

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

**WASTEWATER RECLAMATION PROJECT  
MANAGEMENT COMMITTEE**

**MINUTES**

**Meeting of December 18, 2009  
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 9:37 a.m. Members or alternates present were: Ken White and Robert Kohn, Carmel Area Wastewater District Board of Directors (CAWD); Gary D. Hornbuckle and Richard D. Verbanec, Pebble Beach Community Services District Board of Directors (PBCSD); and Mark Stilwell, Executive Vice President, Pebble Beach Company (PBCo).

**Others in attendance:**

Mike Niccum, General Manager, PBCSD  
George Thacher, Legal Counsel, CAWD/PBCSD  
J.T. Rethke, Associate Engineer, PBCSD  
Mark Scheiter, Plant Superintendent, CAWD  
Brent Reitz, Capital Services Project Manager, Pebble Beach Company  
Barbara Buikema, Accountant/Controller, CAWD  
Darby Fuerst, General Manager, Monterey Peninsula Water Management District (MPWMD)  
Michael Bowhay, Independent Recycled Water Users Group (IRWUG)  
Laura Dadiw, 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 by Member White, seconded by Member Hornbuckle, and unanimously carried, to approve the minutes of the Committee meeting of June 5, 2009 as presented.*

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

**4-A-1. Treatment Plant O & M**

The Committee received a written status report from CAWD Treatment Plant Superintendent, Mark Scheiter, regarding treatment plant operations. Mr. Scheiter noted that the manufacturer of the microfilter/reverse osmosis units at the treatment plant was continuing to investigate the failure of the microfilters that occurred last fall. The source of the problem had not yet been identified and Seimens continued to perform warranty work at the treatment plant. The new microfilter units had been operating and the project was providing recycled water to fill Forest Lake Reservoir. No potable water had been used in the current water year that began in October 2009.

*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-1. Distribution System O & M; reclaimed and potable water use**

PBCSD Associate Engineer J.T. Rethke reviewed the submitted Distribution System Operations Report and responded to questions from members.

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

**4-C-1. Annual Audit, June 30, 2009 (auditor Marcello & Company teleconferenced)**

The annual audit for fiscal year 2008/09 was presented and received by the committee. The auditor indicated that the recommendations from last year related to separation of accounting duties within Carmel Area Wastewater District (CAWD) had been implemented. The auditor recommended bank statements be sent directly to a member of the Board and the committee agreed the statements should be sent to Mark Stilwell.

*The Annual Audited Financial Statements for fiscal year 2008/09 were received for information and no action was required.*

**4-C-2. Financial Statements for Period Ending October 31, 2009**

Barbara Buikema reviewed the financial statements for the period from July 1, 2009 through October 31, 2009. Ms. Buikema noted that the amortization period listed near the bottom of the balance sheet would be corrected to June 30, 2009. PG&E rates, analysis, and savings were discussed. Mr. Stilwell stated that water entitlement sales had stopped during the Cease and Desist Order proceedings; sales would start up again with the next escrow closing in January. It was noted that \$187,000 in direct costs to the firm CDM would be reimbursed from the project escrow account. Mr. Stilwell suggested a meeting be scheduled between MPWMD, CAW, and PBCo to determine when the July 1, 2009 CAW rate increase would be realized in project revenues. Mr. Fuerst stated that CAW projected implementation of the July 1<sup>st</sup> rate increase in March 2010. It was discussed to use O&M Reserve Fund for principle payments and PBCo would cover any future operational cash shortfall.

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

**5. Water Issues**

Water issues were discussed, including selling water rights outside of Del Monte Forest and issues related to the cost of potable water, which is used to determine recycled water rates. Mark Stilwell reported on the status of the California American Water Cease and Desist Order indicating the project water entitlements had been exempted from the order until 2016. Several agencies had submitted legal challenges to the Cease and Desist Order.

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

Mr. Niccum reported that golf course users had approached PBCSD regarding recycled water permitting, with PBCSD to seek discussions with the Central Coast Regional Water Quality Control Board for consideration of consolidating individual permits into one simplified, cost efficient master permit.

He also reported that preliminary discussions had begun with CAW regarding use of recycled water to areas outside of the Del Monte Forest in Pacific Grove. One way to increase the production of recycled water in the dry season would be to divert wastewater from Pacific Grove to the Pebble Beach collection system. Diversion of dry weather storm water runoff flows could also increase the production capacity of recycled water.

**7. Closed Session**

The Committee did not meet in a closed session.

**8. Adjournment & Next Meeting Date:**

*There being no further business at 10:40 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 in April or May 2010 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