

Questions August 2022 – Director Siegfried

p. 16: Check 3206 What is included in “debris disposal”?

Vendor description: contaminated waste oily debris, used oil, and used antifreeze

3210 I would like to see a payback analysis of plumbing plant toilets to our recycled water.

Per Foley – Scope to convert toilets to recycled water.

- Update the contract since the water would be recycled twice and there is cost for chemicals and energy. This would only apply to urinal and toilets which is only a portion of the water consumption.
- Cost to separate toilets and urinals from sinks/showers. This includes opening walls to access plumbing.
- Cost to trench from tertiary to locker room, operations building, dewatering, lab, collections office and breakroom.
- How much water would be saved? If each plant staff used 10 gallons per day of toilet water the estimate would be a savings of 44,200 Gallons of water per year or 0.14 acre feet. This would reduce plant water usage by 1/3rd.
- This equals a payback of 25 years if the construction cost was \$50,000 to trench from tertiary to the buildings with toilets and modify the internal plumbing.

p. 17: Check 3228 Are we getting \$10k worth of value from ESRI’s service compared to using Google Earth and Google Maps?

Per Lather - Green Infrastructure Design (previously Turf Image) maintains our GIS maps using ESRI and it is their area of expertise regarding the best system to use.

3248 This seems to merit an explanation.

The Barnyard came to us and said that Robata's was being incorrectly charged user fees and requested an adjustment. Originally charged 126.25 seats and 2 meals changed to 100.15 seats and 1 meal. Six year period for refund. Verified by Management Office at Barnyard – they supplied a copy of lease and restaurant plan layout.

3250 Can we not serve our Collections data from our website for less cost?

Per Lather – T4 Spatial is a computer platform that takes our PACP coded video information and makes the information sortable and accessible for analysis. It is not principally a storage site for Collections videos. The information is available to the engineer to use in the analysis needed to establish the capital improvement project list and costs. This data is not sortable or accessible on our website.

What backup policy is in place to be an option when t4 raises their fees?

Per Lather – We own the data and could transfer to another provider. There would likely be some costs to convert to another platform.

p. 40: When does a “new employee” become an “employee”?

There is a 6 – 12 month probationary period depending on the position. After successful completion of their probation a new employee becomes permanent.

p. 41: Is there an inspection protocol for assessing the digester gas pipelines?

Per Foley: As part of our Business Response and Emergency Action Plan the protocol for assessing plant equipment after an earthquake is listed. Operations staff would perform the initial inspection and isolation. Any damage would be referred to plant engineer for further evaluation before the equipment is placed back in service.

A more detailed emergency response plan is budgeted for FY22-23. This plan will include detailed Standard Operating Procedures to respond to emergencies such as power outages and natural disasters.

p. 74: Why did we lose an operator?

Mr. Veile decided to move with his family to Hawaii.

p. 79: Please expand upon the Sewer Installation Agreement. It sounds like we are installing the sewer system at September Ranch and Rancho Cañada.

September Ranch, Rancho Canada, and Carmel Valley Manor are each installing sewer infrastructure that represent an extension of CAWD's system. The District will accept ownership and possession of this infrastructure once acceptance has been made and agree to pay all the costs of maintenance, repair, and replacement of the extension. Acceptance is conditional upon the extension being built to District specifications. Upon acceptance the District will collect connection fees and commence charging user fees.

The District has passed Ordinance #21-01 "Reimbursement Fees, Excess Sewer Capacity" that provides for the reimbursement to private installers of facilities in excess of size required by installers from subsequent additional connectors for the design, engineering, permitting, and construction of the extension.

The Sewer Installation Agreement will be brought before the full board for approval when negotiations are complete.

p. 91: How does one conduct a meeting with a collection system?

The meeting was held with collection system representatives from PBCSD

p. 96: I assume there is an advantage to MIW to accept grease. Is there an advantage for CAWD to do the same?

There might be if there was sufficient grease received. CAWD opened their grease receiving facility with great expectations for Food to Energy, that unfortunately never materialized.

The District operated the Grease Receiving Facility (Dept 08) in the red for the last 4 years (2018 – 2021 cumulative net income over this period -\$40,658). At a minimum the tipping fees and the cost benefits from the power generated should result in a net zero cost to the District. I was aware early on of our negative position; however, Mr. Waggoner assured me that he could generate more grease business given more time. I consented to more time until 2022. At that time, I told Mr. Waggoner I was inclined to shut it down unless he could show me a path to zero cost to the District. Staff was not able to provide data for that scenario so the District stopped taking deliveries. I did indicate to staff that we could certainly reopen at some later date – if there was a path to zero cost.

Per Treanor We didn't see much of a difference in cogen energy production when we fed Food Waste because deliveries were infrequent and when we did get a delivery they would feed it into the digester way too fast and the gas spike only lasted one day. I think we got a few deliveries a month (about 1 or 2 deliveries per month as I recall). So basically we didn't see much increase in energy production because we only had more fuel available one or two days a month and we weren't getting the full benefit from that even because they fed it into the system too fast. I would estimate that maybe we increased energy production by 10% (3,000 kwh) during better months when we added food waste, but that was hit or miss.

The Board can certainly make a decision to reopen to grease deliveries now – with the understanding that it is not a break even proposition for the District.

p. 119: Congratulations are again due the County Treasurer for being the better investment.

