

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS**

**Strategic Planning Workshop Meeting of May 1, 2009**

**MINUTES**

A special meeting of the Board of Directors of the Pebble Beach Community Services District was held in the District Training Room on May 1, 2009. At 9:00 a.m. Board President, Jeffrey Froke formally welcomed all participants and announced the workshop would begin.

**DIRECTORS PRESENT**

Jeffrey B. Froke, Ph.D. — President; Gary D. Hornbuckle, Ph.D.; Leo M. Laska; Richard D. Verbanec; and Gerald F. Verhasselt – Vice-President

**STAFF & VISITORS**

Mike Niccum, General Manager, PBCSD  
Robert Wellington, Legal Counsel, PBCSD  
Suha Kilic, Deputy GM, Finance Officer, PBCSD  
George Haines, Fire Chief PBCSD Fire Department / Unit Chief, California Department of Forestry and Fire Protection (“CAL FIRE”)  
Robin Hamelin, Fire Prevention Battalion Chief, CAL FIRE  
Dennis Carreiro, Operations Battalion Chief, CAL FIRE  
Buddy Bloxham, Operations Battalion Chief, CAL FIRE  
David Drewien, Field Operations Supervisor, PBCSD  
Nancy Johnson, Senior Accountant, PBCSD  
John T. Rethke, Associate Engineer, PBCSD  
Christina Baca, Assistant Engineer, PBCSD  
Mark Verbonich, Vice President, Community Affairs, Pebble Beach Company (“PBCo”)  
John Tormey, resident  
Peter McKee, resident  
Jean McKee, resident  
James Hill, President, Del Monte Forest Foundation

**PURPOSE OF WORKSHOP MEETING**

President Froke indicated that the overall purpose of the workshop meeting was to provide an opportunity for the PBCSD Board of Directors to identify, review, and consider potential District strategic planning issues. The setting of the workshop was informal and all questions, comments and views were welcome. The meeting provided Directors the opportunity to discuss the level of service provided by the District and any potential changes to that service level including potential new services.

### **Board Member Comments**

Director Hornbuckle suggested each board member make an opening statement. He started by commenting that after reviewing the background information summarizing previous strategic planning sessions, the District has accomplished a lot of things including addition of paramedics on fire engines, traffic enforcement, Phase II reclamation project, fire flow water system improvements, headquarters project and improving the technology infrastructure. All that is left from previous sessions is forest fire fuel reduction and undergrounding overhead utilities.

Director Laska indicated his concern was the District's reliance on property tax as the major revenue source and the effect of property reassessments. Director Verbanec commented the District is a successful well run organization and the major focus should be on long-term improvements in the community. Director Verhasselt was interested in enhancing the value of the Forest. Director Froke wants to maintain the base line level of work for a safe community and move to the next level to enhance the community.

John Tormey complimented the financial work of the District and liked the incremental or "pay as you go" approach to solving issues versus all at once.

Mark Verbonich commented the economic outlook for the Pebble Beach Company is unclear and although we are in uncharted territory, things may improve toward the end of 2009.

### **District Reserves and Revenues**

Deputy GM/CFO Kilic reviewed the District Long-term Financial Plan. He summarized that once the final water project is completed and if current property tax revenue and expenses for base services remain steady, the District could expect up to \$1.3 million might be available annually to address strategic goals. Director Hornbuckle suggested being careful with reserves in the uncertain financial climate. Director Verbanec added the pay as you go approach was a good way to approach uncertainty. Director Laska indicated revenues might be affected by reassessment of commercial property in the Forest. Director Verhasselt expressed concern that sewer fee rates satisfy proposition 218 requirements.

### **Undergrounding Overhead Utilities**

Resident Peter McKee began the discussion by stating undergrounding overhead utilities in the Forest would provide a benefit to the community and funds should be added to the budget for that purpose. He understands it would be a huge task, but if you don't start, you will never finish. There was significant discussion about complicated issues related to

power system reliability, roadway safety, aesthetics, funding methods and how to prioritize project areas. Staff indicated undergrounding overhead utilities issues have not been seriously reviewed since the late 1990's. Assistant Engineer Baca suggested retaining a consultant to study related planning and engineering issues. Legal Counsel Wellington addressed whether some undergrounding of utilities could be completed under current fire protection/first responder authority or if the District should activate a latent power for the authority to spend funds on undergrounding projects. He indicated District funds could probably be used to perform the research and planning required for an application to the Local Agency Formation Commission ("LAFCO") but that no actual construction would likely be allowed without LAFCO approval. There was a general consensus to allocate funds to retain a consultant to study the feasibility of undergrounding overhead utilities in the Forest.

