



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 December 11, 2009 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 December 11, 2009. Board Vice President Gerald F. Verhasselt called the meeting to order at 9:32 a.m.

ROLL CALL

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

Absent: Director Jeffrey B. Froke

Others Present

Michael Niccum, General Manager/District Engineer
Suha Kilic, Deputy General Manager/CFO
J.T. Rethke, Associate Engineer, PBCSD
Christina Baca, Assistant Engineer, PBCSD
George Thacher, Legal Counsel
George Haines, Fire Chief, CAL FIRE San Benito-Monterey Unit
Rick Hutchison, Division Chief, CAL FIRE San Benito-Monterey Unit
Dennis Carreiro, Assistant Chief, CAL FIRE San Benito-Monterey Unit
Robin Hamelin, Fire Prevention Chief, CAL FIRE San Benito-Monterey Unit
John Tormey, Pebble Beach resident
Mark Verbonich, Vice President Community Affairs, Pebble Beach Co. ("PBCo")
Spencer Thompson, Traffic and Safety Committee, Del Monte Forest Property Owners
Ken White, Director, Carmel Area Wastewater District ("CAWD")
Sergeant Ray Faulk, California Highway Patrol
Craig Anthony, General Manager, California American Water
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

A Certificate of Election was presented to Director Verhasselt, and General Manager Niccum conducted the execution of the Oath of Office.

Mr. Tormey inquired as to the status of the regional storm water runoff program. Mr. Niccum stated that the District does not own any storm water facilities, but is working

with Pebble Beach Company on dry weather diversion projects that are in the planning stages. All jurisdictions within the county are permitted by the Regional Water Quality Control Board and are required to submit a report on an annual basis.

Craig Anthony, General Manager, California American Water (CAW), addressed the board stating that he had a copy of the new percentage-based water usage rate structures that he would provide to General Manager Niccum. The new rate structures were approved effective July 11, 2009 and CAW estimated billing under the new rates to commence in March 2010. Retroactive billing would begin some months later to cover some or all of the July 2009 to March 2010 period. He stated that if usage remained the same in 2010 as in 2009, under the new rate structure approximately 60 of the 2,600 residences within Pebble Beach would see an increased billing of up to \$1,000 for August 2010; another 100 would see an increase of \$500 to \$1,000 for that same high irrigation month. The vast majority of the increase under the new rate structure would fall predominantly on tier 4 and 5 (large landscape irrigation) customers. Mr. Anthony assured no change in rates for usage at tiers 1, 2, and 3. Large users in Pebble Beach will receive advanced notification by personal phone calls from CAW. All customers will receive a letter of comparative water use with current and new rates. The new commercial rate structure consisted of three tiers: tier one being base rate (factored by MPWMD for the type of business); tier 2 being 25% over base; and beyond 25% being tier 3.

Mr. Anthony could not answer Mr. Niccum's inquiry as to how the recycled water users (golf courses) would be affected by the increase in rates with the cost of recycled water being tied by contract to the cost of potable water.

Mr. Niccum stated that large users could be subject to restrictors on water flow to bring usage to 53 gallons per day, and residential fire sprinkler systems might not function properly with the restrictors on; fire department staff was working on mitigating that issue. Mr. Anthony stated that new construction requires a separate meter for fire protection to deal with this issue.

Mr. Anthony met with the City of Pacific Grove to discuss the possibility of expanding the reclamation project to offer irrigation opportunities for the Pacific Grove golf course. A diversion strategy might include capturing City wastewater from Del Monte Park that flows through the District and diverting the flow through District lines into the CAWD treatment plant. This additional flow would help supply the reclamation project in the dry season to make up for conservation in residential usage that could reduce wastewater flow to CAWD.

There were no requests for changes to the agenda.

MINUTES

MOTION 09-12-01

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held on October 30, 2009.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for October 2009. Deputy General Manager/CFO Kilic reviewed the report. There were no comments or questions.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for October 2009. Mr. Kilic noted that budgeted revenues have been increased by \$800,000 reflecting the sale of Proposition 1A securitization bonds.

Check Register

The Board received the *Check Register* for October 2009. Mr. Kilic reported that the District's workers compensation insurance premiums were lower than average due to its low experience modification factor ("E-Mod"). He said each agency's E-Mod is determined based on the cost of its work related injuries incurred over a rolling three-year period. The District's current E-mod of 0.77 results in its premium to be 77% of the amount paid by a similar size agency with average dollar loss.

Chief Haines responded to Director Hornbuckle's question, stating that the testing of fire hoses was performed by outside providers with the expertise and equipment to best meet requirements. Mr. Niccum stated that the District's contracted engineers perform the testing on hydrants for consistency. The data is used to calibrate the flow model analysis and added to the district GIS system.

MOTION 09-12-02

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to approve the *Check Register* for October 2009.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for October 15 – November 30, 2009. Chief Haines introduced new Battalion Chief Jude Acosta. Chief Carreiro gave highlights of the activity report and responded to questions.

Mobile Data Computers for Fire Department Vehicles

The Board received and reviewed the *Staff Report* from Chief Carreiro regarding the request for authorization to purchase nine mobile data computers that will be 75% funded by the federal "Assistance to Firefighters Grant". The District's estimated cost will be \$2,050 for each computer, or a total of \$20,000, for equipment valued at \$80,000. Chief Carreiro stated that the relatively high cost of the computers was due to rugged construction to withstand impact and touch screen technology. The proposed computers would use cellular system for communications and provide real-time data updates. The VHF radio communications system would function separately from the computer system. The old system of binders of data would still be maintained as a backup and kept in the vehicles. Additional three air cards would need to be added to the two fire engines and the ladder truck at an estimated total annual cost of \$2,200.

MOTION 09-12-03

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to authorize entering into an agreement with the City of Monterey for the purchase of Mobile Data Computer equipment for a cost not to exceed \$20,000.

Local Agency Formation Commission ("LAFCO") Service and Boundary Review

The Board received and reviewed the *Staff Report* and response to the LAFCO request for information related to service and boundary review for fire protection and emergency medical response services. General Manager Niccum gave an overview of the response process. He stated that District boundaries were generally well defined however the point of the review was for LAFCO to assess the provider best suited to deliver services in instances where an agency's or city's sphere of influence was encroaching upon another.

District 2009 Fire Fuel Reduction Projects Completed

The Board received and reviewed the *Staff Report* regarding the summary of 2009 Pebble Beach fuel reduction efforts. Fire Prevention Chief Hamelin gave a slide presentation of the work completed and work planned for 2010, stating that approximately 202 acres had been treated in 2009. Director Hornbuckle asked the total acreage that the District is concerned in defending and what percentage the 202 acres represented. Mr. Niccum stated he would calculate the specific acres of District concern for the board.

Chief Hamelin noted that the Los Altos area had been treated for many years and was a great example used to show the Coastal Commission the aim of the Haul Road thinning project.

Mr. Tormey noted that a board predecessor had suggested thinning seedling trees that grew densely after the Huckleberry Hill fire two decades ago. He thanked Chief Hamelin for the structured and comprehensive fuel reduction programs carried out in 2009 and inquired whether work could be accelerated. Chief Hamelin stated that the availability of fire crews and funding were limiting factors. Mr. Niccum stated that approximately \$100,000 was currently budgeted for fire defense projects with \$44,000 used so far; staff might recommend funding increases when developing projects for 2010. Director Verbanec noted the many agencies affected if work was to be accelerated and suggested taking the logistics into account by pursuing any accelerated effort incrementally.

Resolution of Appreciation for Fire Chief George Haines upon His Retirement

Vice President Verhasselt read *Resolution No. 09-24* aloud to Chief Haines, who thanked the board and District staff for tremendous support. Chief Haines addressed Mark Verbonich, thanking Pebble Beach Company for its cooperation and noted, regarding the Fire Defense Plan, maintenance of fire access roads was key. He also thanked Chiefs Hamelin and Carreiro for the well-functioning fire fuel reduction program. Chief Haines stated his successor would be interviewed Tuesday by a panel including General Manager Niccum, Jim Rossen of the Carmel Highlands District, and the Cal Fire management staff.

MOTION 09-12-04

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried, to adopt *Resolution No. 09-24*, citing meritorious services and expressing appreciation to Fire Chief George Haines upon his retirement from the California Department of Forestry and Fire Protection.

GENERAL GOVERNMENT

Law Enforcement Program Status Update

The Board received and reviewed the *Staff Report* on the status of the District Supplemental Traffic Enforcement Program prepared by Deputy General Manager Kilic. Sgt. Faulk responded to questions, and stated that, in general, areas patrolled were per instruction of District staff based on identified speeding "hot spots." Mr. Kilic stated that the DMFPO Traffic and Safety Committee regularly reviewed the law enforcement program reports and had not recommended changing the targeted patrol areas identified originally.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 10/24/09 – 12/11/09* prepared by Associate Engineer, J.T. Rethke, who gave an overview of the report. Gopher eradication had been successful and

treatment was being reduced from two times a week to twice a month. The lower reservoir level as compared with the previous year's data was due to a combination of higher irrigation demands, reduced CAWD flow, and the need for lower levels in anticipation of sluice gate repairs that were performed later in the year.

PBCSD Capital Improvement Projects

Assistant Engineer Christina Baca highlighted the *Engineering Report* on the monthly status of *Capital Improvement Program* projects adding that a conference call was scheduled for next week with Coastal Commission staff regarding the Spruance Water Storage Tank Project. There were no questions or comments.

2009 Sewer Line Replacement Project

The Board received and reviewed the *Engineering Report* regarding the 2009 District Sewer Line Replacement Project. In response to comments from several Directors that this might be a good time to expedite construction work to capture the low bid environment apparent in the submitted bids for the 2009 project, Mr. Niccum stated that the 2010 Sewer Line Replacement Project design work could be scheduled to begin earlier. The two lowest bidders on the list, Pacific Trenchless, Inc. and D'Arcy and Harty Construction had both performed pipe bursting previously for the District.

MOTION 09-12-05

It was moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution 09-25* declaring the bid from Pacific Trenchless, Inc. as the lowest responsible bid and authorize award of a contract in the amount of \$472,523 for the construction of the 2009 Sewer Line Replacement Project.

CAWD Board Meeting

Director Laska attended the December 10, 2009 CAWD board meeting and reported that General Manager, Ray von Dohren would be leaving CAWD June 30, 2010 and that he had recommended that Barbara Buikema, currently the Finance Officer, be appointed as his successor. The CAWD board directed staff to have a consultant draft a new job description for the position to not include engineering expertise. A presentation by developers of the proposed Rancho Cañada development project covered potential impacts on the floodplain around the treatment plant, and whether the development could include an affordable housing component to assist CAWD employees.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

The Board received and reviewed the *Memorandum* from Director Laska on the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on November 20, 2009. Director Laska clarified that the seagull

problem stemmed from the birds eating garbage and then flying over adjacent fields where droppings downgrade the organic market value of the crops.

GENERAL GOVERNMENT

Agreement for Undergrounding Overhead Utilities

The Board received and reviewed the *Engineering Report* regarding engineering services for a study on undergrounding overhead utilities. Director Hornbuckle stated he did not read the agreement as requesting services to perform a feasibility study that he felt was needed for the first phase of the scope of work. He requested the scope be more specific, providing a recap of any similar projects, historical data, and the basic structure of the project listing preliminary costs, prioritization, and permitting requirements. Director Verbanec felt the board might not have the authority to approve the agreement as presented. Ms. Baca clarified that the agreement only covered phase one initial study work and noted that the listing of future phases in the agreement may have created some confusion. She also noted that the District was not obligated to contract locally, however felt that knowledge of local utility systems and local availability of consulting engineers throughout the process would be beneficial. The timeframe for the presented agreement, not noted by oversight, was six months. Mr. Niccum stated that the proposed feasibility study was unusual because it would compile data required to consider moving forward with public funding to underground overhead utilities throughout a jurisdiction. The normal process was for a consultant to identify an undergrounding project area usually based on aesthetics and develop a funding source. He requested staff be allowed to revise the scope of work in a more straightforward manner in line with the expressed board requests and present at a future board meeting.

Election of District Officers

The Board received and reviewed the *General Manager's Report and Resolution No. 09-26* regarding election of District officers. Director Laska nominated Director Froke for board president for 2010. Director Hornbuckle inquired if a one-year or two-year presidential term cycle was most beneficial.

MOTION 09-12-06

It was moved by Director Laska, seconded by Director Verbanec, and unanimously carried, for Director Froke to act as president of the District board for calendar year 2010.

MOTION 09-12-07

It was moved by Director Hornbuckle, seconded by Director Verbanec, and unanimously carried, for Director Verhasselt to act as vice president of the District board for calendar year 2010.

MOTION 09-12-08

It was moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution 09-26* electing President Jeffrey B. Froke, Vice President Gerald F. Verhasselt, General Manager Mike Niccum to serve as District Secretary, and Deputy General Manager Suha Kilic to serve as District Secretary Pro-Tem and Treasurer, for calendar year 2010.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

The Board received the *ACWA Joint Powers Insurance Authority President's Special Recognition Awards* presented to the District for achieving a low ratio of "claims" to "deposit premiums" for all three insurance programs: liability, property and workers compensation.

Mr. Niccum stated that the District general manager and legal counsel reviews would be performed in January due to Counsel Wellington being absent at today's meeting. The board of director's assignments would be presented at the next board meeting. The annual holiday luncheon for employees would be held Monday, December 21st at noon. Assemblyman Bill Monning was planning to attend the next District board meeting.

Cypress and Carmel Highlands Fire Districts would be covering strategic planning at their January board meetings and Mr. Niccum was planning to attend. Director Froke will attend the Cal Fire holiday party at the Garden Road facility to present the PBCSD board resolution to Chief Haines.

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

In response to Director Hornbuckle's question, Mr. Niccum discussed the matter of the City of Carmel's consideration of the method of providing fire protection services (i.e., a consolidated regional approach or contracting with the City of Monterey or Cal Fire) having a nominal affect on the District.

Oral reports or announcements from Board President, directors or staff

Mr. Niccum stated he would notify directors of revised scheduling for CAWD board meeting attendance.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 11:54 a.m. a motion was made to adjourn.

MOTION 09-12-09

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, January 29, 2010 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.