

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

**WASTEWATER RECLAMATION PROJECT
MANAGEMENT COMMITTEE**

MINUTES

**Meeting of September 15, 2006
Pebble Beach Community Services District Boardroom
Forest Lake & Lopez Roads, Pebble Beach, CA**

1. Call to Order

Ray von Dohren, CAWD General Manager, serving as facilitator, called the meeting to order at 9:38 a.m. Members or alternates present were: Joyce Stevens, Carmel Area Wastewater District Board of Directors (CAWD); Gary D. Hornbuckle and Richard Verbanec, Pebble Beach Community Services District Board of Directors (PBCSD); and Mark Stilwell, Executive Vice President, Pebble Beach Company (PBCo).

Others in attendance:

Craig Anthony, General Manager, PBCSD
David Berger, General Manager, Monterey Peninsula Water Management District (“MPWMD”)
Michael Niccum, P.E., District Engineer, PBCSD
Barbara Buikema, Accountant/Controller, CAWD
George Thacher, Legal Counsel, CAWD/PBCSD
Brent Reitz, Capital Services Project Manager, Pebble Beach Company
Tom Peterson, Operations Superintendent, Monterey District, California American Water (“Cal-Am”)
Vinod Badani, Vice President, E2 Consulting Engineers
Laura Paxton, Temporary Clerk, PBCSD

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

Following introductions, there were no comments from visitors or Committee members regarding matters not listed on the agenda, and no requests were received to change the content or order of the agenda.

3. Minutes:

It was moved and seconded by Member Hornbuckle and Member Verbanec, and carried, to approve the minutes of the Committee meeting of July 14, 2006.

4. Receive and consider reports relating to operations and maintenance (“O & M”) of Project:

4-A. Treatment Plant O & M

The Committee received a written status report from CAWD Treatment Plant Superintendent, Mark Scheiter, regarding treatment plant operations. The Committee discussed the issue of State Parks considering discharge into the south side and north side of the Carmel River as being a possible violation by the regulatory agency (not CAWD) of the NPDES permit. The permit is up for renewal next March with the 6-month process starting in October 6 months ahead. CAWD will seek a modification to the permit to allow discharge directly into the lagoon, which may require additional. \$1 million in associated monitoring costs. could be incurred for the modification. Craig Anthony, PBCSD General Manager, suggested that monitoring costs be funded by beneficiaries of the lagoon, for example the Department of Fish and Game, NOAA and State Parks, from which CAWD has received grants for this type of project in the past.

There being no further questions or comments, the written and oral reports regarding Treatment Plant O & M were received as informational and no action was required or taken by the committee.

4-B. Distribution System O & M; reclaimed and potable water use

PBCSD District Engineer, Michael Niccum, reviewed his Distribution System Operations Report, dated September 15, 2006 and indicated that it had been a routine period. Mr. Niccum responded to questions.

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

4-C. Financial Statements from July 2005 through June 2006, and July 2006

Barbara Buikema reviewed the financial statements for the period from July 2005 through June 2006, and July 2006. An audit is being conducted through next Tuesday. There were no questions or comments regarding the financials.

There were no questions and the O & M Financial Statements for the period were received for information and no action was required or taken by the Committee.

5. Receive status reports concerning Main Components Phase II (Expanded) Reclamation) Reclamation Project:

5-A. Planning and Design of Advanced treatment: micro-filtration/reverse osmosis facilities

CAWD General Manager, Ray von Dohren, reviewed the submitted memorandum from Sanford Veile dated September 15, 2006, regarding Phase II Salinity Management Project – Status Update. He stated details of the layout such as column placement were being finished up. The structural design is near completion. The project is progressing with great speed with completion estimated by March/Fall 2007 and water to the reservoir by January 2008. A 3-month

shakeout period was added to the schedule. Construction is on schedule for to begin October 2006. with the maximum guaranteed cost being the next step.

5-B. Forest Lake Reservoir Construction Project

PBCSD District Engineer, Michael Niccum, reported that the project was officially completed September 1, 2006 and has, saveding an additional 50 million gallons of potable water this water yearcycle. The Committee discussed the dedication ceremony planned later in the day. The Committee also discussed the dynamic nature of the lake level dependent on irrigation needs and 30 to 60-day use forecasts by recycled water users. Some users have embedded sensors to gauge moisture content in soils to prevent over watering.

6. Receive Miscellaneous Information or Announcements from Members, Staff or Visitors:

Mark Stilwell, Executive Vice President, PBCo, advised the Committee that water sales were at an estimated average of 1/2½ acre-footAF per month, with an estimated 10-year project payoff. The Company is drafting a letter to the MPWMD Water Management District regarding the possibility of water sales outside of Pebble Beach the District. Approximately 111 acre feet of water entitlements have been sold, and much of that has been put to use in new and remodeled homes. No issues regarding the issuance and use of water from water sales have been brought to the MPWMD Water Management District.

There were no further reports or announcements from Committee members, staff or visitors.

7. Closed Session

The Committee did not meet in a closed session.

8. Adjournment & Next Meeting Date:

There being no further business at 10:18 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 Friday, November 10, 2006 at 9:30 a.m. in the PBCSD Boardroom at 3101 Forest Lake Road, Pebble Beach.

Respectfully submitted:

Laura Paxton
Temporary Clerk
Pebble Beach Community Services District/Paxton Ad Hoc