### **Fire Department Consolidation**

There was a brief discussion of the impact of neighboring fire department consolidations. Chief Haines indicated the primary issues relate to adjusting mutual and automatic aid agreements. He is also active on the County task force related to the county wide ambulance contract.

### **Emergency Command Center Staffing**

The fire department will include a change of personnel required to provide increased staffing to provide a minimum of two people at the CAL FIRE emergency command center 24/7 in the next budget. Chief Carriero indicated computer software improvements will also be included in the budget for improved coordination between the CALFIRE dispatch center and the 911 center at Monterey County Offices to reduce response times.

### **Forest Health/Vegetation Management**

Chief Hamelin outlined the District vegetation management initiatives to address fire protection issues identified in the Fire Defense Plan. There was consensus for the District to continue providing some financial assistance to owners of large open spaces, particularly the Del Monte Forest Foundation, for annual vegetation clearance projects undertaken to meet Fire Defense Plan requirements. Legal Counsel Wellington indicated the District would not be required to activate a parks and recreation latent power to complete projects that improve forest health as long as they also provide fire protection benefit. Mark Verbonich welcomed assistance from PBCSD to address open space vegetative management issues and indicated the trail system is maintained by the Pebble Beach Company. Chief Hamelin reviewed the chip and haul service provide annually to residents in Carmel Highlands and the Cypress Fire Protection District.

### **Solid Waste Franchise Agreement**

Staff indicated there is a significant additional cost to provide 2-way pickup to all households in the Forest but because it will require employing additional personnel and equipment. The District plans to continue to hold an annual household hazardous waste collection event in Pebble Beach.

### **Solid Waste 75% Diversion Rate**

Director Laska reviewed some of the funding challenges at the Monterey Regional Waste Management District because tipping fee revenue is decreasing as recycling rates increase. There appeared to be consensus that the District should wait for direction from the State Legislature regarding recycling rates.

### **Enhanced Law Enforcement**

There was consensus the California Highway Patrol is doing a good job for traffic enforcement and that the District should investigate options for an enhanced level of law enforcement services to address potential criminal activities including vandalism and provide an increased law enforcement presence in the Forest.

### **Sewer System Master Plan**

There was consensus to continue the annual allocation of \$600,000 for replacement of approximately one mile of sewer line per year.

### **Additional Recycled Water Use**

Any additional use of recycled water by neighboring jurisdictions will likely require additional storage. Staff will review the feasibility of installing fire hydrants on the recycled water distribution lines.

### **District Road/Storm Drainage Maintenance**

There was consensus that responsibility for maintenance of the roads and storm drainage system in Del Monte Forest should remain with the Pebble Beach Company. The District will continue to coordinate maintenance activities with the Pebble Beach Company.

### **Employee Longevity Recognition**

General Manager Niccum indicated a desire to recognize the contribution of long-time District employees. Options discussed included adding a longevity step to the salary schedule for employees that serve the District for 15, 20 or 25 years or providing a one-time special compensation bonus when employee service milestones are reached. The general manager will prepare an employee recognition plan for review by the Board of Directors.

**Conclusion**

Mr. Niccum summarized the issues identified for additional staff work.

1. Retain consultant to review feasibility of undergrounding overhead utilities
2. Contact County Sheriff to review options for enhanced law enforcement for nontraffic issues
3. Increase budget allocation for vegetative management of Del Monte Forest open spaces.
4. Budget for emergency command center improvements.
5. Prepare an employee longevity recognition plan for Board review.

**Adjournment**

There being no further comments or discussion, at 1:04 p.m. President Froke declared the meeting adjourned to the next regular Board meeting on **Friday, May 29, 2009 at 9:30 a.m.** in the District Boardroom at Forest Lake and Lopez Roads, Pebble Beach.

---

Michael Niccum  
Board Secretary