



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES FEBRUARY 28, 2019

CALL TO ORDER - ROLL CALL - The meeting was called to order at 9:08 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)
Rachel Lather, Principal Engineer, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Chris Foley, Maintenance Superintendent, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Ray DeOcampo, Lab Supervisor, CAWD
Trevor Weidner-Holland, Lab Analyst II/Environmental Compliance, CAWD
Mike Skinkle, Maintenance Worker III, CAWD
Greg Ange, Maintenance Worker II, CAWD
Barry Blevins, Collection Worker III
Domine Barringer, Administrative Assistant/Board Clerk, CAWD
Robert Wellington, Wellington Law Offices, CAWD District Legal Counsel
Suha Kilic, Deputy General Manager/CFO, Pebble Beach Community Services District (PBCSD)
Nick Becker, Principal Engineer, PBCSD
Allan Melkesian, Director, Clear Peak Development LLC

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

1. Appearances/Public Comments:

Mr. Waggoner spoke on behalf of Gavilan College and said they are exploring the installation of a satellite campus on the peninsula that would include a Water Management program. He asked if the CAWD Board would consider writing a letter of support indicating there is an educational interest and need in our area. Director Rachel inquired and Mr. Waggoner advised that this would be a 2 year program covering all aspects of Water Management including Operators and Mechanics, and would require a minimum 20 student class count.

2. Agenda Changes:

President White said that Item 23, on the possibility of Potable Water Service for September Ranch, will be moved to the beginning of the agenda.

President White said that Item 2.5, on a Letter of Support To Gavilan College, will be added to the agenda.

There were no other agenda changes.

ACTION ITEMS BEFORE THE BOARD

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

2.5 Letter of Support To Gavilan College For Satellite Campus and Water Management Program on the Peninsula – Verbal Report by Ed Waggoner, On Behalf Of Gavilan College

Board Action

Following a motion made by Director Rachel and seconded by Director Townsend, the Board unanimously agreed to add this item to the Agenda and submit the requested letter of support.

OTHER ITEMS BEFORE THE BOARD

3. Employee Acknowledgements and Awards:

- **Greg Ange, Maintenance Mechanic II** – Achieved the CWEA Wastewater Treatment Plant Operator, Grade III Certification and CWEA Maintenance Worker, Grade III Certification
- **CWEA Monterey Bay Section 2018 Awards (Held 02-08-18)**
 - Maintenance Worker of the Year – Mike Skinkle
 - Lab Person of the Year – Trevor Holland
 - P3S Person of the Year – Ray DeOcampo (P3S = Pretreatment, Pollution Prevention & Stormwater)
 - Collections Worker of the Year – Barry Blevins
 - Supervisor of the Year – Daryl Lauer

All employees involved were recognized and thanked for their fine achievements.

RESOLUTIONS/ORDINANCES

- 23. Resolution No. 2019-11;** A Resolution Authorizing The General Manager To Enter Into A Contract With SRT Consultants for Evaluation of September Ranch Potable Water Service And Approve A Reimbursement Agreement Between The District and Clear Peak To Cover Cost Of SRT Consultants Proposal And District Costs - *Report By Barbara Buikema, General Manager*

As part of the due diligence process to possibly enter the potable water business, Ms. Buikema presented the suggested contract and proposal and informed the Board that the Reimbursement Agreement with Clear Peak was written by CAWD Legal Counsel. Director D'Ambrosio inquired and staff confirmed that reimbursement of any necessary legal fees are included and that CAWD would own the system. If perchance the system dries up, there is a potential downside that CAWD might be responsible to find an alternate source of water. The District is looking for studies to confirm that the possibility is slight or non-existent. The County was explicit in stating the residences cannot attach to CalAm.

President White inquired how ongoing maintenance will be funded and Ms. Buikema explained that this would be done through a User Fee, just like CAWD sewer charges. After an analysis of Operating Costs, it would be incumbent upon the District to determine appropriate rates.

Director Siegfried expressed concern over the District owning the system and stated the risk of getting into a Measure O or J situation. He would like to see a wider matrix of modules other than those included in the SRT proposal, such as the community or developer owning the system. Mr. Wellington suggested adding on page 113 (page 3 of SRT proposal, under Task 2-Develop Probable Cost of Owning and Operating the Water System: "Discussion with SRT for ownership options". Ms. Lather felt the State would not allow the community to own this system, and Mr. Wellington concurred that it would most likely need to be an entity, agency, or corporation. Mr. Melkesian said this assessment process will be beneficial for all parties to evaluate what should be considered. They are open to all options and would like to express appreciation that CAWD is willing to think out of the box and is considering taking on a new service level.

Director Rachel asked what the target timeline is and potential number of new connections? Mr. Melkisian would like to see if the District could provide service in 4-6 months. He said the project is composed of 22 affordable housing units and 73 market rate units.

Director D'Ambrosio inquired and Mr. Wellington pointed out that on page 113 (page 3 of SRT Proposal), under Task 2, Supplementary Work: that CAWD may seek out their own rate model consultant and that on page 117, Item 9. Attorney's Fees: it is recommended that any court proceedings be settled in Monterey County. Ms. Buikema added that the Reimbursement Agreement includes the caveat that CAWD will likely require additional studies.

President White reiterated that there should be no cost to current Rate Payers for this project or to our current agreements with PBCSD. Ms. Buikema confirmed that labor fees will be separated and that there should be no financial impact to either entity.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-11.

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 January 31, 2019, the Special Strategy Board Meeting Minutes of January 22, 2019, and enacted the following Consent Calendar items:

- 4. Approve Regular Board Meeting Minutes of January 31, 2019**
- 5. Approve Special Strategy Board Meeting Minutes of January 22, 2019**
- 6. Receive and Accept Bank Statement Review By Hayashi Wayland – December 2019**
- 7. Receive and Accept Schedule of Cash Receipts and Disbursements – January 2019**
- 8. Approve Register of Disbursements - Carmel Area Wastewater District – January 2019**

Director D'Ambrosio would like to see a quarterly report showing the cost allocation of the "various electrical projects at the plant". Mr. Foley confirmed costs are tracked to each work order and a detailed report will be presented in the future.

Director Rachel inquired about microturbine compressor parts, and Mr. Foley clarified that this is support equipment to reengineer the exhaust system for the feed on the new 65 kw and old 230 kw compressors.
- 9. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – January 2019**
- 10. Receive and Accept Financial Statements and Supplementary Schedules – January 2019**
- 11. Receive and Accept Collection System Superintendent's Report – January 2019**

Director D'Ambrosio asked how long it takes, portal to portal, for each USA Location Request? Mr. Lauer said it depends on the complexity of the situation but usually from 1 hour to 1.5 days.
- 12. Receive and Accept Treatment Facility Operations Report – November 2018 December 2018 And January 2019**
- 13. Receive and Accept Laboratory/Environmental Compliance Report – January 2019**
- 14. Receive and Accept Plant Operations Report – January 2019**

Director D'Ambrosio asked what are normal TMP values? Mr. Waggoner explained that a load of 11 or 12 is failure, so we are at good averages currently.

15. **Receive and Accept Safety And Regulatory Compliance Report – January 2019**
Director D’Ambrosio commended Mr. Dias on the importance and cultural change of reporting “close calls”.
16. **Receive and Accept Maintenance Projects Report – January 2019**
17. **Receive Principal Engineer Monthly Report General Engineering – January 2019**
18. **Receive Implementation Plan – January 2019**

RESOLUTIONS/ORDINANCES

19. **Resolution No. 2019-07**; A Resolution Authorizing The General Manager To Amend The Contract With Mainsaver Approved on August 2018 By Resolution No. 2018-35 For An Additional \$6,000 For Fiscal Year 2018-19 to Implement The Purchasing Contract Work Flow and Provide Purchasing Reports - *Report by Chris Foley, Maintenance Superintendent*

Mr. Foley explained that this further integration in CMMS will reduce duplicate entry and better track asset allocation. Staff wants to bring back the consultant for an additional week of training, and increase purchasing reports and asset cost analysis. Director Siegfried said requests should go through the Budget Committee first, and President White concurred this would be a good policy for such cost overruns. Director Rachel stated the GM has signing and oversight authority so felt this approach would slow down the process. Director D’Ambrosio said the Resolution should identify from where additional funds would be drawn, where allocated, and if the additional funds represent a budget increase or a wash/transfer.

Ms. Buikema clarified that the Resolution can be amended to confirm that this is not a budget increase, that funds are coming from the existing O&M budget and YTD unspent funds. This project is a priority and other items may be pushed. This purchasing system is an encumbrance system and will save much time going forward. President White reiterated that the Board has final oversight and needs to keep checks and balances in place.

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-07, as amended above.

20. **Resolution No. 2019-08**; A Resolution Authorizing The General Manager To Amend The Contract With Informative Controls For an Additional Amount Not To Exceed \$50,000 For Fiscal Year 2018-19 For Automation Control and Engineering Services –
Report by Chris Foley, Maintenance Superintendent

Mr. Foley explained that this expenditure will migrate the alarming to the newer, more robust platform and that three reporting systems will now be consolidated into one. Director Rachel asked if the RSVIEWS software will go away in its entirety and Mr. Foley

confirmed that yes, it will now all be on Ignition. A call out will not be created for diagnostic or maintenance alarms, but those will be separated out to address the next day. There will be three levels of alarms, and a time limit for no response, before going to the next person in the queue. Ignition has no license limitations for number of screens, tags, or alarms so the District can add as many as needed without paying an additional fee. Mr Waggoner indicated this system will also eliminate ghost alarms. Mr. Becker added that PBCSD sees the benefit of being on a mutual platform for better integration and data sharing.

Director D'Ambrosio asked and Ms. Buikema clarified this also is not a budget increase; the total project budget was already \$200k; and this expenditure is just encumbering the last \$50k. The Resolution will be amended to document budget history/details, as well as indicate the source and transfer fund accounts.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-08, as amended above.

- 21. Resolution No. 2019-09;** A Resolution Of The Board Of Directors Of The Carmel Area Waste Water District Declaring Its Official Intent To Reimburse Certain Expenditures From The Proceeds Of Debt-\$5M - *Report By Barbara Buikema, General Manager*

Ms. Buikema said that Carmel Valley Manor has expressed an interest in connecting for sewer service. Though they have not decided to go with funding just yet, the District wants to be ready with a redeemable bond, similar to Carmel Highlands, whereby the District would take out the bond and the entity would pay it back. This Resolution allows them to apply expenditures, made prior to any redeemable bond issuance, to that bond.

Board Action

Following a motion made by Director Siegfried and seconded by Director Rachel, the Board unanimously adopted Resolution No. 2019-09.

- 22. Resolution No. 2019-10;** A Resolution Of The Board Of Directors Of The Carmel Area Waste Water District Declaring Its Official Intent To Reimburse Certain Expenditures From The Proceeds Of Debt-\$3.5M-Corona Road Amendment to #2018-41 - *Report By Barbara Buikema, General Manager*

Ms. Buikema said that this project has potentially expanded from 20 connections to 40, and from one main line on Corona Way to adding 2 more collector lines. Outreach to individual homeowners is happening now and an Assessment District is being considered.

Board Action

Following a motion made by Director D'Ambrosio and seconded by Director Townsend, the Board unanimously adopted Resolution No. 2019-10.

OTHER ITEMS BEFORE THE BOARD

24. General Manager Vacation Schedule & Implementation of Acting Pay for Exempt Employees - Report By Barbara Buikema, General Manager

Ms. Buikema requested that the full Board approve her recommended 5% Out-of-Class pay for Acting GM coverage and to make it retroactive for Ms. Lather's week of working which has already passed. Also, the correct dates for Mr. Treanor are June 3-7, 2019. President White asked and Ms. Buikema confirmed that this is a common practice, as outlined in the MOUs from other agencies.

Board Action

Following a motion made by Director Rachel and seconded by Director Siegfried, the Board unanimously approved the above mentioned Acting Pay, adding it to the policy, and making it retroactive to February 4, 2019.

25. Selection of Topics for Spring 2019 Newsletter - Report By Barbara Buikema, General Manager

In addition to the topics already listed in the staff report, other topics discussed were:

- Achievements at the CWEA Monterey Bay Section Awards
- Announce potential new users coming into the District and offer public outreach for other interested users (as reiterated in last year's Spring/Summer issue)
- Sewer User Fee costs as compared to other utilities

Board Action

After discussion with staff, the Board expressed satisfaction with the list of topics presented.

26. Treatment Plant Annual Reports - Report by Ed Waggoner, Operations Superintendent

- A. Receive and Accept Annual NPDES Report – December 2018
- B. Receive and Accept Annual Reclamation Tertiary Report December – 2018
- C. Receive and Accept Annual EPA Biosolids Report – December 2018

Mr. Waggoner confirmed that the annual reports were submitted on time and are summaries of the whole year. The seven violations on the NPDES permits is low considering the number of constituents. Reclamation had one violation which may just be a sampling issue. President White asked and staff advised that we do receive follow up questions from the State. The NPDES and Reclamation are State reports, whereas the EPA Biosolids is a Federal report.

Board Action

After discussion with staff, the Board expressed satisfaction with the reports submitted.

INFORMATION/DISCUSSION ITEMS

27. Pebble Beach Community Services District: Regular Board Meeting Of January 25, 2019 – Report by Barbara Buikema, General Manager

The report was informational only – no action required.

28. County Investment Report – Report by Barbara Buikema, General Manager

Ms. Buikema advised that the yield of 2.08 is good since it is consistently higher than LAFCO or what other agencies are giving.

The report was informational only – no action required.

29. Update On Mr. Larsen Connection In Carmel Highlands

Mr. Lauer reported that he and Ms. Lather have been providing information to Mr. Larsen and a LAFCO meeting is set for March 7, 2019. LAFCO prefers another mass annexation, including all of Carmel Highlands, rather than processing applications on an individual basis.

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.

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

- Update On Sea Level Rise Committee:
The Reclamation Management Committee met and appointed Joe Houston and David Heuck as their representatives, and PBCSD appointed Leo Laska and Jeff Froke.
- Experience Modification for Workers' Compensation:
The District's ExMod went down from 1.42 to 1.04 which represents a significant savings. Staff and the Board congratulated Mr. Dias and Mr. Foley on their contributions toward this improvement.
- Regional Board Fine for October 2017 Violation:
This was a total settleable solids issue where the plant violated it's permit. We will pay the \$3,000 fine as we have no grounds to dispute it, but this exemplifies the length of time it takes to receive a fine notification.

Director Siegfried suggested we insert a budget line item for fines and would like to discuss this at the next Budget Committee.

31. 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.

There were no announcements made.

PBCSD Board Public Meeting Notice & Agenda–The next PBCSD meetings are scheduled for:
Friday, February 22, 2019 at 9:30a.m. *Director Siegfried attended.*
Friday, March 29, 2019 at 9:30a.m. *Director Townsend is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for:
Wednesday, May 8, 2019 at 9:30 a.m. *Director Townsend and Director White are scheduled to attend.*

Special Districts Association of Monterey County–The next SDA meeting is scheduled for:
Tuesday, April 16, 2019 at 6:00 pm. *Director Townsend is scheduled to attend.*

32. CLOSED SESSION

No closed session was scheduled or held.

33. ADJOURNMENT

There being no further business to come before the Board, the President adjourned the meeting at 10:29a.m. The next regular meeting will be held at 9:00a.m., Thursday, March 28, 2019 or an alternate acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

Respectfully Submitted:



Domine Barringer, Board Secretary

APPROVED:



Ken White, Board President