

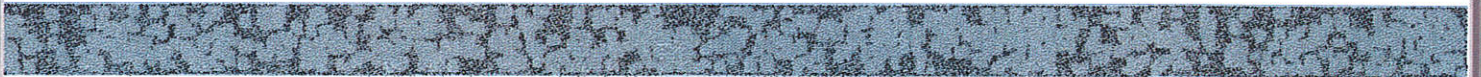


CARMEL AREA WASTEWATER DISTRICT

Special Board Meeting

3945 Rio Road, Carmel, CA 93923

October 8, 2018
Monday
8:00AM



STAFF REPORT

To: Board of Directors
From: Barbara Buikema, General Manager
Date: October 8, 2018
Subject: Sandbar Management Cost Sharing Request



RECOMMENDATION

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

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

DISCUSSION

This issue was presented to the Board at their 09-27-18 regular meeting. They requested that it be returned in a Special Meeting so that a full board would be available to hear the issues.

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

Attachment: Staff Report 09-27-18

FINANCIAL

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

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

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

STAFF REPORT



To: Board of Directors
From: Barbara Buikema, General Manager
Date: September 27, 2018
Subject: Sandbar Management Cost Sharing Request

RECOMMENDATION

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

1. The expenditure of up to \$100,000 to assist Monterey County in Carmel Lagoon Management for fiscal year 2018-19; and
2. The use of the Contingency line item for fiscal year 2018-19 be allocated to Carmel Lagoon Management; and
3. That the Board supports the efforts of Monterey County in the formation of an Assessment District to manage the long-term costs of Carmel Lagoon Management; and
4. That the Board agrees to consider and commit to long term funding of Carmel Lagoon Management as part of its annual budget process for the next two seasons, 2019-20 and 2020-21.

DISCUSSION

Flood control in the Carmel Lagoon is the responsibility of the Monterey County Water Resources Agency. The Monterey County Water Resources Agency (MCWRA) Act states that the “object and purpose” of the Agency is “to provide for the control of the flood and storm waters of the Agency . . . and to protect from those flood or storm waters the public highways, life, and property in the Agency.” (Agency Act, sec. 8.) The protected area includes the Carmel Lagoon and the surrounding area.

Unfortunately, the MCWRA Act does not make any provision for financing efforts at flood control. Financing for the Carmel Lagoon in the past has come from the coffers of Monterey County. The County now indicates that it can no longer afford to allocate funds to sandbar management of the Carmel Lagoon and has come to the District asking for contributions.

County staff met with the District on 09-06-18 and indicated that annual costs for management of the sandbar range from \$200-\$500K annually. Each year they are required to obtain the necessary permits from a variety of agencies and then there is the cost of sandbagging the

neighborhoods around the lagoon and breaching the sandbar, both of which are dependent upon weather. In wet years the efforts to manage the sandbar and lagoon may result in County staff making multiple efforts to breach the lagoon, and in dry years there may not need to a mechanical breach. Current practice is not to bulldoze the sandbar but to simply create a small channel and allow the force of the water to build up and cause the lagoon to vacate in as controlled a manner as possible.

The District has an interest in ensuring the management of the sandbar. We need to operate 24/7 and while the plant was constructed to handle riverine flooding, which is short term in nature, we cannot operate with flooding from the lagoon, which is potentially long term. If the lagoon levels are not managed the water elevation tends to build up and the water pushes back to the plant. In 2015 the County allowed the lagoon levels to reach 15' and we found ourselves with water levels that lapped at the west end of the plant. There was no damage and we were able to continue operations; but we did lose some trees because the ground was supersaturated. The District would like to see the lagoon level not exceed 12 ft. (as we specified in our comment letter to the County's EIR in Jan 2017).

While the County indicates that costs average between \$200-\$500K annually, these costs include protection of the homes surrounding the lagoon. The District has requested the County provide information that separates out the costs of providing flood control for the neighborhood. The homes that ring the lagoon absolutely deserve flood protection but the District's mission is to protect the plant – not the homes. We must answer to all of our constituents. Because this cost will have a significant impact on our rate model (est. 1.4% increase), and therefore, on our entire constituent base, staff feels it is more defensible if the District is able to contribute solely to the cost of permitting and sandbar management.

The County has not approached any of the other property owners around the Carmel Lagoon to ask for participation at this time. They have committed to investigating an Assessment District; however, that could take several years and there is no guarantee of success with the voters. We've been told that there was an attempt to form an Assessment District some years back but it failed to pass (note: We do not have any records to confirm this). While this request is for the current year only, it will be necessary for us consider it during the budget process going forward.

Staff recommends allocating up to \$100K this fiscal year. Thereafter, the District should consider funding up to 1/3 of the costs or \$66K - \$166K as part of the budget process. Note that in the late 1970s the District was approached by the County with a request to cover 1/3 of the costs – at that time the District declined.

NOTE: Although County staff verbally indicated total costs for Carmel Lagoon Management ranged from \$200-\$500K per year their attached staff report indicates that the average is \$91,800. Because we are asking for an amount “up to” we have decided to not make a change. Staff recommends that the District should commit to up to 1/3 of the total costs based on the verbal estimate we were given on 09-06-18. If it is only \$91,800 we have no issue with 50% but believe authorization should remain on an “up to” basis as the County will bill us for actual costs. We continue to argue that the District should not be responsible for sandbagging the neighborhoods

surrounding the lagoon.

Attachment: Memorandum – Carmel Lagoon Sandbar Management Cost Sharing Options dated 09-17-18

FINANCIAL

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

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

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

RESOLUTION NO. 2018-43

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

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

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

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

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

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

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

Carmel Area Wastewater District, as follows:

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

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Carmel Area Wastewater District duly held on October 8, 2018 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS

ABSENT: BOARD MEMBERS:

President of the Board

ATTEST:

Secretary to the Board