

**Carmel Area Wastewater District/Pebble Beach Community Services District
Pebble Beach Company**

**WASTEWATER RECLAMATION PROJECT
MANAGEMENT COMMITTEE**

MINUTES

**Meeting of November 9, 2017
Pebble Beach Community Services District Boardroom
Forest Lake & Lopez Roads, Pebble Beach, CA**

1. Call to Order

Mike Niccum, PBCSD General Manager, serving as facilitator, called the meeting to order at 9:30 a.m. Members or alternates present were: Ken White and Charlotte Townsend, Carmel Area Wastewater District Board of Directors (CAWD); Peter McKee and Richard Verbanec, Board of Directors, Pebble Beach Community Services District (PBCSD); David Heuck, Executive Vice President and Chief Financial Officer, Pebble Beach Company (PBCo)

Absent: Mike Bowhay, Independent Reclaimed Water Users Group (IRWUG)

Others in attendance:

Rob Wellington, Legal Counsel, CAWD/PBCSD
Brent Reitz, Capital Services Project Manager, PBCo
Jim Grover, Principal Accountant, CAWD
Ed Waggoner, Operations Superintendent, CAWD
Kevin Young, Operations Supervisor, CAWD
David Stoldt, General Manager, Monterey Peninsula Water Management District (MPWMD)
Suresh Prasad, Chief Financial Officer, MPWMD
Nick Becker, Principal Engineer, PBCSD
Mark Stilwell, Executive Vice President, Real Estate, PBCo
Laura Dadiw, Clerk, PBCSD

2. Period for welcoming visitors, receiving public comment regarding matters not listed or considering changes to the agenda

There were no requested changes to the agenda. Mr. Niccum opened the meeting paying tribute to R.J. Harper who recently passed away. He was with Pebble Beach Company for 32 years. Mr. Harper was integrally involved with the Reclamation Project while serving as Executive Vice President of Golf & Retail during his 32 years with the Pebble Beach Company. The Committee concurred to adjourn the meeting in his memory.

3. Minutes

It was moved by Member White, seconded by Member Townsend, and unanimously carried 5-0, to approve the minutes of the Committee meeting of May 12, 2017.

4. Annual Financial Report for Fiscal Year Ending June 30, 2017

Jim Grover, Principal Accountant for CAWD gave a brief overview of the Annual Financial Report for Fiscal Year ending June 30, 2017. In summary the auditor (Marcello & Company) concluded that the CAWD/PBCSD Reclamation Project is in good standing and is being operated in accordance with general accounting practices.

It was moved by Member White, seconded by Member Townsend, and passed 5-0, to receive the Annual Financial Report for Fiscal Year Ending June 30, 2017.

5. A. Flow Equalization Basin Mixing System Project

Ed Waggoner, CAWD Operations Superintendent presented a report on the recommended purchase and installation of a new mixing system in the tertiary flow equalization basin (FEB). The mixing system would improve/stabilize solids loading on the micro filtration (MF) membranes as well as reducing the frequency staff would need to enter the FEB (a confined space) to clean out accumulated solids. CAWD staff plan to procure and install the new mixing system this winter during a plant shutdown when the reservoir is full. Funding of \$50,000 for this project is already included in the current budget.

It was moved by Member White, seconded by Member Verbanec, and unanimously carried 5-0, to authorize a portion of the \$50,000 total budget allocation from the CAWD/PBCSD Reclamation Project Capital Projects FY 2017/18 budget item #14 for the Pulsed Hydraulics, PHI 350 Mixing System, not to exceed \$43,000; and approve the general manager to “sole-source” this purchase through Pulsed Hydraulics Inc.

B. Trussell Engineering Agreement for Advanced Treatment Engineering Services

A report was provided by General Manager Buikema and Mr. Waggoner requested the committee ratify a professional services contract with Trussell Technologies, Inc. (Trussell) to provide engineering services to evaluate micro filtration/reverse osmosis (MF/RO) performance enhancements with the goal of increasing recovery beyond the current 85% and eliminating discharge to the ocean. Trussell is a well-qualified engineering consultant providing similar services to almost every water reuse project within California. The 2017/18 budget allows for \$15,000 in consultant fees; the remaining \$11,289 expenditure can be absorbed by 2017/18 operations expenditure allocations anticipated not to be spent.

It was moved by Member McKee, seconded by Member Townsend, and unanimously carried 5-0, to ratify the actions of the CAWD approving a contract with Trussell Technologies, Inc. in the amount of \$26,289 for evaluation of performance enhancements at the MF/RO Facility.

