

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of June 24, 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 June 24, 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

Marianna Pimentel, Senior Accountant

S. Cheri Rainwater-Polanzi, Executive Administrative Assistant

Mark Edria, Assistant Fire Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Buddy Bloxham, Operations Battalion Chief, CALFIRE

Mark Mancini, Fire Protection and Planning Chief, CAL FIRE

Charlotte Townsend, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Bob Hutchison, Board Director, Del Monte Forest Property Owners (DMFPO)

Bart Bruno, Board Director, DMFPO

Kamlesh Parikh, Board President, DMFPO

Dawn Mathes, Environ. & Governmental Affairs Director, Pebble Beach Company (PBC)

Cheryl Burrell, Planning Director, PBC

Jerry Verhasselt, Member, Open Space Advisory Committee

Hampton Stewart, Pebble Beach resident

James Richards, Pebble Beach resident

Vinod Badani, E2 Consulting Engineers

Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS

General Manager Niccum announced that Cheri Rainwater-Polanzi, Executive Administrative Assistant for the District for 4-1/2 years, was moving on to a new position with CSUMB effective next week. Ms. Rainwater-Polanzi thanked the board and staff for the wonderful time while serving the District.

There were no requested changes to the agenda.

MINUTES AND FINANCIAL MATTERS

MOTION 16-06-01

Moved by Director Laska, seconded by Director Froke, and unanimously carried to approve, as presented, the minutes of the regular board meeting held May 27, 2016.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for May 2016. Mr. Kilic summarized the report and there were no questions.

Check Register

The Board received and reviewed the *Check Register* for May 2016. Mr. Kilic responded to questions.

MOTION 16-06-02

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

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for May 15, 2016 – June 14, 2016. Battalion Chief Bloxham summarized the report. Property use statistics have been added to the report to show what type of structures or situations elicit fire department response during each reporting period. Chief Mancini summarized fire protection and planning efforts during the period. The goats that will be used for fire fuel reduction are expected to arrive around July 15.

Vegetative Management Services

The Board received and reviewed the *Staff Report* on vegetative management and fire road maintenance services. Chief Mancini and Mr. Niccum responded to questions.

MOTION 16-06-03

Moved by Director Verbanec, seconded by Director McKee, and unanimously carried to authorize General Manager to enter into an agreement with Bleck Fire Prevention and Excavation to provide vegetative management and fire road maintenance services for a cost not to exceed \$60,000.

FINANCIAL MATTERS

TIMED BUSINESS – CONCURRENT PUBLIC HEARINGS

Fiscal Year 2016-17 PBCSD Final Budget and Service Fees

The Board received and reviewed the Final Budget for Fiscal Year 2016-17, and Mr. Kilic gave a summary presentation and noted changes from the preliminary budget.

The amount budgeted for Operations and Maintenance (O&M) expenses is \$12,722,000 or 4.0% more than the previous year's budget.

The amount budgeted for Capital Outlays is \$8,307,000 which includes \$4,000,000 for undergrounding of overhead utilities, and \$2,939,000 for PBCSD's 1/3 share of CAWD wastewater treatment plant capital outlay expenses, mainly related to major plant renovation.

Mr. Kilic presented the proposed Fiscal Year 2016-17 garbage and sewer service fees, including changes from the prior year, the basis for the adjustments and comparisons to neighbor jurisdictions. Garbage service fees are proposed to increase by 7.6% which amounts to \$1.63 per month, from \$21.50 to \$23.13, for basic residential service. Sewer service fees are proposed to increase by 9.0% which amounts to \$1.45 per month, from \$16.15 to \$17.60, for residential units. There is no change proposed for the annual fire protection service assessment of \$51.20 and vacant lot assessment of \$25.60. Mr. Kilic answered questions from the Board.

President Gebhart opened the public hearings at 9:48 a.m. There were no comments, protests and/or requests for clarification regarding adoption of service charges and Final budget for Fiscal Year 2016-17 (7/1/16 through 6/30/17).

MOTION 16-06-04

Moved by Director Laska, seconded by Director Froke, and unanimously carried, to adopt the following resolutions:

***Resolution No. 16-09* approving service charges for sewer treatment and disposal, and garbage collection and disposal services; and a special tax for fire protection services within the District for the Fiscal Year 2016-17;**

***Resolution No. 16-10* certifying compliance with State law with respect to the levying of general and special taxes, assessments, and property-related fees and charges for Fiscal Year 2016-17;**

***Resolution No. 16-11* adopting the Final Budget for Fiscal Year 2016-17;**

Resolution No. 16-12 approving positions, classifications and pay schedule for Fiscal Year 2016-17;

Resolution No. 16-13 adopting the property tax appropriation limit for Fiscal Year 2016-17;

Resolution No. 16-14 modifying employer paid member contributions to CalPERS Retirement Plan; and

Resolution No. 16-15 establishing the District sewer connection, inspection, and permit fees for Fiscal Year 2016-17.

Mr. Kilic thanked District Accountant Marianna Pimentel, Principal Engineer Nick Becker, department heads, and the General Manager for their support and contributions in preparing the budget.

END OF TIMED BUSINESS

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for May 18 – June 16, 2016 prepared by Principal Engineer Becker. Currently, Forest Lake Reservoir water storage is 62% of capacity, commensurate with the 5-year average. In June, the CAWD treatment facility main feed line for the microfiltration/reverse osmosis system broke, causing a temporary decrease in production. There has also been an increase in irrigation demand in June compared to May due to warmer temperatures. On May 24th a Category 3 (200-400 gallon) sewer system overflow occurred apparently due to root intrusion along an old terra cotta clay pipe on Riata Road. One hundred gallons was contained, and appropriate reporting was filed with the State. The dry weather diversion facility at the Fourth Fairway of Pebble Beach Golf Links has been capturing for reclamation 15,500 gallons per day, down from 18,000 gallons per day as the dry season progresses, and the well at MPCC Dunes Fairway 9 is now capturing approximately 18,500 gallons per day, down from 20,000 gallons per day. Dewatering pumps at the CAWD facility digester construction area are being downsized as underground construction nears completion causing the amount of water being diverted to the treatment plant head works to scale down to less than 500,000 gallons/day.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Mr. Becker provided photographs and schematics of the Lodge Area Utility Improvement Project and the status of the various phases of the wet and dry utility work, and budget versus expenditures for the project to date. Mr.

Becker provided slides of the Holman Highway One/Highway 68 Roundabout project area, and the CAWD Wastewater Treatment Plant Rehabilitation Project.

Sewer Line Improvement Projects

The Board received and reviewed the *Engineering Report* recommending sewer line improvement projects at two locations. Mr. Becker reported on the current infrastructure work undertaken by the PBC for the 23 new residential lots located in three different areas; Area J (Spyglass Woods Drive), Area K (Stevenson Drive) and Area L (Indian Village). He said installation of an additional 350 feet of sewer main by the District in Area J would allow a large majority of wastewater flows to be diverted away from traversing a small seasonal creek and significantly reducing the risk of Category 1 sewer spills. Mr. Becker also recommended bathrooms at the Indian Village shelter be connected to the new sewer main being built by the PBC in Area L and to decommission the existing leach field that is in proximity to Seal Rock Creek.

MOTION 16-06-05

Moved by Director Laska, seconded by Director Froke, and unanimously carried, to authorize the General Manager to enter into a construction agreement with Monterey Peninsula Engineering for an amount not to exceed \$240,000 to complete sewer line improvement projects in the Spyglass Woods Drive neighborhood and at Indian Village; and to find that, due to the nature of the projects requiring immediate intervention, competitive bidding would be unavailing, would not produce an advantage, and the public would not be better served in competitively bidding this work.

CAWD Board Meeting

Director Gebhart attended the CAWD board meeting held June 23, 2016. A master annexation application submitted to Local Agency Formation Commission is scheduled for hearing on June 27, 2016. The expanded sphere of influence will provide homeowners in the Rancho Cañada, Quail Lodge, and Highlands areas that are currently on septic systems the opportunity to connect to the sewer system. The board adopted the Annual Budget for the Fiscal Year 2016-17. Sewer user fees will increase by 12.1% to \$53.93 per month for residential units. Sewer connection fees will increase by 4.3% to \$4,211.37, in line with the statewide average. Phase 1 construction of treatment plant improvements is at 44% completion. Change orders (less than 1% of the budget) have extended the project 40 days. The new estimated completion date is July 25, 2017.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska provided and reviewed written highlights of the meeting of the Monterey Regional Waste Management District (MRWMD) held on June 17, 2016.

GENERAL GOVERNMENT

Job Description for District Finance and Information Systems Coordinator

The Board received and reviewed the *Job Description* for the District Finance and Information Systems Coordinator position. Mr. Kilic responded to questions from the Board.

MOTION 16-06-06

It was moved by Director Verbanec, seconded by Director Froke, and unanimously carried to approve the job description for the District Finance and Information Systems Coordinator position as presented.

California Special Districts Association 2016 Board Election

MOTION 16-06-07

Moved by Director Laska, seconded by Director McKee, and unanimously carried to instruct the General Manager to cast a ballot for Sharon Rose to fill Coastal Network Seat B of the California Special Districts Association Board of Directors.

California Special Districts Association General Manager Leadership Summit

The Board received and reviewed the *General Manager Report* of the summit attended by Mr. Niccum June 12-14, 2016 at Squaw Valley.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided a letter of thanks from FIRESCOPE Communications Specialists Group for the District allowing the group to hold meetings in the board room.

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 Board President, 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 11:23 a.m.

MOTION 16-06-08

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, July 29, 2016 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary