

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of April 25, 2014
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, 2014. Board President Leo M. Laska called the meeting to order at 9:30 a.m.

ROLL CALL

Present: Directors Jeffrey B. Froke, Richard B. Gebhart, Leo M. Laska, and Richard D. Verbanec

Absent: Director Peter B. McKee

Others Present

Mike Niccum, General Manager
Suha Kilic, Deputy General Manager/CFO
Rob Wellington, Legal Counsel
Nick Becker, Principal Engineer
Marianna Pimentel, Accountant
Rick Hutchinson, Unit Chief, CALFIRE San Benito-Monterey Unit (CALFIRE)
Mark Edria, Assistant Fire Chief, CALFIRE
Nate Armstrong, Fire Captain, Paramedic Program Coordinator, CALFIRE
Buddy Bloxham, Battalion Chief, Operations, CALFIRE
Suzanne Paboojian, Board Director, Carmel Area Wastewater District (CAWD)
Barbara Buikema, General Manager, CAWD
Vinod Badani, E2 Consulting Engineers
Bob Hutchison, Board Director, Del Monte Forest Property Owners (DMFPO)
Jerry Verhasselt, President, Open Space Advisory Committee
Hampton Stewart, Pebble Beach Resident
Mark Stilwell, Executive Vice President, Pebble Beach Company (PBC)
Chris Pia, Sergeant, California Highway Patrol (CHP)
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no requested appearances.

MINUTES

MOTION 14-04-01

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to approve, as presented, the minutes of the regular board meeting held on March 28, 2014.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for March 2014. Mr. Kilic gave highlights of the report.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for March 2014. Mr. Kilic responded to questions.

Check Register

The Board reviewed the *Check Register* for March 2014.

MOTION 14-04-02

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried to approve the March 2014 *Check Register*.

PBCSD Update of Long-Term Capital Outlay Program and Financial Plan

The Board received and reviewed the PBCSD *2014/15 Long-Term Capital Outlay Program* (LTCOP) and the *PBCSD Long-term Financial Plan* (LTFP). Principal Engineer Becker gave an overhead presentation of the 15-year LTCOP. There is an overall 5.4% increase from the previous year mainly due to: extending the utilities undergrounding program from 13 years to 15 years at \$1 million per year; increase in PBCSD 1/3 share of significant capital improvements to the CAWD treatment plant; and PBCSD wastewater system capital improvements.

Mr. Kilic gave details of the LTFP with a recommendation to increase residential sewer service fees from \$15.00 to \$15.53 per month to keep pace with increased treatment plant expenditures. Currently sewer service fee revenue covers approximately 20% of the District's sewer service costs, the remainder funded by property tax revenue. In response to Director Laska's question, Mr. Kilic said in accordance with Proposition 218 requirements, a notification on the proposed increase will be mailed to district property owners along with the budget hearing notice after the May board meeting. The proposed fee and the final budget will be scheduled to be adopted in July Board meeting providing sufficient time for public comments.

Mr. Kilic said the capital outlay program and the long term financial plan are updated annually to reflect current conditions; costs may be determined more accurately as the undergrounding project and CAWD Plant improvements progress over the next few years. Staff was commended by the board for a clear, concise presentation.

MOTION 14-04-03

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to 1) approve the PBCSD 2014/15 Long-Term Capital Outlay Program; 2) approve the 2014 Long-Term Financial Plan and authorize the staff to make necessary inter-fund transfers to implement the Plan; and 3) approve an increase in residential and commercial sewer service fees by 3.5% (equates to 53 cents for residential units, from \$15.00 to \$15.53 per month) in fiscal year 2014/15 to be adopted following the public hearing in July Board meeting.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for March 15, 2014 – April 14, 2014. Fire Operations Chief, Buddy Bloxham gave highlights. The annual PBCSD Open House and Safety Day is scheduled for June 21, 2014 from 10 a.m. to 2 p.m.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for March 20, 2014 to April 17, 2014 prepared by Principal Engineer Becker. Mr. Becker thanked Maintenance Supervisor Drewien and staff for assisting PG&E crews in televising a problematic conduit line associated with Phase I of the undergrounding program. Forest Lake Reservoir storage levels have increased through March and April with current capacity at 97 million gallons, 2% below the historic average.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Mr. Becker passed around a sample of the 21kV feeder line currently being pulled by PG&E through the underground conduits installed during the Phase I undergrounding project. Phase II of the undergrounding program is planned to extend down Forest Lake, Drake, and Ondulado Roads. Pescadero Point Pump Station P6 rehabilitation will eliminate the need for maintenance staff to descend thirty feet into the pump station several times a week. The 2014 Sewer Line Replacement Project in the Lodge area will be coordinated in conjunction with PBC renovations planned in the same area.

Undergrounding Overhead Utilities Phase I Project Additional Work

The Board received and reviewed the *Engineering Report* on the additional construction work required to address substructure elements not included in PG&E's original design.

MOTION 14-04-04

Moved by Director Gebhart, seconded by Director Froke, and unanimously carried to authorize an increase in the budget of the construction agreement with Lewis and Tibbitts for an amount not to exceed \$75,000 for the Undergrounding Overhead Utilities Project, Phase I.

GENERAL GOVERNMENT

Traffic Enforcement Status Report

The Board received and reviewed the *Deputy General Manager's Report* regarding the Supplemental Traffic Enforcement Program status for quarter ending March 31, 2014. Sgt. Pia reported that there were 17 collisions during the period, all minor or non-injury with property damage only except for one major collision. Collision factors are primarily unsafe turning, unsafe speed, and right-of-way violations at intersections. The injury collision on Sloat near Bird Rock Road, at nearly the same location as the double-fatality collision that occurred last April, was high-speed requiring extrication of the alleged under-influence driver. Mr. Niccum noted that the injury collision will be discussed at the upcoming DMFPO Traffic and Safety Committee meeting on April 29th. Sgt. Pia reported that there were no major incidents at the AT&T golf tournament and the Food and Wine event.

CAWD Board Meeting

Director Laska attended the CAWD board meeting held April 24, 2014. The next board meeting will be held May 29th instead of on the regular fourth Thursday of the month. A burglary occurred at the plant for a loss in tools and two trucks of \$87,000 with one of the trucks later recovered.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meetings

Director Laska provided a *Memorandum* of the Monterey Regional Waste Management District meeting held on April 18, 2014.

GENERAL GOVERNMENT

Special Districts Association of Monterey County

The Board received and reviewed the *General Manager Report* on the meeting of the Special Districts Association of Monterey County held April 15, 2014 attended by Director Verbanec.

Local Agency Formation Commission (LAFCO) Cost Allocation Formula

The board reviewed a memorandum notice, ballot measure, and proposed formula for mail-in election from LAFCO Executive Officer, Kate McKenna. A revised cost share formula would have minor impact on the District's portion of LAFCO funding.

MOTION 14-04-05

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried to authorize the General Manager to cast a vote on behalf of the District in favor of amending, as proposed in Exhibit A to the ballot, the LAFCO Cost Share Allocation Formula for apportioning the Districts' share of operating expenses of the Commission.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum recognized the passing of former resident, DMFPO president, and Forest Lake Reservoir appraiser, Jack Kidder.

Mr. Niccum will be attending meetings with local agency representatives related to retaining armed forces military installations in the Peninsula area.

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

Mr. Stilwell will provide a recent PowerPoint presentation of the planned roundabout at the Highway One Gate.

Oral reports or announcements from Board President, Directors or staff

There were no oral reports or announcements.

CLOSED SESSION

It was determined that a closed session of the Board was not required.

ADJOURNMENT

There being no further business a motion was made to adjourn at 11:23 a.m.

MOTION 14-04-06

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, May 30, 2014 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.

Mike Niccum, Board Secretary