

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

**WASTEWATER RECLAMATION PROJECT
MANAGEMENT COMMITTEE**

MINUTES

**Meeting of May 9, 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 Charlotte Townsend, Carmel Area Wastewater District Board of Directors (CAWD); Richard Gebhart 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
Robert Rathie, Legal Counsel, CAWD/PBCSD
Jim Grover, Principal Accountant, CAWD
Kevin Young, Operations Supervisor, CAWD
David Stoldt, General Manager, Monterey Peninsula Water Management District (MPWMD)
Suresh Prasad, Administrative Services Manager/Chief Financial Officer, MPWMD
Brent Reitz, Capital Services Project Manager, PBCo
Nick Becker, Principal Engineer, PBCSD
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 Townsend, and unanimously carried, to approve the minutes of the Committee meeting of January 10, 2014.

4. CAWD/PBCSD Reclamation Project Budget for fiscal year 2014-15

CAWD General Manager, Barbara Buikema gave highlights of the proposed budget, noting that the format was the same as previous years with the exception that with the amended water sales agreement effective July 1, 2013, non-operating revenues are now included and are a separate line item. The proposed budget is balanced by a \$307,945 contribution from the project's Capital Reserve Fund, leaving an estimated \$500,000 in that fund at 2014-15 yearend. It was suggested that a financing plan for capital expenditures be developed since PBCo is no longer responsible for funding any shortfalls in project revenues versus expenses under the new agreement.

Actual expenses for Brent Reitz's services to the project will be separated out of consolidated expenditures and properly posted to the *PBCo/IRWUG Expenses* line of the budget summary.

It was moved by Member Stilwell, seconded by Member McKee, and unanimously carried, to adopt the CAWD/PBCSD Reclamation Project Budget for fiscal year 2014-15.

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

A. Financial Statements (July 1, 2013 to March 31, 2014)

Mr. Grover summarized the statements, noting that revenues to-date are not in line with last year's amounts due to the amended water sales agreement being in effect this fiscal year and not last. Expenses are tracking with projected amounts. Mr. Bowhay stated IRWUG is very pleased with how the project is proceeding under the amended agreement.

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

CAWD Operations Supervisor, Kevin Young reported that 84 of the microfiltration membranes in cell three were replaced in February with satisfactory results. The system is nearing the anticipated 12-18 month end of useful life and diminished production has been an issue since early April. Staff and the Evoqua (formerly Siemens) processing engineer have been conducting intensive chemical cleaning regimens in an effort to induce membrane recovery. One membrane is undergoing autopsy at a third party laboratory in Los Angeles. A repeat of past membrane issues, and malfunction of equipment peripheral to the microfiltration process, have both been ruled out. Project staff will continue to contact companies using Evoqua treatment technology to determine if similar issues are occurring elsewhere, although source water characterization varies widely from plant to plant. Project staff is evaluating CAWD secondary processes that may be contributing to diminished production. Evoqua will be providing a cleaning regime once the most effective is established. For now, the cleanings have concluded and full production, though limited by the mysterious issue, is expected to resume.

Ms. Buikema suggested a third party expert uninvolved with plant design or operations review the system and report findings.

It was moved by Member Stilwell, seconded by Member Townsend, and unanimously carried, to preauthorize Reclamation Project funding for CAWD staff to request proposals and procure services of a third party professional to evaluate the treatment plant microfiltration system and appurtenances and provide an opinion on the cause of diminished production.

C. Distribution System O & M

The Committee received a written Distribution System Operations Report from PBCSD Principal Engineer, Nick Becker who provided an overhead presentation of graphs and photographs. There is currently 86 million gallons contained in Forest Lake Reservoir, compared to the historical 100+ million gallons at this point in the year, with irrigation averaging approximately one million gallons per night. Sodium levels are at approximately 93 mg/L with 55 mg/L being normal. At the May 5th Oversight Committee meeting it was decided to continue microfiltration/reverse osmosis treatment and self-impose irrigation rationing to 275,000 gallons per night per course. The next Oversight Committee meeting is scheduled for June 11, 2014.

Committee members requested that reports on water use and production be presented based on a calendar or July – June fiscal year instead of a water year (October – September).

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

6. Authorize engineering services for capital projects to provide additional recycled water flow and storage

The Committee received a written report from PBCSD General Manager, Mike Niccum who responded to questions and comments.

It was moved by Member Bowhay, seconded by Member Stilwell, and unanimously carried, to authorize budget allocation of \$50,000 for preliminary engineering services to design a dry storm water diversion pilot project, and to prepare a permit application to Department of Safety of Dams to reduce the freeboard at Forest Lake Reservoir.

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

MPWMD General Manager, David Stoldt reported that draft environmental impact reports for the California American Water Regional Desalination Project and the Monterey Regional Water Pollution Control Agency Groundwater Replenishment Project are both expected to be released at the end of the summer.

8. Closed Session

The Committee did not meet in a closed session.

9. Adjournment & Next Meeting Date

There being no further business at 10:55 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 November 14th, 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