



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

3101 FOREST LAKE ROAD • PEBBLE BEACH, CALIFORNIA 93953 • (831) 373-1274

PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of July 27, 2007 MINUTES

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District ("PBCSD") was held in the District Boardroom on July 27, 2007. Board President Richard D. Verbanec called the meeting to order at 9:30 a.m.

ROLL CALL

Present: Directors Jeffrey B. Froke, Gary D. Hornbuckle, Leo M. Laska, Richard D. Verbanec, Gerald F. Verhasselt

Absent: None

Others Present

Craig Anthony, General Manager
Laura Dadiw, Board Clerk, Dadiw Associates
Robert Wellington, Legal Counsel
Suha Kilic, Finance Officer
Michael Niccum, District Engineer
George Haines, Fire Chief, CAL FIRE, San Benito-Monterey Unit
Jackie Scoggin, Fire Operations Chief, CAL FIRE
Dennis Carreiro, Fire Prevention Battalion Chief, CAL FIRE
Buddy Bloxom, Operations Battalion Chief, CAL FIRE
Jennifer Valdez, Fire Prevention Captain, CAL FIRE
Vinod Badani, Vice President, E2 Consulting Engineers
Spencer Thompson, Pebble Beach resident
John Tormey, Pebble Beach resident
Mark Verbonich, Vice President, Pebble Beach Company ("PBCo")
Al Budris, Director, Del Monte Forest Property Owners ("DMFPO")
Roberto Cristi, Pebble Beach resident, Crest Road
Robert Kohn, Board member, Carmel Area Wastewater District ("CAWD")

APPEARANCES AND ORDER OF BUSINESS

MOTION 07-07-01

Moved by Director Laska, seconded by Director Froke, and unanimously carried, to add an urgency item 17 regarding consideration of a District audit firm to the agenda.

President Verbanec announced that he would be leaving the meeting early.

Mr. Roberto Cristi, owner/resident of one property and owner of another on Crest Road, addressed the Board with concerns of fire hazards from idling engines, traffic collisions and congestion, and drivers throwing cigarettes out the windows and security issues from transients entering the Forest on foot via Highway 68 near CHOMP. He stated there had been 3 burglaries in the Crest Road area since February and felt a wall constructed along a stretch of Highway 68 would serve as a security measure and a firebreak. President Verbanec directed staff to place the issue as an item on the agenda for the August 31st Board meeting.

MINUTES

MOTION 07-07-02

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held June 29, 2007.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for June 2007. Mr. Kilic commented on the report.

Check Register

The Board received the *Check Register* for June 2007. Mr. Kilic, Mr. Niccum, and Mr. Anthony responded to questions from the Board. Mr. Andrew Parker, a signal processing teacher at Naval Postgraduate School, had diagnosed 1620 AM in an effort to eliminate interference. An increase in output power and audio signal level has significantly improved the quality of the transmission.

MOTION 07-07-03

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the *Check Register* for June 2007.

Public Hearing regarding Proposed Services and Related Charges for FY 2007-08

District Finance Officer, Suha Kilic gave a slide presentation and reviewed the proposed PBCSD Final Budget for Fiscal Year 2007-08. Mr. John Tormey suggested that the Budget-at-a-Glance chart display estimated year-end fund balance. Mr. Kilic stated that the potential impact of the current slowdown in the real estate market was taken into consideration when budgeting the conservative 3.7% increase in property tax revenues.

Director Froke requested the public be made aware of the significantly increased benefits to residents from the proposed addition and upgrade of emergency medical and firefighting personnel. Mr. Anthony stated the District's desire to present this information clearly via the District newsletter.

TIMED BUSINESS

President Verbanec opened the public hearing at 10:33 A.M. Mr. Tormey complimented the staff and commented on the excellent quality of the budget document. He felt that staff is consistently conservative on budgeting revenues and more than adequately budgets projected expenses resulting in an under-budget position each year. He noted the expectation of a significant increase in the use of reserve funds with a gradual decline over future years. Mr. Kilic responded to questions from the Board. President Verbanec closed the hearing at 10:43 A.M.

END OF TIMED BUSINESS

MOTION 07-07-04

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 07-15* approving service charges and special assessments for sewer treatment and disposal, garbage and refuse collection and disposal, and fire protection services for the Fiscal Year 2007-08.

MOTION 07-07-05

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 07-16* certifying compliance with State law with respect to the levying of general and special taxes, assessments, and property-related fees and charges for the Fiscal Year 2007-08.

MOTION 07-07-06

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 07-17* adopting the Final Budget for Fiscal Year 2007-08.

MOTION 07-07-07

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 07-18* approving positions, classifications, and pay schedule for Fiscal Year 2007-08.

Mr. Kilic reviewed the submitted Finance Officer's Report on the PBCSD Fiscal Year 2007-08 sewer connection fee.

MOTION 07-07-08

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 07-19* establishing the Fiscal Year 2007-08 sewer connection fee as \$3,931.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department operations report for June 2007. Operations Chief Scoggin responded to questions. Vegetative fire incidents are currently under investigation by Cal Fire investigators using all criminal investigative means available. Two of the fires reported monthly to the Board have been deemed suspicious by Cal Fire investigators. District fire staff operates currently under a heightened awareness of the high fire threat and loose Forest access perimeter. The District has fire defense pre-plans for commercial structures and residential areas throughout the Forest, as well as an escalating command response plan in place for occurring incidents. False fire alarms generally are being reduced due to aggressive fire staff interaction and troubleshooting of systems with area residents.

Appropriate Use of Reverse 911

Mr. Anthony opened Board discussion as to what is considered appropriate use of the *Reverse 911* Emergency Notification System. Chief Haines, *Reverse 911* manager, in defining the system, stated that the national 911 emergency notification system was established for citizen reporting of

emergency incidents; the intent for the reverse system is to allow the emergency response coordination staff to have a means of notifying citizens of emergency situations in their areas. The Board discussed using the system for broader notification of fire incidents and infrastructure failures, and minimum use for localized law enforcement incidents. Residents should be encouraged to tune to District radio station 1620 AM for more detailed information of any notifications being disseminated over the *Reverse 911* system and to obtain on-going general District operations information.

At 11:13 a.m. Vice President Froke assumed chairmanship of the Board at the departure of President Verbanec.

Vegetation Management

Battalion Chief Carreiro reviewed orally the *Staff Report* on vegetation management within the Forest. Chief Carreiro suggested coordinating discussions of area treatments with the Open Space Advisory Committee (“OSAC”) that represents all organizations affected. Director Froke suggested District staff speak directly to the DMFF Board of Directors, as opposed to the DMFF consulting forester, on this topic to maintain a direct line of communication. Battalion Chief Carreiro outlined staff strategy for developing annual vegetation management: develop a list of areas and their sizes for treatment, prioritize by potential fire fuel load hazard, determine the most cost effective means to perform the treatment and determine a work scope and budget for each area and present to OSAC for concurrence, coordination, and environmental implications. Mr. Anthony discussed, the potential economic feasibility, fuel reduction benefit, and emergency fire response impacts of a dedicated CAL FIRE hand crew being assigned to the Forest year round, excluding statewide fire emergency responses. Private firms are geared to use more mechanical methods of treatment that create disturbances.

Battalion Chief Carreiro introduced Fire Captain Jennifer Valdez assigned to fire prevention. He said that she has commenced coordination of disaster preparedness and public education.

Mr. Tormey suggested using the Pebble Beach Company Forest Management Plan within the past Lot Use Program as a basis for the District’s vegetation management plan. Mr. Verbonich stated that the plan was never fully developed and is not available in a complete form.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *District Engineer’s Report of Utilities Operations and Maintenance for 6/22/07 – 7/19/07*. There were no questions from the Board.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed orally his monthly status report and Capital Projects Summary Schedule on capital improvement projects.

1470 Cypress Drive Sewer Line Repair

Mr. Niccum reviewed his report on emergency sewer line repair for 1470 Cypress Drive.

MOTION 07-07-09

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution 07-21* authorizing the general manager to execute a construction contract without competitive bidding with Sunstone Construction Inc. for the emergency sewer line repair at 1470 Cypress Drive for a cost not to exceed \$350,000.

Pump Station P-3 Seal Rock Force Main Construction Project

Mr. Niccum reviewed orally the submitted report regarding P-3 Force Main Replacement Project. The budgeted replacement work would be coordinated with other rehabilitation work at P-3. Director Hornbuckle requested staff present at the next Board meeting a limit higher than \$25,000 for Board authorization of general manager purchases.

MOTION 07-07-10

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution 07-20* authorizing the general manager to purchase equipment required for the Seal Rock Pump Station P-3 Rehabilitation Project for a cost of \$53,000.

2007 Sewer Line Replacement Project

MOTION 07-07-11

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to approve plans and specifications for construction of the 2007 Sewer Line Replacement Project and authorize an invitation to bidders.

CAWD Board Meeting

Director Verhasselt attended the CAWD regular Board meeting on Thursday, July 26, 2007 and submitted a written report to the Board. CAWD Director Englander will not seek reelection to the Board at the end of his 2007 term. Mr. Anthony reported that CAWD General Manager Ray von Dohren would continue in his position at least 22 more months.

CAWD Meeting Assignment

Director Verbanec is assigned to attend the CAWD regular Board meeting on Thursday, August 23, 2007 at 9:30 a.m. in the CAWD Boardroom at 3945 Rio Road, Carmel.

SOLID WASTE MANAGEMENT

Director Laska reviewed orally the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on July 20, 2007. Director Laska stated that the vast majority of increased costs to the District are associated with recycling efforts.

GENERAL GOVERNMENT

Urgency Item: CPA Firm to Conduct Annual Independent Audits

Mr. Kilic reviewed the Finance Officer's Report regarding contracting a firm to conduct the District's financial audits. The District did not enter into a contract with the previously selected firm *Blanding, Boyer & Rockwell LLP* prior to Mr. Nowinski's departure.

MOTION 07-07-12

Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to contract with the CPA and consulting firm *Hayashi and Wayland* to conduct annual independent audits of the District' financial transactions for a three year engagement cost of \$57,500 with the understanding that there will be a fee increase for FY 2007-08 and FY 2008-09 with fee increase limits to be negotiated with *Hayashi and Wayland* by District staff.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Anthony reviewed orally the submitted General Manager's Report on the review of the District fire department. Mr. Anthony intends to discuss in detail the subject of fire hydrant placement throughout the District at the August 31, 2007 Board meeting. Fire department staff intends to be more proactive in the near future with resident home safety education.

MRWMD has been working closely with the County to obtain a certification by builder requirement to insure compliance by contractors in the county and unincorporated areas with hazardous waste dumping restrictions. No action is needed by PBCSD in this matter.

Director Froke will research "green community" information pertaining to homeowner safety as it relates to recycling options.

Questions from Directors or staff seeking clarification of matters within the purview of the District

There were no questions from directors or staff.

Oral reports or announcements from Board President, directors or staff

Mr. Anthony will inquire into directors' interest in attending the Special District Association Annual Conference to be held October 1-4 in Monterey. The District will receive a price break if reservations are made by the September 17 deadline. Mr. Anthony and Director Verbanec attended last month's Special Districts Association meeting and had nothing significant to report.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 12:16 p.m. a motion was made to adjourn.

MOTION 07-07-13

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, August 31, 2007 at 9:30 a.m. in the District Board Room at Forest Lake and Lopez Roads.