



CARMEL AREA WASTEWATER DISTRICT (CAWD) REGULAR BOARD MEETING MINUTES SEPTEMBER 27, 2018

CALL TO ORDER - ROLL CALL

Present: President: Ken White, Directors: Greg D'Ambrosio, Robert Siegfried, and Charlotte Townsend

Absent: Director: Michael Rachel

Others: Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)
Patrick Treanor, Plant Engineer, CAWD
Daryl Lauer, Collections Superintendent, CAWD
Kevin Young, Operations Supervisor, CAWD
Mark Dias, Safety/Regulatory Compliance Administrator I, CAWD
Karla Cristi, CMMS – Plant Administrative Coordinator, CAWD
Irene Bryant, Administrative Assistant/Board Clerk, CAWD
Robert Wellington, Wellington Law Offices, District Legal Counsel
Richard B. Gebhart, Board Director, Pebble Beach Community Services District (PBCSD)
Mike Niccum, General Manager, PBCSD
Melanie Beretti, Property Administration/Special Programs Manager, Monterey County Resource Management Agency (MCRMA)
Dan Bertoldi, RMA Management Analyst, MCRMA
Daniel Little, Attorney, Noland Hamerly, Etienne & Hoss
Denise Duffy, Principal, Denise Duffy & Associates, Inc.
Allan Melkesian, Director, Clear Peak Development LLC
Anthony Lombardo, Attorney For September Ranch, Anthony Lombardo & Associates Inc

APPEARANCES, ORDERS OF BUSINESS & ANNOUNCEMENTS

- 1. Appearances/Public Comments:**
There were no appearances or public comment.
- 2. Agenda Changes:**
There were no 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.

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 approved the Regular Meeting Minutes of August 30, 2018, and enacted the following Consent Calendar Agenda items.

3. Approve Regular Board Meeting Minutes of – August 30, 2018
4. Receive and Accept Bank Statement Review By Hayashi Wayland – July 2018
5. Receive and Accept Schedule of Cash Receipts and Disbursements – August 2018
6. Approve Register of Disbursements - Carmel Area Wastewater District – August 2018

Director D'Ambrosio requested an update on Hatton Canyon, check no: 32699. Mr. Treanor advised that there were comments received before but not during the 30 day review period; the CEQA document is being finalized and going before the Board next month; the District is waiting on FEMA and grant funding; permitting has been initiated; and we're close to final design and projecting construction next year.

The Board mentioned that staff should contact State Parks to post cautionary signs until the cobble rock laid on the trail compresses and becomes easier to walk over.
7. Approve Register of Disbursements – CAWD/PBCSD Reclamation Project – August 2018
8. Receive and Accept Financial Statements and Supplementary Schedules – August 2018
9. Receive and Accept Collection System Reports – August 2018
10. Receive and Accept Treatment Facility Operations Report – June 2018, July 2018 and August 2018
11. Receive and Accept Safety and Regulatory Compliance Report – August 2018
12. Receive and Accept Laboratory/Environmental Compliance Report – August 2018
13. Receive and Accept Capital Projects Report/Implementation Schedule – August 2018

14. Receive and Accept Plant Operations Report – August 2018

Regarding the Discharge Permit Violations, Director Siegfried asked if we need sensors and controls that will automatically increase appropriate chemicals needed to quench a potential exceedance. Mr. Young confirmed we have a PLC program in place that does control our chemical dosage. Also, staff has taken a number of other measures, increased dosages where needed, reviewed process controls to identify, and resolved the issue.

15. Receive and Accept Maintenance Projects Report – August 2018

RESOLUTIONS/ORDINANCES

16. Resolution No. 2018-43 (AMENDED); A Resolution Authorizing The Expenditure Of Up To \$100,000 To Assist Monterey County In Carmel Lagoon Sandbar Management For Fiscal Year 2018-19 And To Consider And Commit To 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 - *Report by Barbara Buikema, General Manager*

Ms. Buikema advised that an Amended Resolution was sent out. Her meeting with County Supervisor Mary Adams and Chief of Staff Kate Daniels revealed that it will take 2-3 years to get an Assessment District developed and formed.

Melanie Beretti, Monterey County Resource Management Agency (MCRMA) said that the County had a \$36 million deficit this year and that the Carmel Lagoon is outside of the County's core mandates. They agree the long term solution will consist of some type of Assessment District, but in the short run, RMA has been directed by their Board of Supervisors to seek out other stakeholders for possible contributions. As a public agency, they cannot ask for funding from private property owners but they have already conducted public outreach meetings to inform neighbors of the funding issue.

Mr Niccum stated that PBCSD's perspective is that the treatment plant will have to pay a significant portion of the Assessment District and that there is no reason not to start doing that now.

Many questions, issues and recommendations were raised and discussed by CAWD's Board and Legal Counsel. The District should not agree to reimburse the County a certain amount before a thorough analysis is completed identifying all stakeholders, determine the percentage of benefit and associated funding responsible by each; factor in a percentage and Not To Exceed contribution amount; build in a caveat to annually reevaluate designated contribution ratios; and require a stipulation that the Board of Supervisors enact an emergency ordinance to start the formation of an Assessment District this month.

Mr. Wellington stated that if flooding did occur, the obligation and liability would go to Monterey County and the Monterey County Water Resources Agency. Ms. Beretti

clarified that Monterey County would be pulling permits, the Resource Management Agency is involved, but at this point, the Monterey County Water Resources Agency is not involved.

Ms Buikema expressed that the plant was designed for riverine but not lagoon flooding, and reiterated that the District needs a short term solution to address potential flooding with this winter's rains. Director White confirmed that the importance of this issue suggests that it should be tabled to a meeting when all Board Members are present.

Board Action

Following a motion made by Director Siegfried and seconded by Director Townsend, the Board agreed to continue the item to a Special Board Meeting in October by a vote of 3 to 1 with 1 absent. (Siegfried, Townsend, and White in favor; D'Ambrosio against; Rachel absent)

- 17. Resolution No. 2018-44 (AMENDED);** A Resolution Authorizing Conceptual Approval To Conduct A Feasibility Level Analysis Of Providing Potential Water Operation Service To September Ranch, And Allowing Staff To Investigate The Requirements And Perform Due Diligence With The Developer, LAFCO And A Consulting Engineer On Implications Found In Monterey County Resolutions And That Staff Will Report Back With Findings And Request Direction Prior To Proceeding – *Report by Barbara Buikema, General Manager*

Ms. Buikema expressed confidence in staff's ability to run a water system and asked that Counsel reaffirm CAWD's legal authority to do so. The District should not be responsible for aquifer or water supply and has yet to speak with the Water Management District to consider this project. The EIR is quite lengthy and involved, and residential build out could take 20+ years. Some of the process should include: a feasibility level analysis, exploring the issues with regulatory agencies, engagement of an outside consultant, and reporting back to the Board. All permitting, consulting, staff time, required studies, associated fees, etc. should be paid by the developer. Mr. Wellington confirmed that taking on this obligation needs to be completely cost neutral to the District's current sewer ratepayers.

Anthony Lombardo, Attorney, confirmed that September Ranch will be a CAWD customer for sewer service. As regards to the possibility of CAWD managing their water system, Mr. Lombardo reassured the Board that the developer would bear all costs to explore this concept; the process would be completely financially neutral to the District, and that September Ranch would advance funds to the District to retain an outside consultant. He reported that since California American Water cannot undertake this operation, they explored two further options for their water system. 1) The formation of a mutual water company was not favored by the CA Dept of Real Estate. 2) LAFCO was not in favor of the formation of a special service district and suggested they reach out to CAWD.

Mr. Lombardo stated that such an undertaking appears to be legally and technically feasible. He spoke with David Stoldt, GM of the Monterey Peninsula Water Management District, who saw no problem with CAWD undertaking the operation.

Mr. Lombardo said that the operation has to be built, proven, and shown to be compliant with Health Dept regulations, and with the proper permits from State and County, before CAWD would have any responsibility to run. As part of our legal agreements, the developer would make up any shortfall in revenue caused by the pace of homes being built until there are sufficient connections.

Denise Duffy acknowledged that there are a number of permit conditions required in order to be compliant with the County and Water Management District. Her firm is working with the developer and would assist CAWD in the monitoring and oversight process.

Director D'Ambrosio asked what happens if the aquifer dries out? Mr Lombardo said that the County had hired an outside hydrologist who confirmed that there is more water available than necessitated. A secondary well as back up is also required by the County and is being drilled.

Director Townsend suggested checking with CASA to learn about other agencies which have undertaken fresh water service to review their approach and success rate. Ms. Buikema said the one agency she attempted to contact did not respond.

Director Siegfried thought that the District should be able to structure a model whereby CAWD and it's current ratepayers will be protected. He also spoke with Mr. Stoldt and felt that CAWD could become a qualified water district operator. He is in favor of the concept but concerned whether the District has the staffing capacity.

Director White asked if additional monies were needed for upgrade or repair in the future, would the decision to do so fall to the property owners? Mr. Lombardo stated the set up would be structured so the agency would monitor and make the decisions, with associated costs built into the rate base. Mr. Wellington advised it would be a similar process the District is required to follow now with Proposition 218 noticing requirements for sewer users and rates. Counsel Lombardo reiterated that contractual agreements will clearly state that the developer will absorb such expenses and back stop any other expenses that the District might incur.

Ms Buikema envisions that the splitting of District staff costs would follow a similar model used for billing time to Reclamation. Increases in the Collection and Accounting Depts may be required. Any time devoted to the project would be subtracted out and thus would not impact PBCSD staff accounting.

Legal Counsel and Board gave specific recommendations on amending the Resolution. The Board agreed to move forward with a feasibility study and acknowledged that much more information is required.

Board Action

Following a motion made by Director Townsend and seconded by Director Rachel, the Board unanimously approved Resolution 2018-44, as amended.

- 18. Resolution No. 2018-45;** A Resolution Accepting The Lowest Responsible Bid For The “Phase II WWTP SCADA Network Improvements – Programmable Logic Control Equipment” And Awarding Contract - *Report by Patrick Treanor, Plant Engineer*

Mr Treanor reported that we appear to be in a good position for completing the project on time and within the budget with the lowest responsible bid of \$185,000 from Technical Systems Incorporated (TSI).

Board Action

Following a motion made by Director D’Ambrosio and seconded by Director Siegfried, the Board unanimously adopted Resolution No. 2018-45

OTHER ACTION ITEMS BEFORE THE BOARD

- 19.** Carmel Highlands Point Sanitary Sewer Association Agreement Dated August 12, 2014 – *Report by Barbara Buikema, General Manager*

Ms. Buikema explained that as a condition of connecting in 2012, CHPSSA formed an association to absorb any cost for maintenance of the sewer line that goes under the highway. Upon connection, their attorney collects the association fees. CAWD assesses the connection fee and user fees are added to their property tax statement, as is the case with all other sewer customers.

Board Action

Following a motion made by Director White and seconded by Director D’Ambrosio the Board unanimously accepted the report.

INFORMATION/DISCUSSION ITEMS

- 20.** Services Provided To The City of Carmel-by-the-Sea For Cleaning Of Stormdrain Interceptors And Retention Ponds - *Report by Daryl Lauer, Collections Superintendent*

Ms. Buikema and the Board commended Mr. Lauer for taking the initiative to develop, organize, and bring to fruition the services which will be provided to the City. Mr. Lauer confirmed that cleaning will initially occur under a \$15,000 purchase order and thereafter at approximately three scheduled times per year. The City will request services 1 month in advance so that required staff times can be scheduled.

The report was informational only – no action required.

- 21.** Pebble Beach Community Services District – Regular Board Meeting of August 31, 2018 Was Cancelled – *No Report Due*

STAFF & BOARD MEMBER REPORTS

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

COMMUNICATIONS

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

- MCSIG Flu Shot Clinic
October 15, 2018 from 11:30am – 12:30pm
CAWD Plant – Break Room
- What Can Employers Ask Applicants and Employees
The Dept of Fair Employment and Housing

At the last meeting, the Board inquired what questions District personnel can ask job applicants.

- Rancho Rio Vista Sewer Project
Proposed Tie-In Plan
CAWD Neighborhood Meeting
October 16, 2018 at 5:30pm

Possible dates were discussed for the Board's Strategy session. They will hear from CAWD's department heads first then proceed with Board strategy for future direction. The location will be held in the Board room at Hayashi & Wayland. The date will be confirmed once set.

23. Announcements on subjects of interest to the Board made by members of the Board or staff – Oral reports or announcements from Board President, Directors or staff concerning their activities and/or meetings or conferences attended.

PBCSD Board Public Meeting Notice & Agenda – The next PBCSD meetings are scheduled for: Friday, September 28, 2018 at 9:30a.m. *Director Townsend is scheduled to attend.* Friday, October 26, 2018 at 9:30a.m. *Director White is scheduled to attend.*

Reclamation Management Committee Meeting – The next RMC meeting is scheduled for: **Wednesday**, November 14, 2018 at 9:30 a.m. *Director Townsend and President White are scheduled to attend.*

Special Districts Association of Monterey County – The next SDA meeting is scheduled for: Tuesday, October 16, 2018 at 6:00 pm. *Director Townsend is schedule to attend.*

- 24. CLOSED SESSION:** Pursuant to Government Code Section 54956 et seq., the Board noticed but did not meet in closed session.

A. 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**

The agenda item has been carried forward to the next Regular Board meeting.

25. ADJOURNMENT

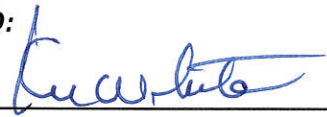
There being no further business to come before the Board, the President adjourned the meeting at 10:44 a.m. The next Regular Meeting will be held at 9:00 a.m., Thursday, October 25, 2018 or an alternate, acceptable date, in the Board Room of the District Office, 3945 Rio Road, Carmel, CA 93923.

Respectfully submitted:



Irene Bryant, Secretary to the Board

APPROVED:



Ken White, President