

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

**WASTEWATER RECLAMATION PROJECT  
MANAGEMENT COMMITTEE**

**MINUTES**

**Meeting of January 10, 2014  
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: Robert Siegfried and Ken White, Carmel Area Wastewater District Board of Directors (CAWD); Rick Verbanec and Peter McKee, Pebble Beach Community Services District Board of Directors (PBCSD); Mark Stilwell, Executive Vice President, Pebble Beach Company (PBCo), and Mike Bowhay, Independent Reclaimed Water Users Group (IRWUG).

**Others in attendance:**

Barbara Buikema, General Manager, CAWD  
Rob Wellington, Legal Counsel, CAWD/PBCSD  
Jim Grover, Principal Accountant, CAWD  
Drew Lander, Principal Engineer, CAWD  
Suresh Prasad, Administrative Services Manager/Chief Financial Officer, Monterey Peninsula Water Management District (MPWMD)  
Nick Becker, Principal Engineer, PBCSD  
Kevin Young, Operations Supervisor, CAWD  
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 comments or requested changes to the agenda.

**3. Minutes:**

*It was moved by Member Stilwell, seconded by Member White, and unanimously carried, to approve the minutes of the Committee meeting of November 10, 2013.*

**4. Receive Annual Financial Report for Fiscal Year ending June 30, 2013**

Principal Accountant, Jim Grover stated that one change to the financial reports that were presented at the November 10, 2013 committee meeting was the working capital balance due to PBCo from IRWUG since the Amended Recycled Water Sales Agreement became effective July 1<sup>st</sup> 2013. Written copies were provided of the auditor's statement regarding internal control related matters and the response by MPWMD that is included in the final report together with the Management Discussion and Analysis. The auditor gave the project financials an unqualified "clean" opinion. The committee concurred that there was no need to teleconference with the auditor during today's discussions.

Member Siegfried suggested on page 6, second sentence after the bullet points should read, "...the value shown..." instead of "...the value earned..."

Member Stilwell noted that page 9, sixth paragraph first sentence should read, "...from Cal Am is not intended..." instead of "...is not entitled..."

*It was moved by Member Verbanec, seconded by Member Stilwell, and unanimously carried, to receive the Annual Financial Report and Independent Auditor Report for Fiscal Year ending June 30, 2013.*

**5. CAWD Capital Project Budget adjustments**

CAWD General Manager, Barbara Buikema gave highlights of the proposed amendment to the CAWD budget to purchase parts and accompanying valves for three tertiary treatment pumps; rebuilding pump P-933 in fiscal year 2013-14 and pumps P-931 and P-932 in fiscal year 2014-15. The Technical Advisory Committee performed an in-depth review of the amendment request and recommended approval. CAWD has developed a 15-year long-term capital improvement program for its treatment system.

*It was moved by Member White, seconded by Member Siegfried, and unanimously carried, to approve an amendment to the CAWD capital project budget to rebuild pumps P-931, 932, and 933 and accompanying discharge isolation check valves in the amount of \$67,880.*

CAWD General Manager, Barbara Buikema gave highlights of the proposed amendment to the CAWD capital budget to replace 84 microfiltration membranes. The Technical Advisory Committee had recommended approval of this budget amendment as well.

*It was moved by Member Stilwell, seconded by Member White, and unanimously carried, to approve an amendment to the CAWD capital project budget to purchase 84 replacement microfiltration membranes from Siemens Water Technologies for a total of \$42,728.*

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

**A. Financial Statements (July 1, 2012 to September 30, 2013)**

Mr. Grover and Mr. Prasad will clarify with bond counsel that the annual payment on the Certificates of Participation is a prepayment by PBCo on July 1<sup>st</sup> that is reimbursed to PBCo by the project during the ensuing fiscal year; and will make adjustments to the financial reports accordingly. The committee concurred that the accounts payable report is not necessary to present in the future.

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

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

Treatment Plant Operations Supervisor, Kevin Young reported that the old membranes had been autopsied showing calcium sulfate scaling. Anti-scalants are being used to increase second stage flow. The plant is currently treating 100% of influent however inflows into the plant are down. Reduced flows can most likely be attributed to conservation prompted by increased potable water rates.

*There being no further questions or comments, the oral report regarding Treatment Plant O & M was received as informational and no action was required or taken by the Committee.*

**C. Distribution System O & M**

The Committee received a written Distribution System Operations Report from PBCSD Principal Engineer, Nick Becker. Mr. Becker reported that the storage in Forest Lake Reservoir is 28 million gallons, or 117 acre-feet; in comparison last year at this point there was 63 million gallons stored. Irrigation demand is quite high due to lack of rainfall.

A project oversight meeting is scheduled for next Thursday at 10:30am to strategize contingency conservation plans. CAWD is working to annex subdivisions to increase inflow. Another potential option for increased inflow would be to capture dry weather storm runoff.

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

**7. Receive status report on Monterey County Ecosystem Protective Barrier Project located in Carmel River Lagoon**

CAWD Principal Engineer, Drew Lander gave a status report on CAWD actions related to County plans to erect a barrier along the lower Carmel River and cease breaching the sand bar that forms at the outlet of the Carmel River Lagoon into the ocean. CAWD is modeling varying degrees of CAWD treatment plant flooding as the Carmel River rises behind the un-breached sand bar. The County currently breaches the sand bar at 13 feet at a cost of \$200,000 to \$500,000 per year due to federal regulations and permitting processes.

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

There was no further information or announcements from those present.

**9. Closed Session**

The Committee did not meet in a closed session.

Reclamation Management Committee

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**10. Adjournment & Next Meeting Date**

*There being no further business at 11:04 a.m., it was moved and seconded, and determined by consensus of the members, that the Reclamation Management Committee adjourn to its next regular meeting on May 9<sup>th</sup>, 2014, 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