Yes indeed 0.71% yield. As a comparison, LAIF yield for quarter ending 06-30-22 is 0.75%

p. 149: What is the Facility Master Plan?

This is an assessment of the current conditions of District facilities and a scope of work items and projected cost estimates. CAWD went through this exercise at the Treatment plant in 2013 and it formed the basis for the decisions made on Phase I and the current construction project at the plant.

p. 152: Do CAWD's bond fund investments appear in the calculation "2/3 of the S&P 500" or only the equities? If so, how are the fixed income investments calculated against an index of equities?

At the direction of the Investment Committee, we have maintained the CAWD Defined Benefit Plan portfolio at 65% stocks and 35% bonds. This creates a risk profile of approximately 2/3 (measured by beta) that of the S&P 500. And yes, that allocation includes both stocks and bonds.

p. 155 – 156: What are the second quarter performances of the individual securities compared to the performances of their individual indices?

The individual securities performance is listed on pages 155-156

I have attached a spreadsheet detailing the securities and the indices they are measured against. Please note: the 2nd quarter indice is based on the best information freely available on web.

	2nd Qtr Return	2nd Qtr Benchmark
CAWD 2nd Qtr 2022		
Currency: United States of America, Dollars		
US OE Systematic Trend		
AlphaSimplex Mgd Futs Strat Y		
<i>Benchmark 1: Credit Suisse Managed Futures USD</i>	0.11%	2.39%
US OE Real Estate		
PGIM US Real Estate Z		
<i>Benchmark 1: DJ US Real Estate TR USD</i>	-0.20%	-16.27%
US OE Bank Loan		
Nuveen Floating Rate Income I		
<i>Benchmark 1: Bloomberg US Trsy Floating Rate TR USD</i>	-0.39%	0.28%
US ETF Equity Energy		
Invesco Dynamic Engy Explr & Prdtn ETF	-0.14%	
iShares MSCI Global Energy Producers ETF	-0.22%	
<i>Benchmark 1: S&P Energy Select Sector TR USD</i>		-7.56%
US OE Foreign Large Growth		
PGIM Jennison International Opps Z		
<i>Benchmark 1: MSCI EAFE Growth GR USD</i>	-0.39%	-2.40%
US OE Equity Market Neutral		
Victory Market Neutral Income I		
<i>Benchmark 1: Credit Suisse Equity Market Neutral USD</i>	-0.13%	0.19%
US OE Large Blend		
Columbia Contrarian Core Adv		
<i>Benchmark 1: Russell 1000 TR USD</i>	-1.30%	-16.67%
US OE Commodities Broad Basket		
Columbia Commodity Strategy Adv		
<i>Benchmark 1: Bloomberg Commodity TR USD</i>	-0.22%	-5.50%
US OE Short-Term Bond		
DFA Short-Duration Real Return Instl		
<i>Benchmark 1: Bloomberg 1-3 Yr US Treasury TR USD</i>	-0.04%	-0.52%
US OE Intermediate Core-Plus Bond		
Fidelity Advisor® Total Bond Z		
<i>Benchmark 1: Bloomberg US Gov/CorpIntermediate TR USD</i>	-0.13%	-1.65%
US OE Multistrategy		
BlackRock Systematic Multi-Strat Instl		
<i>Benchmark 1: Credit Suisse Multi-Strategy USD</i>	0.01%	-6.30%
US OE India Equity		
Wasatch Emerging India Institutional		
<i>Benchmark 1: MSCI India NR USD</i>	-0.13%	-3.81%
US ETF Large Blend		
iShares Core S&P 500 ETF		
<i>Benchmark 1: Russell 1000 TR USD</i>	-2.01%	-16.67%

US ETF Mid-Cap Growth		
iShares Morningstar Mid-Cap Growth ETF		
<i>Benchmark 1: Russell Mid Cap Growth TR USD</i>	-0.24%	-21.07%
US OE Large Growth		
JPMorgan Large Cap Growth I		
<i>Benchmark 1: Russell 1000 Growth TR USD</i>	-1.20%	-20.92%
US OE Small Growth		
Congress Small Cap Growth Retail		
<i>Benchmark 1: Russell 2000 Growth TR USD</i>	-0.22%	-19.25%
US OE High Yield Bond		
PGIM High Yield Z		
<i>Benchmark 1: Bloomberg US Corporate High Yield TR USD</i>	-0.31%	-9.69%
US OE Intermediate Core Bond		
Baird Intermediate Bond Inst		
<i>Benchmark 1: Bloomberg US Gov/CorpIntermediate TR USD</i>	-0.24%	-1.90%
US OE Mid-Cap Value		
MFS Mid Cap Value I		
<i>Benchmark 1: Russell Mid Cap Value TR USD</i>	-0.35%	-16.85%
US OE Small Value		
Bridgeway Small-Cap Value		
<i>Benchmark 1: Russell 2000 Value TR USD</i>	-0.62%	-15.28%
US OE Consumer Cyclical		
Vanguard Consumer Discretionary Idx Adm		
<i>Benchmark 1: S&P Consumer Disc Select Sector TR USD</i>	-0.29%	-0.25%
US OE Large Value		
Neuberger Berman Large Cap Value Instl		
<i>Benchmark 1: Russell 1000 Value TR USD</i>	-1.34%	-16.67%