-18 budget provides for two Maintenance Mechanics II. In September 2017 one of the positions became empty. Recruitment involved offering the positions to our temporary employee in Operations, Greg Ange.

Mr. Ange was a temporary employee for one year and therefore already knows the facility and staff quite well and has proven himself to be a good worker. As a temporary employee he was being compensated as an Operator I – Range 12, Step A. To offer him a full time position in the Maintenance Department we felt that it should, at a minimum, be a lateral move. While Mr. Ange is qualified, he does not yet hold the Maintenance Worker certification offered by the California Water Environment Association (CWEA). Therefore, we proposed placing him at the same pay range he held as a Temp and bumping him to Step B because he has been at the facility for 12 months. Employees typically receive a step increase after their probation or six months.

We are asking for this adjustment to the Classification Schedule because the District has not employed a Maintenance Mechanic I for some time and it is not on our current Classification/Salary schedule.

FUNDING

The 2017-18 Budget provided for two Maintenance Mechanic II positions (Range 15). One of the positions has been open since September 2017. There are sufficient funds in the 2017-18 budget to replace the open position.

The recruitment process was successful; however we filled the position in December 2017 as a Maintenance Mechanic I (Range 12).

RESOLUTION NO. 2018-02
 DESIGNATING CLASSIFICATION TITLES IN THE
 CARMEL AREA WASTEWATER DISTRICT
 AND PROVIDING FOR THE NUMBER OF POSITIONS AND
 MONTHLY SALARY RANGES

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

Section 1. That the "Positions", "Classification Titles" and "Salary Ranges and Steps" enumerated below are hereby adopted for positions of employment in the Carmel Area Wastewater District:

Positions	Range	Classification Titles	SALARY STEPS				
			A	B	C	D	E
Administration							
1	n/a	General Manager	<i>Negotiated with Board of Directors</i>				
1	26	Principal Accountant	7,433.64	7,805.32	8,195.59	8,605.38	9,035.65
1	16	Administrative Services Coordinator/Bd. Se	5,807.15	6,097.52	6,402.38	6,722.50	7,058.62
Engineering							
1	37	Principal Engineer	9,753.56	10,241.24	10,753.30	11,290.97	11,855.52
Treatment Plant Operations							
1	31	Operations Superintendent	8,409.35	8,829.82	9,271.31	9,734.88	10,221.62
1	31	Maintenance Superintendent	8,409.35	8,829.82	9,271.31	9,734.88	10,221.62
0	31	Associate Engineer	8,409.35	8,829.82	9,271.31	9,734.88	10,221.62
1	26	Operations Supervisor	7,433.64	7,805.32	8,195.59	8,605.37	9,035.64
1	24	Laboratory Supervisor	7,075.43	7,429.21	7,800.67	8,190.70	8,600.23
3	20	Senior Operator	6,409.99	6,730.50	7,067.02	7,420.38	7,791.39
1	19	Safety/Regulatory Compliance Administrat	6,253.66	6,566.33	6,894.65	7,239.38	7,601.36
1	19	Laboratory Analyst II/Environmental Inspe	6,253.66	6,566.33	6,894.65	7,239.38	7,601.36
0	18	Maintenance Mechanic III	6,101.13	6,406.19	6,726.50	7,062.82	7,415.96
2	17	Plant Operator II	5,952.33	6,249.94	6,562.44	6,890.56	7,235.09
1	16	Laboratory Analyst I/Environmental Inspec	5,807.15	6,097.52	6,402.38	6,722.50	7,058.62
1	16	CMMS-Plant Administrative Coordinator	5,807.15	6,097.52	6,402.38	6,722.50	7,058.62
1	15	Maintenance Mechanic II	5,665.52	5,948.79	6,246.23	6,558.54	6,886.46
0	14	Maintenance Worker II	5,527.32	5,803.69	6,093.88	6,398.57	6,718.50
1	12	Plant Operator I	5,260.99	5,524.04	5,800.24	6,090.26	6,394.77
1	12	Maintenance Mechanic I	5,260.99	5,524.04	5,800.24	6,090.25	6,394.77
0	9	Maintenance Worker I	4,885.35	5,129.61	5,386.09	5,655.40	5,938.17
Collection Maintenance							
1	31	Collection System Superintendent	8,409.35	8,829.82	9,271.31	9,734.88	10,221.62
4	17	Collection Worker III	5,952.33	6,249.94	6,562.44	6,890.56	7,235.09
0	10	Collection Worker II	5,007.49	5,257.87	5,520.77	5,796.80	6,086.63
0	6	Collection Worker I	4,536.54	4,763.35	5,001.52	5,251.61	5,514.19
25	Total Positions authorized						

Section 2. That salaries paid to occupants of said positions shall be administered in accordance with Ordinance No. 97-2 titled "Personnel Policies".

Section 3. The Provisions hereof shall be in force and effect as of **December 27, 2017**

Section 4. That this resolution supercedes **2017-19** in its entirety.

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

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

 President of the Board

ATTEST:

 Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Drew Lander, Principal Engineer

Date: January 25, 2018

Subject: Contract Award Recommendation – FY2017-2018 Sewer Line Replacement Project – San Carlos between 6th Avenue and Ocean

RECOMMENDATION

Staff recommends that the Board of Directors:

- Adopt a resolution awarding a contract for construction services in the amount of \$94,600.00 to Monterey Peninsula Engineering (MPE), of Marina, California for the construction of a replacement sewer line and roadway repair.
- Authorize the General Manager to sign and execute the said contract.
- Authorize the General Manger to amend the 2017/18 budget, removing Collections Department – CIP item #12 and returning the budgeted amount of \$70,000 to the Capital Reserve.
- Allocate \$94,600.00 from the 2017/18 Capital Reserve for the completion of this project.

DISCUSSION

By way of Resolution No. 2017-50 dated December 7, 2017, 2014, the Board of Directors authorized staff to call for bids by qualified general contractors who are equipped to perform sewer line replacement and repair.

Request for proposals were mailed out on December 15, 2017, advertisements in the local newspaper occurred on December 22, and December 29 and direct mailing to known qualified contractors performing this type of work. One addendum was required to be prepared and made part of the bid documents. Addendum #1 provided

clarification to the contract schedule and construction constraints which were expected to increase slightly the cost of the work to be performed.

Of the six (6) individual known companies who received bid requests two (2) responses were received. Both bid proposals were found to be complete. Two contractors did contact the District to advise they would not participate due to prior commitments.

On January 10, 2018 the sealed proposals were opened with the following results:

BIDDER	BID AMOUNT
Monterey Peninsula Engineering - Marina	\$94,600.00
The Don Chapin Co. - Salinas	\$134,640.00.00

After review of the bids, Monterey Peninsula Engineering (MPE) did provide a complete submittal and is a qualified bidder. The winning bid is approximately 34% higher than the revised expected engineer's estimate. This significant increase in the anticipated cost of the project was discussed post bid opening with both contractors. Both contractors confirmed that underground contractors are very busy at this time. The abundance of work in the County combined with other factors such as the location, unknowns of underground utilities in Carmel, the relatively small project size and complexity of traffic in the City were factors which significantly increased the bids. References have been verified and MPE has successfully performed other similar jobs for many local municipalities, including the City of Carmel by the Sea.

As noted in the December 7, 2017 board report, this project remains a high priority for the District to complete prior to the Ocean Ave. paving project proposed by the City. Staff does not recommend postponing this project because it is important to finish this line replacement prior to the City scheduled asphalt replacement.

FUNDING

The Collections Department – CIP includes \$70,000 for completion of the VacCon Dump Pit (item #12, pg. 48 of Volume #2, 2017/18 CAWD budget). The Dump Pit will not get completed this year so staff has recommended returning these funds to the Capital Reserve and reallocating this amount plus an additional \$24,600 to fund this line repair. This bid does represent a prevailing wage pay structure.

San Carlos

Pipeline alignment

6th Street

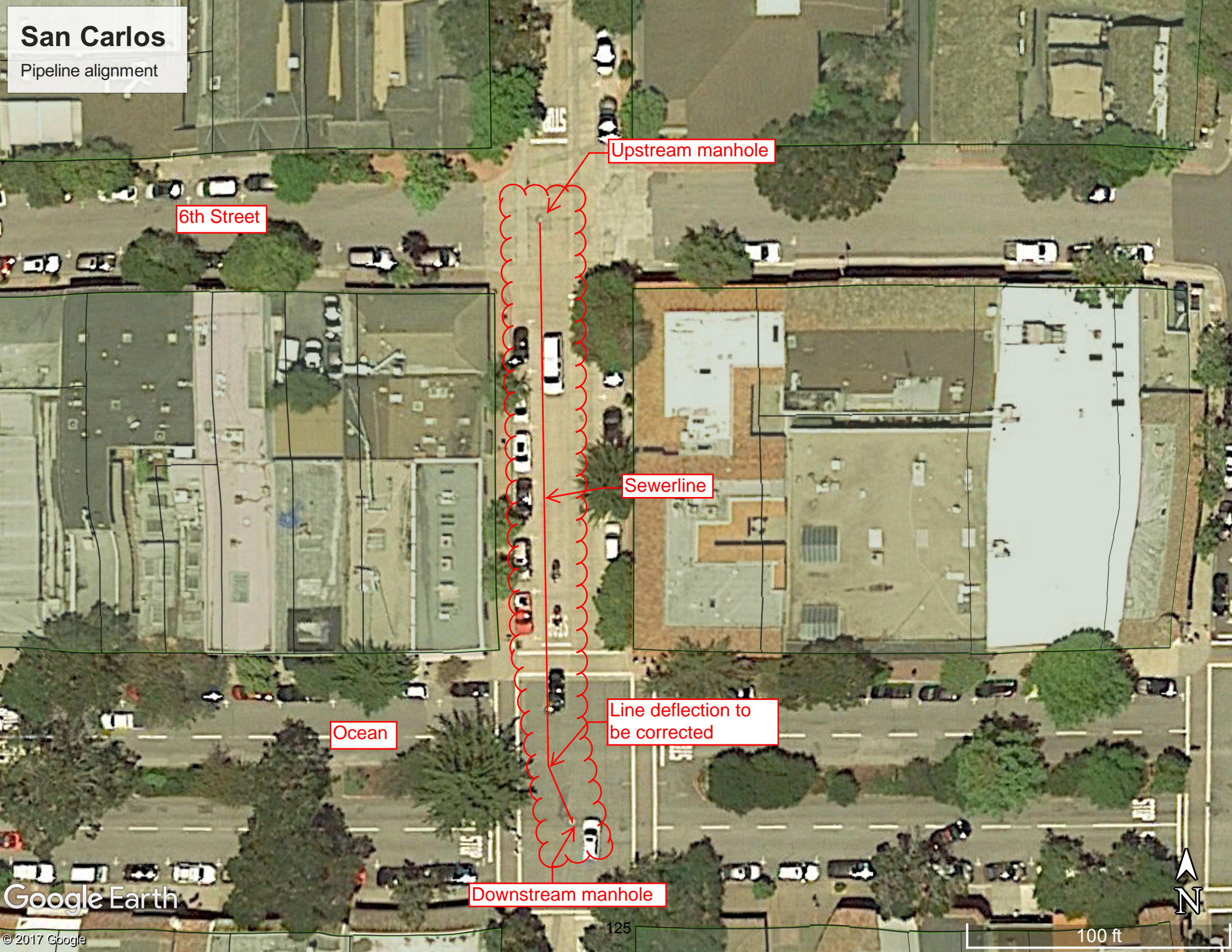
Upstream manhole

Sewerline

Line deflection to be corrected

Ocean

Downstream manhole



RESOLUTION NO. 2018-03

RESOLUTION ACCEPTING THE LOWEST RESPONSIBLE BID FOR THE SEWER
LINE REPLACEMENT ON SAN CARLOS (FY2017-2018 SEWER LINE
REPLACEMENT PROJECT – SAN CARLOS BETWEEN 6TH AVENUE AND OCEAN)
AND AWARDING CONTRACT AND ALLOCATING FUNDING FROM THE
CAPITAL RESERVE IN THE AMOUNT OF \$94,600

-oOo-

WHEREAS, the Board of Directors authorizes the amendment of the 2017/18
Capital Budget to remove the VacCon Dump Pit Project; and

WHEREAS the Board authorizes the allocation of \$94,600 from the Capital
Reserve for the replacement of the proposed sewer line; and

WHEREAS, Request for Bids was mailed out on December 15, 2017,
advertisements in the local newspaper occurred on December 22 and December 29 , and
direct mailing to known qualified contractors performing this type of work also
occurred. One addendum was required to be prepared and made part of the bid; and

WHEREAS, of the Six (6) individual known companies who received bid
requests Two (2) responses were received and found to be complete; and

WHEREAS, Monterey Peninsula Engineering, (MPE) of Marina, California
presented the lowest qualified bid of \$94,600.00.

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

1. That the Board accepts the bid of the lowest responsible bidder meeting
specifications, to wit: MPE, and awards the contract for the above-mentioned project to

said bidder at the price specified in the bid of \$94,600.00.

2. That the Board authorizes and directs the General Manager to execute and a contract with the successful bidder for the completion of the work described in the bid documents.

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

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Drew Lander, Principal Engineer

Date: January 25, 2018

Subject: Purchase of Capstone C65 Microturbine

RECOMMENDATION

It is recommended that the Board of Directors adopt a resolution authorizing the General Manager to complete the microturbine rehab project, including:

- Purchase a new C65 microturbine through Cal Microturbine®, the Capstone® authorized vendor,
- Purchase a gas superheater,
- Contract mechanical services to complete the rehabilitation of the digester gas conditioning system,
- Contract engineering services to document the changes completed, and
- Authorize a budget not to exceed \$198,100.

DISCUSSION

The District installed two Capstone® 30 (30kW) microturbines in 2005. The microturbines burn conditioned methane created through the anaerobic digestion process. When operating at full capacity the turbines together both produce electricity (up to 60kW), and also keep the digester operating at the proper temperature using the exhaust heat of the turbines, thus eliminating the need to purchase natural gas to heat the digester. Production of power and use of the heat is referred to as Co-generation or “Co-gen”. The alternative to a Co-gen system is to flare the excess methane into the atmosphere. Since digester gas is a byproduct of existing process it is considered a renewable resource. It is environmentally superior for a treatment plant to utilize the methane by-product to offset internal plant energy costs or to generate revenue in some way. A Co-gen system which breaks even operationally and reduces consumption of mined fossil fuels results in a cost benefit ratio greater than one.

The existing Co-gen system has provided redundant heating for the digester, and has reduced plant power purchase. When operational the heat produced offsets an average natural gas consumption of 2200therms/month in digester heating and approximately 25,000kw/month in electricity purchased. Together this represents a current value of \$6000 per month in achievable power purchase savings when fully operational and also represents the maximum use of available digester gas at present. There is no additional gas available when at full operation.

The original payback analysis in 2005 cited a 20 year service life for the microturbines. This is not a reasonable life expectancy for turbines running 24hrs/day 7 days a week. Small turbines are reliable over a 10 year operational period. The District turbines are now 12 years old.

The cost of operation for the first ten years in actual expenditures include:
Initial installation of equipment, annual siloxane removal media exchange, annual service contracts, turbine replacement, and gas conditioning system repair.

Total actual expenditures to operate from 2005-2015 = \$593,000

The estimated power purchase offset from 2005-2015 =
\$622,080

Actual net savings in 10 years \$ 29,080

Over the first 10 years the District Co-gen equipment did net a slight increase in value for rate payers while also avoiding the consumption of nearly 100M cubic feet of purchased natural gas. The past 5 years have been spotted with operational issues relating to maintenance, and operation. These issues, together with high costs of parts and repairs (resulting from no local service technicians) has resulted in an increasing annual cost of operation. Over the past two years the turbines have not operated consistently. Presently both turbines are not in operation. One of the turbines has reached the end of life and has been retired. Both turbines have been turned off for several months while testing of the new flare has been underway.

Alternatives

Over the past two years staff has researched several alternative solutions to replace the current microturbines. The current Long Term Capital Improvement Plan (LTCIP) outlay recognizes a future Co-gen project to be designed and install by 2026. The District does not produce sufficient volumes of digester gas at this time to make installation of a new technology cost effective or even a break-even possibility over 10 years. Reciprocating engines have much less maintenance than turbines however the installation costs for a scalable engine and control system exceeds \$550,000. The local

air quality authority also restricts operation on reciprocating engines and the gas conditioning system would still be an operating expense. Operational expenses would not decrease much due to an increase in permit compliance expenses.

If the District chooses not to replace the turbines the digester heating system would have no redundancy and a second boiler would be required to be purchased and installed. The cost of this improvement is estimated at \$396,000 and once again the air board requires that all digester gas be conditioned prior to burning it through external equipment. The gas conditioning system would still be an operating expense unless boilers were to resume only on natural gas. Operating on natural gas would not provide the District with any energy savings and heating costs would increase. With the operation of the gas conditioning system the boilers could be run entirely on digester gas providing approximately \$3000/month savings.

Most recently Cal Microturbines® presented the District with an attractive alternative to bridge the coming 10 years until a larger or more sophisticated Co-gen project may be feasible. The District already has installed all equipment needed to operate a microturbine. Presently PG&E has a new turbine purchase incentive totaling \$81,900 over five years. In year one \$40,950 of the incentive is a paid credit towards the purchase of a new C65 Capstone® turbine and the most important part of the agreement is that Cal Microturbines® will include “no-cost” maintenance for all new turbine installations over the operational life of 10 years. A 10 year zero maintenance contract will save the District \$13,000 to \$15,000 annually in service expense. This includes all preventative maintenance and replacement of parts and equipment to ensure continuous operation. After the original 2005 installation the Capstone® maintenance agreement was a significant cost for the district over the first 10 years of operation.

This one turbine would replace the two C30 turbines installed in 2005. The installation would be straight forward with \$151,090 in parts and \$40,000 in installation costs. Approximately \$7,010 in costs for a more robust control system on the gas conditioning system will be required to ensure clean gas is fed to the new equipment. The total project cost is less than the budgeted values presented in the 2017/18 LTCIP (2017/18 Budget, Volume II, pg. 93, items 31 and 36).

The decision to install one 65 KW turbine as a replacement to the two previous 30 KW units is also an improvement. The C65 is more robust, it is more common to service and is approximately 10% more efficient than the two smaller units running in parallel. This turbine will be installed into the existing heat exchangers and only a minor exhaust duct modification will be required.

Staff has developed a working relationship with Cal Microturbine® of Torrance, CA and their references have been verified. They have provided superior maintenance and service to other agencies and they have been very knowledgeable. Cal Microturbine® has a proven service record serving wastewater treatment facilities. This purchase will provide the District with a trouble free operation of the new turbine for the first 10 years of operation and will provide sufficient capacity to support current gas production projects.

FUNDING

The FY2017-18 Budget contains a value of \$148,000 on item #36, page 130 of the CAWD LTCIP for the rehabilitation of one microturbine. Item #31 on page contains a value of \$90,000 for the rehabilitation of the gas conditioning system. The FY2017-18 budget contains a total proposed expenditure of \$238,000 for repair of the existing turbine.

Staff has recommended a purchase of a new larger turbine for a total of \$151,090 to purchase the C65 Turbine; \$40,000 is required for the modification of piping to install the turbine and \$7,010 is proposed for the addition of a line heater; the proposed project is \$39,900 below the projected budget.

Payback of this installation based on current electrical rates and a zero maintenance cost plan associated with the new equipment is 1.35 years but assumes the gas conditioner is fully functional. The full cost of installation, and repair of the methane conditioning equipment extends the payback out to 2 years after the gas conditioner has been repaired. Tipping fee revenue is not a factor of payback in this calculation.



Project Summary

Company Name	Carmel WWTP
Facility Description	wastewater treatment plant C65 iCHP with biogas
Facility Location	Carmel CA
Date of Analysis	2-Aug-17
	Prepared By Cal Microturbine

Benefits Summary

10 yr IRR	76.2%
10 yr NPV	\$492,969
Payback Period [Years]	1.35
Discount Rate	8.0%

Calculations include benefits from:

Electricity Production; Heat Cogeneration; SGIP;

5 Year Cash Flow Analysis

	Initial	Year 1	Year 2	Year 3	Year 4	Year 5
Net Investment	(\$110,140)					
Total Annual Benefits		\$80,770	\$83,673	\$86,693	\$89,833	\$93,099
Fuel & O&M Costs		\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$110,140)	\$80,770	\$83,673	\$86,693	\$89,833	\$93,099
Discounted Cash Flow	(\$110,140)	\$74,787	\$71,736	\$68,819	\$66,030	\$63,361

Equipment, Investment, and Operating Summary

Capstone MicroTurbines	1 x 65
Configuration	65C-HG4-DU00
Fuel Source	HP Natural Gas

Total System Power Rating	65 kW
Avg Monthly Generated Power	43,354 kWh per Month
Avg Price of Offset Utility Power	\$0.137 \$/kWh
Equivalent Cars Removed	44 using EPA data

Total Installed Cost	(\$151,090)
Installation/Equipment Rebates	\$0
Avoided Equipment Costs	\$40,950
Financing/Tax Credits	\$0
Net Investment	(\$110,140)

Operating Hours/Year	Efficiency [LHV]
Microturbine	8,585
Heat	84.3% Overall Total
Cooling	84.3% during Heat
	N/A during-Cooling*
	56.0% FERC

* using thermal input, not cooling output

Disclaimer: The software used to create this Economic Calculator is provided as a tool for estimation of the potential value of installing and operating a Capstone microturbine system. The calculated results are based on Capstone's published specifications and certain performance assumptions by Capstone when there is a range of performance possibilities for the Capstone microturbine (which performance is subject to change without notice). The Economic Calculator requires the user to input certain additional assumptions regarding conditions of operation, as well as certain location specific information. The Economic Calculator results will change depending on changes to the assumptions, including lower or higher assumptions where there is a range of possible performance criteria, changes in operation, and changes in location. Neither Capstone, nor any of its representatives, can guarantee that these projected savings will occur or that the calculations made by the Economic Calculator are accurate or error-free. The output from the Economic Calculator in no way constitutes a commitment by Capstone that the forecasted savings or performance will be achieved.



Payback Calculation

	Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Installed Cost	\$151,090										
Fuel, O&M, and Other Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Savings/Avoided Costs

Electricity Production		\$72,580	\$75,483	\$78,503	\$81,643	\$84,909	\$88,305	\$91,837	\$95,511	\$99,331	\$103,304
Heat Cogeneration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cooling	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Power Quality/ Reliability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing/ Inv. Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SGI	\$40,950	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190	\$8,190
Depreciation Tax Benefit	\$42,388	\$19,823	\$14,894	\$11,136	\$7,136	\$3,568	\$0	\$0	\$0	\$0	\$0
Total	\$40,950	\$80,770	\$83,673	\$86,693	\$89,833	\$93,099	\$88,305	\$91,837	\$95,511	\$99,331	\$103,304

Net Cash Flow

Net Cash Flow	(\$110,140)	\$80,770	\$83,673	\$86,693	\$89,833	\$93,099	\$88,305	\$91,837	\$95,511	\$99,331	\$103,304
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Cumulative Cash Flow

Cumulative Cash Flow	(\$110,140)	(\$29,370)	\$54,304	\$140,996	\$230,829	\$323,928	\$412,233	\$504,070	\$599,580	\$698,911	\$802,215
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Depreciation Method

MACRS 5 YR (half-yr convention)

Depreciation Timeline: 5 years
Tax Rate: 41%

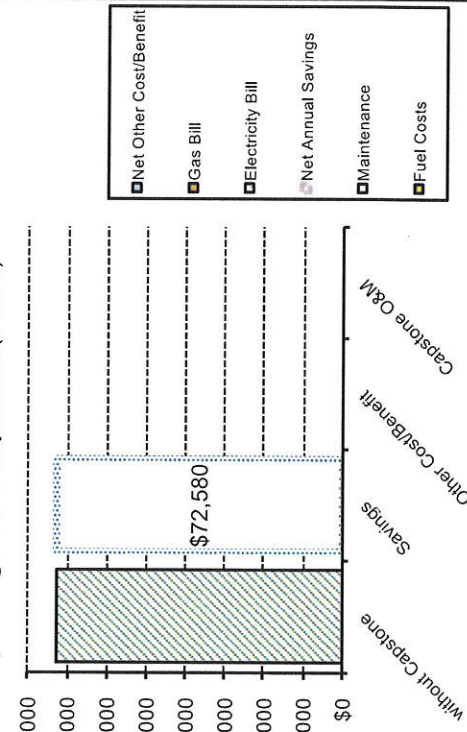
Discount Rate: 8.0%

Annual Savings (Year 1): \$80,770
10 yr IRR: 76.2%
10 yr NPV: \$492,969
Payback Period [Years]: 1.35

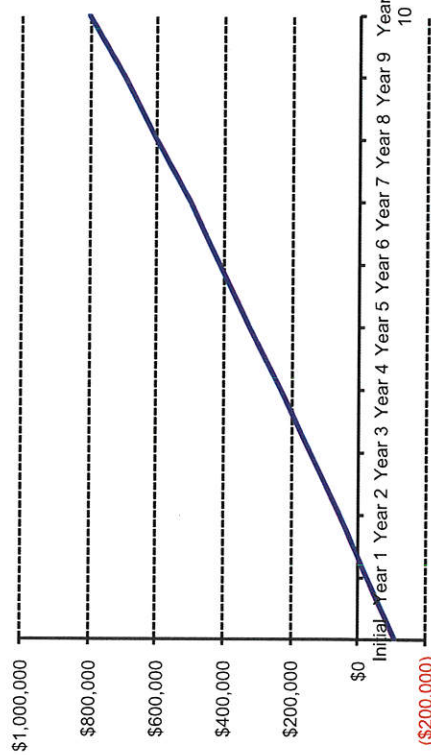
Operating Hours/year

Microturbine	8,585
Heat	8,585
Cooling	0

Operating Cost Comparison (Year 1)



Cumulative Cash Flow





Equipment and Installation

Equipment Costs

	Units	Price	Total
Microturbines	1	\$ 131,900	\$ 131,900
10 yr FPP adder	1	\$ 13,190	\$ 13,190
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
Sales Tax	0%	\$ -	\$ -
		Subtotal	\$ 145,090
		Equipment Rebate Percent	0%
		Equipment Rebate Amount	\$ -

Microturbine Information

Capstone Product	65C-HG4-DU00
kW Nominal Rating	65
Quantity	1
Total kW Nominal Rating	65

\$2,232	
\$0	Dollars per kW Nominal Rating
\$0	

Installation Costs

	Units	Price	Total
Shipping	1	\$ 2,000	\$ 2,000
Site Prep			\$ -
Plumbing			\$ -
Mechanical Works (Ducting and Insulation)			\$ -
Electrical Works			\$ -
Engineering/Permitting/Admin			\$ -
Commissioning/Start Up			\$ 4,000
Interconnection Agreement			\$ -
Air Permit			\$ -
Other			\$ -
		Subtotal	\$ 6,000
		Installation Rebate Percent	0%
		Installation Rebate Amount	\$ -

\$92	
\$0	Dollars per kW Nominal Rating
\$0	

TOTAL INSTALLED COST - WITHOUT REBATE	\$ 151,090
TOTAL INSTALLATION / EQUIPMENT REBATE	\$ -
TOTAL INSTALLED COST - AFTER REBATE	\$ 151,090

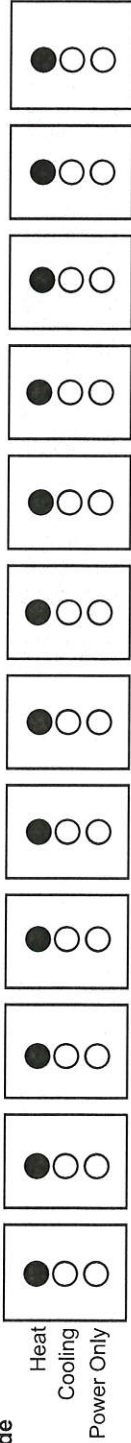
\$2,324	
\$0	Dollars per kW Nominal Rating
\$2,324	



Monthly Operating Profile

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Avg. Ambient Temp °F	59	65	70	75	80	85	90	85	80	75	70	65	75.0
Net Electrical Output [kW]	65.0	64.5	62.7	60.7	58.8	57.0	55.2	57.0	58.8	60.7	62.7	64.5	60.6
Net kW Demand Reduction	65.0	64.5	62.7	60.7	58.8	57.0	55.2	57.0	58.8	60.7	62.7	64.5	60.6

Cogeneration Mode



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Weekdays/Month	22	20	22	22	22	22	22	22	22	22	21	22	261
Weekend Days/Month	9	8	9	8	9	8	9	9	8	9	9	9	104
Total Days/Month	31	28	31	30	31	30	31	31	30	31	30	31	365

	Weekday Operation		
	Power	Heat	Cooling
Midnight	x	x	
2:00 AM	x	x	
4:00 AM	x	x	
6:00 AM	x	x	
8:00 AM	x	x	
10:00 AM	x	x	
Noon	x	x	
2:00 PM	x	x	
4:00 PM	x	x	
6:00 PM	x	x	
8:00 PM	x	x	
10:00 PM	x	x	
Midnight	24	24	0

	Weekend Operation		
	Power	Heat	Cooling
Power	x	x	
Heat	x	x	
Cooling			
24	24	24	0

Total Annual Operation (includes Availability)			
	Power	Heat	Cooling
Weekday	6,139	6,139	0
Week End	2,446	2,446	0
Total Hours/Yr	8,585	8,585	0
Efficiency (LHV)	84.3%	84.3%	N/A
FERC Efficiency	Overall Total	during Heat	during Cooling*
	56.0%		

* using thermal input, not cooling output

Reference: Year 1 Variable O&M Cost			
	Power	Heat	Cooling
Jan	\$0.000	\$0.000	\$0.000
Feb	\$0.000	\$0.000	\$0.000
Mar	\$0.000	\$0.000	\$0.000
Apr	\$0.000	\$0.000	\$0.000
May	\$0.000	\$0.000	\$0.000
Jun	\$0.000	\$0.000	\$0.000
Jul	\$0.000	\$0.000	\$0.000
Aug	\$0.000	\$0.000	\$0.000
Sep	\$0.000	\$0.000	\$0.000
Oct	\$0.000	\$0.000	\$0.000
Nov	\$0.000	\$0.000	\$0.000
Dec	\$0.000	\$0.000	\$0.000
Annual Avg	\$0.000	\$0.000	\$0.000



Equipment Operating Assumptions

Costs of Operation

Average Maintenance Cost	98% Availability	4.00% Annual Inflation (Electric)	0.00% Annual Inflation (Fuel)
Initial	\$0.0000 \$/kWh		
Fuel Costs	Year 1	Year 2	Year 3
Average Maintenance Cost	\$0	\$0	\$0
Annual Scheduled Maintenance Cost	\$0	\$0	\$0
Capstone Factory Protection Plan			
Other Ongoing Costs			
Total Fuel, O&M and Other Costs	\$0	\$0	\$0

Electricity Production

Average Net kW Output	Average Net Heat Rate									
60.6	12,332 BTU/kWh (LHV)									
Average Net kW Demand Reduction	Average Heat Rate									
60.6	3.61 kW/kWh (LHV)									
Initial	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Avoided kWh Costs	\$51,484	\$53,543	\$55,685	\$57,912	\$60,229	\$62,638	\$65,143	\$67,749	\$70,459	\$73,277
Avoided kW Demand Costs	\$21,096	\$21,940	\$22,818	\$23,731	\$24,680	\$25,667	\$26,694	\$27,761	\$28,872	\$30,027
Total Electricity Cost Savings	\$72,580	\$75,483	\$78,503	\$81,643	\$84,909	\$88,305	\$91,837	\$95,511	\$99,331	\$103,304

Cogeneration (Heating)

Efficiency of Alternative Heating	80% (LHV)
Initial	
Avoided Fuel Costs	Year 1
Avoided Equipment Cost	\$0

Cogeneration (Cooling)

COP of Alternative Electric Chiller	3.0
Initial	
Avoided kWh Costs	Year 1
Avoided kW Demand Costs	\$0
Avoided Equipment Cost	\$0

Power Quality and Reliability

Avoided Downtime / Power Interruption Costs	Year 1
Avoided Equipment Cost	\$0

Financing/ Investment Tax Credits

Investment Tax Credits	Year 1
Financing	\$0
Total	\$0

SGIP

Total Benefit	Year 1
	\$8,190



Utility Tariffs

Microturbine Fuel

\$/MMBTU (HHV)

Fuel Rate Reference Effective Date

Example

Alternative Heating Fuel

Same as MT

Fuel Rate Reference Effective Date

Summer Months

Months	8	from	thru
		Apr	Nov

Winter Months

Months	4	from	thru
		Jan	Mar

Summer Months

Months	0	from	thru
		May	Apr

Winter Months

Months	12	from	thru
		Jan	Dec

Electric Rates

Utility Tariff Effective Date

PGE E-20

Summer Months

Months	6	from	thru
		May	Oct

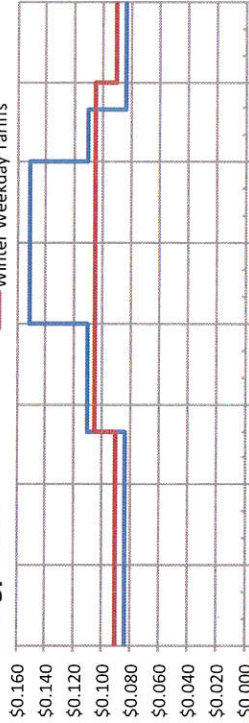
Time	\$/kWh	\$/kW Demand	from	to	from	to	
Peak	\$0.15178	\$18.64	12:00 PM	6:00 PM			
MidPeak	\$0.11127	\$5.18	8:00 AM	12:00 PM	6:00 PM	8:00 PM	
OffPeak	\$0.08445	\$17.56	all other times, and all day weekends				

Winter Months

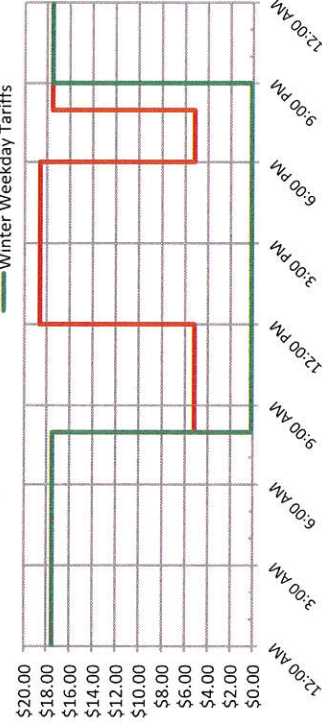
Months	6	from	thru
		Jan	Nov

Time	\$/kWh	\$/kW Demand	from	to	from	to	
Peak	\$0.00000	\$0.00	None	None			
MidPeak	\$0.10573	\$0.12	8:00 AM			9:00 PM	
OffPeak	\$0.09111	\$17.56	all other times, and all day weekends				

Energy Tariffs



Demand Tariffs



RESOLUTION NO. 2018-04

A RESOLUTION AUTHORIZING THE GENERAL MANGER TO PROCEED WITH THE PURCHASE AND INSTALLATION OF A CAPSTONE C65 MICROTURBINE AND COMPLETE REPAIRS TO THE GAS CONDITIONING SYSTEM

-oOo-

WHEREAS, the Board of Directors authorized the FY2017-2018 CAWD Long Term Capital budget expenditure of \$238,000.00 for the repair of exiting Capstone Microturbine and to repair the digester gas conditioning system; and

WHEREAS, the Board finds the burning of digester waste gas to produce electricity and heat for process functions is environmentally superior to direct open air burning of this waste gas; and

WHEREAS, staff has testified to the satisfaction of the Board that the purchase of a new Capstone C65 turbine with associated rebates will have a cost payback of less than 2 years; and

WHEREAS, a new C65 turbine will be purchased with an all-inclusive 10 year service plan;

WHEREAS, the new C65 turbine will take advantage of PG&E rebates in the amount of \$81,900 over five years.

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

1. That the Board accepts the proposal to purchase and install Capstone® C65 Microturbine for \$151,090.00; and

2. That the Board authorizes and directs the General Manager to repair of the digester gas conditioning system and complete the turbine installation for an amount not to exceed \$47,010.

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

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board

STAFF REPORT



To: Board of Directors

From: Drew Lander, Principal Engineer

Date: January 25, 2018

Subject: Acceptance of final completion for the WWTP Rehabilitation – Phase 1 Project

RECOMMENDATION

It is recommended that the Board of Directors adopt a Resolution Accepting Completion and Directing the District Engineer to file a Notice of Acceptance of Completion for the WWTP Rehabilitation – Phase 1 Project with the Monterey County Recorder.

DISCUSSION

The originally budgeted project consisted of several plant rehabilitation and reliability improvements, namely:

- Blower system modifications to improve reliability.
- Return Activated Sludge/Waste Activated Sludge pump station improvements.
- Construction of a Sodium Hypochlorite/Sodium Bisulfite Facility primarily for the disinfection of wastewater and the decommissioning of the current Chlorine Gas disinfection system.
- Dissolved Air Flotation (DAF) thickener performance and energy savings improvements.
- Construction of a new Digester No. 2 to replace existing equipment and the construction of a Digester Control Building to house replacement equipment.
- Replace existing Waste Gas Burner.
- Sludge dewatering system modifications.
- Electrical power modifications and energy conservation improvements.
- Potable water pump system replacement.
- Utility water pump system replacement.
- Stormwater pump station replacement.

On January 15, 2018, the District Engineer filed a Certification of Completion for the WWTP Rehabilitation Phase – 1 Project with the Board Secretary (Copy attached.). All work has been satisfactorily completed in accordance with the Plans and Specifications which were approved by the Board of Directors and the Contract awarded to Anderson Pacific Engineering Construction, Inc. (APEC), by Board Resolution 2015-19 on April 30, 2015.

Staff now recommends that the Board of Directors accept the Project and direct the General Manager to file a Notice of Acceptance of Completion with the Monterey County Recorder's Office.

FUNDING

The original 20014/15 project was awarded to APEC for \$13,944,885.00. A total of \$155,635.58 in change orders were approved by the District during construction. A final contract price of \$14,889,670.58 has been agreed upon by both parties and will be the record cost of the completed project.



Carmel Area Wastewater District

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

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

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

NOTICE OF COMPLETION

2018 WWTP REHABILITATION – PHASE 1 PROJECT

NOTICE IS HEREBY GIVEN that, I, Drew A. Lander, Principal Engineer of the Carmel Area Wastewater District, Monterey County, California, on the 15th day of January, 2018, did file with the Secretary of said District my Certificate of Completion of the work described in the Contract awarded to and entered into with Anderson Pacific Engineering Contractors, Inc., Santa Clara, California, on June 24, 2015, in accordance with the Plans and Specifications for said work filed with the Secretary and approved by the Board of Directors of said District.

That said work was completed on January 15, 2018 and that acceptance of said work is recommended for approval by resolution of the Board of Directors of said District to be adopted on January 25, 2018.

That said work consisted of the performance of all work and the furnishing of all labor, materials, equipment, and utility and transportation services required to complete the Contract as described in the plans and specifications.

Dated: January 15, 2018

DREW A. LANDER, PRINCIPAL ENGINEER
CARMEL AREA WASTEWATER DISTRICT

RESOLUTION NO. 2018-05

A RESOLUTION ACCEPTING COMPLETION AND
DIRECTING THE GENERAL MANAGER
TO FILE NOTICE OF COMPLETION OF THE
WWTP REHABILITATION – PHASE 1 PROJECT

-oOo-

BE IT RESOLVED by the Board of Directors of the Carmel Area Wastewater District, Monterey County, California, that:

WHEREAS, the Principal Engineer of said District has filed with the Secretary of said District an Engineer's Certificate as to the completion of the construction of the WWTP Rehabilitation – Phase 1 Project provided to be done under and pursuant to the contract between said District and Anderson Pacific Engineering Construction, Inc., dated June 24, 2015;

WHEREAS, it appears to the satisfaction of this Board that said project provided for under said contract has been completed and done as provided in said contract and the plans and specifications therein referred to; that the work was actually completed on January 15, 2018;

NOW, THEREFORE, BE IT ORDERED as follows:

1. That acceptance of completion of said WWTP Rehabilitation – Phase 1 Project be, and it is hereby made and ordered.
2. That the General Manager is directed to file for record with the County Recorder of

the County of Monterey a notice of completion of said Grease Receiving Facility Project as required by law.

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

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary of the Board

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: January 25, 2018

Subject: CAWD Pension Plan – Actuarial Review July 1, 2017

RECOMMENDATION

It is recommended that the Board of Directors accept the Carmel Area Wastewater District 2017 Actuary Report prepared by Nicolay Consulting.

DISCUSSION

Nicolay Consulting, the District’s actuary, has completed the July 1, 2017 report for the Strategic Asset Management Plan (SAM). The plan was reviewed by the Pension Committee on January 16, 2018.

Actuarial Report Highlights

Employer Contribution for plan year ending June 30, 2018:	
Annual Contribution to fully amortize the Unfunded Actuarial Accrued Liability in five years (adjusted for monthly contributions)	\$103,838
Market Value of Asset on July 1, 2017	\$5,418,843
Actuarial Asset Value on July 1, 2017	\$5,430,513
Present Value of all Accrued Plan Benefits on July 1, 2016	\$5,639,170
Number of Participants at July 1, 2017	
Retired participants receiving benefits	3
Terminated vested participants entitled to future benefits	5
Active participants	6
Total participants	14

The plan’s funded status on an All Expected Future Benefits basis was 97% on June 30, 2016 and is 96% on June 30, 2017.

The unfunded actuarial accrued liability as of July 1, 2017 is \$208,657.

The recommended contribution represents 15.19% of covered compensation.

FUNDING

The 2017 Actuary Report recommended minimum required contribution for the 2016/17 Plan Year is \$103,838. This recommendation is based on funding the initial unfunded actuarial accrued liability over a period of five years from July 1, 2014 and each Gain/Loss over a 5 year period.

The charge from Nicolay Consulting Services to prepare actuarial report and employee statements was \$8,519. There are sufficient funds in the current year budget under Actuarial Services to cover this charge.

**Carmel Area
Wastewater District
Pension plan**

2017 Actuary's Report

Valuation Date: July 1, 2017
Plan Year Ending: June 30, 2018
Tax Year Ending: June 30, 2018



530 BUSH STREET, SUITE 500
SAN FRANCISCO, CALIFORNIA 94108-3633
TEL: 415-512-5300
FAX: 415-512-5314

November 28, 2017

Ms. Barbara Buikema
Carmel Area Wastewater District
PO Box 221428
Carmel, CA 93922

Dear Ms. Buikema:

Re: Carmel Area Wastewater District Pension Plan - July 1, 2017 Actuary's Report

We have performed an actuarial valuation of the Carmel Area Wastewater District Pension Plan for the purpose of determining the plan's funding status as of July 1, 2017 and recommended funding level for the 2017/18 Plan Year. This report is provided solely for this purpose and should not be used or relied upon for other purposes. It also should not be disclosed or distributed to a third party, unless we provide written permission.

This report is based on actual experience through June 30, 2017 and plan provisions in effect on July 1, 2017. The valuation and cost calculations for the 2017/18 Plan Year, as summarized in this report, are based on participant data and un-audited Plan financial information provided by Carmel Area Wastewater District as of July 1, 2017.

All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used, described on page 12, are individually reasonable taking into account the experience of the plan and consistent expectations as to future experience. In combination, the actuarial assumptions represent our best estimate of the anticipated experience under the plan. The costs and actuarial exhibits presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of possible future measurements.

We have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the plan sponsor and our employer that would impair our objectivity in preparing this report.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

Respectfully submitted,

Nicolay Consulting Group

Eddie Lee, ASA, MAAA, FCA, EA
Senior Actuary

Gary E. Oline, ASA, MAAA, FCA, EA
Vice President & Chief Operating Officer

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SECTION I Summary

A. Highlights

Employer Contribution for plan year ending June 30, 2018:

Annual Contribution to fully amortize the Unfunded Actuarial Accrued Liability in five years (adjusted for monthly contributions)	\$103,838
--	-----------

Market Value of Asset on July 1, 2017	\$ 5,418,843
---------------------------------------	--------------

Actuarial Asset Value on July 1, 2017	\$ 5,430,513
---------------------------------------	--------------

Present Value of all Accrued Plan Benefits on July 1, 2016	\$ 5,639,170
--	--------------

Number of Participants at July 1, 2017:

Retired participants receiving benefits	3
---	---

Terminated vested participants entitled to future benefits	5
--	---

Active participants	<u>6</u>
---------------------	----------

Total participants	14
--------------------	----

B. Valuation Summary

The Carmel Area Wastewater District Pension Plan was established effective July 1, 1969 and has been amended from time to time since that date. The October 29, 2005 Plan amendment froze benefit service as of October 29, 2005, credited an additional 3 years of service for active employees and reduced normal retirement age from 65 to 62.

This section presents a summary of the valuation results and the funding status of the Plan at July 1, 2017:

1. Annual Cost

Based on funding the initial unfunded actuarial accrued liability over a period of five years from July 1, 2014 and each Gain/Loss over a 5 year period, the recommended minimum required contribution for the 2017/2018 Plan Year is \$103,838.

2. Change in Annual Cost

The recommended minimum required contribution increased to \$103,838 for the 2017/18 Plan Year compared to \$78,940 a year ago. The increase in contribution was the net result of the following factors; (i) a small asset gain from contribution made in excess of the recommended for the 2016/2017 plan year together with (ii) loss from more than expected on the actuarial value of asset during the 2016/17 plan year. The PY2017/18 recommended contribution is 15.19% of covered compensation compared to 11.59% of covered compensation during 2016/17 plan year.

	<u>2017/2018</u>	<u>2016/2017</u>	<u>2015/2016</u>
(1) Recommended Required Minimum Contribution	\$103,838	\$ 78,940	\$ 88,667
(2) Covered Compensation (less than age 65)	\$683,592	\$681,185	\$806,447
(3) Contribution as a Percentage of Covered Compensation	15.19%	11.59%	11.00%

B. Valuation Summary, continued

3. Funded Status

A plan's "funded status" is measured by comparing the Plan's assets with the Plan's actuarial liability. A ratio in excess of 100% means that the Plan's assets exceed the actuarial liability.

The Plan's actuarial liability may be measured in a variety of ways. Some of the alternatives are described below:

- **Hard Frozen/Terminated Plan Basis:**

This actuarial liability represents the actuarial present value of all benefits accrued as of the valuation date, based on service and salary at that date.

- **On-going Plan Basis:**

This actuarial liability represents the actuarial present value of all benefits allocated to plan years prior to the valuation date based on a particular actuarial cost method (i.e., Projected Unit Credit cost method). These calculations would include a projection of salary to the anticipated date of retirement/termination, based on the salary scale used for determining Plan cost.

- **All Expected Future Plan Benefits:**

This actuarial liability represents the actuarial present value of all expected future benefits under the Plan as of the valuation date including benefits expected to be earned for future service based on future salary increases. Since service was frozen on October 29, 2005 this is equal to the On-going plan basis.

The Plan's funded status is described below, based on each of these measures of actuarial liability as of June 30, 2017 and June 30, 2016:

	June 30, 2017	June 30, 2017	June 30, 2015
Actuarial Value of Assets	\$5,430,513	\$5,285,090	\$5,226,222
Actuarial Liabilities:			
Frozen Plan Basis	\$5,074,705	\$4,826,548	\$4,854,278
On-Going Plan/All Expected Future Plan Benefits	\$5,639,170	\$5,455,005	\$5,517,625
Funded Status:			
Frozen Plan Basis	107%	110%	108%
All Expected Future Plan Benefits	96%	97%	95%

C. Historical Summary

	<u>2017/2018</u>	<u>2016/2017</u>	<u>2015/2016</u>	<u>2014/2015</u>	<u>2013/2014</u>
Annual Costs					
Recommended Employer Contribution	\$103,838	\$ 78,940	\$ 88,667	\$ 130,567	\$141,161
Amount of Employer Contribution Available	Not Available	\$88,680	\$130,672	\$ 216,420	\$332,640
ASSETS AT BEGINNING OF PLAN YEAR					
Market Value of Assets	\$5,418,843	\$ 5,069,794	\$ 5,367,658	\$4,987,466	\$4,080,310
Actuarial Value of Assets	5,430,513	5,285,090	5,226,222	4,665,880	4,080,310
ACTUARIAL LIABILITIES AT BEZGINNING OF PLAN YEAR					
Actuarial Accrued Liability	\$5,639,170	\$ 5,455,005	\$ 5,517,625	\$5,252,947	\$4,715,01
Unfunded Actuarial Accrued Liability	208,657	169,915	291,403	587,067	634,700
NUMBER OF PARTICIPANTS					
Retired	3	2	2	1	0
Disabled	0	0	0	0	0
Vested Termination	5	5	5	6	6
Active	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>9</u>
Total	14	14	15	15	15

SECTION II

Valuation Funding Information

A. Development of the 2017/2018 Employer Contribution

Contribution required to amortize the July 1, 2014 unfunded actuarial accrued liability over a closed 5-year period plus gains and losses over 5 years.

(a) Normal cost at July 1, 2017	\$ 0
(b) Amortization of Unfunded Actuarial Accrued liability since July 1, 2014 over 5 years, payable as of beginning of year [see Section II(C)]	101,772
(c) Interest adjustment for monthly payments at 4.50%	<u>2,066</u>
(d) Contribution for 2017/2018 plan year, payable monthly	<u>\$ 103,838</u>

Valuation Funding Information

B. Development of the Unfunded Actuarial Accrued Liability

1. Projected Unit Credit actuarial accrued liability as of July 1, 2017	
(a) Active participants	\$ 2,097,247
(b) Retired participants	2,092,763
(c) Disabled participants	0
(d) Terminated vested participants	<u>1,449,160</u>
	\$ 5,639,170
2. Actuarial Value of Assets as of July 1, 2017	<u>5,430,513</u>
3. Unfunded actuarial accrued liability as of July 1, 2017 (1) - (2)	<u>\$ 208,657</u>

C. Summary of Amortization Bases Used in Development of 2017/2018 Employer Contribution Range

Amortization base was set up for District to amortize the initial unfunded accrued liability as of July 1, 2014 over a closed 5-year period beginning July 1, 2014. Actuarial gains and losses on/after July 1, 2015 is amortized over a 5-year period beginning on the date established.

<u>Item</u>	<u>Initial Amount</u>	<u>Date Estab- lished</u>	<u>Initial Period (Years)</u>	<u>Remaining Balance on 7/1/2017</u>	<u>Annual Amortization Payment (Payable Monthly)</u>
Initial Unfunded Actuarial Accrued Liability	\$587,067	7/1/14	5	\$250,429	\$127,970
2015 (Gain)/Loss	(188,352)	7/1/15	5	(117,943)	(41,057)
2016 (Gain)/Loss	(43,777)	7/1/16	5	(35,776)	(9,543)
2017 (Gain)/Loss	111,947	7/1/17	5	<u>111,947</u>	<u>24,402</u>
Total				<u>\$208,657</u>	<u>\$101,772</u>

SECTION III
Asset Information

A. Statement of Plan Assets at June 30, 2017

The assets of the Carmel Area Wastewater District Pension Plan are invested with LPL Financial

Investments:	
Cash and Cash Equivalents	\$ 180,839
Pooled Mutual Funds	5,229,463
Participant Loans	<u>1,741</u>
Cash value at June 30, 2017	\$ 5,412,043
Receivable from disbursement account	6,800
Loan payment receivable	<u>0</u>
Market Value assets at June 30, 2017	<u>\$ 5,418,843</u>

B. Changes in Assets during the 2016/2017 Plan Year

1. Market Value assets at July 1, 2016		\$ 5,069,794
2. Changes during year		
(a) Credits		
(i) Employer contributions	\$ 88,680	
(ii) Participant contributions	0	
(iii) Earned income	164,050	
(iv) Investment gain (unrealized and realized)	<u>245,472</u>	
(v) Total credits		498,202
(b) Charges		
(i) Investment Expenses	\$ 34,894	
(ii) Retirement and Disability benefits	112,496	
(iii) Lump sum benefits	0	
(iv) Loan defaulted	0	
(v) Administrative fees	<u>1,763</u>	
(vi) Total charges		<u>149,153</u>
3. Market Value assets at June 30, 2017 = 1 + 2(a)(v) - 2(b)(v)		<u>\$ 5,418,843</u>

C. ACTUARIAL VALUE OF ASSETS – ASSET AVERAGING

(1)	July 1, 2017 Market Value			\$ 5,418,843
(2)	Previous Asset Gains and Losses			
		(i)	(ii)	(iii)
		<u>Amount</u>	<u>Weighting</u>	<u>(i) x (ii)</u>
(a)	2016/17 Gain	\$147,063	2/3	\$98,042
(b)	2015/16 Loss	(329,137)	1/3	<u>(109,712)</u>
(c)	Total Asset Adjustment			\$(11,670)
(3)	Adjusted Assets [(1) – (2)(e)(iii)]			\$5,430,513
(4)	Minimum Actuarial Value of Assets [85%x(1)]			4,606,017
(5)	Maximum Actuarial Value of Assets [115%x(1)]			6,231,669
(6)	Actuarial Value of Assets [(3); not less than (4) or more than (5)]			\$5,430,513

SECTION IV Census Data

A. Participant Census Reconciliation

	<u>Active parti- cipants</u>	<u>Terminated participants with vested rights</u>	<u>Retired parti- cipants</u>	<u>Disabled parti- cipants</u>	<u>Total</u>
1. Plan participants on July 1, 2015	7	5	2	0	14
2. Data corrections	-	-	-	-	-
3. New entrants	-	-	-	-	-
4. Terminated vested participants entitled to future benefits	-	-	-	-	-
5. Terminated non-vested participants	-	-	-	-	-
6. Participants retiring	(1)	-	1	-	0
7. Participants becoming disabled	-	-	-	-	-
8. Participants paid lump sum benefits	-	-	-	-	-
9. Deaths	-	-	-	-	-
10. Deaths with beneficiary	-	-	-	-	-
11. Certain period expired	-	-	-	-	-
12. Rehired	-	-	-	-	-
13. Plan participants on July 1, 2016	<u>6</u>	<u>5</u>	<u>3</u>	<u>0</u>	<u>14</u>

<u>Active Participants</u>	<u>July 1, 2017</u>	<u>July 1, 2016</u>
Average Age:	48.93	51.18
Average Service Plan Participation:	18.97	19.06
Average Annual Salary:	113,932	\$112,275

B. Classification of Participants on July 1, 2017

	<u>Fully Vested</u>	<u>Non- Vested</u>	<u>Total</u>
1. Active participants accruing benefits:			
(a) Under normal retirement age	6	0	6
(b) Over normal retirement age	<u>0</u>	<u>0</u>	<u>0</u>
(c) Total	6	0	6
2. Terminated participants with deferred vested benefits	5	0	5
3. Retired and disabled participants presently receiving benefit payments	<u>3</u>	<u>0</u>	<u>3</u>
4. Total = (1c) + (2) + (3)	<u>14</u>	<u>0</u>	<u>14</u>

C. Age and Service Profile of Active Participants

<u>Age</u>	<u>Completed Years of Accrual Service July 1, 2017</u>						<u>Total</u>
	<u>1-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-30</u>	<u>30+</u>	
0-19	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0
40-44	0	0	1	1	1	0	3
45-49	0	0	0	1	0	0	1
50-54	0	0	0	0	1	0	1
55-59	0	0	0	0	0	0	0
60-64	0	0	0	0	1	0	1
65-69	0	0	0	0	0	0	0
70+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>6</u>

SECTION V Assumptions and Methods

A summary of the actuarial methods and assumptions used in the July 1, 2016 actuarial valuation of the Plan follows:

Actuarial Methods:

Actuarial Cost Method: Projected Unit Credit Actuarial Cost Method

Valuation of Assets: Effective July 1, 2014, the Actuarial Value of Assets are determined based on the smoothed market value (without phasing). Under this method, a gain or loss for a year is determined by calculating the difference between the expected value of the assets for the year and the fair market value of assets at the valuation date. The actuarial value of assets is equal to the market value of plan's assets with gains subtracted or losses added at the rates described as follows:

- (1) 2/3 of the prior year's gain or loss, plus
- (2) 1/3 of the second preceding year's gain or loss

The asset value determined under this method will be adjusted to be no greater than 115% and no less than 85% of the fair market value.

Before July 1, 2014, assets are valued at fair market value on June 30 as reported by the District.

Actuarial Assumptions:

Investment Yield: Pre-retirement, net of expenses:
4.50% per annum.

Post-retirement, net of expenses:
(a) Lump Sums: 6.25%,
(b) Annuities: 4.50%.

Salary Scale: 3.5% per annum.

Rate of Retirement: Participants are expected to retire on their Normal Retirement Date.

Rate of Employee Turnover: None

Assumptions and Methods

Rate of Disability:	None
Rate of Mortality:	(1) Pre-retirement: None (2) Post-retirement: (a) Lump Sums: 1994 GAR Mortality Tables, blended 50% male and 50% female. (b) Annuities: RP-2014 Top-Quartile Healthy Annuitant Generational Mortality Tables with Generational Projection Scale MP-2014 (Males and Female).
Expenses:	It is assumed that expenses will be paid by investment returns greater than the assumed investment yield (i.e., investment return is net of expenses).
Payment Form:	It is assumed that : (a) 50% participants elect lump sums, (b) 50% participants elect annuity payments; at retirement, termination, death or disability.
Amortization Period of Unfunded Liabilities	Initial unfunded actuarial accrued liabilities are amortized over a closed 5-year period starting from July 1, 2014. Gains and losses on/after July 1, 2015 are amortized over a 5-year period.

SECTION VI Plan Provisions

Effective Date:	July 1, 1969
Most Recent Restatement Date:	July 1, 2003
Most Recent Amendment Date:	Effective July 1, 2009
Plan Year:	July 1 to June 30
Eligibility for Coverage:	All employees hired prior to October 29, 2005.
Employee Contribution:	None required.
District Contribution:	Full cost of Plan.
Normal Retirement Date:	July 1 after reaching age 62 and completing five years of Plan participation.
Delayed Retirement Date:	First of any month following actual retirement after attaining age 62 and completion of five years of Plan participation. An employee can work beyond his normal retirement date and continue to earn pension benefits.
Early Retirement Date:	None
Disability	Total and permanent disability which lasts at least six months resulting in termination of employment.
Normal Form of Retirement Benefit:	The amount of annual retirement income determined by the benefit formula is payable monthly for life with 120 payments guaranteed.
Automatic Form of Distribution of Retirement Benefit:	Unless otherwise elected by the participant, the normal retirement benefit will be automatically paid to a married participant in the form of a reduced actuarial equivalent joint and 50% to survivor annuity.

Optional Forms of Distribution of Retirement Benefit:	<p>If elected by the participant, his benefit, in an actuarial equivalent amount, may be paid in the form of:</p> <ul style="list-style-type: none">(a) a joint and survivor annuity with the reduced survivor annuity payable as 50%, 66-2/3% or 100% of the monthly benefit payable during the lifetime of the participant;(b) a straight life annuity;(c) a life only annuity;(d) a lump sum payment.
Formula for Annual, Normal Retirement Benefit:	<p>2.5% of the average earnings paid to the employee during the highest one plan year, multiplied by the number of years of accrual service.</p>
Accrual Service:	<p>Total number of Years in which an employee is credited with at least 1,000 hours of service. No accrual service shall be credited after October 29, 2005. Participants employed on October 29, 2005 shall be credited with an additional 3 years plus 0.333 years for the period July1, 2005 through October 31, 2005.</p>
Early Retirement Benefit:	<p>None</p>
Benefit at Deferred Retirement:	<p>Greater of the accrued benefit, based on accrual service and compensation to late retirement date and the actuarially increased Normal Retirement Benefit.</p>
Disability Benefit:	<p>Immediate payment of actuarial equivalence of the accrued benefit calculated the same as a retirement benefit, based on average earnings and accrual service as of the disability retirement date.</p>
Death Benefit:	
Prior to Retirement:	<p>The greater of the actuarial equivalent of the Vested Accrued Benefit (applicable to married or unmarried participants), or the benefit the participant's spouse would have received if the participant had terminated on his date of death and elected to begin receiving his benefit under the automatic joint and 50% to surviving spouse pension option commencing on his earliest retirement date</p>
After Retirement:	<p>In accordance with the annuity payment form in effect.</p>

Vesting:

Years of Vesting Service	Vested Percent
0-2	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

Vesting Service

Total number of Years in which an employee is credited with at least 1,000 hours of service. For participants employed on October 29, 2005, an additional three years is credited.

Benefit:

Vested Accrued Benefit as of date of termination, payable as of Normal Retirement date. Immediate lump sum option available.

Plan Factors for Actuarial Equivalence

Interest: 6.25%
 Pre Retirement Mortality: None
 Post Retirement Mortality: 94 GAR (50% male 50% female)

Termination of Plan:

In the event of termination of the Plan, funds are to be distributed, to the extent available, in the following order:

- (a) benefits of participants who had retired prior to plan termination;
- (b) benefits of participants who had reached Normal Retirement Age at termination, but had not yet retired;
- (c) all other benefits;

Administration:

The District is the Plan Administrator.

Funding of Plan:

Through a Trust, assets are held at LPL Financial.

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: January 25, 2018
Subject: Financial Audit for fiscal year ending 06-30-17

RECOMMENDATION

It is recommended that the Board of Directors accept the Carmel Area Wastewater District Annual Financial Statements and Independent Audit Report for the fiscal year ended June 30, 2017 prepared by the firm Marcello & Company as meeting the requirements for an annual independent financial audit.

DISCUSSION

The attached audit report gives the District a “clean” or unqualified opinion on the 06-30-17 statements.

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

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

Attached: CAWD Audit for year ended 06-30-17

FUNDING

Preparation of the annual audit was a budgeted expense for 2017-18 in the amount of \$26,800.

Government Code section 12410.6 (b) indicates that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit service for that local agency for six consecutive years. Under this code section there is no requirement for CAWD to change auditors at this time. Staff recommends continuing with the services of Marcello & Company for fiscal year 2017-18.

CARMEL AREA WASTEWATER DISTRICT
California

Annual Financial Report

**Year Ended
June 30, 2017**

CARMEL AREA WASTEWATER DISTRICT

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MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95825

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Carmel Area Wastewater District, Carmel, California (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from the District's 2016 financial statements and, in our report dated September 30, 2016, we expressed an unqualified opinion on the financial statements of the business-type activities.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Carmel Area Wastewater District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Marcello & Company

Certified Public Accountants
Sacramento, California
September 29, 2017

MANAGEMENT'S DISCUSSION & ANALYSIS

*As Prepared by Management
(unaudited)*

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

The following discussion and analysis is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with our financial statements, which follow this narrative.

Financial Highlights

Key financial highlights for 2016-17 are as follows:

- The District's net position increased by 8.1% or \$5.3M to \$71.6M. Total Operating revenues increased 12.5% or \$953K over the prior year. Sewer user fees, the District's primary source of operating revenue, increased 10.9% or \$670K over the prior year. The rate model projected an 8.6% increase in residential rates – overwhelmingly the District's largest user category. The increases are reflective of the District's continued efforts to fund its capital improvement and rehabilitation efforts. Pebble Beach Community Services District (PBCSD) treatment fees increased by 20.1% or \$231K over prior year. Flow from Del Monte Forest increased to 34.6% compared with 31.1% in 2015-16. Reimbursement from the Reclamation Project for O&M expenses increased 13.6% or \$62K due to increased time spent on maintenance efforts at MF/RO pad.
- Total non-operating revenues decreased 5.9% or \$307K over the prior year due to a combination of line items. Property tax revenue increased 5.0% or \$86K over the prior year. Investment income increased 6.4% or \$11K over the prior year. However, Connection fees decreased 96.2% or \$110K from the prior year. Reimbursement of capital costs from PBCSD decreased 8.0% or \$180K and from Reclamation it decreased 19.9% or \$138K.
- Total operating expenses (excluding depreciation) decreased 18.9% or \$1.3M over the prior year reflecting a focus on completion of the Phase I capital improvement project rather than the considerable prior focus on repair and rehabilitation around the facility.
- Non-operating expenses decreased 8.1% or \$6K from the prior year due to lower interest earnings and fiscal expenses.
- Total Current Assets increased 7.5% or \$5.2M over the prior year. This was primarily due to an increase in noncurrent capital assets of \$4.5M.
- Total Current Liabilities increased 8.5% over the prior year primarily due to an increase in Accounts Payable. Trade payables are up – as they were in the prior year because we are in the process of completing a \$15M capital project. Compensated Absences have declined because employees negotiated away the payout of accrued sick time in favor of a payoff of the CalPERS Unfunded Accrued Liability.

Carmel Area Wastewater District
Management's Discussion and Analysis
 June 30, 2017

Overview of the Financial Statements

This annual report consists of three parts – management’s discussion and analysis (*this section*), the basic financial statements, and other supplementary information. The Financial Statements include Notes which explain in detail some of the information included in the basic financial statements.

Required Financial Statements

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

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

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

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

Financial Analysis of the District

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

A summary of net position is presented below:

	2017	2016	2015
Assets			
Current Assets	\$ 25,998,204	\$ 25,348,793	\$ 25,234,336
Capital Assets net of depreciation	48,163,109	43,608,250	38,129,524
Bond issue costs		-	43,328
Total Assets	<u>\$ 74,161,313</u>	<u>\$ 68,957,043</u>	<u>\$ 63,407,188</u>
Deferred Outflow of Resources	<u>992,009</u>	<u>1,021,125</u>	<u>877,000</u>
Total Assets & deferred outflow of resources	<u><u>\$ 75,153,322</u></u>	<u><u>\$ 69,978,168</u></u>	<u><u>\$ 64,284,188</u></u>

Carmel Area Wastewater District
Management's Discussion and Analysis
 June 30, 2017

Liabilities

Current Liabilities	\$ 1,629,504	\$ 1,415,553	\$ 587,226
Long-term vac/sick pay	117,790	127,516	337,126
Net pension liability	(370,040)	(515,387)	(22,865)
Long-term debt	1,240,000	1,385,000	1,550,487
Total Liabilities	<u>\$ 2,617,254</u>	<u>\$ 2,412,682</u>	<u>\$ 2,451,974</u>

Deferred Inflow of Resources	850,879	1,251,145	(1,080,933)
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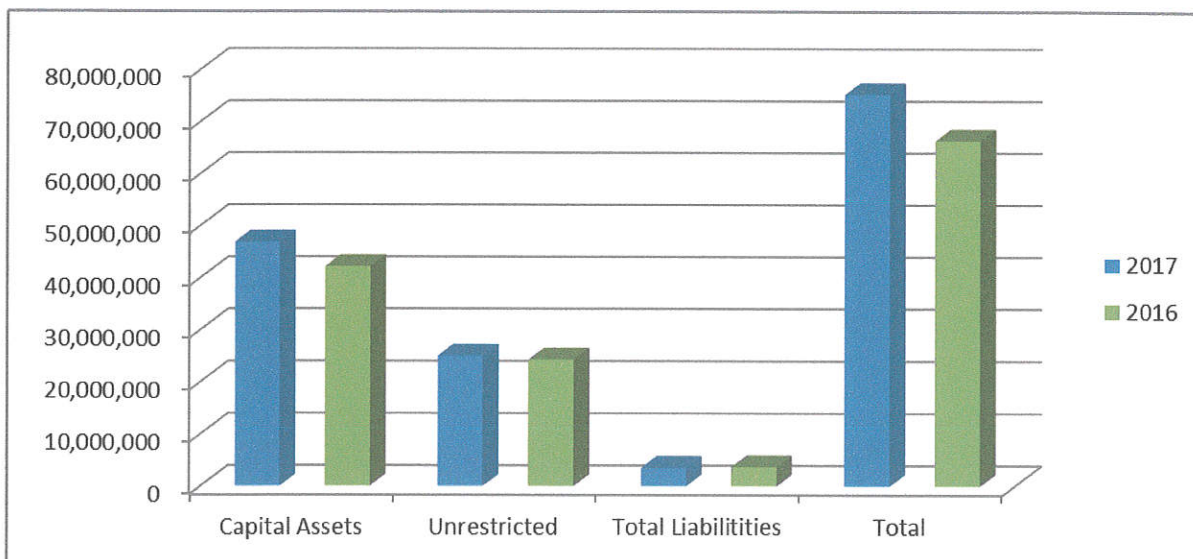
Total Liabilities & Deferred Inflow	<u>\$ 3,468,133</u>	<u>\$ 3,663,827</u>	<u>\$ 1,371,041</u>
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Net Position

Invested in capital assets, net of related debt	46,778,109	42,083,250	36,492,365
Restricted	-	-	-
Unrestricted	24,907,080	24,231,091	26,420,782
Total net position	<u>\$ 71,685,189</u>	<u>\$ 66,314,341</u>	<u>\$ 62,913,147</u>

Total Liabilities & Net Position	<u>\$ 75,153,322</u>	<u>\$ 69,978,168</u>	<u>\$ 64,284,188</u>
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CAWD Net Position Comparison June 30, 2016 and 2017



Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

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

<u>Designation of Cash Balances</u>	<u>Amount</u>
Capital Reserves	\$ 5,526,061
Current Year O&M (2016-17)	12,462,559
Current Year Capital (2016-17)	4,656,023
Rate Stabilization Fund	644,682
LAIF Investment Fund	1,118,718
Compensated Accruals Fund	170,021
Total	<u>\$ 24,578,064</u>

After formally accepting the asset management plan prepared for the Treatment plant in April 2013 the District moved forward with implementation of the first phase. The original plan estimated the District will need to spend \$30M over the next fifteen years on plant rehabilitation – this is exclusive of engineering costs and construction management. The District has subsequently carried the long term plan out another three years and made modifications as additional information became available and the total has increased to \$43M. The District retained Kennedy/Jenks Consultants to work on Phase I of the plan as Construction Manager. The lowest responsible construction bid was awarded to Anderson Pacific Engineers.

The current long term capital plan is for the Treatment Plant only – staff is currently working on producing a similar plan for the Collection System. We currently maintain a five year plan, but are working on extending it to 15 years to meet the requirements of the Regional Board. The State General Waste Discharge Requirements for Sanitary Sewer Systems (Order No. 2006-0003) requires that we establish a proactive approach to ensure that a system-wide operation, maintenance, and management plan is in place to reduce the number and frequency of sanitary sewer overflows. We know that some of our underground assets are nearing the end of their lifespan and we are also examining capacity issues throughout the system.

The end result of the District's long term capital planning is that we are committed to spending, at a minimum, \$800K per year in Collections and we are committed to spending an estimated \$30M+ at the Treatment Plant over the next 15 years. The District's initial plan was to fund the entire Long Term Capital Improvement Plan via pay-as-you-go. The Board felt that rather than burden future ratepayers it was appropriate to assess current users and therefore authorized the plan to ramp up user fees, on average, 10% per year until the target funding level was met. Currently we are examining our long range cash flow projections and it is evident that we will have to make a decision about potential borrowing if we are to complete all planned rehabilitation work. At the Treatment Plant we are planning on three major rehabilitation projects phases – we anticipate completion of Phase I in December 2017. In the Collection Department we are attempting to first update our planning documents and then we will likely commit to one major line replacement project per year. It is an ambitious plan to be sure.

Phase I is of our Capital Rehabilitation at the plant was front-loaded because of the critical systems slated for replacement and rehab. Part of our decision going forward will be how we space the timing of Phase II and Phase III. Phase I included:

- Blower system modifications

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

- Return Activated Sludge/Waste Activated Sludge pumping station
- Sodium Hypochlorite/Sodium Bisulfite facility
- Decommission of chlorine gas disinfectant system
- Facility piping
- Dissolved Air Flotation (DAF) thickener rehabilitation
- New 450,000 gallon Digester and Digester control building
- Replacement of Waste Gas Burner
- Dewatering system modifications and installation of rotary screw press
- Significant electrical power modifications
- Potable water pump system modifications
- Utility water pump system rehabilitation
- Storm water pump station construction

The Phase I project design and construction management was performed by Kennedy/Jenks Consultants. The construction contract bid was awarded at \$13.9M to Anderson Pacific Engineers in July 2015. We have commenced planning for Phase II, again utilizing Kennedy/Jenks Consultants.

A summary of Changes in Net Position is presented below:

	2017	2016	2015
Changes in Net Position:			
Operating revenues	\$ 8,696,097	\$ 7,732,237	\$ 7,303,723
Nonoperating revenues	4,925,821	5,233,349	2,593,979
<i>total revenues</i>	13,621,918	12,965,586	9,897,702
Operating expenses	5,745,006	7,087,189	5,817,629
Nonoperating expenses	77,579	84,453	93,400
Depreciation expense	2,428,485	2,392,750	2,452,085
<i>total expenses</i>	8,251,070	9,564,392	8,363,114
Income before Cap Contributions	5,370,848	3,401,194	1,534,588
Capital Contribution	-	-	174,675
Change in net position	5,370,848	3,401,194	1,709,263
Net position, beginning	\$ 66,314,341	\$ 62,913,147	\$ 59,223,086
Restatements	-	-	1,980,798
Net position, ending	\$ 71,685,189	\$ 66,314,341	\$ 62,913,147

The District's strategy in regards to rate-setting has consistently been to cover all operating expenses with operating revenue and to utilize non-operating revenue (i.e. property taxes and interest revenues) to cover capital and other non-operating expenses. The District does not factor depreciation into its rate structure. However, since 2012-13 we have entered an amount for Capital Replacement gradually building to \$1.2M per year in 2017-18. This addition still does not cover the total replacement cost of our capital assets, nor

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

does it cover depreciation; however, we are looking at the pacing of our capital replacement plan the possibility of utilizing debt.

The District's net position increased by \$5.3M or 8.1% for many reasons. Operating revenues increased 12.5% or \$963K. Operating Expenses decreased 18.9% or \$1.3M with the result that income before any capital contribution increased 5.7% or \$1.9M. The District's assets exceeded liabilities by \$71M as of June 30, 2017. Net position, over time, may serve as a useful indicator of an entity's financial position.

The District's operations are strong enough to support our plan to "pay-as-you-go" for Phase I of our Treatment Plant Rehabilitation. We think the District's position is strong enough to support "pay-as-you-go" for the \$8-9M Phase II rehabilitation of our Treatment Plant.

Capital Assets Activity

In addition to the major Long Term Capital Improvement Plan (CIP) project under design by Kennedy/Jenks Engineers there are multiple in-house projects the District is managing.

2016-17 significant asset additions include:

• Bay & Scenic Lift Station Power	\$ 138,041
• Treatment Plant Front Gate	\$ 74,605
• 8 th & Scenic Pump Station Control Panel	\$ 34,585
• Influent Pump Control System	\$ 29,155
• Influent Screening	\$ 22,066

Debt Service Activity

In 2004, the District entered into an agreement with the Highlands Inn, the Tickle Pink Inn and the Highlands Sanitary Association to manage and obtain the necessary financing for them to construct a pipeline and connect to the District's treatment and collection facilities. The District obtained \$3,000,000 in the form of a 20 year bond as part of a pooled financing arrangement with the California Statewide Communities Development Authority Water & Wastewater Revenue Bonds, Series 2004A. In 2017 the District made a principal payment on the bond of \$140,000 and \$76,212 in interest. Prior year 2016 principal payment was \$130,000 with \$82,962 in interest. The Highlands Project bond is the District's only outstanding bond obligation; the District had no debt service obligations prior to 2004.

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

Budget Highlights/Variations

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

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

2016-17 major variances can be described as follows:

- Sewer service fees were 5.5% or \$354K over budget – the rate model provided for an additional \$1.2M to be allocated for future capital expenses.
- PBCSD treatment fees were 37.7% or \$377K over budget because of the increase in Treatment Plant expenses for continued rehabilitation of the plant. Flow was slightly above 1/3 of total inflows at 34.6%.
- Total Operating revenues were 9.42% over budget in total – largely attributable to PBCSD treatment fees.
- Collections budget was 8.4% under budget, the primary reasons being that benefit costs were 9.8% less than expected, insurance expense was 39.7% under budget, and general repairs were 28.6% under budget.
- The Treatment Plant was 10.9% under budget overall. Labor and Employee Benefits were under budget 8.5% and 7.6% respectively. Repairs and Maintenance was under 12.9% or \$11.9K. Utilities were under budget 10.0% or \$31K.
- General & Administrative Expenses were 34.7% under budget. Insurance costs were 38.3% under budget or \$65K. Contract services were 54.4% under budget or \$80K. Finally, Travel and Meeting expense was 77.6% under budget or \$20K.
- Property tax revenue was 21.4% over budget or \$321K. The budget employed a conservative factor of 1.5%.
- Investment revenue was 166.6% over budget or \$124K. While interest rates have remained very low, we simply did not pay out funds on Phase I as quickly as anticipated. Additionally, quick turnaround time on capital reimbursement requests to affiliated agencies provided the opportunity to earn additional investment revenue before construction invoices were paid.
- PBCSD capital reimbursements were 30.5% or \$918K less than anticipated, however as with CAWD expenditures, the capital payments to Anderson Pacific were slower to roll out than originally thought.

Other Significant Matters

- The District negotiated a two year employee agreement with a 3.2% COLA in 2016-17 and a 2.7% COLA the following year 2017-18. The agreement included a 1% increase in the CalPERS Classic Employee Contribution for each year.
- The annual lump sum CalPERS unfunded liability was \$13,039. Unlike the prior year, the District was able to fund this completely without any take-backs from employees.

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

Economic Factors and Next Year's Budget and Rates

The financial condition of the District remains remarkably solid considering the scope of our projected rehabilitation projects. Over 78.0% of the District's operating revenues are derived from wastewater user fees, which are not subject to economic volatility. In addition, the District receives an additional 15.8% of its revenue by contract from Pebble Beach Community Services District for the treatment of its sewage. That contract has been in effect since 1969 and is not anticipated to change significantly.

The District's design of Phase I – Long Term Capital Improvement Plan started construction July 1, 2015 and was projected to extend 700 days. The \$14,100,520 contract was originally slated to end on July 26, 2017 but extended beyond that date and reached Substantial Completion in December 2017 with Final Completion anticipated in January 2018. While the project has extended beyond what was originally anticipated, there have not been any major problems and total change orders are only 1.10% of the bid amount. A phenomenally low number by any standard, even more so when one considers that 0.22% of that total was for District requested additional work and betterments. We intentionally attempted to manage our Construction Management portion of Phase I to extend it to match the delay in construction. To that end we have developed a "Quick Start" Project to entertain between Phase I and II that includes the cleaning of Digester I which has not been cleaned since 1999 and repairs as necessary. Our goal was to manage the Phase I project to Final Completion successfully without legal issues and without excessive change orders – we feel we have been successful in that regard.

The District has started the predesign for Phase II and, as indicated, are analyzing improvements to Digester #1 roof. We firmly believe that the success of Phase I was attributable in part to the extensive pre-design and planning that went into Phase I. We plan to carry through with that same attention to detail for Phase II.

We continue to work on improvements in the Collection System. This year we signed a contract with West Yost Associates for assistance in preparing a 20 year Capital Improvement Program. West Yost performed a preliminary capacity study of our system and is also working on building a hydraulic model for analysis of any deficiencies and to rank projects according to priority. The District completed a similar analysis of the Treatment Plant in 2013 and utilizes it as the basis for planning Phase I and Phase II.

The District has engaged Environmental Science Associates (ESA) for a Sea Level Rise Vulnerability Assessment of the treatment plant and collection system. ESA was selected because of their extensive experience working in the lower Carmel River, their design of the Carmel Lagoon South Arm Restoration Project, their ability to provide coastal lagoon monitoring using their proprietary analytical methods of predicting water levels, and the experience of the team of scientists assigned to this project.

The District submitted an amendment to the Monterey County Local Hazard Mitigation Plan (LHMP) that will enable us to participate in grant applications at the federal level. Initially it was thought that we would not be able to participate without buy-in from all County cities; however, we're happy to report that proved unnecessary from the federal perspective. The District can now participate in any potential grant funding with the only requirement that we participate with the County in future updates to the plan.

One of the first things we did with our participation in the LHMP was to apply for FEMA funding to move the District's outfall line under the lagoon. The Carmel River Free Project (CRFree) presents a

Carmel Area Wastewater District
Management's Discussion and Analysis
June 30, 2017

potential liability to the District because the diversion of flows to the south arm could potentially dislodge the pipeline from its supporting piers. Moving the pipeline is critical to allowing the CRFree project to move forward. The Big Sur Land Trust and the County have indicated that there is a very short window for the District to complete its project moving the timeline – we're aggressively aiming to do the work in the summer of 2018. To that end we've applied for grant funding from FEMA that will enable us to move forward. A response to our application is anticipated in 2018.

Our second utilization of the LHMP and grant funding involves Hatton Canyon. The District has significant infrastructure running under its easement in Hatton Canyon that it will need to protect. In the past, State Parks has managed the roadway, but now due to its own budgetary pressures State Parks has indicated that the District will need to take responsibility. We had another sanitary sewer overflow on this line last year and recognize this as a high priority. We have applied to FEMA/CalOES for grant funding to repair/rehabilitate this line and make it considerably more robust and eliminate the impact of the streambed overflow. Again, a response to our application is anticipated in 2018.

Four years ago we initiated a plan to increase the capital component of the rate model by \$250K each year over the next five years with the knowledge that we needed not only to cover operating cost increases but we had significant capital rehabilitation requirements. We deferred any increase in 2015-16, but went back to the original plan in 2016-17. We remain optimistic that we can pay for a Phase II with cash. But we recognize that we face extraordinary challenges with the rehabilitation of the collection system and dealing with sea level rise. While we believe the challenges of sea level rise may be at least 50 years in the future we know that planning must begin now. Additionally there is some question about the impact of the tax legislation in Congress – preliminary concern is that the State will take tax revenues away from special districts if the deductibility of state and local taxes is passed. Currently the District receives \$1.8M in property tax revenue; the loss of the revenue source would represent a significant problem for us. Undoubtedly it will mean we need to re-consider our strategy going forward on use of the rate model to recover funding.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CARMEL AREA WASTEWATER DISTRICT
Statements of Net Position
June 30, 2017 and 2016

Page 1 of 2

Assets	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and investments	\$ 24,578,189	\$ 24,338,136
Accounts receivable	107,224	150,664
Accounts receivable - affiliates	1,312,791	859,993
Total current assets	<u>25,998,204</u>	<u>25,348,793</u>
Noncurrent Assets		
Capital assets not being depreciated	15,868,944	9,278,781
Capital assets, net of depreciation	<u>32,294,165</u>	<u>34,329,469</u>
Total noncurrent assets	<u>48,163,109</u>	<u>43,608,250</u>
Total assets	74,161,313	68,957,043
Deferred Outflows of Resources		
Deferred pensions	<u>992,009</u>	<u>1,021,125</u>
Total assets and deferred outflows of resources	<u><u>\$ 75,153,322</u></u>	<u><u>\$ 69,978,168</u></u>

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Net Position
June 30, 2017 and 2016

Page 2 of 2

*for comparative
purposes only*

Liabilities and Net Position	<u>2017</u>	<u>2016</u>
Current Liabilities		
Accounts payable - trade	\$ 1,427,063	\$ 1,213,120
Accrued bond interest	18,178	19,928
Revenue bonds - current	145,000	140,000
Compensated absences - current	39,263	42,505
Total current liabilities	<u>1,629,504</u>	<u>1,415,553</u>
Noncurrent Liabilities		
Amounts due in more than one year:		
Revenue bonds payable	1,240,000	1,385,000
Compensated absences	117,790	127,516
Net pension liability (overfunded)	(370,040)	(515,387)
Total noncurrent liabilities	<u>987,750</u>	<u>997,129</u>
Total liabilities	<u>2,617,254</u>	<u>2,412,682</u>
Deferred Inflows of Resources		
Deferred pensions	<u>850,879</u>	<u>1,251,145</u>
Total liabilities and deferred inflows of resources	<u>3,468,133</u>	<u>3,663,827</u>
Net Position		
Net investment in capital assets	46,778,109	42,083,250
Restricted	-	-
Unrestricted	24,907,080	24,231,091
Total net position	<u>71,685,189</u>	<u>66,314,341</u>
Total liabilities, deferred inflows, and net position	<u>\$ 75,153,322</u>	<u>\$ 69,978,168</u>

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Revenue, Expenses, and Change in Net Position
Years Ended June 30, 2017 and 2016

	2017	<i>for comparative purposes only</i> 2016
Operating Revenue		
Sewer service fees	\$ 6,790,895	\$ 6,120,062
Treatment fees, PBCSD	1,377,192	1,146,109
CAWD/PBCSD Reclamation Project reimbursements	518,110	455,966
Permits and inspection fees	9,900	10,100
Other operating revenue	-	-
Total operating revenue	8,696,097	7,732,237
 Operating Expenses		
Maintenance - Field	109,594	-
Maintenance - Plant	1,025,421	-
Sewage collection	1,324,276	1,674,480
Sewage treatment and disposal	4,233,644	5,955,067
General and administrative	1,031,582	1,399,488
CAWD/PBCSD Reclamation Project expenses	448,974	450,904
Total operating expenses	8,173,491	9,479,939
 Operating income (loss)	522,606	(1,747,702)
 Nonoperating Revenue (Expenses)		
Property tax revenue	1,823,473	1,736,624
Investment earnings (loss)	199,913	188,057
Highlands Inn assessment revenue	220,010	215,594
Connection fees	4,351	115,212
PBSCD capital cost reimbursements	2,090,686	2,271,411
Reclamation Project capital cost reimbursements	556,458	694,936
Interest and fiscal expenses	(77,579)	(84,453)
Other nonoperating revenue (expense)	30,930	11,515
Total nonoperating revenue	4,848,242	5,148,896
 Income (loss) before capital contributions	5,370,848	3,401,194
Capital contributions	-	-
 Change in Net Position	5,370,848	3,401,194
Net Position - beginning	66,314,341	62,913,147
Net Position - end of year	\$ 71,685,189	\$ 66,314,341

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

Page 1 of 2

Cash Flows Provided By (Used For):	<i>for comparative purposes only</i>	
	2017	2016
Operating Activities		
Cash received from customers	\$ 8,286,739	\$ 7,767,804
Cash payments for operating supplies	(2,134,839)	(1,755,099)
Cash payments for personnel costs	(3,634,995)	(2,988,411)
Net cash provided (used)	2,516,905	3,024,294
Noncapital Financing Activities		
Property tax revenue	1,823,473	1,736,624
Highlands Inn assessment revenue	220,010	215,594
Net cash provided (used)	2,043,483	1,952,218
Capital and Related Financing Activities		
Connection fees	4,351	115,212
Purchase of property and equipment	(6,983,344)	(4,875,793)
Reimbursements for capital projects	2,647,144	-
Interest and fiscal expenses	(79,329)	(86,058)
Principal paid on revenue bonds	(140,000)	(130,000)
Other cash revenue	30,930	-
Net cash provided (used)	(4,520,248)	(4,976,639)
Investing Activities		
Investment earnings (loss)	199,913	188,057
Net cash provided (used)	199,913	188,057
Increase (decrease) in cash	240,053	187,930
Cash and cash equivalents - beginning	24,338,136	24,150,206
Cash and cash equivalents - end of year	\$ 24,578,189	\$ 24,338,136

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

Page 2 of 2

*for comparative
purposes only*

	2017	2016
Operating Activities Analysis		
Operating Income (Loss)	\$ 522,606	\$ (1,747,702)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Add depreciation and amortization, noncash expenses	2,428,485	2,392,750
Add GASB 68 net pension adjustment, noncash expense	(185,996)	1,695,431
Changes in current assets and liabilities:		
(increase) decrease in trade receivables	27,085	(139,737)
(increase) decrease in affiliate receivables	(436,443)	175,304
(increase) decrease in other expenses	(39,807)	37,906
increase (decrease) in trade payables	213,943	889,823
increase (decrease) in compensated absences	(12,968)	(279,481)
Net cash provided (used)	\$ 2,516,905	\$ 3,024,294

The accompanying notes are an integral part of these financial statements

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

- Note 1 - Defining the Reporting Entity
- Note 2 - Summary of Significant Accounting Policies
- Note 3 - CAWD/PBCSD Reclamation Project
- Note 4 - Cash and Investments
- Note 5 - Receivables
- Note 6 - Capital Assets
- Note 7 - Payables
- Note 8 - Deferred Compensation Plan
- Note 9 - Long-term Obligations
- Note 10 - Postemployment Benefits Other than Pensions
- Note 11 - Single Employer Defined Benefit Pension Plan
- Note 12 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
- Note 13 - Risk Management
- Note 14 - Subsequent Events
- Note 15 - New Pronouncements

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Note 1 - Defining the Reporting Entity

Reporting Entity

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

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

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

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

Other Agencies

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

Accounts and Records

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

Budgets and Budgetary Accounting

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

OTHER SIGNIFICANT ACCOUNTING POLICIES ARE:

Basis of Accounting

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

Cash and Investments

The District maintains an account with the Monterey County Investment Pool, which essentially operates as a demand deposit account. Available cash balances are managed and controlled by the Monterey County Treasurer in pooled investment funds in order to provide safety, liquidity, and high investment returns for all funds. Earnings from these funds are credited to the District's account on a quarterly basis. Assessments in

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

excess of estimated current bond requirements of the District are deposited in the Monterey County account which earns interest based on the fund's prorata share of the cash in the investment fund. The District also maintains financial institution bank accounts for operations and payroll that are FDIC insured up to \$250,000 per individual financial institution.

Cash and Cash Equivalents

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

Restricted Assets

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

Investment Policy

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

Accounts Receivable

Account receivables considered uncollectible are accounted for using the allowance method. The allowance for doubtful accounts was \$16,355 at June 30, 2017. All annual user fee customer invoices are added to the County assessed property tax invoices, mailed to property owners annually, collected by the County Assessor where the proceeds are deposited into the District's investment account with the County Treasurer.

Property, Plant & Equipment

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

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

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

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Vacation, Sick Leave, and Other Compensated Absences

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

Maximum vacation accrual is 320 hours. The maximum sick leave accrual, eligible for payment, is 600 hours. Sick leave is earned at 4.6 hours per pay period. Employees earn vacation pay as follows:

<u>Time of Employment</u>	<u>Vacation per pay period*</u>
One to five years	3.1 Hours
Five to ten years	4.6 Hours
Ten to twenty years	6.2 Hours
Twenty-five years or more	7.7 Hours

*Rates of accrual for vacation and sick leave are per pay period; one pay period spans two weeks.

Long-term Obligations

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

Pension Funding Obligations

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

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

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

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Net Position

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

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

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

Operating and Nonoperating Revenue

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

Property Taxes

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

- *Property Valuations* - are established by the Assessor of Monterey County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.
- *Tax Levies* - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.
- *Tax Levy Dates* - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.
- *Tax Collections* - are the responsibility of the Monterey County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

- Tax Levy Apportionments - due to the nature of the County-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities such as the District. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total County-wide levy for the three fiscal years prior to fiscal year 1979.
- Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.
- Monterey County bills and collects property taxes and user fees for the District in addition to its own property taxes.

Use of Estimates

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

Note 3 - CAWD/PBCSD Reclamation Project

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

The Project provides treated or reclaimed wastewater to irrigate golf courses and open space areas within the community of Pebble Beach, which frees up potable water previously used for irrigation. The Project operates on the site of CAWD's existing wastewater treatment plant. The Project includes: a tertiary treatment plant, laboratory facilities, a wastewater distribution system, a storage tank used to distribute the treated wastewater to the receptor sites in Pebble Beach, and irrigation system improvements. Recent improvements include a Microfiltration/Reverse Osmosis facility at the CAWD plant, and a reservoir increase capacity project to hold additional reclaimed water at the PBCSD reservoir. The tertiary treatment plant produces water which meets Title 22 standards specified by the California Department of Health Services, which is a quality acceptable for irrigation.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Phase 1

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

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

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

Assets owned by CAWD include the following:

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

Assets owned by PBCSD include the following:

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

Phase 2

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

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

The Project began construction on the Forest Lake Reservoir in 2004 with completion in 2006. Total cost of the reservoir component of the expanded project was approximately \$13 million. Upon completion of the reservoir, PBCSD began the application process with the California Division of Safety of Dams to increase the permitted capacity from 320 acre feet to 370 acre feet.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

Note 4 - Cash and Investments

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

Statement of Net Position	
Cash and investments	\$ 24,578,189
Cash and investments are comprised of the following:	
Deposits with financial institutions:	
Checking accounts	\$ 217,279
State investment pool	1,118,718
Monterey County investment pool	23,242,192
	\$ 24,578,189

Participation in an external County Investment Pool

The District is a voluntary participant in the external Monterey County Investment Pool, which is regulated by the California Government Code and by the County's investment policy. The objectives of the policy are, in order of priority: safety, liquidity, yield and public trust. Interest earnings from these funds are credited to the District's account on a quarterly basis. According to the Monterey County Treasurer, their investment policy is in compliance with Section 53635 of the Government Code of the State of California, which permits investments in certain securities and participation in certain investment trading techniques or strategies. As of June 30, 2017, the County Pool had approximately \$1.4 billion in investments. Detailed information and annual reports concerning the County's investment pool can be obtained from the Monterey County Auditor/Controller, PO Box 390, Salinas, CA 93902.

Participation in an external State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the California State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits on an annual basis. As of June 30, 2017, PMIA had approximately \$77.6 billion in investments. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Audited financial statements of PMIA may be obtained from the California State Treasurer's web site at www.treasurer.ca.gov.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Investments Authorized by the Project's Investment Policy

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

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

Disclosures Relating to Interest Rate Risk

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

		<u>Maturity Date and Yield</u>
Monterey County investment pool	\$ 23,242,192	24 months average maturity, 1.22% yield
State investment pool	\$ 1,118,718	6 months average maturity, 0.93% yield

Disclosures Relating to Credit Risk

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

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At year end, 94.5% of the District's cash was invested with the Monterey County Investment Pool.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At year end the District had \$153,166 in bank financial institutions that was not covered by the FDIC, but was covered by collateralized securities of the bank financial institutions where the deposits were maintained.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

Note 5 - Receivables

Receivables at year end consist of the following:

User fees - User fee customers	\$	60,499
User fees - State Park		63,080
subtotal		123,579
Less allowance for uncollectible account		(16,355)
total trade receivables	\$	107,224
Reclamation Project - O & M reimbursements	\$	76,446
Reclamation Project - Capital projects		157,534
Pebble Beach CSD - O & M reimbursements		411,192
Pebble Beach CSD - Capital projects		667,619
total affiliate receivables	\$	1,312,791

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Note 6 - Capital Assets

Capital assets activity for the year consists of the following:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
<u>Non-depreciable Assets</u>				
Land and land rights	\$ 308,060	\$ -	\$ -	\$ 308,060
Construction-in-progress	8,970,721	6,590,163	-	15,560,884
totals	<u>9,278,781</u>	<u>6,590,163</u>	<u>-</u>	<u>15,868,944</u>
<u>Depreciable Assets</u>				
Treatment structures	51,428,396	118,024	-	51,546,420
Treatment equipment	7,239,498	62,574	-	7,302,072
Collection pump stations	1,040,749	-	-	1,040,749
Collection pump equipment	738,007	172,626	-	910,633
Sewers and appurtenances	10,675,004	-	-	10,675,004
Disposal facilities	1,126,273	-	-	1,126,273
Other assets	3,900,594	-	(98,585)	3,802,009
totals	<u>76,148,521</u>	<u>353,224</u>	<u>(98,585)</u>	<u>76,403,160</u>
<u>Accumulated Depreciation</u>	<u>(41,819,052)</u>	<u>(2,428,485)</u>	<u>138,542</u>	<u>(44,108,995)</u>
<u>Net Capital Assets</u>	<u>\$ 43,608,250</u>	<u>\$ 4,514,902</u>	<u>\$ 39,957</u>	<u>\$ 48,163,109</u>

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

Sewage collection	\$ 333,826
Sewage treatment and disposal	2,059,995
General and administrative	34,664
Nondepartmental adjustments	-
	<u>\$ 2,428,485</u>

Note 7 - Payables

Payables at year end consist of the following:

Construction, engineering and consultants	\$ 1,369,980
Legal and accounting	19,267
Other vendors	37,816
	<u>\$ 1,427,063</u>

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Note 8 - Deferred Compensation Plan

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

Note 9 - Long-term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 1,525,000	\$ -	\$ (140,000)	\$ 1,385,000	\$ 145,000
Bond interest payable	19,928	-	(1,750)	18,178	18,178
Compensated absences	170,021	-	(12,968)	157,053	39,263
Single employer net pension liability (overfunded)	(482,385)	(172,782)	-	(655,167)	
CalPERS net pension liability (overfunded)	(33,002)	318,129	-	285,127	
	<u>\$ 1,199,562</u>	<u>\$ 145,347</u>	<u>\$ (154,718)</u>	<u>\$ 1,190,191</u>	

Compensated Absences

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

Revenue Bonds

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

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

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Future annual principal and interest requirements are as follows:

Year Ending June 30,	Revenue Bonds, Series 2004-A		
	Principal	Interest	Total
2018	\$ 145,000	\$ 68,906	\$ 213,906
2019	150,000	61,163	211,163
2020	160,000	53,025	213,025
2021	170,000	44,363	214,363
2022	175,000	35,306	210,306
2023-2025	585,000	47,119	632,119
totals	\$ 1,385,000	\$ 309,882	\$ 1,694,882

Note 10 - Postemployment Benefits Other than Pensions

Plan Description

In September 2002, the District established a postemployment health plan (PEHP) to meet its employees' postemployment health care needs and expenses. Under the PEHP plan, Nationwide Retirement Solutions Company (NRS) provides administrative services in exchange for a fee as agreed upon by the District and NRS. The plan does not establish a long-term liability of the District. All employees are permitted to participate in the plan beginning on the first day of the month following their hire date. The District contributes 1% of an employee's salary to the plan on a periodic basis, on behalf of each eligible employee who is a plan participant. In June 2004, the plan was amended to provide for the deposit of the dollar equivalent of up to 500 hours of available accrued sick time for an employee into his/her account upon separation from service with the District. Amounts contributed are segregated to either one or both of the following sub-accounts for: (1) reimbursements of qualifying medical care expenses not paid by insurance or (2) reimbursement of health care insurance premiums. Contributions may not vary among eligible employees to fund the qualifying medical care expense sub-account and will be made as an equal dollar amount for each employee. Contributions to fund health care insurance premium sub-accounts may be made as an equal dollar amount or as a percentage of salary, but such percent or dollar amount must apply to all eligible employees. For the year ended June 30, 2017 the District contributed \$24,280 to the plan.

Note 11 - Single Employer Defined Benefit Pension Plan

A. General Information about the Plan

Plan Description

The District placed a contribution freeze on its Strategic Asset Management single employer defined benefit pension plan effective October 29, 2005, and adopted a new retirement plan with the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. Employees no longer accrue service credits under the single employer defined benefit plan, and the plan does not accept new employees. However, the District will continue funding this current plan to cover prior service, and the current plan will be paid out as eligible employees (those hired prior to October 29, 2005) leave District employment. The District is the Plan Administrator. Additional information concerning this Single Employer Defined Benefit Pension Plan can be obtained from the District's principal accountant.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Benefits Provided

The District maintains this single employer defined benefit pension plan that covers all full time employees as they become eligible for participation before October 29, 2005. An employee became eligible after six months of service and attaining the age of 20.5. The amounts of pension benefits are based on length of services and compensation. Premiums are paid into a trust, which is administered by LPL Financial (Linsco/Private Ledger). The District makes all required payments on behalf of its eligible employees.

The plan provides for a fixed benefit payment upon reaching retirement at age 62 or after five years of participation, if later. The retirement benefit is 2.5% of monthly compensation times years of services at the termination date. An employee's pre-retirement death benefit is equal to the present value of their accrued benefit. Effective July 1, 2001, the plan was amended for *participants*, defined as any employee who has completed one or more years of service, to vest under the following schedule:

<u>Years of Service</u>	<u>Vesting</u>
0-2	0%
3	20%
4	40%
5	60%
6	80%
7 or more years	100%

Contributions

The District's funding policy is to provide for employer contributions once a year. Contributions are actuarially determined under the aggregate actuarial cost method and are designed to accumulate sufficient assets to pay benefits when due. Although service credit to the plan has stopped, employees will only be able to draw their pension account upon separation from District employment. The existing plan is closed to any new employees hired after October 29, 2005. Employer contributions to the plan for the year ended June 30, 2017 were \$88,680 and were made in accordance with the contribution requirements determined by actuarial valuation of the plan year beginning July 1, 2014.

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

As of June 30, 2017, the District reported a Net Pension Liability as follows:

Total pension liability	\$ 4,763,226
Fiduciary net position	5,418,393
Net pension liability (overfunded)	(655,167)

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 509,859
Net difference between projected and actual earnings on pension plan investments	183,898	-
Differences between expected and actual experience	91,752	-
Totals	\$ 275,650	\$ 509,859

Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense in the years ending June 30, 2017 and thereafter as follows:

Year Ended June 30,	
2018	\$ (67,528)
2019	(67,527)
2020	(65,532)
2021	(35,159)
2022	1,537
thereafter	-
	\$ (234,209)

C. Actuarial Assumptions

Actuarially determined contribution rates are calculated as of July 1, 12 months prior to the end of the fiscal year in which contributions are reported. Methods and assumption used to determine contribution rates are as follows:

Valuation date	July 1, 2014
Measurement date	June 30, 2016
Actuarial cost method	Entry age
Amortization method	5 years
Remaining amortization method	3-5 years
Inflation	2.00%
Salary increases	3.50%
Investment Rate of Return, net	6.00%
Retirement age, with 5 years participation	62
Mortality	RP2014 tables

D. Discount Rate

The discount rate used to measure the total pension liability was 6.00% which is the long-term expected rate of return on pension plan investments net of pension plan administrative expense, including inflation.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

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

	Discount Rate -1% 5%	Current Discount Rate 6.0 %	Discount Rate +1% 7%
Net Pension Liability	\$ (399,348)	\$ (655,167)	\$ (1,312,166)

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

A. General Information about the Plan

Plan Description

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years svc	5 year svc
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	6.880%	6.308%
Required employer contribution rates	8.049%	6.250%

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

Contributions

The District makes partial contributions required of District employees on their behalf and for their account depending upon date of hire. Employee members are required to make contributions of their annual covered salary in an amount depending upon date of hire. The contribution requirements of plan are established and may be amended by CalPERS. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2017, employer pension plan contributions were \$152,534.

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

As of June 30, 2017, the District reported a net pension liability for its Proportionate Share of the Net Pension Liability of the CalPERS Public Agency Cost-Sharing Plan as follows:

Total pension liability	\$	4,635,948
Fiduciary net position		4,350,821
Net pension liability		285,127

The District's net pension liability for its Plan with CalPERS is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016 (measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures.

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

The District reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	4,792	1,098
Changes of assumptions	-	45,338
Net difference between projected and actual earnings on pension plan investments	235,968	-
Change in employer's proportion	36,332	274,205
Differences between employer's contributions and the proportionate share of contributions	286,733	20,379
Pension contributions subsequent to the measurement date	152,534	-
Totals	<u>\$ 716,359</u>	<u>\$ 341,020</u>

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

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

<u>Fiscal Year Ending June 30:</u>	
2018	\$ 22,598
2019	28,925
2020	110,163
2021	61,118

C. Actuarial Assumptions

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

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 15.0% (1)
Investment Rate of Return	7.5% (2)

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

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

D. Discount Rate

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year and will continue to check the materiality of the difference in calculation until such time as they change their methodology.

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

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

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses. The asset allocation has an expected long-term blended rate of return of 7.5 percent.

<u>Asset Class</u>	<u>Allocation</u>
Global Equity	51.00%
Global Fixed Income	20.00%
Inflation Sensitive Assets	6.00%
Private Equity	10.00%
Real Assets	12.00%
Other	0.00%
Liquid Assets	1.00%
	<u>100.00%</u>

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

	Discount Rate -1%	Current Discount	Discount Rate +1%
	6.65%	Rate 7.65%	8.65%
Net Pension Liability	\$ 909,270	\$ 285,127	\$ (230,696)

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. This policy covers solely the District's property and equipment located at 26900 State Route 1 in Carmel, California, and not property and equipment owned by the Pebble Beach Community Services District or the Monterey Peninsula Water Management District that may be physically located on CAWD property.

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

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

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

Note 14 - Subsequent Events

The management of the District has reviewed the results of operations for the period from its year end June 30, 2017 through November 27, 2017, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 15 - New Pronouncements

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

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Effective Date: The requirements of this Statement are effective for periods beginning after June 15, 2017. This Statement sets new reporting requirements for government employer OPEB plans, whether or not funded, and replaces GASB 45. Because it follows Statement 68 (the new pension accounting standard) very closely, the required calculations and terms may be familiar.

CARMEL AREA WASTEWATER DISTRICT
Notes to Financial Statements
June 30, 2017

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

Effective Date: The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged. (Issued 3/16)

GASB Statement No. 83, *Certain Asset Retirement Obligations*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. (Issued 11/16)

GASB Statement No. 84, *Fiduciary Activities*

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

GASB Statement No. 85, *Omnibus 2017*

Effective Date: The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged. (Issued 03/17)

GASB Statement No. 86, *Certain Debt Extinguishment Issues*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. (Issued 05/17)

GASB Statement No. 87, *Leases*

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

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (unaudited)
As of June 30, 2017

Schedule of Proportionate Share of the Net Pension Liability

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

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

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

Schedule of Contributions

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

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (unaudited)
Last 3 Fiscal Years *

Schedule of the District's Proportionate Share of
the Plan's Net Pension Liability

	2017	2016	2015
District's proportion of the net pension liability	0.003295%	-0.000481%	0.010110%
District's proportionate share of the net pension liability	\$ 285,127	\$ (33,002)	\$ 629,116
District's covered-employee payroll *	\$ 2,030,331	\$ 2,053,405	\$ 1,868,031
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.04%	-1.61%	33.68%
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

* for the fiscal year ending on the measurement date

Schedule of the District's Contributions

Contractually required employer contribution	\$ 152,534	\$ 134,094	\$ 157,952
Contributions in relation to the contractually required employer contribution	<u>152,534</u>	<u>134,094</u>	<u>718,672</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (560,720)</u>
District's covered-employee payroll **	\$ 2,177,857	\$ 2,030,331	\$ 2,053,405
Contributions as a percentage of covered- employee payroll	7.00%	6.60%	35.00%

* for the fiscal year ending on the date shown

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information
Single Employer Defined Benefit Pension Plan (unaudited)
As of June 30, 2017

Schedule of Changes in the Net Pension Liability and Related Ratios

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

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

Schedule of Contributions

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

CARMEL AREA WASTEWATER DISTRICT
Required Supplementary Information
Single Employer Defined Benefit Pension Plan (unaudited)
Last 3 Fiscal Years *

Schedule of Changes in the Net Pension Liability and Related Ratios

<u>Total Pension Liability</u>	2017	2016	2015
Service Cost	\$ -	\$ -	\$ -
Interest on total pension liability	271,856	267,034	234,721
Differences between expected and actual experience	16,907	29,560	103,803
Changes of assumptions	-	-	(907,311)
Benefit payments, includes refunds	(112,946)	(319,499)	(73,846)
Net change in total pension liability	175,817	(22,905)	(642,633)
Total pension liability - beginning	4,587,409	4,610,314	5,252,947
Total pension liability - ending	<u>\$ 4,763,226</u>	<u>\$ 4,587,409</u>	<u>\$ 4,610,314</u>
<u>Plan Fiduciary Net Position (plan assets)</u>			
Contributions - employer	\$ 88,680	\$ 130,672	\$ 216,420
Contributions - employee	-	-	-
Net investment income - expected	374,628	(92,216)	227,644
Net investment income - gain/(loss)	-	-	9,974
Benefit payments, includes refunds	(112,946)	(319,499)	-
Administrative expense	(1,763)	(16,821)	(73,846)
Net change in plan fiduciary net position	348,599	(297,864)	380,192
Plan fiduciary net position - beginning	5,069,794	5,367,658	4,987,466
Plan fiduciary net position - ending	<u>\$ 5,418,393</u>	<u>\$ 5,069,794</u>	<u>\$ 5,367,658</u>
Net Pension Liability (overfunded)	<u>\$ (655,167)</u>	<u>\$ (482,385)</u>	<u>\$ (757,344)</u>

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

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

Covered employee payroll	\$ 683,592	\$ 759,350	\$ 785,681
NPL as percentage of covered employee payroll	-95.80%	-64.00%	-97.00%

Schedule of Contributions

Actuarially determined contribution	\$ 78,940	\$ 88,667	\$ 130,567
Actual contributions	88,680	130,672	216,420
Contribution deficiency (excess)	<u>\$ (9,740)</u>	<u>\$ (42,005)</u>	<u>\$ (85,853)</u>
Covered employee payroll	\$ 683,592	\$ 759,350	\$ 779,176
Contributions as a percentage of covered payroll	12.97%	17.21%	27.78%

OTHER SUPPLEMENTARY INFORMATION

CARMEL AREA WASTEWATER DISTRICT
Budgetary Comparison Information
Revenue and Expenses
Year Ended June 30, 2017

	Final Budget (unaudited)	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenue</u>			
Sewer service fees	\$ 6,436,201	\$ 6,790,895	\$ 354,694
PBCSD treatment fees	1,000,000	1,377,192	377,192
Reclamation Project O&M reimbursements	506,100	518,110	12,010
Permits and inspection fees	5,000	9,900	4,900
Other operating revenue	-	-	-
Total operating revenue	<u>7,947,301</u>	<u>8,696,097</u>	<u>748,796</u>
<u>Operating Expenses</u>			
Maintenance - Field	110,876	109,594	1,282
Maintenance - Plant	1,206,930	1,025,421	181,509
Sewage collection	1,446,431	1,324,276	122,155
Sewage treatment and disposal	4,756,006	4,233,644	522,362
General and administrative	1,580,902	1,031,582	549,320
Reclamation Project O&M expenses	506,100	448,974	57,126
Total operating expenses	<u>9,607,245</u>	<u>8,173,491</u>	<u>1,433,754</u>
Operating income (loss)	(1,659,944)	522,606	2,182,550
<u>Nonoperating Revenue and (Expenses)</u>			
Property tax revenue	1,501,830	1,823,473	321,643
Investment revenue	75,000	199,913	124,913
Highlands assessment revenue	218,813	220,010	1,197
Connection fees	5,000	4,351	(649)
PBCSD capital reimbursements	3,009,648	2,090,686	(918,962)
Reclamation Project capital reimbursements	842,805	556,458	(286,347)
Debt Service - interest	(76,213)	(77,579)	(1,366)
Other non-operating revenue (expenses)	(2,600)	30,930	33,530
Total non-operating revenue and (expenses)	<u>5,574,283</u>	<u>4,848,242</u>	<u>(726,041)</u>
Net income (loss)	\$ 3,914,339	\$ 5,370,848	\$ 1,456,509
<u>Non-GAAP Reconciling Adjustment</u>			
Debt Service - Principal	(140,000)	(140,000)	-
	<u>\$ 3,774,339</u>	<u>\$ 5,230,848</u>	<u>\$ 1,456,509</u>

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: January 25, 2018

Subject: Call for Nominations of Candidates to Fill Two Special District Seats on LAFCO

RECOMMENDATION

This is informational only. Qualified individuals may submit their nomination by returning the application to LAFCO by February 1, 2018 at 5:00 p.m.

DISCUSSION

This is a call for nominations for candidates to fill two Special District seats on the Local Agency Formation Commission of Monterey County. One seat is a Special District Representative (Regular) seat with a four-year term that will expire in May 2022. The second seat is the Special District Representative (Alternate) that will expire in May 2020.

A qualified Director/Trustee may nominate himself or herself as a candidate to serve on LAFCO. The completed nomination must be returned to LAFCO by February 1, 2018. No Board action is required for a self-nominated candidate.

After the close of the nomination period, the LAFCO office will prepare a ballot listing the qualified candidates. Each District will receive a mail-in ballot and voting instructions in February. All Directors/Trustees will be requested to vote and return a signed ballot. The new representative will be seated by May 2018.

FUNDING

N/A

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

NOMINATION FORM TO DECLARE CANDIDACY AND REQUEST NAME AND STATEMENT ON BALLOTS FOR ONE REGULAR POSITION AND ONE ALTERNATE POSITION ON THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Due Date: February 1, 2018

Nominations will be considered to fill the four-year term for one Regular seat (expiring May 2022) and the remaining term for one Alternate seat (expiring May 2020) for Independent Special District Commissioners on the Local Agency Formation Commission of Monterey County.

Nomination Deadline and Process:

Nominations must be received in the LAFCO Office by February 1, 2018 at 5:00 p.m. Qualified persons may submit their own nominations using this form (no Board action is needed). You may email the completed form to mckennak@monterey.lafco.ca.gov OR mail it to P.O. Box 1369, Salinas, CA 93902 OR hand-deliver it to 132 W. Gabilan Street, Suite 102 in Salinas.

Nomination Statement:

"I, _____, hereby declare myself a candidate for the election to the position of Regular or Alternate Commissioner of the LAFCO of Monterey County. I am an elected or appointed Monterey County Independent Special District board member or trustee residing within the county and not a member of a legislative body of a city or county. I request my name be placed on the official ballot and, if elected, I will qualify and accept the office of Regular or Alternate LAFCO Commissioner for which I am selected and serve to the best of my ability."

Nominee Information:

Name: _____
Address: _____
Phone and e-mail: _____
District represented: _____
Your position with the District: _____
Number of years as a District Board Member or Trustee: _____

Candidate Statement for the Ballot:

Please give reasons for wanting to be an elected LAFCO Commissioner and briefly summarize qualifications and background:

Signed: _____

Name (Print): _____

Date: _____

Thank you for your interest in serving on LAFCO of Monterey County.

**CARMEL AREA WASTEWATER DISTRICT
SUMMARY OF RETIREMENT PENSION PLAN TRUSTEES
MEETING HELD - January 16, 2018**

A meeting of the Retirement Pension Plan Trustees was held on Thursday, January 16, 2018 at 9:00 a.m.

Those Present Included: Michael Rachel, Director, Trustee
Rob Wellington, Legal Counsel, Trustee
Barbara Buikema, General Manager, Trustee
William J. Hastie, Jr., MBA, Investment Advisor
Haley Hitchman, Investment Advisor

I. Portfolio Performance Review 4th Quarter 2017

CAWD Portfolio value as of 12-31-17 was \$5,286,329. The fourth quarter portfolio investment return was 4.11%. The investment strategy has been to remain broadly diversified. The portfolio composition remains at a 60% stocks 40% bonds.

The stock market has performed very well this past quarter, particularly when compared to fixed income securities. Large Cap U.S. Growth Equity (14% of portfolio) holdings had a strong quarter returning 5.80%. Large Cap U.S. Blend Equity holdings (14% of portfolio) also performed well with iShares Core S&P returns of 6.80% and Columbia Contrarian at 5.36%. Large Cap U.S. Value Equity holdings JP Morgan Large cap (10% of portfolio) showed a return of 7.21%. Mr. Hastie opined that Industrials may be back in vogue with the federal government tax plan. While large companies will benefit from tax reform there should also be some recovery at mid and small cap level also. Small Cap Foreign/Emerging Market Equity (8% of portfolio) did very well with returns of 6.76%.

We continue to hold 60% stocks/40% bonds because we want negative correlation in portfolio to balance potential risk. Blackrock Total Return (8% of portfolio) is described as a “vanilla broad based” fund; however it is a fund that retains positive returns even when equities do well. Strategic Income (16% of portfolio) was also a strong performer in fixed income with returns of 1.08%

Portfolio Risk Measures (3 year measure):

	Three Year	S&P 500	Five Year	S&P 500	Ten Year	S&P 500
Beta	0.62		0.64		0.66	
Standard Deviation	6.49	10.07	6.37	9.49	10.23	15.08
Mean	9.19	11.41	10.68	15.79	8.17	8.50
Alpha	1.81		0.53		2.13	

Mr. Hastie indicates that they believe we will start to see a shift from index funds to actively managed funds. They have no preference and will always select based on whether or not returns justify. For example the SPDR MFS Systematic Growth fund is actively managed while the iShares S&P 500 Index is, as the name indicates, an index fund.

Note: Hastie Financial report refers to Mean as “mean average return”. That will be correct to read “mean return” going forward.

II. 1st Quarter 2018 Action Plan

Recommend reducing allocation in SPDR MFS Systematic Growth Equity 8% and adding 4% each to JP Morgan Large Cap Value and Calvert Emerging Markets. They believe JP Morgan Large Cap is at the beginning of an upward trend and Calvert Emerging with 2/3 emerging market and 1/3 developing market offers good exposure without substantial risk.

In Hastie’s opinion as long as large caps continue to perform we will stay with them. A rise in GDP generally is accompanied by a rise in inflation; however that has not happened yet so large caps continue to offer opportunity. We are not invested in REITs at this time because he believes that the money is better allocated elsewhere.

III. Annual Actuarial Report Review

Nicolay Consulting provided the Annual Report with a valuation date of July 1, 2017. The report indicates that plan continues to be very well funded at 96% All Expected Future Plan Benefits. Recommended contribution for the year is \$103,838.

There was discussion of the number of participants in the plan: 3 are receiving benefits, 5 have terminated but will be entitled to benefits in the future, and 6 active participants. There was a discussion of the District’s desire to relieve itself of the burden of managing pension plans and return to purchase of insurance

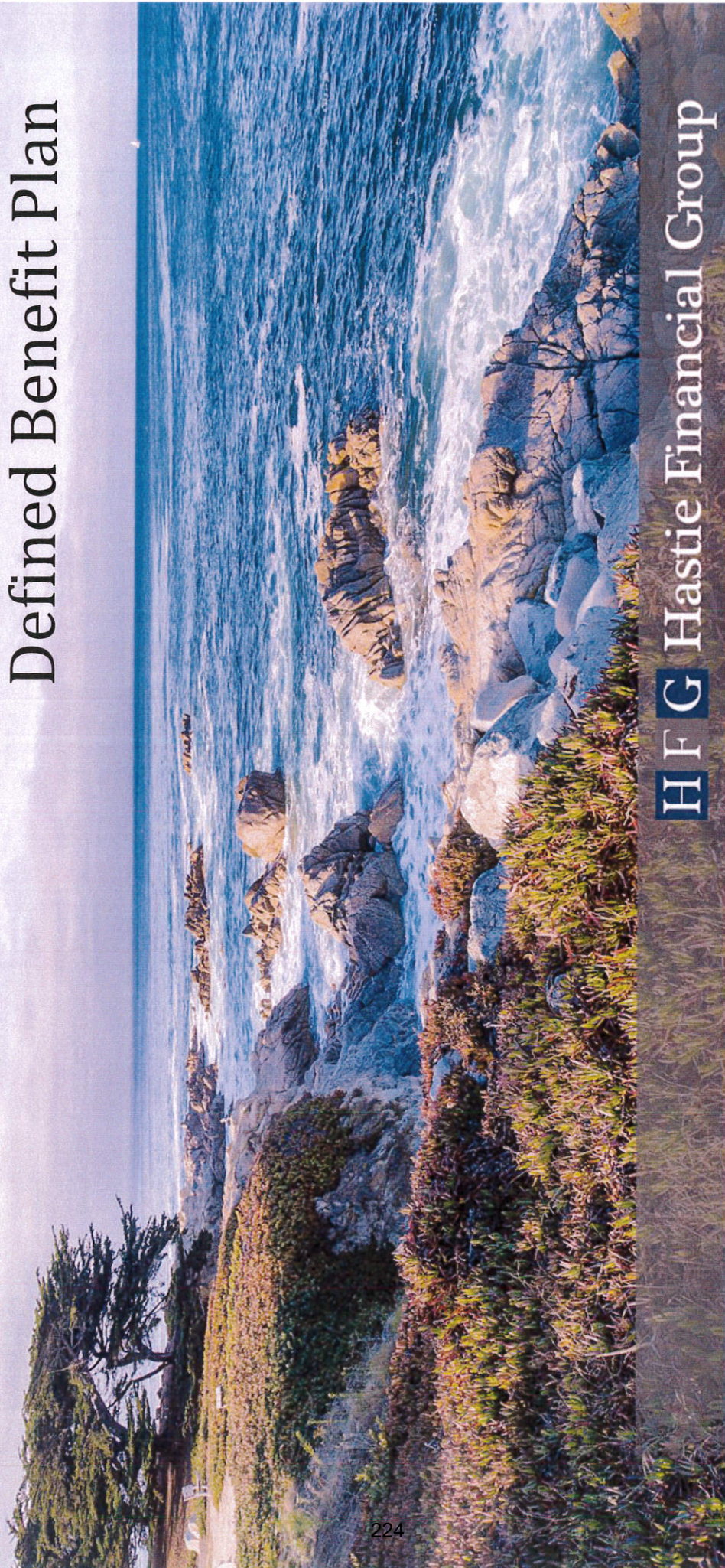
annuities for participants. While the market for annuities is currently unfavorable, Mr. Hastie noted that he will continue to monitor and return to this issue in six months.

Finally it was noted that we have been advised that it is not in the District's best interests to fund the plan in excess of 100% as contributions become assets of the plan.

There being no further business, the meeting was adjourned at approximately 10:00 a.m.

Respectfully submitted,
Barbara Buikema
General Manager

Carmel Area Wastewater District Defined Benefit Plan



H F G Hastie Financial Group

For confidence in your future

4th Quarter 2017 Performance Review

1st Quarter Action Plan

January 16, 2018

PORTFOLIO ANALYSIS SUMMARY

CAWD Portfolio Value 12/31/2017
\$5,286,329.78

4Q 2017 Portfolio Investment Return
4.11%

2017 Annual Return %
14.35%

2017 Annual Return \$
\$739,012.56

PORTFOLIO PERFORMANCE COMPARISON

	4Q17	1 Year	3 Year	5 Year
CAWD Portfolio	4.11%	14.35%	15.62%	40.41%

Benchmark Indices - Stocks

Standard & Poor's 500	6.64%	21.83%	38.29%	108.14%
Russell 1000	6.59%	21.69%	37.61%	107.42%
Russell Mid Cap	5.50%	13.34%	29.51%	98.33%
Russell 2000	3.34%	14.65%	32.94%	93.58%
Russell 3000	6.34%	21.13%	37.21%	106.26%
EAFE	4.27%	25.62%	27.01%	49.58%
MSCI Emerging Markets	7.50%	37.75%	31.29%	25.99%

Benchmark Indices - Fixed Inc.

Barclays Capital Gov't 1-3 years	-0.27%	0.45%	1.90%	2.93%
Barclays Capital Gov't - Int.	-0.40%	1.14%	3.41%	4.70%
Barclays Capital - Aggregate	0.39%	3.54%	6.87%	10.95%

Annualized Return Since Inception

November 8, 2006

CAWD Portfolio (Approx. 60% Stocks/40% Bonds)	5.07%
Standard & Poor's 500	8.24%
Russell 3000	8.29%
Russell 2000	7.66%
Barclays Capital - Aggregate Bond	4.16%

4TH QUARTER FUND PERFORMANCE

Account Summary

Loc	Account Name	LPL Account #	Sponsor Account #	Description	Market Value(\$) on 9/29/2017	Market Value(\$) on 12/29/2017	9/29/2017-to-12/29/2017 Total % (IRR)
LPL	Carmel Area Wastewater	4319-0073		SAM - Retirement	5,112,427.60	5,286,329.78	4.11
Report Totals:					\$5,112,427.90	\$5,286,329.78	4.11%

LG - Large Cap U.S. Growth Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	SYG	SPDR MFS SYSTEMATIC GROWTH EQUITY ETF	804,014.04	0.00	1,682.82	0.00	0.00	(1,682.82)	46,564.02	848,895.84	5.80
Totals:				804,014.04	0.00	1,682.82	0.00	0.00	(1,682.82)	46,564.02	848,895.84	5.80

LBL - Large Cap U.S. Blend Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	IWV	ISHARES CORE S&P 500 ETF	719,079.99	0.00	3,618.22	0.00	0.00	(3,618.22)	48,878.78	784,340.55	6.80
LPL	4319-0073	SMGIX	COLUMBIA CONTRARIAN CORE INSTL CL	234,148.87	13,607.22	13,607.22	0.00	0.00	(13,607.22)	12,542.10	246,690.88	5.36
Totals:				953,228.86	13,607.22	17,225.44	0.00	0.00	(17,225.44)	61,420.88	1,011,031.53	6.45

4TH QUARTER FUND PERFORMANCE

LV - Large Cap U.S. Value Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	HLQVX	JPMORGAN LARGE CAP VALUE CL I	541,695.35	45,524.30	45,524.30	0.00	0.00	(45,524.30)	39,048.00	580,743.35	7.21
Totals:				541,695.35	45,524.30	45,524.30	0.00	0.00	(45,524.30)	39,048.00	580,743.35	7.21

MBL - Mid Cap U.S. Blend Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	VEXAX	VANGUARD EXTENDED MARKET INDEX ADMIRAL CL	218,146.94	1,084.06	1,084.06	0.00	0.00	(1,084.06)	10,423.66	226,570.60	4.82
Totals:				218,146.94	1,084.06	1,084.06	0.00	0.00	(1,084.06)	10,423.66	226,570.60	4.82

SG - Small Cap U.S. Growth Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	VSEIX	JPMORGAN SMALL CAP EQUITY CL I	234,444.11	12,605.98	12,605.98	0.00	0.00	(12,605.98)	9,914.19	244,358.30	4.23
Totals:				234,444.11	12,605.98	12,605.98	0.00	0.00	(12,605.98)	9,914.19	244,358.30	4.23

SEM - Small Cap Foreign / Emerging Market Equity

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	131649782	CALVERT WORLD VALUES EMERGING MARKETS EQUITY CL Y	473,935.74	0.00	0.00	0.00	0.00	(483,346.01)	9,410.28	0.00	1.99
LPL	4319-0073	CVMIX	CALVERT WORLD VALUES EMERGING MARKETS EQUITY CL I	0.00	484,530.99	1,339.48	0.00	0.00	(1,339.48)	22,618.70	505,810.22	4.91
Totals:				473,935.74	484,530.99	1,339.48	0.00	0.00	(484,685.49)	32,028.98	505,810.22	6.76

4TH QUARTER FUND PERFORMANCE

ILB - Intermediate/Long-Term High-Quality U.S. Bond

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	MAHQX	BLACKROCK TOTAL RETURN INSTL CL	435,457.06	3,711.68	3,722.27	0.00	0.00	(3,722.27)	1,123.20	436,589.67	0.26
LPL	4319-0073	NPSRX	NUVEEN PREFERRED SECS & INCOME CL I	273,806.32	3,746.44	4,975.30	0.00	0.00	(4,975.30)	4,502.09	277,079.55	1.64
Totals:				709,263.38	7,458.12	8,697.57	0.00	0.00	(8,697.57)	5,625.29	713,649.22	0.79

SI - Strategic Income

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	PONPX	PIMCO INCOME CL P	797,676.54	10,529.93	10,576.06	0.00	0.00	(10,576.06)	8,627.02	806,257.42	1.08
Totals:				797,676.54	10,529.93	10,576.06	0.00	0.00	(10,576.06)	8,627.02	806,257.42	1.08

FB - Intermediate/Long-Term Foreign Bond

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	OIBYX	OPPENHEIMER INTL BOND CL Y	276,792.85	3,173.88	3,151.60	0.00	0.00	(3,151.60)	4,099.89	280,915.02	1.48
Totals:				276,792.85	3,173.88	3,151.60	0.00	0.00	(3,151.60)	4,099.89	280,915.02	1.48

CASH - Cash and Equivalents

Loc	Account#	Security	Description	Starting Market Value(\$)	Inflows (\$)	Dividends (\$)	Capital Payments (\$)	Interest (\$)	Outflows (\$)	Net Change (\$)	Ending Market Value(\$)	Return % (IRR)
LPL	4319-0073	8899776	GVI-JP Morgan US Government-Investor Shares	85,791.54	32,843.01	134.96	0.00	0.00	(67,722.29)	134.96	81,047.22	0.16
LPL	4319-0073	Cash	Cash Balance	9,437.96	186,984.62	0.00	0.00	0.00	(189,371.51)	0.00	7,061.07	0.00
Totals:				105,229.50	229,827.63	134.96	0.00	0.00	(267,093.80)	134.96	88,098.29	0.16

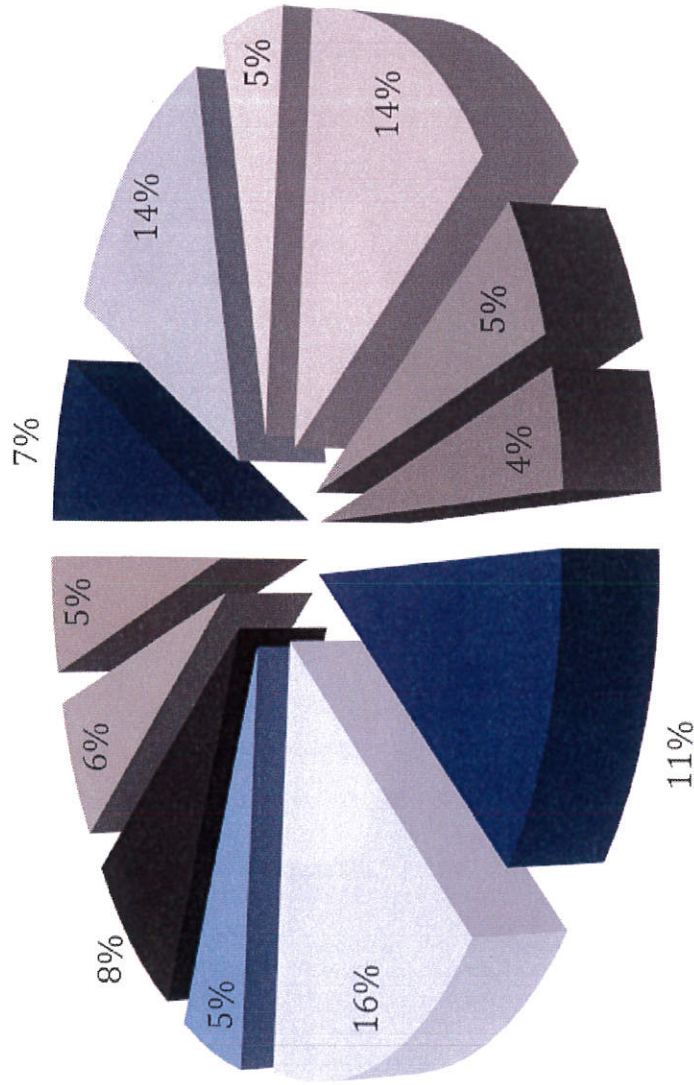
For confidence in your future

H F G Hastie Financial Group

- **Sell:**
 - Reduce allocation in SPDR MFS Systematic Growth Equity
- **Buy:**
 - Add allocation to JP Morgan Large Cap Value
 - Add allocation to Calvert Emerging Markets
- Rebalance the rest of the portfolio

1ST QUARTER 2018 OVERALL PORTFOLIO

- SPDR MFS Systematic Growth - 7%
- iShares S&P 500 Index - 14%
- Columbia Contrarian Core - 5%
- JPMorgan Large Cap Value - 14%
- Vanguard Extended Market - 5%
- JPMorgan Small Cap Equity - 4%
- Calvert Emerging Markets - 11%
- PIMCO Income Fund - 16%
- Oppenheimer International Bond - 5%
- Blackrock Total Return Bond - 8%
- Nuveen Preferred Securities - 6%
- Cash - 5%



BETA:

A measure of volatility (risk) relative to the Standard & Poor's 500 Index. Beta of 1.0 indicates risk equal to that of the Standard & Poor's 500 Index over a given period of time, usually 3, 5 and 10 years. Beta of less than 1.0 indicates risk less than that of the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	0.62	0.64	0.66

Mutual Fund/ETF	3 Year Beta	Net Expense Ratio
SPDR MFS Systematic Growth	0.95	0.60
iShares S&P 500 Index	1.00	0.04
Columbia Contrarian Core	1.03	0.81
JPMorgan Large Cap Value	0.79	0.77
Vanguard Extended Market	1.00	0.08
JPMorgan Small Cap Equity	0.83	1.00
Calvert Emerging Markets	0.93	1.02
PIMCO Income Fund	0.58	0.60
Oppenheimer International Bond	1.08	0.79
Blackrock Total Return	0.96	0.46
Nuveen Preferred Securities	0.51	0.82

STANDARD DEVIATION:

Another measure of volatility (risk). A higher Standard Deviation indicates a higher degree of volatility (risk) over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	6.49	6.37	10.23
Standard & Poor's 500 Index	10.07	9.49	15.08

MEAN:

Mean average return over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

	3 Year	5 Year	10 Year
CAWD Portfolio	9.19	10.68	8.17
Standard & Poor's 500 Index	11.41	15.79	8.50

ALPHA:

A measure of risk-adjusted returns. An Alpha of 0 indicates a return proportionate to the degree of risk taken. A positive Alpha indicates a return generated in excess of the degree of risk taken.

	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
CAWD Portfolio	1.81	0.53	2.13

ALPHA:

A measure of risk-adjusted returns. An Alpha of 0 indicates a return proportionate to the degree of risk taken. A positive Alpha indicates a return generated in excess of the degree of risk taken.

	3 Year	5 Year	10 Year
CAWD Portfolio	1.81	0.53	2.13

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: January 25, 2018

Subject: Six Month Progress Report

RECOMMENDATION

This report is informational only – no action is required. The Board requested a quarterly update of progress made throughout the District. This report is designed to offer a high level view of the first six months of 2017-18. The reports will be issued quarterly going forward.

DISCUSSION

General Management

- Phase 1 project successfully completed and Dedication Ceremony held January 11, 2018. Final Completion is formally January 14, 2018. There is a brief punch list that Anderson Pacific is still winding down. The contractor has asked for their retention to be paid back. We are holding 7.5%; however, we are currently negotiating a return of 2.5% if they will release the District from any and all potential claims.
- Phase 2 design proceeds on track – we have reached the point whereby the preliminary scope and estimated costs of all potential projects have been identified. At a staff level we will meet in February to begin the focus on the big picture and development of a plan for Phase 2.
- Coastal Commission original application filed 06-02-17, second response filed 09-30-17, and third response to be filed by 02-01-18. We believe that this matter can be resolved with the Coastal Commission in an appropriate manner. In addition to a permit for Phase I there was a complaint issued about work the District was doing at the west end of the plant. This has opened the door to applying for a Public Works type permit with the Coastal Commission. This way all of the

routine maintenance that the District performs will fall under that permit.

- Sea Level Rise Assessment signed in July 2017 and initial kick-off meeting held with consultant. We anticipate a progress report in February.
- Collections Phase II Hydraulic Modeling and Long Term Capital Planning projects in progress with West Yost Engineering. This will give the District information critical in planning our long term financial outlook.
- Carmel River Free Project: after multiple sessions with Big Sur Land Trust, Monterey County and legal counsel we we're still meeting with the interested parties and working on a plan for the Outfall line. We continue to meet with both groups to work to a resolution. I believe we are at a point where they concede that CRFree may indeed cause damage to our pipeline. They are not at a point where they concede that they should bear some financial responsibility. However, we anticipate a draft EIR in February and perhaps a response to our grant application in Feb/Mar.
- Fiber Optic line installation to treatment plant completed in January 2018. Started in July 2017 with \$60K cost of fiber line. This has been a very long project of replacing the fiber ring at the plant and the cable line coming into the plant with fiber. In January we finally had the hookup. We are still working on managing the server room but this is a very significant service upgrade.
- Adopted the Monterey County Multi-Jurisdictional Hazard Mitigation Plan and committed to long term participation in its maintenance. This is important because it will allow us to apply for future FEMA/OES grant funding opportunities.
- Took over Lead Agency roll for Cclean. Issued RFP for services, set up webinar capacity, and Cclean financials. After a lengthy hand-off with the prior Lead, we are now managing. Our objective is to be as efficient as possible, continue to commit to Cclean objectives, and ultimately save CAWD money.
- We have made substantial progress on CMMS. It's taken a long time to say that, now, not only are we on the right track, but we're making progress. We've shifted, we've rebuilt and rebuilt again and we've brought staff along – we're absolutely making progress. We're already looking at inventory control, purchasing integration, and ultimately bringing Mainsaver out into the facility via tablets.

Financial Planning

- FEMA/OES Grant applications submitted for Outfall/Calle la Cruz and Hatton Canyon. Even with a grant writer this was a massive undertaking because staff has to feed the information to the grant writer.
- Applied to FEMA for disaster funding after 2017 storm damages in Hatton Canyon. While we have yet to receive the funds, we have been approved for roughly \$70K.
- With the assistance of the Board/Budget Committee I believe we are positioned to pay cash for Phase 2. We don't have the data yet on the Collection System, but we have sufficient funds for 1 year of O&M expenditures, \$2M for Sea Level Reserve and \$14M for Capital. I am certainly not suggesting that we have sufficient funds to pay for everything, but I do feel that we're fairly well positioned. (For reference I would roughly summarize that our Treatment Plant needs remain roughly \$40M over the next 15 years. We've yet to incorporate Collection System into long range forecasts but I suspect we could easily commit to \$1M per year to upgrade the system. Finally, the results of the Seal Level Rise study will play a role in where and what we see in CAWD's future.

Personnel Management

- Admin Assessment project was delivered to the Board. Contract executed in July 2017 for \$37K
- Succession Planning continues – with each new hire we are planning on the future. We continue to have some positions that will require us to go outside the District to fill. However, we are also continuing to encourage promotion from within.
- Employee Hiring
 - Maintenance Superintendent
 - Safety/Regulatory Compliance Administrator
 - Maintenance Mechanic I
 - Lab Analyst I/Environmental Compliance
- Internal Promotions
 - Lab Analyst to Lab Supervisor
 - Temp Operations to Maintenance Mechanic I
- Separation from Service
 - One termination

- One voluntary resignation
- Acting Pay Policy for Exempt Employees Policy approved
- New position – Plant Administrative Coordinator/CMMS authorized in October 2017 and is now considered a critical component of the CAWD team.
- Continue to manage Worker Comp claims and Return to Work process. While participating on CSRMA Worker Comp Committee expressed solid interest in Nurse Triage program which anticipated rollout in 2018.
- Encourage continued participation of staff in CWEA from all staff.
- Continue to stress certification and training to staff as the path to self-improvement and ultimately promotion.
- Employee Survey completed and we're attempting to work on a delivery date. Unfortunately we were derailed by the consultant's family emergency. We are planning to re-instate workshop date – one can only hope, in February.

Public & Community Relations

- Continued participation in CSA1 and CSA 50 meetings on flood control.
- Spoke with several groups about District's role in Carmel River Free Project and on Outfall line
- We work closely with State Parks – not only to manage our current relationship but to potentially set the tone of the future at Point Lobos and for District infrastructure needs.
- Staff organized meetings with a group in the Highlands and the Rio Vista neighborhood to try and convince them to hook up to the District. In 2018 we will continue public outreach with the neighborhoods in the “donut hole” behind Carmel High School. I've also reached out to Quail neighborhood again, to see if we can move the pendulum at all.
- Participated in the CSRMA Work Comp Committee – invaluable experience participating in this committee
- I continue to reach out to the Pine Cone (most likely) and other media (Weekly and Monterey Herald) to answer questions about the CRFree Project, the EPB

Project, and the District rehabilitation project.

Board Relations

- After talking about it for several years, we finally managed to deliver the SAM Fiduciary Training session in July 2017

Forecast Goals for the remainder of the year and 2018-19

- We will to make a decision about recommendations offered in the Admin Assessment Report. Once a final determination is made we'll commence implementation.
- The District will continue design and planning on Phase 2. The District was successful with Phase 1 in part because of the extensive planning that took place. We anticipate that much of the next year will be spent preparing for Phase 2.
- The District will implement Asset Management protocol for Reclamation. We've done the Treatment Plant. The Collection System is currently in progress with West Yost Associates. Reclamation remains our final focus area.
- Assuming that we are successful in our search for grant funding we are proceeding with environmental/regulatory/design work on both Hatton Canyon and Outfall projects. These will be very significant and complex projects for the District. Our goal must be to have the same level of success with these projects that we experienced with Phase 1 – which means we'll continue to devote time and resources to both of these.
- The County of Monterey has advised us that they are planning to go forward with their "Bio-swale" project on the west side of Rio Road next year. We have infrastructure in the area so that means we will need to plan to get in front of the County's project.
- I have a vision of continued improvement in the areas of work flow, process control, and engineered solutions. We're doing excellent work at the plant and in the field. I think now may be the time to renew focus on how we work and ask ourselves is there a better way. I'm sending the message to management staff that if we work better/smarter we can make CAWD the best small treatment plant in the state!

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: January 25, 2018

Subject: 2018 Conference Schedule

RECOMMENDATION

This is informational only – no action required.

DISCUSSION

There was a request made at the December 7, 2017 meeting for a more complete listing of all conferences in 2018.

2018 Conferences			
Organization	Description	Location	Date(s)
CASA	Winter Conference	Palm Springs, CA	Jan 24-26
NACWA	Winter Conference	Napa, CA	Feb 6-9
CWEA	P3S Conference	Riverside, CA	Feb 12-14
CASA	Wash DC Policy Forum	Washington DC	Feb 26-28
WateReuse	Annual Conference	Monterey, CA	March 25-27
CASA/WateReuse	Public Policy Forum	Sacramento, CA	April 11
CWEA	Annual Conference	Sacramento, CA	April 17-20
ACWA	Spring Conference	Sacramento, CA	May 8-11
CSDA	Legislative Days	Sacramento, CA	May 22-23
CASA	Annual Conference	Monterey, CA	August 8-10
CSDA	Annual Conference	Indian Wells, CA	Sept 24-27
ACWA	Fall Conference	San Diego, CA	Nov 27-30

ACWA Association of California Water Agencies
 CSDA California Special Districts Association
 CASA California Association of Sanitation Agencies
 NACWA National Association of Clean Water Agencies

STAFF REPORT



To: Board of Directors
 From: Irene Bryant, Board Secretary
 Date: January 25, 2018
 Subject: 2018 Board Committee Assignments

RECOMMENDATION

This is informational only – no action required.

DISCUSSION

At the December 7, 2017 meeting, the Board unanimously appointed the same 2017 committee members for 2018 . The General Manager has removed from the list the two (ad hoc) Committees of Construction-Phase I and the Organizational Analysis of the Administration Dept. since those functions were completed in 2017.

2018 CAWD BOARD COMMITTEE ASSIGNMENTS		
COMMITTEE	MEMBERS	ALTERNATE
Budget & Audit	D'Ambrosio Siegfried	
District Ordinances: Standard Plans and Details, Uniform Plumbing, and Source Control (ad hoc)	Rachel Siegfried	
Pension	Rachel	
Reclamation Management	Townsend White	
Salary & Benefits	Rachel White	
Special Districts' Association	Townsend	Siegfried

STAFF REPORT



To: Board of Directors

From: Barbara Buikema, General Manager

Date: January 25, 2018

Subject: Pebble Beach Community Services District – Regular Board Meeting
December 8, 2017

DISCUSSION

Interesting points from the December 8, 2017 meeting that are of specific interest to this District:

- Total cash balance at the end of October 2017 was \$13.6M; of that amount, \$9.9M was designated for Capital Acquisition and Outlay Reserves. Property taxes comprise roughly 85% of District revenues with user fees making up 12%.
- Budget Summary for 2017-18 year-to-date showed total revenues at 6.7% and total expenditures at 12.0%.
- Forest Lake Reservoir held 40 MG (million gallons) of recycled water or 35% of permitted capacity. Current storage volume is 5% below the historic average of 42 MG.
- Total irrigation water demand for the 2017 calendar year through October was 921 AF (acre feet). Total demand for the calendar year is 5% below the 5-year average of 973 AF and 3% below the 22-year average annual usage of 950 AF. Forest Lake net storage decrease of approximately 9 million gallons in October. Irrigation demand in October tracked significantly above the prior year average. By comparison a net storage decrease of approximately 19 million gallons was observed in the same period last year.
- Average daily wastewater flow of 331,000 GPD was measured in October at the PBCSD-Carmel gate. This represents 29% of the total flow at the CAWD

treatment facility. The measured PBCSD flow was 7% below the five-year average of 1,202,000 GPD for the month of October; the CAWD total flow was 5% below the five-year average of 1,202,000 GPD for October.

- Alternative Reclamation Water Sources for the year-to-date include: 4th Fairway Diversion 12 AF, MPCC #8 Well 12 AF, and MPCC #9 Well 7 AF. Total = 31 AF.
- The Board approved a contract with E2 Consulting Engineers to evaluate the District’s SCADA system in an amount not to exceed \$125,000.
- To date, PBCSD has issued payment to CAWD for its Wastewater Treatment Plant Rehabilitation Project \$4,326,007 or 87% of project budget allocation of \$4,945,000.
- Average daily wastewater flows measured in million gallons per day (MG) show:

MONTH	TOTAL	CAWD FLOW	PBCSD FLOW	PBCSD
July - 17	40.754	28.456	12.298	30.176%
Aug - 17	40.177	28.045	12.132	30.196%
Sept - 17	35.769	24.800	10.969	30.666%
Oct - 17	35.335	25.077	10.258	29.031%
Total	152.035	106.377	45.658	30.031%

THE SEWER SYSTEM: A SHARED RESPONSIBILITY

To help keep our lakes, rivers and lands clean for the health and enjoyment of all, both homeowners and sewer agencies must do their part to keep the sewer system free and flowing and reduce the risk of a sewer spill. The drawing below provides an overview of the requirements and best practices of a sewer system in order to keep it from overflowing.

BOXED TO GRADE

Labeled "SEWER" with water-tight plug or cap

SEWER MANHOLE COVER

Provides agency access to sewer system

PROPERTY LINE CLEANOUT

Provides access to the sewer line so that blockages can be removed
(Two-way required by some districts)

HOME/BUILDING CLEANOUT

ROOF DRAIN

NEVER connect roof drain to sewer

BATHROOM

DO NOT put the following down the drain:

- "Flushable" wipes
- Hair
- Cat litter
- Dental floss
- Prescription drugs
- Feminine products

KITCHEN

ALWAYS scrape the following into the garbage before dishwashing:

- Fats, oil, and grease
- Coffee grounds
- Egg shells

PIPELINE TO TREATMENT PLANT

PROPERTY LINE

LOWER LATERAL

SEWER MAINTENANCE RESPONSIBILITY OF:

← PUBLIC AGENCY

PROPERTY OWNER (YOU) →

SUMP PUMP

NEVER connect sump pump to sewer system

YARD / MECHANICAL

DO NOT put the following down the any drain:

- Motor oil
- Pesticides
- Antifreeze
- Fertilizers

IMPORTANT: Remove trees, rocks, and shrubs from above sewer line

BACKWATER PREVENTION DEVICE

Prevents sewage backup into home or building
(Required per California Plumbing Code for some properties.)

PROTECTION

Add sufficient cover over sewer line to protect against freezing/frost

UPPER LATERAL

The upper lateral is sloped to provide gravity flow. Some buildings require pumps to lift waste water to public sewer system.

QUESTIONS?

Contact your local sewer agency.



alpinesprings.org



ntpubd.org



svpsd.org



tcpud.org



ttsa.net



truckeesan.org



EL SISTEMA DE DESAGÜE CLOACAL: UNA RESPONSABILIDAD COMPARTIDA

Para ayudar a mantener a nuestros lagos, ríos y terrenos limpios para la salud y el placer de todos, los dueños de casas y las agencias de sistemas de alcantarillado deben hacer su parte para mantener el sistema de desagüe libre y fluido y reducir el riesgo de un derrame séptico. La siguiente ilustración provee un panorama de los requisitos y prácticas adecuados para poder evitar que el sistema de desagüe cloacal se desborde.

ENCAJONADO A GRADO
"DRENAJE" etiquetado con tapón o tapa hermética

CUBIERTA DE BOCA DE ALcantARILLA
Provee el acceso de la agencia al sistema de desagüe cloacal

LIMPIEZA DE LA LÍNEA DE LA PROPIEDAD
Provee acceso a la línea de desagüe para poder remover obstrucciones (Requerido por algunos distritos)

DESAGÜE DEL TECHO
NUNCA conecte un desagüe pluvial de techo al desagüe cloacal

LIMPIEZA DE LA CASA/EDIFICIO

PROTECCIÓN
Agregue suficiente cobertura sobre la línea de drenaje para proteger contra congelamiento

CAÑERÍA A LA PLANTA DE TRATAMIENTO

TUBERÍA DE DRENAJE

LÍNEA DE LA PROPIEDAD

LATERAL INFERIOR

LATERAL SUPERIOR
El lateral superior está inclinado para proveer flujo de gravedad. Algunos departamentos requieren bombas para levantar agua de desperdicio al sistema público de desagüe cloacal

MANTENIMIENTO DE DESAGÜES CLOACALES RESPONSABILIDAD DE:

← **AGENCIA PÚBLICA** DUEÑO DE PROPIEDAD (USTED) →

BAÑO

NO tire lo siguiente por el inodoro:

- Toallitas "desechables" • Medicamentos
- Cabello • Productos femeninos
- Arena para gatos
- Hilo dental

COCINA

SIEMPRE raspe lo siguiente en la basura antes de lavar los platos:

- Grasas y aceite
- Café molido
- Cáscaras de huevo

BOMBA DE SUMIDERO

NUNCA conecte una bomba de sumidero al sistema de drenaje

JARDIN / MECÁNICO

NO COLOQUE lo siguiente en ningún drenaje:

- Aceite de motor • Pesticidas
- Anticongelante • Fertilizantes

IMPORTANTE: Remueva árboles, piedras y arbustos de las antes mencionadas líneas de drenaje

FERTILIZANTE

DISPOSITIVO DE PREVENCIÓN DE AGUA ESTANCADA

Previene la acumulación de aguas residuales en una casa o edificio (Requerido por el Código de Plomería de California para algunas propiedades)

¿PREGUNTAS?

Contacte a su agencia local de sistemas de alcantarillado.



alpinesprings.org



ntpud.org



svpsd.org



tcpud.org



ttsa.net



truckeesan.org