

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of April 27, 2018
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 27, 2018. 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
Marianna Pimentel, Senior Accountant
Nick Becker, Principal Engineer
Justin Ferron, Assistant Engineer
Brennan Blue, Unit Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)
Mark Edria, Assistant Fire Chief, CAL FIRE
Buddy Bloxham, Battalion Chief, CAL FIRE
Mark Mancini, Fire Protection and Planning Chief, CAL FIRE
Dawn Mathes, Environmental/Governmental Affairs, Pebble Beach Company (PBC)
Charlotte Townsend, 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
Hampton Stewart, Pebble Beach resident
Vinod Badani, E2 Consulting Engineers
Sergeant Chris Pia, California Highway Patrol (CHP)
David Hodgin, Executive Committee Member, Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)
Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS

Mr. David Hodgin, Executive Committee Member, ACWA/JPIA presented a check in the amount of \$21,263.53 to the PBCSD Board of Directors. ACWA/JPIA is self-insurance program for government agencies. Surplus in liability and workers' compensation insurance premiums paid is being returned to the District as a result of staff effectively managing risk.

General Manager Niccum announced that Item 14, Project Assignment No. 38 with E-2 Consulting Engineers related to Forest Lake Reservoir pump station rehabilitation is postponed until the May board meeting, after the Reclamation Management Committee meeting is held on May 9th.

There was Board consensus to move Law Enforcement Items 9 and 10 next on the agenda.

LAW ENFORCEMENT

Traffic Enforcement Status Report

The Board received and reviewed the *Deputy General Manager Report* regarding the Supplemental Traffic Enforcement Program status for quarter ending March 31, 2018. Sgt. Pia reported on the half marathon held during the reporting period, noting it was well organized with no incidents to report. The AT&T Pro-am had only minor incidents involving golf carts. Scheduling of CHP during most hours of the Food and Wine event proved effective with no significant issues to report. No significant incidents occurred during routine patrol of the Forest during the period. Collisions in the Roundabout, primarily eastbound from Pacific Grove, are being monitored and deterrents such as better signage may be considered.

California Highway Patrol Agreement Amendment Extending to June 30, 2019

The Board reviewed *Resolution No. 18-04* and the Agreement with CHP extending current services to June 30, 2019 with a cost increase of \$10,000, from \$205,000 to 215,000.

MOTION 18-04-01

Moved by Director Gebhart, seconded by Director Laska, and unanimously carried to adopt *Resolution No. 18-04* approving and authorizing execution of an amendment to the contract with California Highway Patrol to extend the supplemental law enforcement services to June 30, 2019.

MINUTES AND FINANCIAL MATTERS

MOTION 18-04-02

Moved by Director Gebhart, seconded by Director Laska, and unanimously carried to approve, as presented, the minutes of the regular board meeting held March 30, 2018.

Statements of Receipts and Disbursements

The Board received and reviewed the *Statements of Receipts and Disbursements* for March 2018. Mr. Kilic summarized the report.

Check Register

The Board received and reviewed the *Check Register* for March 2018.

MOTION 18-04-03

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to approve the *Check Register* for March 2018.

PBCSD Preliminary Budget Fiscal Year 2018-19 and Set Budget Hearing

The Board received and reviewed the PBCSD 2018-19 Preliminary Budget and Deputy General Manager/CFO Kilic gave a presentation.

Estimated revenue of \$16,500,000, excluding Reclamation Project reimbursements, is 5.0% higher than prior year. Sewer user fees are proposed to increase by 8.5% or \$1.62 per month from \$19.00 to \$20.62 for residential units effective July 1, 2018. Mission Linen Company located outside Pacific Grove gate and connected to District sewer system closed its operations in January 2018 resulting in an \$86,000 annual revenue loss to the District. The rate 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 2.9% also effective July 1, equivalent to \$0.70 per month from \$23.99 to \$24.69 for basic residential services. The 11% increase in landfill tipping fees was offset by a deduction amounting to \$100,000 for debris box volume being removed from solid waste tonnage used in calculations. The rate increase is based on changes in CPI, labor and fuel indexes, and a 1% increase in franchise fees (from 5% to 6%) which will provide approximately \$20,000 annual revenue to help finance special services such as household hazardous waste collection and zero waste programs during Pebble Beach events.

Operations & Maintenance (O&M) expenses increased by 4.7% to \$13,660,000 including \$650,000 in contingency for unforeseen emergency expenses and excluding \$500,000 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 \$25,435,000.

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 Accountant Marianna Pimentel for her work in preparing the proposed budget and thanked District department heads for their contributions.

MOTION 18-04-04

Moved by Director Laska, seconded by Director Gebhart, and unanimously carried to adopt *Resolution No. 18-03* approving the Preliminary Budget for fiscal year 2018-19 and setting Final Budget Hearing on June 29, 2018 at 9:40 a.m.

FIRE DEPARTMENT

Fire Chief's Monthly Report

Assistant Chief Edria will be moving into the position of Administrative Division Chief left vacant by Dennis Carreiro's transfer to San Luis Obispo. Mr. Niccum thanked Chief Edria for his efforts and contributions during his time with the PBCSD Fire Department.

The Board received and reviewed the *Monthly Fire Department Activity Report* for March 15, 2018 – April 14, 2018 and Chief Bloxham gave highlights. Chief Mancini reviewed fire prevention and planning efforts during the period.

2018 Pebble Beach Fuel Reduction Projects

The Board received and reviewed the *Fire Department Staff Report* regarding 2018 Pebble Beach fuel reduction projects and request for authorization of project agreement amendments for 2018 vegetative management services. A "fuels ride" for interested directors to view project areas will be conducted Tuesday, May 1 at 10:00 am beginning at the Corporation Yard.

MOTION 18-04-05

Moved by Director Gebhart, seconded by Director McKee, and unanimously carried to approve agreements with Bleck Fire Prevention & Excavation and Goats R Us for 2018 fire hazard abatement services, with a total authorized budget limit of \$100,000.

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 21, 2018 – April 18, 2018 provided by Principal Engineer Becker. Forest Lake Reservoir water storage is currently 98% of capacity. Irrigation season has begun. Alternative source water well production commenced again April 25, having been activated January through February and shut off March through April 24. Staff responded to questions regarding the closure of Mission Laundry resulting in the loss of wastewater flows of approximately 20,000 gallons per day.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects and Mr. Becker provided slides. Mr. Niccum advised that PG&E did not cover its costs in performing Phase I of the Undergrounding Overhead Utilities Program therefore estimates for the next phase are higher than anticipated. The Recycled Water Transmission Main Cathodic Protection Project will be pushed to next year.

Authorize Emergency Repairs for Forest Lake Reservoir Pump Station

The Board received and reviewed the *Engineering Report* on the emergency bypass installation at Forest Lake Reservoir. Mr. Becker gave details of the repairs and provided photographs. An increase to the FY2017/18 reclamation budget will not be required as unspent capital allocations in the current budget can absorb the \$85,000 expense. Mr. Niccum commended Engineers Becker and Ferron for their work coordinating the challenging repairs.

MOTION 18-04-06

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to retroactively ratify the General Manager entering into a time and material contract with Graniterock and continuing with the installation of emergency bypass system at Forest Lake Reservoir for a total project cost not to exceed \$85,000.

Engineering Services Related to Forest Lake Reservoir Pump Station Rehabilitation Project

This item was postponed to the May board meeting subsequent to the Reclamation Management Committee meeting on May 9.

Purchase of Maintenance Department Utility Truck with Service Body/Crane

The Board received and reviewed the *Engineering Report* on purchase of a Maintenance Department Utility Truck (PB-4). The lead time for delivery of the truck is three to four months. The truck being replaced will be sold as surplus.

MOTION 18-04-07

Moved by Director Gebhart, seconded by Director Laska, and unanimously carried to adopt *Resolution 18-06* authorizing the General Manager to purchase a maintenance department utility truck (PB-4) for a cost not to exceed \$75,000.

CAWD Board Meeting

Director McKee attended the CAWD board meeting held April 26, 2018. The Board heard a status report on the lengthy update of the Sanitary Sewer Master Plan involving potential connection of ten additional collection system areas totaling approximately 1,000 residences. Part-time employee benefits were also discussed.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska gave highlights of the meeting of the Monterey Regional Waste Management District held on April 20, 2018. Discussions centered around preparation of the 2018/19 preliminary budget and related capital needs.

GENERAL GOVERNMENT

PBCSD Election on November 6, 2018

The Board received and reviewed the *General Manager Report* on the November 6, 2018 General District Election. *Resolution No. 18-07* sets the maximum length of candidate statements at 400 words and provides for District payment of costs.

MOTION 18-04-08

Moved by Director Laska, seconded by Director Verbanec, and carried (4-0-1) with Director Froke outside the room to adopt *Resolution 18-07* calling for a general district election within PBCSD on November 6, 2018 to elect two Directors to four-year terms of office.

Meeting of the Special Districts Association of Monterey County

The Board received and reviewed the *General Manager Report* on the April 17, 2018 Special Districts Association Meeting. Director Froke gave highlights.

Information Technology Services Three-Year Agreement

The Board received and reviewed the *Deputy General Manager Report* on District information technology services contract.

MOTION 18-04-09

Moved by Director Laska, seconded by Director McKee, and carried (4-0-1) with Director Froke outside the room to authorize a three-year agreement with Monterey Bay Technologies Inc. to provide information technology services.

Local Agency Formation Commission (LAFCO) Election

The Board received and reviewed the ballot materials and candidate nomination forms for election of one independent special district alternate member.

MOTION 18-04-10

It was moved by Director Froke, seconded by Director McKee, and unanimously carried to instruct the General Manager to cast a ballot for Graig Stephens to serve as Special District Alternate Member.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided copies of the latest PBCSD newsletter recently distributed.

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

Director Verbanec will be in attendance at the RMC meeting on May 9, however will not be in attendance at the May board meeting.

CLOSED SESSION

The president convened closed session of the Board at 12:00 p.m. The Board reconvened open session at 12:40 p.m. Legal Counsel reported the Board received information on a potential legal action and no reportable action taken.

ADJOURNMENT

There being no further business a motion was made to adjourn at 12:45 p.m.

MOTION 18-04-11

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, May 25, 2018 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary