

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of May 30, 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 May 30, 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, Peter B. McKee, and Richard D. Verbanec

Absent: None

Others Present

Mike Niccum, General Manager
Suha Kilic, Deputy General Manager/CFO
Rob Wellington, Legal Counsel
Nick Becker, Principal Engineer
Marianna Pimentel, Accountant
Daniel Boatman, Engineering Intern
Rick Hutchinson, Unit Chief, CALFIRE San Benito-Monterey Unit (CALFIRE)
Mark Edria, Assistant Fire Chief, CALFIRE
Robin Hamelin, Battalion Chief, Fire Protection and Planning, CALFIRE
Jennifer Valdez, Fire Captain, Disaster Planning, CALFIRE
Nate Armstrong, Fire Captain, Paramedic Program Coordinator, CALFIRE
David Wachtel, Fire Inspector, Retired Annuitant, CALFIRE
David Newsome, Fire Inspector, Wounded Warrior Project
Ryan Flagg, PBCSD Community Emergency Response Team Volunteer
Charlotte Townsend, Board Director, Carmel Area Wastewater District (CAWD)
Vinod Badani, E2 Consulting Engineers
Bob Hutchison, Board Director, Del Monte Forest Property Owners
Jerry Verhasselt, President, Open Space Advisory Committee
Hampton Stewart, Pebble Beach Resident
Mark Stilwell, Executive Vice President, Pebble Beach Company (PBC)
Cheryl Burrell, Planning Manager, PBC
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no requested changes to the agenda.

Mr. Ryan Flagg, a member of the PBCSD Community Emergency Response Team addressed the board, stating that Captain Valdez had assisted him in obtaining grant funding for his recent trip to FEMA headquarters in Maryland to attend emergency response train-the-trainer and program manager coursework. He urged other CERT members to take advantage of the extensive curriculum offered by the Emergency Management Institute.

Principal Engineer Becker introduced summer intern Daniel Boatman, a civil engineering student at the University of Nevada, Reno.

MINUTES

MOTION 14-05-01

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried to approve, as presented, the minutes of the regular board meeting held on April 25, 2014.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for April 2014. Mr. Kilic gave highlights of the report and responded to questions.

Cash Basis Budget Report

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

Check Register

The Board reviewed the *Check Register* for April 2014 and staff responded to questions.

MOTION 14-05-02

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

PBCSD Preliminary Budget Fiscal Year 2014-15 and Annual Appropriations Limit

The Board received and reviewed the *PBCSD 2014-15 Preliminary Budget*, and Deputy General Manager Kilic gave a slide presentation. The current revenue of \$13,453,500 is 3.0% higher than the prior year. Sewer user fees are proposed to increase by 3.5%, equivalent to 53 cents per month, from \$15.00 to \$15.53 for residential units effective July 1, 2014. The adjustment will help pay for the increased cost of CAWD Wastewater Treatment Plant capital improvements.

The fees for garbage and recyclable material collection services are proposed to increase by 4.8% effective July 1, 2014 equivalent to 86 cents per month from \$18.00 to \$18.86 for basic residential services. Preliminary budget also includes \$2,512,500 in appropriations from capital reserves and \$1,472,000 in carry-over appropriations from the previous year's capital outlay projects. Operations & Maintenance (O&M) expenses increased by 3.2% to \$11,492,000, including \$402,000 for reclaimed water distribution system O&M expenses which will be reimbursed by the reclamation project; and \$528,500 in operating contingencies. Total preliminary budget including capital outlays, reserve contributions and carry-over appropriations is \$17,438,000.

A notice will be mailed to District property owners within the next few days, setting a public hearing for the user fee increases and adoption of the final budget. Mr. Kilic explained the District's fiscal year 2014-15 Appropriations Limit calculation and answered questions.

MOTION 14-05-03

Moved by Director Gebhart, seconded by Director Verbanec, and unanimously carried, to adopt *Resolution No. 14-04* approving the Preliminary Budget for fiscal year 2014-15 and setting Final Budget Hearing on July 25, 2014; and to adopt *Resolution No. 14-05* determining the District Property Tax Appropriations Limit.

The board commended staff on a clear, concise preliminary budget presentation. Mr. Kilic acknowledged District Accountant Marianna Pimentel for her excellent coordination and preparation of the document.

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report* for quarter ending March 31, 2014. Mr. Kilic reported the Treasurer's portfolio yield for the quarter was 0.47%. The yield, net of County administrative charges, was 0.40%. For comparison, the yield of the State Local Agency Investment Fund was 0.24% and the yield of the 2-year Treasury bill was 0.35%.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for April 15, 2014 – May 14, 2014. Assistant Fire Chief, Mark Edria gave highlights. Battalion Chief Hamelin introduced CalFIRE retired annuitant David Wachtel and California National Guard veteran David Newsome of Wounded Warrior Project who will perform defensible space inspections on properties in the Forest. The goats will arrive in June to treat Pescadero Canyon and areas below Carmel Woods.

District staff is evaluating fire prevention staffing needs and cost sharing strategies with the Carmel Highlands and Cypress Fire Protection Districts.

2014 Open House/Public Safety Day & Barbeque

The Board received and reviewed the *Fire Department Staff Report* on the annual PBCSD Open House event scheduled for June 21, 2014 from 10 a.m. to 2 p.m. Battalion Chief Hamelin reported that this year's smoke safety demonstration trailer is a newer model donated by the Presidio of Monterey.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for April 18, 2014 to May 22, 2014 prepared by Principal Engineer Becker. Forest Lake Reservoir storage is 68 million gallons, remaining below historical levels. Self-rationing by golf courses continues and this year's irrigation demand has been tracking with last year's during the month of May. The next Project Oversight Committee meeting is scheduled for June 11th where continued rationing and acceptable salinity levels will be discussed.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Phase I of the Undergrounding Overhead Utilities Project is nearing completion. Mr. Becker presented a photograph of a pole removed on Presidio Road, and passed around a ceramic insulator from one of the removed poles. PG&E and Comcast services are now being delivered via the new underground lines; AT&T is delayed due to the company opting to perform service upgrades in conjunction with the undergrounding work.

Wastewater Reclamation Management Committee Report

The Board received and reviewed the *Engineering Report* regarding the Reclamation Management Committee meeting held on May 9, 2014, and Mr. Becker gave highlights.

Preliminary Engineering Additional Water Flow and Storage Projects

The Board received and reviewed the *Engineering Report* on preliminary engineering services for capital projects to provide additional recycled water flow and storage for the CAWD/PBCSD Reclamation Project. A site at Stillwater Cove designated in the proposed scope of work appears a feasible area for a pilot project to capture dry weather storm water flow into the District's wastewater collection system. Director McKee suggested an analysis of flow rates in other areas be done in parallel with the pilot project. The proposed scope of work also includes a request from the California Division of Safety of Dams for a reduction in the Forest Lake Reservoir freeboard, from 6 ft. to 4 ft., to allow increased storage capacity.

MOTION 14-05-04

Moved by Director McKee, seconded by Director Froke, and unanimously carried to adopt *Resolution 14-06* approving Project Assignment No. 30 to the Master Agreement with E2 Consulting Engineers to provide preliminary engineering services for capital projects to provide additional recycled water flow and storage; for an amount not to exceed \$50,000.

GENERAL GOVERNMENT

CAWD Board Meeting

Director Froke attended the CAWD board meeting held May 29, 2014 where CAWD annexations, manhole upgrades, facility improvements, staff certification level advancements, and the Carmel River Lagoon EPB (Ecosystem Protective Barrier) project were discussed. General Manager Niccum complimented CAWD staff for a successful renewal of the National Pollution Discharge Elimination System (NPDES) permit that allows CAWD to discharge secondary water to the Carmel Bay. The permit was approved by the Regional Water Quality Control Board for another 5 years.

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 May 16, 2014 and gave highlights.

GENERAL GOVERNMENT

Association of California Water Agencies (ACWA) Spring Conference

The Board received and reviewed the *General Manager Report* on the ACWA conference held May 5th through 9th at the Monterey Convention Center attended by Director McKee, Mr. Niccum and Mr. Kilic. There were no comments.

California Special Districts Association (CSDA) Proposed Bylaws Updates

The board reviewed a memorandum notice from CSDA Board President and the CSDA Executive Officer on the election to approve updates to the CSDA bylaws.

MOTION 14-05-05

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried to authorize the general manager to cast a vote in favor of the CSDA Bylaws updates.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

The board was provided the latest District newsletter.

The board concurred that a resolution recognizing the retirement of Fire Chief Rick Hutchinson be prepared for the June Board meeting.

The staff will work with DMFC and DMFPO to renew each office space lease that both expire in July this year.

Plans have been made to update the District's site signage including the Pebble Beach Fire Department Firesafe Garden.

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

There were no questions or clarifications.

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 11:32 a.m.

MOTION 14-05-06

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, June 27, 2014 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.

Mike Niccum, Board Secretary