

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Regular Meeting of June 30, 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 June 30, 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, and Richard D. Verbanec

**Absent:** Director Peter B. McKee

**Others Present**

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/CFO

Rob Wellington, Legal Counsel

Nick Becker, Principal Engineer

Nancy Johnson, Senior Accountant

Nijesh Sthapit, Finance & Information Systems Coordinator

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

Buddy Bloxham, Operations Battalion Chief, CAL FIRE

Mark Mancini, Fire Protection and Planning Chief, CAL FIRE

Michael Rachel, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

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

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

Jerry Verhasselt, Pebble Beach resident

Dennis Sullivan, Pebble Beach resident

Brooke Phayer, Pebble Beach resident

Hampton Stewart, Pebble Beach resident

Laura Dadiw, Board Clerk

**APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS**

There were no requested appearances or changes to the agenda.

**MINUTES AND FINANCIAL MATTERS**

**MOTION 17-06-01**

**Moved by Director Gebhart, seconded by Director Froke, and unanimously carried to approve, as presented, the minutes of the regular board meeting held May 26, 2017.**

### **Statements of Receipts and Disbursements**

The Board received and reviewed the *Statements of Receipts and Disbursements* for May 2017. Mr. Kilic summarized the report.

### **Check Register**

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

### **MOTION 17-06-02**

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

### **FIRE DEPARTMENT**

#### **Fire Chief's Monthly Report**

The Board received and reviewed the *Monthly Fire Department Activity Report* for May 15, 2017 – June 14, 2017 and Operations Battalion Chief Bloxham summarized the report. Chief Mancini reported an increased use of the pharmaceuticals disposal kiosk in the fire prevention office. The 2017 PBCSD Open House and Safety Day on June 24<sup>th</sup> served approximately 850 people; Mr. Niccum thanked Chief Mancini and Michelle Warren for organizing and executing the event.

### **FINANCIAL MATTERS**

#### **TIMED BUSINESS - PUBLIC HEARING**

#### **FISCAL YEAR 2017-18 PBCSD FINAL BUDGET AND SERVICE FEES**

The Board received and reviewed the Final Budget for Fiscal Year 2017-18. Mr. Kilic reported that following the adoption of the preliminary budget, a summary of the user fees and the proposed budget has been mailed to property owners and a budget hearing notice has been published in the Pine Cone according to the timelines specified in the State Law. He gave a summary presentation and noted changes from the preliminary budget. The expenditures have been reduced by \$1,076,000 from \$21,557,000 to \$20,481,000 in the final budget. There are no changes in the Operating (O&M) expenditures of \$13,658,000. Majority of the changes are the reductions in the amounts carried over from the prior year for various capital outlays and construction projects. Those reductions are mainly a result of the progress payments made since the adoption of the preliminary budget and have no impact on the District's financial position. The property tax revenue has been increased by \$253,000, from \$12,947,000 to \$13,200,000 which will offset the \$100,000 increase in CAWD Treatment Plant capital outlays (from \$1,900,000 to \$2,000,000) and allow a \$153,000 contribution to District Capital Outlay Reserves (from \$0 to \$153,000).

Mr. Kilic presented the proposed Fiscal Year 2017-18 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 3.7% amounting to \$0.86 per month, from \$23.13 to \$23.99, for basic residential service. Sewer user fees are proposed to increase by 8.0% amounting to \$1.40 per month, from \$17.60 to \$19.00 for residential units. There is no change proposed for the annual single family residential fire protection service assessment of \$51.20 and vacant lot assessment of \$25.60.

President Verbanec opened the public hearing at 10:19 a.m. There were no comments, protests and/or requests for clarification regarding adoption of service charges, and the hearing was closed.

**MOTION 17-06-03**

**Moved by Director Laska, seconded by Director Gebhart, and unanimously carried, to adopt *Resolution No. 17-07* 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 2017-18.**

There were no public comments received regarding the Final Budget for Fiscal Year 2017-18 (7/1/17 through 6/30/18).

Mr. Kilic presented background information and purposes of resolutions 17-08 through 17-13.

**MOTION 17-06-04**

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

***Resolution No. 17-08* 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 2017-18;**

***Resolution No. 17-09* adopting the Final Budget for Fiscal Year 2017-18;**

***Resolution No. 17-10* approving positions, classifications and pay schedule for Fiscal Year 2017-18;**

***Resolution No. 17-11* adopting the property tax appropriation limit for Fiscal Year 2017-18;**

***Resolution No. 17-12* modifying employer paid member contributions to CalPERS Retirement Plan; and**

**Resolution No. 17-13 establishing the District sewer connection, inspection, and permit fees for Fiscal Year 2017-18.**

Mr. Kilic thanked District Senior Accountant Nancy Johnson who was instrumental in preparing the budget documents, and thanked Nijesh Sthapit for his supporting role. Mr. Kilic also acknowledged Senior Accountant Marianna Pimentel who is on maternity leave after the birth of her daughter Emilia Anahi on June 26<sup>th</sup>.

**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, 2017 – June 20, 2017 prepared by Principal Engineer Becker, who gave highlights of the report. Currently, Forest Lake Reservoir water storage is at 64% of capacity. Charts summarizing monthly alternative reclamation source water flows are now being provided. Approximately 4 million gallons have been produced from the three projects year-to-date.

**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. He noted that AT&T trucks have been seen in the Phase IC Undergrounding Overhead Utilities project area with crews splicing the 1,800-pair cable bundles at project junction boxes.

**Engineering Services for Lodge Area Sewer Improvement Project (LASIP)**

The Board received and reviewed the *Engineering Report* on the item and Mr. Becker gave highlights. Project assignment No. 33 will be funded from the FY2017/18 Sewer Replacement Project budget allocation of \$760,000.

**MOTION 17-06-05**

**Moved by Director Laska, seconded by Director Gebhart, and unanimously carried to adopt *Resolution 17-14* approving Project Assignment No. 33 to the Master Agreement with E2 Consulting Engineers, Inc. to provide engineering services required for the Lodge Area Sewer Improvement Project with a budget not to exceed \$35,000.**

**Reject Sole Bid for Lodge Area Sewer Improvement Project (LASIP)**

The Board received and reviewed the *Engineering Report* on LASIP construction. The lowest responsive bid submittal from Monterey Peninsula Engineering is approximately 67% higher than the Engineer's Estimate price of \$250,000. Mr. Becker felt refining the project design could reduce costs.

**MOTION 17-06-06**

**Moved by Director Laska, seconded by Director Froke, and unanimously carried to reject the sole bid received for the construction of the Lodge Area Sewer Improvement Project from Monterey Peninsula Engineering and direct staff to negotiate with qualified contractors to secure a construction contract.**

**Engineering Services for Undergrounding Overhead Utilities Projects**

The Board received and reviewed the *Engineering Report* regarding Undergrounding Overhead Utilities, Phase II. Mr. Niccum noted that District engineering staff performed significant work on project management resulting in a ratio of engineering services to project construction costs of 7%, which is well below the industry standard.

**MOTION 17-06-07**

**Moved by Director Laska, seconded by Director Froke, and unanimously carried to adopt *Resolution 17-15* approving Contract Amendment No. 3 to the agreement with Wallace Group to provide engineering support services required to complete the Undergrounding Overhead Utilities Phase II Project for an amount not to exceed \$60,000.**

**Septic Tank System Replacement Project at Cypress Point Golf Club**

The Board received and reviewed the *Engineering Report* regarding Cypress Point Golf Club septic to sewer conversion project to eliminate its septic tank and leach field. Mr. Phayer addressed the board, expressing his hesitancy for the District to fund improvements for a private golf course. Mr. Niccum noted the District does not have the authority to require Cypress Point to abandon the septic tank system and connect to the District collection system. Eliminating the risk of septic tank system failure adjacent to the sensitive habitat of Fan Shell Creek and Beach will provide a significant public benefit. Additionally, the golf club has been paying sewer fees for many years and is willing to participate in funding the project at a level equal to repairing the existing septic system.

**MOTION 17-06-08**

**Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to authorize the General Manager to reimburse Cypress Point Golf Club an amount not to exceed \$40,000 for the Cypress Point Septic to Sewer Conversion Project.**

**CAWD Board Meeting**

Director Laska attended the CAWD board meeting held June 22, 2017. The District 2017/18 budget was approved.

## **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 June 23, 2017.

Mr. Niccum noted that Principal Engineer Guy Petraborg received a Clean Air Leader Award from the Monterey Bay Air Resources District and is performing exemplary work for the District. The August MRWMD Board meeting was canceled.

The PBCSD Household Hazardous Waste and e-Waste Collection Event will be held Saturday, September 23, 2017.

## **MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

### **Oral reports from General Manager**

General Manager Niccum announced that the District annual picnic for employees and their families will be held July 21<sup>st</sup> with all board members welcome. District staff determined reduced sewer fees for the PBC Area D affordable housing development are not an option due to Proposition 218 restrictions and Pebble Beach Company agreed to withdraw a request for reduced sewer fees. The District will be contributing articles to Cypress Magazine.

### **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 board discussed the option of canceling its August meeting, with final determination to be made at the July board meeting.

## **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 11:40 a.m.

### **MOTION 17-06-09**

**M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, July 28, 2017 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.**



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**Mike Niccum, Board Secretary**