

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of February 26, 2016
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 February 26, 2016. Board President Richard B. Gebhart 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
Justin Ferron, Assistant Engineer
David Drewien, Field Operations Supervisor
Juan Moreno, Mechanical Inspector
Kelvin Ellison, Mechanical Inspector
Marty Manjares, Mechanical Inspector
Jim McClure, Mechanical Inspector
Brennan Blue, Unit Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)
Mark Edria, Assistant Fire Chief, CAL FIRE
Buddy Bloxham, Operations Battalion Chief, CALFIRE
Nate Armstrong, Battalion Chief, Paramedic Program Coordinator, CALFIRE
Greg D'Ambrosio, Board Director, Carmel Area Wastewater District (CAWD)
Barbara Buikema, General Manager, CAWD
Cheryl Burrell, Planning Manager, Pebble Beach Company (PBC)
Bob Hutchison, Board Director, Del Monte Forest Property Owners (DMFPO)
Hampton Stewart, Pebble Beach resident
Vinod Badani, E2 Consulting Engineers
Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS

The District was awarded Collection System of the Year by the local Monterey Bay Chapter (Monterey, Santa Cruz & San Benito Counties) of the California Water Environment Association. General Manager Niccum introduced the collection system maintenance staff: Jim McClure employed by the District 14 years; Marty Manjares 19 years; Kelvin Ellison 20 years; Juan Moreno 26 years; and Field Operations Supervisor, David Drewien employed by the District 34 years this month. Mr. Niccum also recognized Principal Engineer Nick Becker as a vital team member.

There were no requested changes to the agenda.

MINUTES

MOTION 16-02-01

Moved by Director Froke, seconded by Director Laska, and unanimously carried to approve, as presented, the minutes of the regular board meeting held January 29, 2016.

MOTION 16-02-02

Moved by Director Laska, seconded by Director McKee, and unanimously carried to approve, as presented, the minutes of the special board meeting held January 27, 2016.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for January 2016. Mr. Kilic summarized the report and responded to questions.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for January 2016. Mr. Kilic summarized the report.

Check Register

The Board received and reviewed the *Check Register* for January 2016.

MOTION 16-02-03

Moved by Director Verbanec, seconded by Director McKee, and unanimously carried to approve the *Check Register* for January 2016.

Treasurer's Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending December 31, 2015. Mr. Kilic reported the Treasurer's portfolio yield for the quarter was 0.71%. For comparison, the yield of the State Local Agency Investment Fund was 0.33% and the yield of the 2-year Treasury bill was 1.05%. The Treasurer is tailoring investments to take advantage of changing market conditions.

Financial Audit Services

The Board received and reviewed the *Deputy General Manager's Report* regarding selection of an outside independent audit firm. The 3-year agreement with Hayashi and Wayland ended with the completion of the FY 2014-15 fiscal year audit; the firm has submitted a proposal to provide services for another three years, with the option to

rotate the lead audit partner and/or staff members reviewing District financial transactions. There is no legal requirement to rotate audit firms. There is a legal requirement to rotate the individuals who are assigned by the firm to have the primary responsibility for conducting the audit every six years. Director McKee felt that a request for proposal should be issued by the District to select a new audit firm.

MOTION 16-02-04

Moved by Director Laska, seconded by Director Froke, and carried by a vote of 4-1 with Director McKee voting No, to 1) extend the contract of Hayashi and Wayland LLP to perform the annual audit of District's financial transactions for a period of three years; at a fixed fee of \$27,100 per year, and 2) request rotation of the audit partner and the audit manager who have the responsibility in conducting the District's annual audit.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for January 15, 2016 – February 14, 2016. Chiefs Blue and Bloxham discussed the recent downtown Salinas structural fire when a District engine company provided general coverage in Salinas after being requested by the mutual aid system. The District sponsored paramedic carts responded to 19 incidents at the recent AT&T Golf Tournament. PBC staff responsible for tents and structures during the golf tournament was very complimentary of Fire Department Prevention Office monitoring and inspection efforts.

Fire Department Water Rescue Program

Paramedic Program Coordinator Nate Armstrong reviewed the new water rescue program which is the only program of its type in Monterey County. Chief Armstrong complimented the 11 volunteer rescue swimmers that have completed the extra training required for the program.

Insurance Services Office (ISO) Rating of Fire Department

The Board received and reviewed *correspondence* and the April 2015 *Public Protection Classification Summary Report* from Insurance Services Office, Inc. Chief Edria reported that after a survey of fire suppression delivery services provided by the District, ISO elevated the classification from 3 to 2 effective August 1, 2015, ranking the PBCSD Fire Department in the top 3% of the 34,000 fire departments nationwide. The District received a grade of 84.5, with 90 needed to achieve a 1 classification. The primary challenge to attaining a 1 classification is that the local fire suppression water supply system is outside the control of the District.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for January 21 to February 22, 2016 prepared by Principal Engineer Becker. As of February 9th, Forest Lake Reservoir water storage level was 115 million gallons or 100% of capacity. The treatment facility has taken advantage of the full reservoir to go off line for maintenance and is expected to come back on line today. California American Water, the District, and E2 Engineering are coordinating the testing of forty PBCSD, twenty Cypress, and twenty Carmel Highlands Fire Protection District fire hydrants.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Mr. Becker provided slides of the District Lodge Area Utility Improvement Project. Mr. Niccum complimented Engineer Becker on his handling of the challenging project involving numerous contractors, consultants, utility companies, Pebble Beach Company, and the late addition of a PG&E gas line replacement. The project contractor Lewis and Tibbitts will perform the gas line trench work and the District will be fully reimbursed by PG&E for the additional costs. Mr. Becker provided slides of the CAWD Wastewater Treatment Plant Rehabilitation Project. Mr. Hutchison expressed his gratitude for the District's Phase 1C Undergrounding of Overhead Utilities Project that avoided power outage in the Colton Road area during the recent wind storm where a large fallen tree would have taken out above ground power lines.

Pelican Easement Emergency Sewer Line Repair

The Board received and reviewed the *Engineering Report* on emergency repairs to the sewer line and supporting truss bridge over Sawmill Gulch destroyed by a fallen tree on the Pelican Easement during the recent wind storm. Mr. Becker provided slides of the damage and repair work and praised the Maintenance Department and Assistant Engineer Justin Ferron for proactive patrol and effective project management.

Wastewater Reclamation Management Committee Report

The Board received and reviewed the Engineering Report regarding the Reclamation Management Committee meeting held on February 19, 2016.

CAWD Board Meeting

Director Laska and General Manager Niccum attended the CAWD board meeting held February 25, 2016. Director Froke indicated the tour arranged by CAWD General Manager Barbara Buikema of the CAWD Wastewater Treatment Plant Rehabilitation Project for the PBCSD board of directors on January 27th was very much appreciated. Ms. Buikema informed the board of project status.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska gave highlights of the meeting of the Monterey Regional Waste Management District (MRWMD) held on February 19, 2016. The MRWMD board approved a reorganization plan that eliminated the vacant assistant general manager position and realigned the departmental manager responsibilities. The proposed Material Recycling Facility improvements will result in the creation of twenty to thirty new positions, with the increased cost hopefully offset by an increase in recyclables for sale. Many local recycling centers privately run at area store parking lots have gone out of business. Stores are required to collect the recyclables when no center is provided, or pay a prescribed penalty to the regulating agency. Stores are evaluating whether to incur penalties, fund costs to maintain the centers, or collect the recyclables themselves.

GENERAL GOVERNMENT

PBCSD Spring/Summer Newsletter Topics

The Board received and reviewed the *Deputy General Manager Report* regarding potential articles for the District Spring/Summer newsletter. Director Froke suggested refreshing the awareness of the Fire-safe Garden.

Records Retention Schedule and Disposal of District Documents

The Board received and reviewed the *Deputy General Manager Report* regarding District records retention schedule.

MOTION 16-02-05

It was moved by Director McKee, seconded by Director Laska, and unanimously carried to adopt *Resolution No. 16-01* approving a records retention schedule and authorizing disposal of paper copies of certain District documents.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided a memo from the Local Agency Formation Commission (LAFCO) regarding a call for nominations of candidates for two special district seats on LAFCO due March 1, 2016. The District annual Fire Department Open House and Safety Day is scheduled for Saturday, June 25, 2016.

Director Verbanec provided a written report on the Monterey County Sheriff's Office town hall meeting held at the Lodge Conference Center on Wednesday, February 17th. The report was submitted as informational.

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

There were no reports or announcements from directors or staff.

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 11:54 a.m.

MOTION 16-02-06

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, March 25, 2016 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.

Mike Niccum, Board Secretary