

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of April 28, 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 April 28, 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

Marianna Pimentel, Senior Accountant

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

Nate Armstrong, Battalion Chief, CAL FIRE

George Nunez, Battalion Chief, CAL FIRE

Mark Mancini, Fire Prevention Battalion Chief, CAL FIRE

Robert Siegfried, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Cheryl Burrell, Planning Manager, Pebble Beach Company (PBC)

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

Jerry Verhasselt, Pebble Beach resident

Hampton Stewart, Pebble Beach resident

Vinod Badani, E2 Consulting Engineers

Sgt. Chris Pia, California Highway Patrol

Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS

Item 15 Law Enforcement Status Report will be taken up once Sgt. Pia arrives.

MINUTES AND FINANCIAL MATTERS

MOTION 17-04-01

Moved by Director Gebhart, seconded by Director Froke, and unanimously carried to approve, as presented, the minutes of the regular board meeting held March 31, 2017.

Statements of Receipts and Disbursements

The Board received and reviewed the *Statements of Receipts and Disbursements* for March 2017. Mr. Kilic summarized the report and responded to questions.

Check Register

The Board received and reviewed the *Check Register* for March 2017. Mr. Kilic gave details and responded to questions.

MOTION 17-04-02

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

PBCSD Preliminary Budget Fiscal Year 2017-18 and Set Budget Hearing

The Board received and reviewed the PBCSD 2017-18 Preliminary Budget and Deputy General Manager/CFO Kilic gave a presentation summarizing the proposed budget.

Estimated revenue of \$15,460,000, excluding Reclamation Project reimbursements, is 6.4% higher than prior year. Sewer user fees are proposed to increase by 8.0% or \$1.40 per month from \$17.60 to \$19.00 for residential units effective July 1, 2017. The adjustment will help pay PBCSD share of CAWD Wastewater Treatment Plant Rehabilitation Project capital costs. The fees for garbage and recyclable material collection services are proposed to increase by 3.7% also effective July 1st, equivalent to \$0.86 per month from \$23.13 to \$23.99 for basic residential services. The increase is due to the annual adjustment based on the changes on CPI, Labor and Fuel indexes (2.6% or \$0.61) and landfill tipping fee increase (1.1% or \$0.25).

Operations & Maintenance (O&M) expenses increased by 6.4% to \$13,044,000 including \$620,000 in contingency for unforeseen emergency expenses and excluding \$614,000 for recycled water distribution system O&M expenses that will be reimbursed by the Reclamation Project. Total budgeted expenses, including capital outlays, reserve contributions and carryover appropriations are \$21,557,000.

A notice will be mailed to District property owners setting a public hearing for the adoption of the final budget and user fees at the June Board meeting. There were no comments from the public. Mr. Kilic recognized Senior Accountants Marianna Pimentel for diligently preparing the proposed budget and Nancy Johnson for effectively covering day-to-day accounting activities.

MOTION 17-04-03

Moved by Director McKee, seconded by Director Gebhart, and unanimously carried to adopt *Resolution No. 17-03* approving the Preliminary Budget for fiscal year 2017-18 and setting Final Budget Hearing on June 30, 2017 at 9:40 a.m.

LAW ENFORCEMENT

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, 2017. Sgt. Pia reported that extra patrol by CHP after Food and Wine event hours proved productive in stopping intoxicated drivers. The CHP has a new commander as of June 1, 2017: Captain Kelly Cardoza who will be introduced to the "Every 15 Minute" program in local high schools.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for March 15, 2017 – April 14, 2017. Captain Armstrong reported that, subsequent to the Comcast cable box fire included in this period's report, crews responded to a residential PG&E vault and meter fire that was contained. Chief Edria noted that stations will be fully staffed on May 8th, and peak fire season is anticipated to begin mid-June. Chief Armstrong introduced Battalion Chief George Nunez who will serve as emergency medical services coordinator.

Chief Mancini reported the goats are expected in May for six to seven weeks. Crews have cleared Fire Road 12 to Fire Road 16, and are now working on Fire Road 8. The 2017 PBCSD Open House and Safety Day will be held Saturday, June 24 from 10:00am to 2:00pm.

Environmental Review Consulting Services for Fire Defense Plan Update

The Board received and reviewed the *General Manager Report* on Fire Defense Plan Environmental Consulting for an update to the District's Fire Defense Plan to incorporate approximately 635 acres designated as permanent open spaces.

MOTION 17-04-04

Moved by Director Laska, seconded by Director Gebhart, and unanimously carried to authorize General Manager to enter into agreement with EMC Planning for consulting environmental services required for Fire Defense Plans for PBCSD, Cypress and Carmel Highlands Fire Protection Districts with a cost not to exceed \$50,000.

Vegetative Management Services

The Board received and reviewed the *Staff Report* on vegetative management and fire road maintenance services.

MOTION 17-04-05

Moved by Director Froke, seconded by Director Laska, and unanimously carried to **authorize General Manager to continue contract agreement with Bleck Fire Prevention and Excavation to provide vegetative management and fire road maintenance services for a cost not to exceed \$60,000,**

and

authorize General Manager to continue contract agreement with Goats R Us to provide vegetative management services. The total cost for services in the project agreement will be \$28,000 for a 6-week period; additional time will cost \$3,700 a week for a total not to exceed \$60,000.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for March 22, 2017 – April 19, 2017 prepared by Principal Engineer Becker, who gave highlights of the report. Currently, Forest Lake Reservoir water storage is at 99% of capacity. All three additional source water projects are now on line with approximately 60,000 gallons per day anticipated.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Mr. Becker reviewed the report and provided slides. The Undergrounding Overhead Utilities Project Phase IIA/B trench work along 17 Mile Drive from Forest Lake Road to Crespi Lane was completed two weeks ahead of schedule.

Proposed Treatment Charge for Additional Sources of Recycled Water

The Board received and reviewed the *General Manager Report* that included three treatment fee options. The board directed staff to proceed with option #1 currently factored in the District budget, and to seek both Technical Advisory Committee and Reclamation Management Committee input in the matter.

CAWD Board Meeting

Director McKee attended the CAWD board meeting held April 27, 2017. The reverse osmosis upgrade and maintenance performed during treatment plant wet weather idle time have been very effective and productive. The cell two Carter Lake membranes were replaced with another set of used Carter Lake membranes. The MF/RO improvement project has improved the recovery ratio of recycled water to wastewater inflow from 75% to 85% and is projected to increase recycled water production by 100,000 gallons per day.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

The Board received a *Memorandum* on the highlights of the meeting of the Monterey Regional Waste Management District held on April 21, 2017 and Director Laska responded to questions.

GENERAL GOVERNMENT

Meeting of the Special Districts Association of Monterey County

The Board received and reviewed the *General Manager Report* of the Special Districts Association meeting held April 18, 2017, attended by Directors Verbanec and Froke.

Fire Districts Association of California Conference

The Board received and reviewed the *General Manager Report* of the Fire Districts Association Conference held April 5-7, 2017, attended by General Manager Niccum and Fire Chief Brennan Blue. Staff responded to questions regarding the SRA fee, and noted that a policy will be presented to the board in the next few months for responding to requests for public information on personal electronic devices, which are now allowed due to a recent California Supreme Court ruling.

PBCSD Safety Committee Meeting

The Board received and reviewed the minutes of the April 18, 2017 Safety Committee meeting prepared by Principal Engineer and Safety Officer, Nick Becker covering the period January 13 through April 18, 2017. Director Froke expressed a safety concern regarding a residence on Indian Village Road that has a cable three feet back from the street at ankle height fastened to boulders on each end.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided correspondence from Public Water Now in directors' in-boxes. For board consideration at next month's meeting will be Phase II undergrounding of overhead utilities project private residence connections. Additionally, Pebble Beach Company staff may request a fee reduction for PBC Inclusionary Housing Project sewer connections.

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

The next CAWD board meeting is scheduled for Thursday, May 25, 2017 at 9:00 a.m.

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 11:51 a.m.

MOTION 17-04-06

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, May 26, 2017 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary