



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of January 25, 2008 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 January 25, 2008. Board President Richard D. Verbanec called the meeting to order at 9:33 a.m.

ROLL CALL

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

Absent: None

Others Present

Craig Anthony, General Manager
Laura Dadiw, Board Clerk, Dadiw Associates
Robert Wellington, Legal Counsel
Suha Kilic, Chief Financial Officer
Michael Niccum, District Engineer
George Haines, Fire Chief, CAL FIRE, San Benito-Monterey Unit
Dennis Carreiro, Battalion Chief, CAL FIRE
Buddy Bloxham, Operations Chief, San Benito-Monterey Unit
Jerry Agenbroad, Fire Prevention Captain, CAL FIRE
Mike Marlow, Retired Annuitant, CAL FIRE
Al Budris, Director, Del Monte Forest Property Owners ("DMFPO")
Janet Hayslett, Director, DMFPO
David Gauvreau, Member, DMFPO
John Tormey, Pebble Beach resident
Vinod Badani, Vice President, E2 Consulting Engineers
Robert Kohn, Director, Carmel Area Wastewater District ("CAWD")
Mark Verbonich, Vice President Community Affairs, Pebble Beach Company ("PBCo")

APPEARANCES AND ORDER OF BUSINESS

There were no additions or changes to the agenda.

MINUTES

MOTION 01-08-03

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the minutes of the regular Board meeting held December 7, 2007.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for November and December 2007. There were no questions from the Board.

Check Register

The Board received the *Check Register* for November and December 2007 and staff responded to questions from the Board.

MOTION 01-08-04

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

Mid-year Budget Report Fiscal Year 2007-08

District CFO Suha Kilic reviewed for the Board the submitted *Mid-year Budget Report* for Fiscal Year 2007-08 now including charts of estimated compared to actual cumulative cash inflows and outflows by month for District operations. Law Enforcement actual payments are not linear due to the State's sporadic method of submittal of invoices for supplemental Highway Patrol services. Reclamation actual outflows reflect expenditures being less than anticipated in the budget in part due to the project running very smoothly and to a few one-time expenses being budgeted and not expended to date. The Board directed staff to communicate the charted cost savings to the Reclamation Management Committee once the chart has been sufficiently reviewed by staff.

Potential Impact of State Budget on District Property Tax Revenue

Mr. Kilic reviewed the submitted *Staff Report* for the Board. Currently there are no proposals by the state administration or legislative leadership to invoke Proposition 1A property tax borrowing. In the past, enterprise special districts were targeted for State property tax borrowing partly based on the assertion that enterprise districts have the ability to raise revenues by increasing their service fees.

TIMED BUSINESS 10:00 A.M.

Proposed Ordinance No. 25 adopting the California Fire Code (2007 Edition), prescribing regulations concerning conditions hazardous to life and property from fire and explosion, and issuance of permits

General Manager, Craig Anthony, and Battalion Chief Carreiro each advised the Board that no public response had been received subsequent to the last hearing held December 7, 2007.

President Verbanec opened the Public Hearing at 10:00 a.m. to consider comments. There were no requests for public comment. President Verbanec closed the public hearing at 10:01 A.M.

Battalion Chief Carreiro responded to questions from the Board and public.

MOTION 01-08-05

Moved by Director Froke, seconded by Director Hornbuckle, and unanimously carried, to adopt the second and final reading of *Ordinance No. 25* adopting the California Fire Code (2007 Edition) and prescribing regulations concerning conditions hazardous to life and property from fire and explosion and for providing for the issuance of permits and collection of fees therefore; and repealing Ordinance No. 22.

ROLL CALL VOTE:

Director Froke	Aye
Director Hornbuckle	Aye
Director Laska	Aye
Director Verbanec	Aye
Director Verhasselt	Aye

END OF TIMED BUSINESS

FIRE PROTECTION

The Board received the *Staff Report* by District Engineer on the impacts of the January high windstorm event on District wastewater operations. Director Laska suggested the District purchase a spare portable generator for back-up use if needed.

The Board received as well the *Staff Report* by Battalion Chief Carreiro on the fire department response to the January storm. Chief Carreiro gave a slide

presentation with photo credits to Director Verbanec. He stated that the PG&E power grid is designed to re-energize detected power line outages three times

before shutting down; downed-line areas are barricaded by the fire department staff due to the lines possibly still being energized for a lengthy period of time after falling. Five homes were red tagged for evacuation as a result of the storm. Removal of trees off power lines requires specialized experts equipped to handle the potential of trees fallen on lines being catapulted as they are removed and other hazardous electrical situations. Storm waves moved large boulders yards inland and did major damage to the MPCC beach house. Analog, old-style hard-line phones functioned during the outages when phone service was available; cordless phones did not work during outages even when phone service was available. Mr. Tormey advised that Bernardus Lodge accommodated the Red Cross using any of its large rooms for shelter during the storm. Chief Haines stated that Public Resource Law limits the evaluation of tree removal to dead trees or trees near power lines. Notwithstanding, CAL FIRE and PG&E would be coordinating a phone tree approach to the influx of calls stemming from emergency events so that a designated person at established command centers could contact PG&E for live updates through a "back door" phone number and disseminate the information to the public. Director Hornbuckle requested that property owner cell phone contact be included in the database used for Reverse 911 notification by the District. Mr. Anthony stated that the fire department and Pebble Beach Company handled the majority of tree removals not involving power lines. Trees not removed for days likely were not reported to the District or the Company; reporting is strongly encouraged by the District.

Director Verbanec suggested developing protocol for 1620 AM information coordination – what is broadcast when and for how long. Moreover, he suggested review done to improve the reception and perhaps multi-casting from more than one station or a loop system be considered. Director Laska pointed out that Stevenson School has an FM radio station. Mr. John Tormey, Pebble Beach resident, asked the Board if it would consider purchasing systems or training for fire department staff to gain the experience necessary to remove downed trees involving downed power lines. President Verbanec stated that the Board would be open to any requests brought to it channeled through staff for recommendations.

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department operations report for November and December 2007. Chief Carreiro added to the report that truck 6671 is out of service for annual maintenance. The 19-minute late response call by staff on December 2nd was due in part to staff making a wrong turn, and the fact that the call involved a law enforcement situation with a stolen car and a runaway suspect. The response had been addressed internally with staff, had no impact on the outcome and the suspect was apprehended.

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 11/29/07 – 1/17/08*. District Engineer Niccum reported that Forest Lake Reservoir is at approximately 95% of capacity or 100 million gallons.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status report and Capital Projects Summary Schedule on capital improvement projects. Mr. Niccum responded to questions from the Board.

Seal Rock P-3 Pump Station Rehabilitation Project

The Board received and reviewed the District Engineer's Memorandum regarding the P-3 Rehabilitation Project involving work inside the pump station as opposed to the Force Main Project that involves work outside the station. The two projects are scheduled concurrently to minimize disturbance of the surrounding area. Mr. Niccum responded to questions from the Board.

MOTION 01-08-06

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried to adopt *Resolution No. 08-01* authorizing the general manager to execute a construction contract with Anderson Pacific Engineering Construction, Inc. within a budget limit of \$120,000 for the Seal Rock Pump Station P-3 Rehabilitation Project.

Statewide General Waste Discharge Requirements

The Board received and reviewed the *District Engineer's Memorandum* regarding the District Sewer System Management Plan to meet State Water Resources Control Board Order No. 2006-0003.

MOTION 01-08-07

Moved by Director Froke, seconded by Director Hornbuckle, and unanimously carried to approve the plan and schedule for the development of the Sewer System Management Plan required by the State Water Resources Control Board Order No. 2006-0003 – Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, with a correction to the SSMP section Goals and Organization Structure Required Completion Date from 2 Nov 09 to May 08.

CAWD Board Meeting

Director Verhasselt submitted the report on the December 11, 2007 CAWD Board meeting. Director Verbanec attended and reported on the January 24, 2008 Board meeting. CAWD is working with Monterey Regional Waste Management District and the Monterey Peninsula Water Pollution Control Agency on a proposal for a biosolids disposal program involving regional coordination of all biosolids producers to consider alternatives to burial. CAWD will be looking into preventative tree pruning and removal at the treatment plant site due to a tree falling near the general manager while on-site during the storm. The Reclamation Management Committee meeting scheduled for February 1, 2008 has been canceled due to lack of issues. Director Verbanec relayed compliments to CAWD for its excellent newsletters and thanked them for including the District constituency in its distribution. Director Hornbuckle and/or General Manager is scheduled to attend the February 28, 2008 CAWD Board of Directors meeting.

SOLID WASTE MANAGEMENT

Director Laska summarized the submitted written report on the highlights of the meetings of the Monterey Regional Waste Management District ("MRWMD") held on December 21, 2007 and January 18, 2008. He directed the Board's attention to item 4 of the January 18th meeting regarding AB 32, the California Global Warming Solutions Act signed by the Governor and in effect. The Act has fairly serious impacts on MRWMD regarding the emissions of older generators. The conditions of the act do not take effect until 2010 and will cost MRWMD \$377,000 to comply. Director Laska requested PBCSD staff review the Act for impact on its equipment and report back to the PBCSD Board its findings. Mr. Niccum noted that the District's generators are all diesel driven with the exception of the administrative building generator that operates on natural gas.

GENERAL GOVERNMENT

District Administrative Code

The Board received the submitted *General Manager's Report* regarding an Administrative Code modification.

MOTION 01-08-08

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried to add Monterey County Special District Association meeting to section 2060.122 of the District Administrative Code.

Selection of Board of Directors' Assignments

The Board concurred to assign directors as follows:

- A. CAWD/PBCSD Wastewater Reclamation Project Management Committee – Directors Hornbuckle and Verbanec with Director Laska as alternate.
- B. PBCSD Defined Benefit Pension Plan, and Supplemental Pension Plan Investment Committee Trustees – Director Laska (non-director “outside” trustee is Peter McKee).
- C. Del Monte Forest Property Owners Traffic and Safety Advisory Committee – Director Froke.
- D. Del Monte Forest Community Advisory Committee – Director Verbanec.
- E. Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”) Board of Directors – Director Verhasselt with District CFO Kilic as alternate.

President Verbanec advised the Board that it is time for directors to renew ethics training. Mr. Anthony urged directors to contact the District office if any have a conflict with scheduled training conference dates or for scheduling any additional training needed. The *2008 Ethic Training, Conferences and Symposiums Schedule* was distributed to directors as informational.

Selection of New General Manager

President Verbanec announced the decision to select as new general manager Mr. Mike Niccum effective February 1, 2008. The new general manager was instructed by the Board to look into the issue of reorganization of District staff including creation of a new deputy general manager position. A committee has been appointed to open negotiations and discuss the new general manager compensation package and to discuss the recommendations from Mr. Niccum regarding reorganization in a closed session of this meeting.

MOTION 01-08-09

Moved by Director Froke, seconded by Director Hornbuckle, and unanimously carried to appoint Mr. Michael Niccum as Pebble Beach Community Services District General Manager.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Anthony has requested the fire chief and District management staff to consider establishing an ISO work group in an effort to increase the District’s Insurance Services Office Fire Suppression Rating by the year 2010. He suggested inviting a

representative from California American Water to be part of that group. Director Laska requested that fire department staff make reference to progress in this regard in its monthly report to the Board.

Mr. Anthony appreciated and thanked the Board for his time as general manager. Mr. Tormey inquired if a resolution by acclamation should be made for the fine job carried out by Mr. Anthony as PBCSD general manager. Mr. Niccum invited PBCSD staff into the meeting to present Mr. Anthony with a framed map of his original ideas of fire hydrant locations in the Forest prepared by Mr. Anthony in mid-1990s symbolizing the history of Mr. Anthony's work with, and for, PBCSD.

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

There were no oral reports or announcements from the Board or staff.

CLOSED SESSION

At 11:38 a.m., President Verbanec announced the Board would meet in closed session to discuss negotiations related to the general manager compensation package.

At 12:08 p.m. the Board reconvened to open session and Counsel Wellington reported that the Board discussed the matter of negotiations of the general manager compensation package and that no action was taken in closed session.

MOTION 01-08-10

It was moved by Director Verhasselt, seconded by Director Froke and unanimously carried, Director Hornbuckle having declared his support of the motion to President Verbanec prior to his departure before the Board reconvening in open session, to confirm the discussion with Mr. Niccum that he accepted the position of Pebble Beach Community Services District general manager at a salary of \$159,000 annually and benefits equal to those of the current general manager, said salary and benefits constituting the general manager compensation package.

ADJOURNMENT

There being no further business at 12:10 p.m. a motion was made to adjourn.

MOTION 01-08-11

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, February 29, 2008 at 9:30 a.m. in the District Board Room at Forest Lake and Lopez Roads.

Mike Niccum, General Manager/Secretary

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