Carmel Area Wastewater District/Pebble Beach Community Services District Pebble Beach Company/ Independent Reclaimed Water Users Group

WASTEWATER RECLAMATION PROJECT MANAGEMENT COMMITTEE (RMC)

MINUTES

Meeting of May 12, 2026

3101 Forest Lake Road, Pebble Beach, CA 93953
Pebble Beach Community Services District (PBCSD) Boardroom

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1. CALL TO ORDER

Nick Becker, PBCSD General Manager, serving as facilitator, called the meeting to order at 9:31 a.m.

ROLL CALL

Committee Members/Alternates Present

Suzanne Cole, Board of Directors, Carmel Area Wastewater District (CAWD)
Elise Weiland, Board of Directors, CAWD
Joe Huston, Independent Reclaimed Water Users Group (IRWUG)
Judah Matthews, Senior Vice President & Chief Financial Officer, Pebble Beach Company (PBC)
Richard Verbanec, Board of Directors, PBCSD
Peter McKee, Board of Directors, PBCSD

Committee Members/Alternates Present Absent

None

RMC Legal Counsel Present

Michael Laredo, De Lay & Laredo

Others Present:

Jeff Bandy, PhD, Principal Engineer, CAWD
Jim Grover, Principal Accountant, CAWD
Matt Green, Chief Plant Operator, CAWD
Muhammed Serageldin, PhD, Lab Manager, CAWD
Chris Foley, Facilities Manager, CAWD
Marianna Pimentel, Chief Financial Officer, PBCSD
Chris Simmons, Principal Engineer, PBCSD
Nic Faro, Maintenance Manager, PBCSD
Delbert Truong, Assistant Engineer, PBCSD
Brent Reitz, Director of Energy and Water Conservation, PBC *
David Stoldt, General Manager, Monterey Peninsula Water Management District (MPWMD)
Mike McCullough, Assistant General Manager, MPWMD
Nishil Bali, Chief Financial Officer/Administrative Service Manager, MPWMD *
Mike Niccum, Public
Yuriana Nuñez, Administrative Coordinator/Board Clerk, PBCSD

**Signifies virtual attendance*

2. PERIOD FOR WELCOMING VISITORS, RECEIVING PUBLIC COMMENTS REGARDING MATTERS NOT LISTED OR CONSIDERING CHANGES TO THE AGENDA

There were no public comments or requested changes to the agenda.

3. MINUTES

Member Cole requested to qualify the second to last sentence on Agenda Item No. 06 (report on correspondence from Fenton & Keller) to read, "***Other than CAWD representatives",*** RMC members affirmed that subsequent and respective Board approval from either CAWD or PBCSD would only be required for matters directly affecting capital assets owned by respective agencies, while equally affirming RMC's autonomy over general governance and decisions that don't affect said capital assets."

It was moved by Member McKee, seconded by Member Verbanec, and unanimously carried 6-0 to approve as amended by Member Cole the Minutes of the February 17, 2026 Committee meeting.

4. REPORT ON RECLAMATION MANAGEMENT COMMITTEE GOVERNANCE PER 1991 MANAGEMENT AGREEMENT

Nick Becker communicated that CAWD has filed a lawsuit against PBCSD seeking declaratory relief regarding recently approved RMC legal service agreement. Stemming from the lawsuit, he summarized clarifying governance findings of agreement between PBCSD and CAWD dated 1991. Member Matthews pointed out that a $30 million capital investment over the next 10 years is in the works, and it is important that everyone on the RMC is on the same understanding of the process of signing authority on contracts and agreements as well as operational guardrails. Member Huston echoed the comment, reiterating the importance of clarifying governance and process for how agreements will be approved, executed, and managed moving forward. Member Cole expressed that the declaratory relief action CAWD is seeking is a motion before the court to interpret only one provision in the 2004 pertaining to approval of the RMC legal counsel agreement and shouldn't change process going forward. Therefore, CAWD only seeks to correct that one small issue and not the whole agreement, and it shouldn't foil any compatible governance that has existed in the past, but if desired by RMC, the agreement as a whole can be reviewed. Mr. David Stoldt provided observations, clarifying that the basis of the 1991 agreement was aspirational, and mentioned that when it was created, IRWUG had not been formed and the level of PBC support had not been fully contemplated; therefore, the 1991 agreement only sets parameters and roles for PBCSD and CAWD and does not account for IRWUG who is now a voting member of the RMC. Because the 1991 agreement did not foresee the operational complexities of the project, it is now warranted to revisit all the agreement documents. The RMC agreed to set its next meeting for June 9, 2026 for the purpose of assigning a working group to review all relevant documents, including the 1991 and 2004 agreements.

5. RECLAMATION TREATMENT FACILITIES 15-YEAR CIP MASTER PLAN

Jeff Bandy, CAWD Principal Engineer, presented key findings of the 15-year Reclamation Treatment Facilities Master Plan, recommending Membrane Bioreactor (MBR) technology be investigated, with a $200,000 budget allocation for this study. Mr. Bandy described three filtration technology options, with the MBR system showing potential benefits, including lower operating costs over 30 years. The RMC agreed to invest $200,000 in exploring MBR technology further through a pre-design effort rather than proceeding with previously proposed retrofit plan. Mr. Bandy is to find a firm who specializes in MBR and can answer fundamental questions.

6. CAWD/PBCSD WASTEWATER RECLAMATION BUDGET FOR FISCAL YEAR 2026 – 2027

Jeff Bandy gave a summary of the updates to the budget for FY 2026-2027 resulting from the conversations at the Reclamation Technical Advisory Committee meeting on May 5, 2026. The CAWD and PBCSD capital items were joined to best represent the capital projects budget. The allocation of reserves was also adjusted to maintain current water rate of approximately $5,000 per acre foot, resulting an addition of $600,000 to reserves. Member Matthews requested to increase the interest income allocation to be in line with the last two years' interest patterns.

It was moved by Member Cole, seconded by Member Huston, and unanimously carried 6-0 to approve the CAWD/PBCSD Wastewater Reclamation Budget for FY 2026 – 2027 with amendments to the interest income allocation requested by Member Matthews.

7. REPORTS RELATING TO OPERATIONS AND MAINTENANCE AND CAPITAL PROJECTS

A. Financial Statements (ending March 31, 2026)

Jim Grover, CAWD Principal Accountant, provided an overview Financial Statements showing $3.9 million in total cash, with $2.2 million in the Wells Fargo account, and reported that water sales were higher than the previous year while plant expenses increased mainly due to PG&E and CalAm meter charges. At the request of the Reclamation Technical Advisory Committee (TAC), the Wells Fargo statement will be included in the Financial Statements moving forward to show investment activities.

The Financial Statements for the period were received for information, and no action was required or taken by the RMC.

B. Treatment Plant

Matt Green, CAWD Chief Plant Operator, provided an operational update, noting that the reservoir remained full as of May 12th, with good performance in microfiltration and phosphorus removal, and announced that the lab had received official accreditation on April 29, 2026 for in-house sample testing, in great part thanks to Lab Manager Muhammed Serageldin's efforts. The plant performed well with low TMP readings and successful membrane cleaning procedures.

The Treatment Plant Report was received for information, and no action was required or taken by the Committee.

C. DISTRIBUTION SYSTEM

Chris Simmons, PBCSD Principal Engineer, presented the distribution system report, highlighting reservoir storage levels, water demand trends, and production data, and covered PBCSD Maintenance Department activities. Mr. Simmons presented the need to complete a cathodic protection survey of the distribution pipeline budgeted for FY 2025 – 2026 as funds will expire ae the end of the current fiscal year. Given the current need for RMC agreement clarification and contract approvals, Mr. Simmons requested authorization to proceed with the survey. The RMC confirmed that PBCSD can proceed with signing contracts to maintain their assets under current practice, though this may need to be clarified in future agreements.

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

8. MISCELLANEOUS COMMUNICATION AND/OR INFORMATION

David Stoldt, General Manager at MPWMD, shared that the winter season was good with above normal rainfall allowing MPWMD to put away an estimated 1,300-acre feet of water into storage. System wide, they now have stored the equivalent of about a year's worth demand.

9. CLOSED SESSION

The Committee did not meet in closed session.

10. ADJOURNMENT & NEXT MEETING DATE

There being no further business at 10:54 a.m., it was moved by consensus that the Reclamation Management Project Committee adjourn to its next regular meeting on <u>Tuesday, June 9, 2026</u>, at 9:30 a.m. in the PBCSD Boardroom located at 3101 Forest Lake Road, Pebble Beach.

Respectfully Submitted,

Yuriana Nuñez
PBCSD Administrative Coordinator/Board Clerk