

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of September 30, 2011
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 September 30, 2011. Board President Gerald F. Verhasselt 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, and 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, Associate Engineer, PBCSD
Christina Baca, Associate Engineer, PBCSD
Dennis Carreiro, Assistant Chief, CALFIRE San Benito-Monterey Unit
Bo Lee, Fire Marshall, CALFIRE San Benito-Monterey Unit
Mark Verbonich, VP Community Affairs, Pebble Beach Co. ("PBCo")
Mark Stilwell, Executive Vice President, PBCo
Greg D'Ambrosio, Director, Carmel Area Wastewater District ("CAWD")
Barbara Buikema, General Manager, CAWD
Richard Gebhart, Director, Del Monte Forest Property Owners ("DMFPO")
Vinod Badani, President, E2 Consulting Engineers
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no appearances or requested changes to the agenda.

MINUTES

MOTION 11-09-01

Moved by Director Froke, seconded by Director Laska, and unanimously carried, to approve the minutes of the regular board meeting held on August 26, 2011.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for August 2011. The name of the banking institution used by the District changed from First National Bank to Santa Barbara Bank and Trust.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report for Fiscal Year 2010-11* for July and August.

Check Register

The Board received the *Check Register* for August 2011.

MOTION 11-09-02

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried, to approve the *Check Register* for August 2011.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report for August 15, 2011 – September 14, 2011*. Chief Carreiro reported that fire department staff had done an excellent job at the structure fire on Cantera Court, controlling the situation within 30 minutes. Not in the report was an industrial accident that occurred Wednesday morning. An employee of Davey Tree Service fell from a lift while working in the Forest and did not survive. OSHA would be investigating.

The new fire engines being built in Florida would be on the road en route to the District mid-October and would begin service at the District January 1, 2012. Firefighter Safety and Survival training classes were underway at Carmel Hill Fire Station with six hours of classroom work and 10 to 12 hours of field safety training. Chief Carreiro invited anyone interested in observing a field training class to call him to make arrangements.

Mark Stilwell, PBCo, expressed his appreciation to the PBCSD Fire Department staff for the response to a water leak near the Lodge. The leak originated in 17-Mile Drive and water made its way down steps into the Lodge shops and part of the main Lodge. The 20-person crew used fire hoses filled with water to divert a massive amount of water to the golf course, helping to minimize damage to the Lodge shops. A PBCo cast iron fire suppression water line was identified as the source of the leak. The valves on the line were old and inoperative, so the main water line serving the Lodge had to be shut off in the early morning hours while the leaking portion of the fire service line was repaired.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 8/19/11 – 9/22/11* prepared by Associate Engineer, J.T. Rethke. He stated that during August reclaimed water usage was 20% below the 16-year average. The wastewater flow to CAWD was 10% down from the average even considering the recent attendance at events hosted by PBCo. Mr. Stilwell noted that occupancy rate was up to approximately 60% as compared to a low of 52% with normal being approximately 80% during events.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Associate Engineer Christina Baca reported that a County hearing may be held in November for the Huckleberry Hill Water Storage Tank Project. The 2011 Sewer Line Replacement Project should be completed by Christmas. Mr. Stilwell thanked the board for the extraordinary coordination and cooperation between the District and PBCo on capital improvement projects.

Undergrounding Overhead Utilities Phase I Project

The Board received and reviewed the *Engineering Report* recommending approval of an agreement for consulting engineering services for the *Undergrounding Overhead Utilities Phase I Project*. Director Verhasselt requested that a tour be provided of the project area; Ms. Baca would coordinate several tour dates to give options to several smaller groups to attend and would contact interested parties via email. The tour will be a noticed meeting if more than two board members are in attendance at any one of the tour dates.

MOTION 11-09-03

Moved by Director Froke, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution 11-19* approving an agreement with Wallace Group to provide project management and engineering consulting services required for Undergrounding Overhead Utilities Phase 1 Project for a cost not to exceed \$189,536, subject to review by District Counsel of standard terms and conditions of the agreement.

CAWD Board Meeting

Director Froke attended the CAWD board meeting held September 22, 2011. He reported that the CAWD grease facility was nearly operational with “test” customers lined up for implementation. Approval was given to hire divers to inspect and service the CAWD treatment plant outfall pipe. Employee retirement and health program options were discussed. Mr. Niccum attended the meeting as well and reported that the CAWD Board was very supportive of continuing the development of a pharmaceutical

take-back program with or without the assistance of The Sustainability Academy located in Monterey.

Mr. Niccum provided to the board a sample of a public relations pamphlet developed with CAWD on sewer lateral issues. Mr. Niccum thanked CAWD General Manager, Barbara Buikema for taking the lead on developing the pamphlet. Director Laska would be attending next month's meeting.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska provided a *Memorandum* on the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on September 16, 2011. Director Laska reported that sales of generated power were discussed, including the possibility of coordinating with a local association that would broker green power to local agencies and individuals. The process however would be complicated and would involve County input. The need for an escape clause for MRWMD to provide energy to the Regional Water Project if implemented made power sales all the more complex.

The District had negotiated agreements with three of the four agency employee groups; negotiations with the managers' group were still underway. The 60th anniversary of MRWMD will be celebrated tomorrow from 10 a.m. to 2 p.m. at the Landfill in Marina.

GENERAL GOVERNMENT

Newsletter Topics

The Board received and reviewed the *Deputy General Manager Report* regarding District newsletter topics. Various board members noted their preferences for topics. Mr. Kilic requested that comments be sent to him via email.

Single Regular Board Meeting for November and December

The Board concurred to hold a single regular board meeting for November and December on Friday, December 9th, 2011 at 9:30 a.m.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum pointed out the submitted letters of appreciation for use of the District community room by two different organizations – Ikebana International monthly meetings and DMFPO for quarterly seminars.

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. Niccum noted that the Reclamation Management Committee meeting scheduled for November 4, 2011 might be rescheduled.

Mr. Kilic reported that household hazardous waste collection event was attended by 370 cars on Saturday, September 24th. The staff received numerous positive comments about the merits and organization of the event from the attendees. A more comprehensive report will be provided in the October Board meeting.

CLOSED SESSION

A closed session of the Board was convened at 10:39 a.m. to review an issue related to potential litigation.

ADJOURNMENT

There being no further business at 11:10 a.m. a motion was made to adjourn.

MOTION 11-09-04

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, October 28, 2011 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.