

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 7, 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 December 7, 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, 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

Nancy Kay Johnson, Senior Accountant

Marianna Pimentel, Senior Accountant

Autumn Rossi, CPA, Partner, Hayashi Wayland

Therese Courtney, CPA, Senior Manager, Hayashi Wayland

Reno DiTullio, Jr., Division Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Mark Mancini, Fire Prevention Battalion Chief, CAL FIRE

Buddy Bloxham, Fire Operations Chief, CAL FIRE

Dawn Mathes, Environmental/Governmental Affairs, Pebble Beach Company (PBC)

Greg D'Ambrosio, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Vinod Badani, E2 Consulting Engineers

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

Jerry Verhasselt, Board Director, Del Monte Forest Conservancy (DMFC)

Hampton Stewart, Pebble Beach resident

Laura Paxton, Board Clerk

SWEARING-IN OF DIRECTORS

The execution of Oath of Office by Jeffrey B. Froke and Peter B. McKee as directors of the Pebble Beach Community Services District was conducted by General Manager Niccum.

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

There were no appearances, announcements, or changes to the agenda.

MINUTES & FINANCIAL MATTERS

MOTION 18-12-01

Moved by Director Froke, seconded by Director Gebhart, and carried 5-0 to approve, as presented, the minutes of the regular board meeting held October 26, 2018.

Statement of Receipts and Disbursements

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

Cash Basis Budget Report

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

Check Register

The Board received and reviewed the October 2018 *Check Register*. Mr. Kilic noted that the check to Sandra Verbanec was to reimburse for printing additional Zombie Run postcards, not for design and other services which she donated. Engineer Becker responded to operation and maintenance questions.

MOTION 18-12-02

Moved by Director Laska, seconded by Director McKee, and carried 5-0 to approve the *Check Register* for October 2018.

PBCSD Comprehensive Annual Financial Report & Independent Audit Report

The Board received and reviewed the PBCSD Annual Financial Statements and Independent Auditors' Report for the Fiscal Year ended June 30, 2018. 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 unmodified opinion, which is the highest level audit opinion. Ms. Rossi acknowledged and thanked District staff for their efficiency, hard work, and dedication in preparing the presented report. The document, filed with the County Auditor and the State Controller, will be available on the PBCSD website for public viewing.

MOTION 18-12-03

Moved by Director McKee, seconded by Director Laska, and carried 5-0 to accept the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2018.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending September 30, 2018. Mr. Kilic reported the yield for the quarter was 1.8%, 20 basis points higher than the previous quarter. For comparison, the yield of the State Local Agency Investment Fund was 2.1%.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for October 15, 2018 – November 14, 2018. Chief Bloxham reviewed and added to the report a successful kayak rescue on November 21st at Stillwater Cove. Chief Mancini reported a highly successful 5th annual Zombie Race and Emergency Preparedness Fair with participation from 150 volunteers and 455 runners including 188 youth.

Fire Department Response Away from Duty Station

The Board received and reviewed the *Fire Department Staff Report* regarding emergency incident reimbursement terms and conditions. Chief DiTullio responded to questions from the board.

MOTION 18-12-04

Moved by Director Gebhart, seconded by Director Froke, and carried 5-0 to adopt *Resolution 18-27* identifying the terms and conditions for fire department response away from official duty station and assignment to an emergency incident of the District.

Purchase of Command Vehicles

The Board received and reviewed the *Fire Department Staff Report*.

MOTION 18-12-05

Moved by Director Laska, seconded by Director Gebhart, and carried 5-0 to adopt *Resolution 18-28: 1) authorizing purchase of two replacement command vehicles for the Fire Department (4601 & 4605) for a total price not to exceed \$135,000 including sales tax, delivery, and installation of equipment and accessories, and 2) declaring both replaced vehicles as surplus and authorize their disposal per District policies.*

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 16 – November 28, 2018. Forest Lake Reservoir water storage is currently 38% of capacity, approximately the 5-year average. Further investigation will be done to determine the cause for the sanitary sewer overflow adjacent to The Bench restaurant, and confirm that grease traps are installed at Stevenson School. Engineer Becker added to the report a SCADA related emergency response to Spanish Bay Pump Station P-8 at midnight on November 30th. He thanked staff for a prompt response and manual operation of the pump station throughout the night. He further thanked Chris Foley, CAWD Maintenance Superintendent, for furnishing repair components and programming.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* and Mr. Becker presented slides.

Wastewater Reclamation Project Management Committee Meeting

The Board received and reviewed the *Engineering Report* on the CAWD/PBCSD Reclamation Project Management Committee Meeting held November 7, 2018.

Reclamation Storage Facilities Improvement Project Construction Contract

The Board received and reviewed the *Engineering Report*. Mr. Niccum, Mr. Becker and Mr. Badani responded to questions from the board.

MOTION 18-12-06

Moved by Director Froke, seconded by Director Laska, and carried 5-0 to adopt *Resolution 18-29* declaring the bid from Monterey Peninsula Engineering, Inc. as the lowest responsible bid and authorize award of construction contract for an amount of \$924,000 for the construction of the Reclamation Storage Facilities Improvement Project; and increase project budget from \$750,000 to \$1,100,000.

CAWD Board Meeting

There was no CAWD board meeting held during the period.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District (MRWMD) Board Meeting

Director Laska reported on the meeting of the MRWMD Board held November 30, 2018. A waste characterization study identified a high contamination level of 22% in the recycled material (blue cart) processed at the new Material Recovery Facility (MRF). Overseas acceptance requirements for recycled material are generally less than 1%. Recycling revenue from MRWMD and GreenWaste Recovery will be negatively affected by the lack of demand in overseas recycling markets.

LAW ENFORCEMENT

DMFPO Quarterly Roads and Traffic Committee Meeting

Director Froke reported on the meeting he attended on November 15, 2018. Two of the five collisions for the period involved bicyclists.

GENERAL GOVERNMENT

Schedule of 2019 Conferences and Symposiums

Information on 2019 conferences for the Association of California Water Agencies (ACWA), the California Special Districts Association (CSDA), the California Association of Sanitation Agencies (CASA), the Fire Districts Association of California (FDAC) and the WasteReuse Association was provided.

2019 Calendar of Board Meetings

MOTION 18-12-07

It was moved by Director Laska, seconded by Director Gebhart, and carried 5-0, to approve the 2019 Board meeting calendar.

Investment Policy for PBCSD Public Agency Retirement Services (PARS) Post-Employment Benefits Trust

The Board received the proposed *PARS Investment Policy* designating District Supplemental Retirement Plan Trustees as plan representatives (currently Directors Laska and McKee), describing their roles and responsibilities, and establishing plan objectives.

MOTION 18-12-08

It was moved by Director Laska, seconded by Director McKee, and carried 5-0, to adopt the Investment Policy for PBCSD Public Agency Retirement Services (PARS) Post-Employment Benefits Trust.

Election of District Officers

MOTION 18-12-09

It was moved by Director Laska, seconded by Director Gebhart, and carried 5-0, to adopt *Resolution 18-30* electing Board President Peter D. McKee, Vice President Jeffrey B. Froke, 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 2019 calendar year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum noted the employee Christmas luncheon will be held Friday, December 21st and invited board members to attend. Mr. Niccum will give all staff the option to take days off around Christmas and close the office if required.

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 McKee acknowledged the date as Pearl Harbor Day, December 7th.

CLOSED SESSION

The president convened closed session of the Board at 11:37 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 2018 District achievements and 2019 District goals in preparation.

MOTION 18-12-10

It was moved by Director Gebhart, seconded by Director McKee, and unanimously carried, to approve a 3.3% increase in the General Manager salary and provide \$3,215 in deferred compensation per year effective July 1, 2018.

ADJOURNMENT

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

MOTION 18-12-11

M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, January 25, 2019 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary