

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of September 28, 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 September 28, 2018. Board President Richard D. Verbanec called the meeting to order at 9:30 a.m.

ROLL CALL

Present: Directors Richard D. Verbanec, President, Jeffrey B. Froke, Director
Richard B. Gebhart, Leo M. Laska, and Peter B. McKee, Vice President

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
Brennan Blue, Unit Chief (Retired), CAL FIRE San Benito-Monterey Unit (CAL FIRE)
Buddy Bloxham, Battalion Chief, CAL FIRE
Reno DiTullio, Jr., Division Chief, CAL FIRE
George Nunez, Battalion Chief, CAL FIRE
Mark Mancini, Fire Prevention Battalion Chief, CAL FIRE
Dawn Mathes, Environmental/Governmental Affairs, Pebble Beach Company (PBC)
Shawn Casey, Vice President, Resource Management, PBC
Cheryl Burrell, Project Manager, 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)
Hampton Stewart, Pebble Beach resident
Vinod Badani, E2 Consulting Engineers
Jennifer Meza, Public Agency Retirement Services (PARS)
Laura Dadiw, Board Clerk

APPEARANCES AND ORDER OF BUSINESS AND ANNOUNCEMENTS

The Board presented previously adopted *Resolution No. 18-21* citing meritorious services and expressing appreciation to Brennan Blue, officially retired on June 30, 2018 as Chief of the CAL FIRE San Benito-Monterey Unit.

The Board concurred to move item 19 after the conclusion of item 9.

MINUTES AND FINANCIAL MATTERS

MOTION 18-09-01

Moved by Director Froke, seconded by Director Laska, and unanimously carried to approve, as presented, the minutes of the regular board meeting held July 27, 2018.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statements of Receipts and Disbursements* for July and August 2018. Mr. Kilic summarized July-August receipts and disbursements and detailed certain fiscal year ended 2017/18 revenue and expenditures.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for August 2018.

Check Register

The Board received and reviewed the *Check Registers* for July and August 2018 and Mr. Kilic responded to questions.

MOTION 18-09-02

Moved by Director Laska, seconded by Director Gebhart, and unanimously carried to approve the *Check Registers* for July and August 2018.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending June 30, 2018. Mr. Kilic reported the yield for the quarter was 1.6%, about quarter percent higher than the previous quarter. For comparison, the yield of the State Local Agency Investment Fund was 1.4%, and the one-year treasury and agency yield was 2.4%. The investment portfolio was in compliance with the provisions of the State law and County Investment policy.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for July 15, 2018 – September 14, 2018. Chief Bloxham added to the report response to a vehicle versus bicycle collision on September 22 at Alvarado Lane and Riata Road with the cyclist transported to Natividad hospital in Salinas. Planning is underway with Monterey County Sheriff's Office for the 2019 US Open.

Incident command will be located at Collins Field instead of the PBCSD building. Director McKee requested that, going forward, an ongoing list of fire causes at the conclusion of investigations be included in the monthly staff report.

Mr. Niccum gave a summary of the developing vegetative management initiative between PBCSD/CAL FIRE, PBC, and OSAC to address the accumulation of down and dead standing trees in the last five years due to the drought. The annual Zombie Run and Emergency Preparedness Fair is scheduled for Saturday, October 27, 2018.

Thermal Imaging Cameras for District Fire Department Engines

The Board received and reviewed the *Staff Report* regarding purchase of thermal imaging cameras. For board reference, Chief Bloxham provided a currently used camera of the same make as those proposed to be purchased.

MOTION 18-09-03

Moved by Director Froke, seconded by Director McKee, and unanimously carried to approve the purchase of three (3) replacements and one (1) additional thermal imaging camera in an amount not to exceed \$38,000.

GENERAL GOVERNMENT

Public Agencies Post-Employment Benefits Trust & Transfer of District Funds

The Board received and reviewed the Deputy *General Manager Report* and *Resolution No. 18-23*. Mr. Kilic presented information on the District's defined-benefit pension plan provided through California Public Employees Retirement System (CalPERS), specifics of the Section 115 Trust, and investment profiles offered by the Public Agency Retirement Services (PARS). Mr. Kilic and Jennifer Meza of PARS responded to board member questions.

MOTION 18-09-04

Moved by Director Gebhart, seconded by Director Froke, and unanimously carried to adopt *Resolution No. 18-23* approving adoption of the Public Agencies Post-employment Benefits Trust administered by PARS to provide an alternative strategy for funding current and future pension obligations; authorize up to \$1.5 Million of District funds to be deposited into the Trust; and designate the District Supplemental Retirement Plan Trustees (Board members Laska and McKee) develop an investment policy for the Board's consideration.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for July 18 – September 18, 2018. Forest Lake Reservoir water storage is currently 22% of capacity. Reservoir volume began to dip below the five-year average in August prompting recycled water users to purchase five million gallons of potable water in September. PBC is planning two dry weather diversion projects at the 18th Fairway and Green. Although minor in flow, the two projects planned for construction in late fall will capture project source water additional to the three currently producing facilities. Production at the CAWD treatment plant decreased to 83% in August due to membrane fouling issues later in the month.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report*. Mr. Becker provided slides and responded to questions.

Engineering Services Agreement Undergrounding Overhead Utilities Project

The Board received and reviewed the *Engineering Report* regarding Phase II & III. Mr. Becker provided slides. Wallace Group engineering services fees to date are 7% of project construction costs as compared to 10-15%+ industry standard.

MOTION 18-09-05

Moved by Director Laska, seconded by Director Gebhart, and unanimously carried to adopt *Resolution 18-24* approving Contract Amendment No.4 to the agreement with Wallace Group to provide engineering support services required to complete the Undergrounding Overhead Utilities Phase II Project & to provide engineering design and bid phase support services for the Undergrounding Overhead Utilities Phase III Project for an amount not to exceed \$170,000.

Pre-purchase Reservoir Pump Station Improvement Project Equipment

The Board received and reviewed the *Engineering Report* regarding the purchase of a Forest Lake Reservoir feed pump that has a 12-15 week delivery lead time. The purchase will allow a rebuilt standby feed pump to be on hand.

MOTION 18-09-06

Moved by Director Laska, seconded by Director McKee, and unanimously carried to authorize the General Manager to purchase a new Forest Lake Reservoir Feed Pump for an amount not to exceed \$40,000.

CAWD Board Meeting

Director McKee attended the CAWD board meeting held August 30, 2018. The District continues in its efforts to add subdivisions to its sewer collection system.

Director Gebhart attended the CAWD board meeting held September 27, 2018. There was considerable discussion on a proposed resolution to fund breaching of the Carmel Lagoon sand bar in response to Monterey County's financial shortfall. Formation of an assessment district was discussed as a means of securing funding; however, the County has taken no action in that regard. The expense for annual breaching is approximately \$91,000. Given the complexity of the problem, a special meeting is planned prior to October 14 to formulate a response to the County's request that CAWD assume breaching costs. Mr. Niccum made known at the meeting that the PBCSD board supported CAWD staff recommendation in the matter. Board members are welcome to attend the special meeting.

September Ranch representatives have requested CAWD manage the development's water supply system. Staffing, funding and the responsibility for source water in the long term were discussed. A resolution to conduct a feasibility study funded by the developer was approved.

The new principal engineer will start with CAWD on November 19, 2018. Mr. Niccum commended General Manager Buikema working with CFO Kilic to successfully resolve cost allocation issues with regard to the CAWD treatment plant operations.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska reported on the meeting of the Monterey Regional Waste Management Authority and District Board held on September 21, 2018. The Board authorized \$25 million in long-term capital project bond funding to be expended over the next three years on regulatory-related construction projects. A smart phone application entitled *What Goes Where* is available to assist with identifying acceptable recycling items.

LAW ENFORCEMENT

DMFPO Quarterly Roads and Traffic Committee Meeting

Director Froke attended the meeting held September 13, 2018 and gave highlights. Shawn Casey, PBC provided a 2018 road paving schedule to commence October 29th for three weeks with Hwy One Gate area roads being paved at night.

GENERAL GOVERNMENT

Consumer Driven Health Plan Including Health Savings Account

The Board received and reviewed the *Deputy General Manager Report* and *Resolution No. 18-22*. Mr. Kilic and Mr. Niccum gave details and responded to questions.

MOTION 18-09-07

It was moved by Director McKee, seconded by Director Froke, and unanimously carried to adopt *Resolution No. 18-22* authorizing consumer driven health plan offering to District employees including health savings account contributions, effective January 1, 2019.

Review Topics for PBCSD Fall/Winter Newsletter

The Board settled on topics for articles to include in the next newsletter from those listed in the *Deputy General Manager Report*.

PBCSD Safety Committee Meeting

The Board received and reviewed the *Minutes* of the August 16, 2018 Safety Committee meeting prepared by Principal Engineer/Safety Officer, Nick Becker. He added to the report a planned assessment of soft spots found at the driveway entrance on the fire prevention side of the facility.

California Association of Sanitation Agencies (CASA) Annual Conference

The Board received and reviewed the *General Manager Report* on the August 8-10, 2018 CASA annual conference including a letter of thanks from CASA for hosting a tour by conference attendees. Mr. Becker led the tour of the Forest Lake Reservoir facilities.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum announced that Directors Froke and McKee were appointed to new PBCSD board terms in lieu of election and will be sworn in at the December board meeting.

Mr. Niccum provided a letter received from Mr. Hampton Stewart thanking PBCSD and PBC for assistance with the installation of the Command-4 Antenna at Huckleberry Hill on July 17, 2018.

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

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 11:39 a.m.

MOTION 18-09-08

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



Mike Niccum, Board Secretary