

GENERAL MANAGER'S REPORT

December 13, 2024



To: PBCSD Board of Directors
From: Nick Becker, General Manager
Subject: First Amendment to CAWD/PBCSD Agreement (Update)

SUMMARY OF ISSUES

On October 25, 2024 the Pebble Beach Community Services District (PBCSD) Board of Directors adopted *Resolution 24-34* authorizing execution of the *First Amendment* to agreement for use of wastewater treatment facilities between CAWD and PBCSD. The *First Amendment* removed Biological Oxygen Demand (BOD) and Suspended Solids (SS) parameters from the original 1994 cost allocation equation to better reflect current practices (as BOD and SS have not been measured for over 15yrs).

Excerpt from Original 1994 Agreement:

$$PBCSD/ Cost = C_T [(.34 \frac{V_{PB}}{V_T} + .33 \frac{B_{PB}}{B_T} + .33 \frac{S_{PB}}{S_T}) + .075]$$

Excerpt from First Amendment approved by PBCSD Board of Directors on October 25, 2024:

$$PBCSD Cost = C_T \left(\frac{V_{PB}}{V_T} \right) + 0.075$$

Subsequently, on October 31, 2024 the Carmel Area Wastewater District (CAWD) Board of Directors adopted *Resolution 2024-68* authorizing the *First Amendment* to agreement for use of wastewater treatment facilities between CAWD and the PBCSD. During the presentation of this report, it was noted that a minor correction was warranted to the flow-based cost formula (see below) and thereby a resolution was passed on the basis of amending the *First Amendment* to reflect the formula shown below.

Excerpt from October 31, 2024 CAWD Board Meeting Minutes:

Note: A correction in the formula was presented as the amendment and listed below:

$$PBCSD Cost = C_T \left[\frac{V_{PB}}{V_T} + 0.075 \right]$$

Staff will prepare *First Amendment* with the above referenced correction to the cost allocation formula prior to execution by Board President.