



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of April 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 April 25, 2008. 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

Michael Niccum, General Manager/District Engineer
Suha Kilic, Deputy General Manager/CFO
Robert Wellington, Legal Counsel
J.T. Rethke, Assistant Engineer
Robert Taylor, Division Chief, CAL FIRE, San Benito-Monterey Unit
Dennis Carreiro, Operations Prevention Battalion Chief, CAL FIRE
Jerry Agenbroad, Fire Prevention Captain, CAL FIRE
Mike Marlow, Fire Prevention Chief, CAL FIRE
John Tormey, Pebble Beach resident
Robert Sigfried, Director, Carmel Area Wastewater District ("CAWD")
Vinod Badani, Vice President, E2 Consulting Engineers
Mark Verbonich, Vice President Community Affairs, Pebble Beach Company ("PBCo")
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no appearances and no changes to the agenda.

MINUTES

MOTION 04-08-01

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held March 28, 2008.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* and the *Cash Basis Budget Report* for March 2008. Deputy GM/CFO Suha Kilic expected that at year end the cash balance to increase over the previous year. He said year-to-date operating expenditures are approximately \$400,000 less than the amount budgeted mainly due to the lower than expected cost of CAL FIRE services.

Check Register

The Board received the *Check Register* for March 2008 and Mr. Kilic noted the higher than average expenditures are due to the large payment made to CAL FIRE for the contract services provided in the second quarter. Staff responded to questions.

MOTION 04-08-02

Moved by Director Laska, seconded by Director Froke, and unanimously carried, to approve the *Check Register* for March 2008.

PBCSD Long-Term Capital Outlay Program

The Board received and reviewed the *PBCSD Long-Term Capital Outlay Program*. General Manager, Michael Niccum credited District Accountant Nancy Johnson with the majority of the preparation of the submitted program, presented slides and responded to questions.

PBCSD Long-Term Financial Plan

The Board received and reviewed the *PBCSD Long-Term Capital Outlay Program* and reviewed the slides presented by Deputy GM/CFO Kilic.

Discussion included State budget process and the Legislative Analyst's proposal to shift certain responsibilities from the State to counties and transfer of property tax revenue from enterprise special districts to finance such shifts, as well as potential financial impact on the District.

MOTION 04-08-03

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the updated *2008 PBCSD Long-Term Capital Outlay Program* and the *2008 Long-Term Financial Plan* and authorize staff to make necessary inter-fund transfers to implement the Plan.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department operations report for March 2008. Robert Taylor, Division Chief, CAL FIRE, San Benito-Monterey Unit, was filling in for Chief Haines who was on special assignment. Chief Carreiro reported on an incident that occurred the previous day concerning a suspicious package containing a jelled substance brought to the Pebble Beach fire station by a Forest resident. The area around the Fire Department was secured causing some re-routing of traffic. County Environmental Health and the County HAZMAT team responded and Environmental Health removed the package. Directors Verhasselt and Froke requested to attend the ISO informational seminar scheduled in June. Director Verhasselt noted two vehicle accidents year-to-date as compared to last calendar year's average of three accidents per month, possibly due to the presence of CHP in the Forest.

Fire Prevention Battalion Chief, Mike Marlow reported that fire inspection mailers had been sent out and approximately 20% had been returned so far, a good response.

Fire Chief's Monthly Report

Chief Marlow reported on behalf of Chief Haines on the Pebble Beach Fire Defense Plan recommending that the Del Monte Forest Foundation take the lead, in conjunction with the Fire Department, Pebble Beach Company and OSAC, in updating the Plan to incorporate a forest management element. Director Froke stated that he had approached the DMFF Board president suggesting an update to the Plan. The president in turn encouraged Director Froke to head up the effort for an update to include forest management and research conservation with fire defense. PBCSD General Manager Niccum supported DMFF as lead in a forest health / fire prevention plan synthesis versus the PBCSD Board appointing a subcommittee. The Board concurred that DMFF leadership appeared appropriate and encouraged support of the process. Mark Verbonich stated discussions in the matter would inevitably involve environmental considerations and all the interested parties in that process, possibly inclusive of the Coastal Commission. He felt it appropriate

that DMFF take the lead due to the inevitable environmental considerations. Chief Marlow supported DMFF, Forest landowner, as lead agency and would work with any cooperative structure developed.

Fifth Priority Fire Protection Pipeline Replacement Project

General Manager, Mike Niccum discussed the specifics involved in this project and reported that 12 contractors have submitted bids. Lowest bidder, Monterey Peninsula Engineering, came in significantly under the engineer's base bid estimate. Mr. Niccum responded to questions from the Board regarding project related fire flow requirements and ISO rating requirements.

MOTION 04-08-04

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to adopt Resolution 08-04 declaring the bid from Monterey Peninsula Engineering as the lowest responsible bid and authorize award of contract in the amount of \$3,573,400 for the Fire Protection Water System Improvements Fifth Priority Pipeline Replacement Project.

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 3/12/08 – 4/17/08* prepared by Assistant Engineer, J.T. Rethke. General Manager/District Engineer Niccum stated that recycled water system flushing cycles have been modified to address environmental concerns in the Carmel River.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status report and Capital Projects Summary Schedule on capital improvement projects and presented slides of the 1470 Cypress Drive Sewer Line Replacement Project seawall construction. He indicated additional funding may be required to complete the project.

Reclamation Management Committee Meeting

Director Hornbuckle reported on the meeting held April 18, 2008, stating that the budget was adopted and the audited financial statements presented were routine. President Verbanec suggested members tour the new facility once the reverse osmosis units were up and running. Counsel Wellington noted that if a quorum of directors attends, the tour could be noticed as a site visit special meeting, otherwise two directors at a time can tour. Mr. Niccum will arrange a tour once the units are operational.

CAWD Board Meeting

Director Laska reported on the April 28, 2008 meeting. The audit report was presented, and \$22,000 was added to the advanced treatment contract. Increases in operations and maintenance costs after completion of the advanced treatment project were discussed. Mr. Niccum stated that CAWD budgeted conservatively since there is no past experience to draw from for estimating energy, parts and operations costs for the first year of operation.

SOLID WASTE MANAGEMENT

Director Laska reported highlights of the meeting of the Monterey Regional Waste Management District held on April 18, 2008. Most discussion was budget related with a 3 to 3-1/2% cost-of-living increase in tipping fees effective January 1, 2009 being considered. Two months ago MRWMD approved a model ordinance to prohibit the use of Styrofoam takeout containers in restaurants. The ordinance has been adopted by some cities and is being considered by others. The County may pass the ordinance for the unincorporated areas. Although it would be symbolic for Pebble Beach since most establishments use clear plastic takeout containers, Director Laska queried the Board's support on a consensus basis to write a letter to the Board of Supervisors to pass such an ordinance. He said perhaps on a collegial basis, establishments could be contacted to make them aware of the intent of the ordinance. The Board concurred, and the General Manager will compose a letter to the County for President Verbanec's signature stating the District's support of adoption of such an ordinance. Director Hornbuckle inquired as to whether the District waste hauler could pick up paint cans containing product at curbside. Mr. Niccum will look into the possibility of that service being provided by the waste hauler.

GENERAL GOVERNMENT

Retiree Health Coverage Options

Mr. Kilic reported that currently the District does not provide retiree health coverage and retired employees will have to spend a significant portion of their retirement income to purchase health insurance. This situation can deter employees from retiring and may cause operational and financial problems for the District. Staff is researching the issue and more information with possible recommendations will be brought to the Board next month.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum reported that notices of the upcoming Forest for All seminar sponsored by the Clark Foundation to be held May 19, 2008 at Asilomar Conference Center had been placed in directors' District mailboxes. Counsel Wellington advised that all directors may attend but cannot discuss District business among each other. CSDA ballot information for Region 3 has also been placed in directors' mailboxes.

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. Kilic stated that a relay team, *PBCSD Express*, consisting of Richard Farfan, Laura Dadiw, Yavuz Atila, Noelle Bahnmilller of CAL FIRE and himself will be running on behalf of the District in the Big Sur Marathon on April 27, 2008.

ACWA spring conference is scheduled for May 6th – 9th, 2008 at the Monterey Conference Center with three opportunities to receive ethics training.

President Verbanec attended the California Special Districts Association meeting in April. Monterey Peninsula Park District representatives were opposed to Proposition 98 eminent domain initiative which is co-sponsored by the Howard Jarvis taxpayers association.

Director Hornbuckle stated that he would be out of the country during the next scheduled Board meeting on May 30, 2008.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 11:47 a.m. a motion was made to adjourn.

MOTION 04-08-05

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