

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 8, 2017
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 December 8, 2017. Board President Richard D. Verbanec 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

Nancy Kay Johnson, Senior Accountant

Marianna Pimentel, Senior Accountant

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

Mark Mancini, Fire Protection and Planning Chief, CAL FIRE

Josh Silveira, Captain, CAL FIRE

Ken White, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Jeff Fuller, Board Director, Del Monte Forest Property Owners (DMFPO)

Jerry Verhasselt, Pebble Beach resident

Vinod Badani, E2 Consulting Engineers

Autumn Rossi, Audit Partner, Hayashi Wayland

Therese Courtney, Senior Audit Manager, Hayashi Wayland

Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS

There were no appearances or requested changes to the agenda.

MINUTES AND FINANCIAL MATTERS

MOTION 17-12-01

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to approve, as presented, the minutes of the regular board meeting held October 27, 2017.

Statements of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for October 2017. Mr. Kilic summarized the report and highlighted some of the expenditures. There were no questions.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for October 2017. Mr. Kilic noted that some engineering/design elements of the following capital projects will be undertaken this fiscal year however the balance of the projects will be deferred to next fiscal year: Monterey County / Cal Fire Dispatch System Connection Project, (\$60,000 budget allocation); the 2017/18 Sewer Replacement Project (\$760,000 budget allocation); P-5 Generator (\$100,000 allocation); and Storage Tank Interior Rehabilitation (\$350,000 allocation). It is recommended that the noted deferred project funding be reallocated to the various unbudgeted projects that staff, later during this meeting, is seeking Board approval to carry out this fiscal year.

Check Register

The Board received and reviewed the *Check Register* for October 2017.

MOTION 17-12-02

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to approve the *Check Register* for October 2017.

PBCSD Comprehensive Annual Financial Report & Independent Audit Report

The Board received and reviewed the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2017. District staff, while preparing the statements, added comprehensive information not provided in previous years that allows application for the nationally recognized Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association. Mr. Kilic introduced Autumn Rossi and Therese Courtney with Hayashi Wayland, District's outside independent audit firm. Ms. Rossi gave an overview of the statements and report, noting there were no significant changes in accounting policies or practices, no unusual transactions or alternative treatments discussed with management, and no additional journal entries necessary. The District received an unqualified opinion, which is the highest level audit opinion. Mr. Kilic acknowledged and thanked Senior Accountants Nancy Johnson and Marianna Pimentel for their efficiency, hard work, and dedication in preparing the presented report. Mr. Kilic also thanked the Board and General Manager for their support of the process. The document, filed with the County Auditor, will be available on the PBCSD website for public viewing.

MOTION 17-12-03

Moved by Director Gebhart, seconded by Director Froke, and unanimously carried to receive the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2017.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending September 30, 2017. Mr. Kilic reported the yield for the quarter was 1.25%, 3 basis points higher than the previous quarter. For comparison, the yield of the State Local Agency Investment Fund was 1.03%.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for October 15, 2017 – November 14, 2017; Chief Mancini and Chief Edria gave highlights and an update on CAL FIRE response to the southern California fires.

Purchase Self Contained Breathing Apparatus (SCBA)

The Board received and reviewed the *Fire Department Staff Report* requesting purchase of self contained breath apparatus for Fire Department personnel. Station Captain/Truck Operations Lead, Josh Silveira displayed the units and provided detailed specifications for the Board. The Fire Department budget includes an allocation of \$169,000 for 20 units. Seven additional SCBA units are being requested to be purchased to equip reserve fire engines. Unspent capital funds may be used for the balance of the purchase that is over budget and no budget adjustment is requested.

MOTION 17-12-04

Moved by Director McKee, seconded by Director Froke, and unanimously carried to authorize the purchase of 27 MSA G-1 Self Contained Breathing Apparatus (SCBAs) and spare cylinders for a cost not to exceed \$190,000.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for October 17, 2017 – November 27, 2017 provided by Principal Engineer Becker. Currently, Forest Lake Reservoir water storage is 40% of capacity, above the 5-year average. Mr. Becker responded to questions.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Mr. Becker reported that AT&T's estimated completion of Undergrounding Overhead Utilities Phase 1 Project utility conversion is now January 2018 instead of December 2017. CAWD Capital Improvement Project is estimated to be completed in mid-December with minimal change orders. The smaller scale Lodge Area Sewer Improvement Project is complete. Slides were presented by Assistant Engineer, Justin Ferron of Pump Station P3 Rehabilitation Project construction.

Forest Lake Engineering Services

The Board received and reviewed the *Engineering Report* and *Resolution No. 17-19* regarding engineering services for Forest Lake Reservoir improvements. The current budget can absorb the \$75,000 unbudgeted expense for engineering services as noted by Mr. Kilic during the Cash Basis Budget Report.

MOTION 17-12-05

Moved by Director Laska, seconded by Director McKee, and unanimously carried to adopt *Resolution 17-19* approving Project Assignment No. 35 to the Master Agreement with E2 Consulting Engineers, Inc. to provide engineering services for Forest Lake Reservoir improvements with a budget not to exceed \$75,000.

Supervisory Control and Data Acquisition (SCADA) System Evaluation

The Board received and reviewed the *Engineering Report* and *Resolution No. 17-20* regarding SCADA System evaluation. The current budget can absorb the \$125,000 unbudgeted expense for this evaluation as noted by Mr. Kilic during the Cash Basis Budget Report.

MOTION 17-12-06

Moved by Director Froke, seconded by Director Laska, and unanimously carried to adopt *Resolution 17-20* approving Project Assignment No.36 to the Master Agreement with E2 Consulting Engineers, Inc. to provide engineering services for the evaluation of the District's SCADA System with a budget not to exceed \$125,000.

Wastewater Reclamation Management Committee Meeting November 9, 2017

The Board received and reviewed the *Engineering Report*. The next meeting will be held Wednesday, February 14, 2018 at 9:30 a.m.

CAWD Board Meeting

Director Laska attended the CAWD board meeting held December 7, 2017. A consultant's report on administrative and engineering staffing needs was received. A new maintenance supervisor has been hired. A ribbon cutting and open house is tentatively planned for January 11, 2018 at 11:00 a.m. to celebrate the completion of the first phase of treatment plant improvements.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

The Board received *Highlights* on the meeting of the Monterey Regional Waste Management District held November 17, 2017 attended by Director Laska.

LAW ENFORCEMENT

DMFPO Roads and Traffic Committee Meeting

The Board received the November 16, 2017 DMFPO Roads and Traffic Committee meeting packet attended by Mr. Niccum, who gave a brief recap.

GENERAL GOVERNMENT

PBCSD Safety Committee Meeting

The Board received and reviewed the *Minutes* of the November 16, 2017 Safety Committee meeting provided by Principal Engineer/Safety Officer, Nick Becker.

Schedule of 2018 Conferences and Symposiums

The Fire Districts Association of California, the California Association of Sanitation Agencies, and the WasteReuse Association will hold their 2018 annual conferences in Monterey. Directors may contact the PBCSD office if interested in attending.

2018 Calendar of Board Meetings

The Board received the 2018 Calendar of Board Meetings.

Election of District Officers

The Board received and reviewed the corresponding *General Manager Report*.

MOTION 17-12-07

It was moved by Director Laska, seconded by Director Gebhart, and carried 5-0, to adopt *Resolution 17-21* electing Board President Richard D. Verbanec, Vice President Peter D. McKee, General Manager Mike Niccum to serve as District Secretary, and Deputy General Manager Suha Kilic to serve as District Secretary Pro-Tem and Treasurer, for the 2018 calendar year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum reported the employee appreciation holiday party is planned for Thursday, December 19th. He thanked staff for putting up holiday decorations and the Board Room Christmas tree.

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.

CLOSED SESSION

The president convened closed session of the Board at 11:52 a.m. The Board reconvened open session at 12:25 p.m. Legal Counsel announced that the Board conducted its annual performance evaluations of the General Manager and Legal Counsel. Mr. Niccum provided a listing of 2017 District achievements and 2018 District goals in preparation.

MOTION 17-12-08

It was moved by Director Laska, seconded by Director Froke, and unanimously carried, to approve a 5.1% increase in the General Manager salary per year effective July 1, 2017 and to increase the retainer for Legal Counsel from \$2,250 to \$2,400 per month.

ADJOURNMENT

There being no further business a motion was made to adjourn at 12:30 p.m.

MOTION 17-12-09

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, January 26, 2018 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary