



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 February 29, 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 February 29, 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

Mike Niccum, General Manager/District Engineer
Laura Dadiw, Board Clerk, Dadiw Associates
Robert Wellington, Legal Counsel
Suha Kilic, Chief Financial Officer
Bob Taylor, Assistant Fire Chief, CAL FIRE, San Benito-Monterey Unit
Dennis Carreiro, Battalion Chief, CAL FIRE
Buddy Bloxham, Battalion Chief, CAL FIRE
Jerry Agenbroad, Fire Prevention Captain, CAL FIRE
Mike Marlow, Fire Prevention Chief, CAL FIRE
John Tormey, Pebble Beach resident
Andrew Parker P.E., Information Radio Station Consultant
Brennen Jensen, Ecology Action
Jeff Lindenthal, Monterey Regional Waste Management District ("MRWMD")
Ken White, 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 02-08-01

Moved by Director Froke, seconded by Director Verhasselt, and unanimously carried, to approve the minutes of the special Board meetings held January 16 and January 19, 2008, and the regular Board meeting held January 25, 2008.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for January 2008. There were no questions from the Board.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for January 2008. Chief Financial Officer, Suha Kilic reviewed the charted cumulative budget and actual revenues and expenditures. Actual property tax revenue is currently below the budgeted amount due to delinquencies in property tax payments. Delinquencies are allocated to all tax-receiving agencies in proportion to each agency's share of the total property taxes assessed within the County. When the delinquencies are collected, the revenue plus penalties and interest are also prorated in the same manner between all tax receiving agencies. The impact due to properties within the County being reassessed at a lower value is estimated at approximately \$50,000 for the District in the current year. The impact to the District in future years is expected to be less due to reassessments affecting only the agencies where the property is located; there are very few reassessment applications in the District. There were no questions from the Board.

Check Register

The Board received the *Check Register* for January 2008 and staff responded to questions.

MOTION 02-08-02

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

Monterey County Treasurer's Investment Report

Chief Financial Officer Kilic reviewed the submitted *Treasurer's Report of Investments* for quarter ended December 31, 2007. The annualized interest rate for the county investment pool for the quarter was 4.96%, 42 basis points lower than the previous quarter, reflecting the federal reserve's interest rate cuts. The county interest rate for the quarter was 2 basis points higher than the State Local Agency

Investment Fund. The District had approximately \$16.8 million in the county pool of approximately \$837 million as of January 1, 2008 and received approximately \$177,000 in interest revenues for the quarter. Mr. Kilic stated that the fiscal year 2007-08 budget included \$600,000 in interest revenue and indications were that actual interest revenues would exceed that amount.

District Property Surplus and Disposal

In response to Director Hornbuckle's inquiry on surplus laptop and desktop computers, Mr. Kilic stated that the computers are replaced in cycles of three and a half year on average. The listed computers would be phased out later in the year however were recommended to be declared surplus now instead of being taken up as a separate matter later in the year. District is seeking to replace the computers with new versions that have improved operating systems that allow District operations to be carried out remotely as part of pandemic and disaster planning. The computers are planned to be offered to employees for purchase first and any not sold would be considered for donation. Director Hornbuckle stated he would provide Mr. Kilic with the name of an organization needing donations of computers. Director Laska stated that MRWMD accepts computers and other e-Waste that is subsequently sold to a vendor, creating revenue for MRWMD. In response to why the 12' boat is listed as surplus, Mr. Niccum explained that a larger boat is required to service equipment in Forest Lake Reservoir.

MOTION 2-08-03

Moved by Director Verhasselt, seconded by Director Laska, and unanimously carried, to adopt *Resolution 08-02*, declaring certain District property surplus and authorizing its disposal.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department operations report for January 2008. Chief Bob Taylor substituted for Chief Haines who was at a training session in Sacramento and introduced the new Fire Prevention Battalion Chief Mike Marlow. An incident that occurred February 2nd and not listed on the submitted report involved an alleged drunk driver crashing his car into the garage of a residence at Bird Rock and Sloat Road. The car hit a gas meter and ignited a flame that fire department personnel kept under control until PG&E arrived to shut off the gas line. Damage was estimated at \$150,000. Chief Taylor reported attending CAL FIRE Sacramento training last Wednesday in Madera with President Verbanec and General Manager Niccum on local government cooperative agreements that was very informative.

Chief Carreiro reviewed the submitted monthly report and added that fire apparatus 6671, the 75' aerial truck, had been at the factory for a new radiator and was placed

back in service at the beginning of the week. Director Verhasselt announced that members of the first session of the Community Emergency Response Team (CERT) training conducted by the Pebble Beach Fire Department were certified last Sunday, and commended Captain Valdez for a fine job as the lead trainer. Director Verhasselt noted the significant increase in hazardous condition calls during the January storm and the affect the calls would have on the overall response statistics for the year.

The PBCSD Fire Department Open House is scheduled for June 21, 2008, and plans are now proceeding in earnest.

Improvements In Operating Procedures During Emergencies

Battalion Chief Marlow provided draft copies of the upcoming edition of the PBCSD newsletter stating that key items regarding storm response and preparedness would be presented to the community along with a tear-off form for registering cell phone numbers and email addresses with the District's *Reverse 911*® emergency notification system. The newsletter would also include an article on the recent CERT program training and certification. Director Verbanec approved of the flyer form of the newsletter for this type of information dissemination. He suggested that residents with large animals be encouraged to register with the fire department and Chief Marlow noted that Captain Valdez, in charge of disaster preparedness for the District, had recently received training in large animal rescue.

1620 AM Information Radio Improvements

Mr. Kilic reviewed the submitted report on the PBCSD 1620 AM information radio station improvements. Mr. Andrew Parker, electronics engineer, responded to questions from the Board. Mr. Parker stated there was no backup power for the Stevenson School radio station but could be coordinated as a backup to District radio station in the event of an emergency. Director Verbanec suggested that all options be thoroughly evaluated, and that advance coordination with power companies and commercial stations be considered to ensure that outside interference is curtailed during an emergency event, perhaps through a regional emergency service agency or the Federal Communication Commission.

MOTION 02-08-04

Moved by Director Froke, seconded by Director Laska, and unanimously carried, to approve an increase in the FY 2007-08 Capital Outlay budget for the purchase of AM Radio Station equipment from \$10,000 to \$30,000. The increase will allow installation of a new main radio station at the Forest Lake Reservoir site and a new auxiliary station at the District Maintenance Building. The motion was amended to direct staff to review and report on the feasibility of the Stevenson School

radio station as a backup for broadcasting of District information in the event of an emergency.

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 1/18/08 – 2/21/08*. General Manager Niccum reported on a major effort at Forest Lake Reservoir to repair underground control wiring damaged due to water intrusion into the inlet valve vault. Mr. Niccum responded to questions from the Board regarding the District application to the Division of Safety of Dams for an increase in reservoir capacity.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status report and Capital Projects Summary Schedule on capital improvement projects, presented slides of the 1470 Cypress Drive Sewer Line Replacement Project, and responded to questions from the Board.

CAWD Board Meeting

Director Hornbuckle reported on the February 28, 2008 meeting. The CAWD financial officer is concerned with a recent email received by the California Association of Sanitation Agencies regarding the State legislative analyst considering a revenue shift from enterprise Districts to reduce the State budget deficit. CAWD is considering alternatives to the disposition of biosolids resulting from wastewater treatment that are currently being trucked to Kings County for use on alfalfa and other non-edible crops. Director Laska stated that CAWD, MRWMD and Monterey Regional Water Pollution Control Agency have agreed to fund, for an aggregate amount of \$50,000, a study examining methods of disposal for all of the sewage sludge in one location. MRWMD currently recycles MRWPCA biosolids for use as landfill cover material and has three years of supply stored at the site. The study is a high priority potential project for MRWMD because there could be a loss of recycling credits as the quantity of biosolids exceeds the limit that can be disposed as landfill cover and could also identify a beneficial use for a significant amount of a valuable resource that could be recycled for use in methane gas production.

SOLID WASTE MANAGEMENT

Director Laska summarized on the highlights of the meeting of the Monterey Regional Waste Management District held on February 15, 2008. It appears that an increase in tipping fees of approximately 3% will take effect January 1, 2009. There were no questions from the Board.

Recycling Effort at the AT&T Pro-am

Mr. Kilic introduced Brennen Jensen, Ecology Action, and Jeff Lindenthal, MRWMD, as implementers of the 2008 AT&T Pebble Beach National Pro-am Recycling Program. Ms. Jensen gave a slide presentation of the successful effort and

recognized PBCSD Board and staff members and, in particular, Mr. Kilic, for supporting the recycling program staff and volunteers by providing access and resources to make the program possible. Ms. Jensen further recognized Monterey Peninsula Foundation, Pebble Beach Company, California Conservation Corps, Monterey County Health and La Mesa School as agency partners in the effort. In addition to providing recycling receptacles, other material types were evaluated for reuse, reduction, or recycling applicability. La Mesa School raised funds for a year's wages for four teachers by collecting and redeeming recyclables from the event. Recycling tonnage data is being collected for PBCSD to use as a credit when calculating the District diversion rate. Mr. Lindenthal stated that recycling tonnages would also be reported to the State as a requirement of AB 2176 for special event recycling. Ms. Jensen stated that it is planned to expand the program beyond special events to restaurants, bars, and hospitality venues.

GENERAL GOVERNMENT

District Staff Organization and Job Description

The Board received and reviewed the submitted *General Manager's Report* of District staff organization and a job description of the newly proposed position of Deputy General Manager/CFO. Mr. Niccum requested a review period of two to three months to review future personnel needs and evaluate the organization of the Maintenance Department and the job description of the Assistant Engineer, as well as the function and needs of the administration department. Mr. Niccum recommended that issues related to this matter be continued over for discussion in Closed Session. In response to Director Verhasselt's request for clarification of wording in the Deputy General Manager job description, Counsel Wellington suggested wording the 6th bullet under the "Ability to" section: Serve as General Manager in the General Manager's absence or when delegated.

MOTION 02-08-05

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the revised District staff organization and the job description for the new Deputy General Manager position, as amended by Counsel.

Counsel Wellington stated that the matter would be continued over and may come back to Open Session to deal with a further matter relative to this item.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum reported that District employees Mr. Kilic, Captain Valdez, and Richard Farfan would be attending a conference in New Orleans for continuing training on the use of the *Reverse 911*[®] emergency notification system.

The next Reclamation Management Committee meeting will be scheduled in early April.

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

President Verbanec advised the Board that it is time for directors to renew ethics training and that he had completed his on-line starting at the fppc.gov website. A certificate of completion can be printed out and given to Richard Farfan for documentation of training.

The next meeting of the Community Advisory Board is scheduled for March 6, 2008 at 3 p.m. at the Pebble Beach Lodge. Director Froke will be attending for President Verbanec.

CLOSED SESSION

At 11:31 a.m., President Verbanec announced the Board would meet in closed session to discuss matters related to item 15 of the agenda.

At 11:43 p.m. the Board reconvened to open session and Counsel Wellington reported that no other action was taken in closed session.

MOTION 02-08-06

It was moved by Director Laska, seconded by Director Verhasselt and unanimously carried, to approve a compensation level for the Deputy General Manager position at 4 steps higher than the level for the current CFO position which represents approximately 10% increase; change to be retroactive to February 1, 2008; that the form of evaluation of the position be drawn up by the General Manager, and that there be no change to the current District evaluation process in regards to the position of Deputy General Manager.

ADJOURNMENT

There being no further business at 11:45 p.m. a motion was made to adjourn.

MOTION 02-08-07

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, March 28, 2008 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.