C. E2 Consulting Engineers Agreement for Forest Lake Engineering Services

Principal Engineer, Nick Becker presented a report on the aging infrastructure at Forest Lake Reservoir (pump pit & piping) that is in need of replacement; it was recommended that E2 Consulting Engineers (E2) perform preliminary engineering to determine replacement alternatives and associated costs. It was also recommended that E2 be hired to perform required analysis to update Forest Lake inundation mapping and associated Emergency Action Plan; a regulatory requirement recently enacted by the California Division of Safety of Dams. The 2017/18 budget can absorb the \$25,000 & \$50,000 expenditures from anticipated unspent capital and operating allocations.

It was moved by Member Verbanec, seconded by Member White, and unanimously carried 5-0, to approve a professional services contract with E2 Consulting Engineers to provide engineering services as required for Forest Lake Reservoir Improvements with a budget not to exceed \$75,000.

6. Receive and consider reports relating to Operations and Maintenance of Project

A. Financial Statements (ending September 30, 2017)

Jim Grover, Principal Accountant for CAWD presented an updated financial report for the current fiscal year; noting that the Wells Fargo capital replacement accounts will be reclassified from restricted to unrestricted cash as per auditor advice. He also noted costs associated with the development of the 3rd well project (MPCC No. 07) would be transferred to nonoperational costs as the project was abandoned due to a lack of water. Water sales were up and operational costs down as compared to last year's initial quarter.

The O & M Financial Statements for the period were received for information and no action was required.

B. Receive/consider reports relating to Project operations and maintenance – (“O & M”) of Project

Kevin Young, Operations Supervisor for CAWD presented the committee with a status update of general MF/RO and plant operations. Recently staff had noted issues with both the wastewater influent meter (CAWD IN) and recycled water production meter (CAWD OUT); both meters have been recalibrated, are back in service and appear to be operating correctly. Given the age of the CAWD OUT meter, staff plans on replacing it during the next fiscal year. Production was briefly interrupted last week due to a faulty pressure switch (to be replaced); other than this recent issue production has been very consistent. The MF membranes are approaching 18 months of service (historic service life); transmembrane pressures are approaching elevated levels and therefore staff will monitor the need for replacement. Lastly staff is planning their preventative maintenance schedule in anticipation of MF/RO shutdown this winter after the reservoir is filled.

The report on Project operations and maintenance was received for information and no action was required.

C. Distribution System O & M

Nick Becker provided a written report and slide presentation on Reclamation Project distribution system operations and maintenance. The beginning of November marked the end of the irrigation season as supply began exceeding demand resulting in an increasing trend of storage volumes at Forest Lake Reservoir. Recycled water demand throughout May to September tracked at or slightly above normal. The month of October saw an above normal demand that exceeded that of last year, as well as the short (5yr) and long (22yr) term monthly average. This above normal trend can be directly attributed to the above normal temperatures observed throughout much of October. Production for the 2017 irrigation season was not only consistently delivered but production rates were increased by approximately 10% as a direct result of the RO recovery improvement project implemented in early spring (increasing recovery from 75% to 85%). The three alternative source water projects have been shut down for the winter; in summary, these projects delivered an additional 10 million gallons to CAWD (for recycling) this calendar year helping to mitigate the declining trend in wastewater flows. The City of Carmel-by-the-Sea 4th Avenue project tie-in to the reclamation distribution pipeline is in progress. Total annual demand is estimated to be ¼ acre-feet or 80,000 gallons to be delivered from the Project; preliminary

discussions have begun with Carmel-by-the-Sea regarding potential dry weather diversion opportunities.

The Distribution System O & M Report was received for information and no action was required or taken by the Committee.

7. **Receive Miscellaneous Information or Announcements from Members, Staff or Visitors**

David Stoldt, MPWMD General Manager commented on municipal versus private long-term and interim water supply.

8. **Reclamation Project Draft 2018 Committee Meeting Schedule**

Reclamation Management and Technical Advisory Committee meetings, historically on Friday mornings, per consensus of the committee have been changed to Wednesday mornings. The November 7, 2018 meeting was agreed to be changed to one week later on November 14th.

9. **Closed Session**

The Committee did not meet in a closed session.

10. **Adjournment & Next Meeting Date**

There being no further business at 10:42 a.m., it was moved and seconded, and determined by consensus of the members, that the Reclamation Management Committee adjourn in memory of R. J. Harper.

The next regular meeting will be Wednesday, February 14, 2018, at 9:30 a.m. in the PBCSD Boardroom at 3101 Forest Lake Road, Pebble Beach.

Respectfully submitted:

Laura Dadiw, Clerk
Pebble Beach Community Services District/Dadiw Associates