

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of April 26, 2019
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 26, 2019. Board President Peter B. McKee called the meeting to order at 9:30 a.m.

ROLL CALL

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

Absent: None

Others Present

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/CFO

Rob Wellington, Legal Counsel

Nancy Kay Johnson, Senior Accountant

Nick Becker, Principal Engineer

Yuriana Nunez, Administrative Assistant

Buddy Bloxham, Fire Operations Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Reno DiTullio, Jr., Division Chief, CAL FIRE

John Trenner, Fire Chief, CAL FIRE

Ken White, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

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

Jacqueline Fobes, Board Director, Del Monte Forest Property Owners (DMFPO)

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

Hampton Stewart, Pebble Beach resident

Sgt. Chris Pia, California Highway Patrol (CHP)

Laura Paxton, Board Clerk

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

There were no appearances or announcements.

MINUTES & FINANCIAL MATTERS

MOTION 19-04-01

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried to approve, as presented, the minutes of the regular board meeting held March 29, 2019.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for March 2019.

Check Register

The Board received and reviewed the March 2019 *Check Register*.

MOTION 19-04-02

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried to approve the *Check Register* for March 2019.

PBCSD Preliminary Budget Fiscal Year 2019-20 and Set Budget Hearing

The Board received and reviewed the PBCSD 2019-20 Preliminary Budget and Deputy General Manager/CFO Kilic gave a presentation.

Estimated revenue of \$17,600,000, excluding Reclamation Project reimbursements, is 6.7% higher than prior year. Sewer user fees are proposed to increase by 9.0% or \$1.86 per month from \$20.62 to \$22.48 for residential units. 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 cover a portion of the PBCSD share of CAWD Wastewater Treatment Plant expenses. The fees for garbage and recyclable material collection services are proposed to increase by 4.0%, equivalent to \$0.99 per month from \$24.69 to \$25.68 for basic residential services. In past years, in accordance with the franchise agreement, rate adjustment was based on changes in consumer price index, labor and fuel indexes, tonnages, and landfill tipping fees. The agreement allows the District to request an alternative cost-based rate adjustment method three times over the 15-year term. It is anticipated this method could affect PBCSD garbage rates favorably in fiscal year 2019-20. The District requested to use the alternative method with the 4.0% proposed increase as a placeholder to be "trued-up" during the fiscal year.

Operations & Maintenance (O&M) expenses increased by 3.7% to \$14,555,000 excluding \$525,000 for recycled water distribution system O&M expenses

reimbursed by the Reclamation Project. Total budgeted expenses, including capital outlays, reserve contributions and carryover appropriations are \$24,272,000.

District property owners will receive a notice by mail setting a public hearing for the adoption of the final budget and user fees at the June Board meeting. Mr. Kilic recognized Senior Accountant Nancy Kay Johnson for taking the lead role in preparing the proposed budget, and Finance/Information Systems Coordinator Nijesh Sthapit for his contributions. There were no comments from the public.

MOTION 19-04-03

Moved by Director Verbanec, seconded by Director Froke, and unanimously carried to adopt *Resolution No. 19-06* approving the Preliminary Budget for fiscal year 2019-20 and setting Final Budget Hearing on June 28, 2019 at 9:40 a.m.

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, 2019. Sgt. Pia reported no significant incidents occurred during the Spanish Bay half marathon or the AT&T Pro-Am held during the reporting period, or during the recent April Food and Wine event. A traffic management plan for the U.S. Open will be released in May. Mr. Niccum noted that the new CHP public information officer is arranging an "Every 15 Minutes" dramatization at Carmel High School next school year. The District contributes financially to the event.

California Highway Patrol Extension of Agreement to June 30, 2020

The Board reviewed *Resolution No. 19-07* and the Agreement with CHP extending current services to June 30, 2020 with a cost increase of \$10,000, from \$215,000 to \$225,000.

MOTION 19-04-04

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried to adopt *Resolution No. 19-07* approving and authorizing execution of an amendment to the contract with California Highway Patrol to extend the supplemental law enforcement services to June 30, 2020.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for March 15 – April 14, 2019. Chief Bloxham reported standard activity during the period. He reported the proposed staffing for the US Open Golf Tournament will include three paramedic carts and a standby engine located at Casa Palmero. Chief DiTullio reported on fire prevention efforts. The 17 Mile Drive project clearing and reducing fuels on both sides of the road from the Highway One Gate to Crespi Lane is complete. The Haul Road fire road and fuel break project is also complete. The goats will arrive in May for 10 weeks, initially placed at Pescadero Canyon near Del Ciervo Road. Planning for the US Open continues. Event headquarters will not be located at the District offices this time.

2019 Fire Defense Plan and Vegetative Management Services Agreements

The Board received a presentation on proposed updates to the *Fire Defense Plan for Pebble Beach* last updated April 2017. Chief DiTullio presented slides of the updates consisting primarily of changes to maps and prioritized projects in the appendices. Fire roads and fuel breaks have been added, annual fire defense work plans updated, and former lots of record now designated as open spaces incorporated. The following contracts would implement certain fuel reduction projects under the 2019 Fire Defense Plan: Bleck Fire Prevention & Excavation \$150,000, Tope's Tree Service \$150,000 and Goats R Us \$60,000 for a total of \$360,000. Director Froke recommended grassland management be a future component of vegetative management.

MOTION 19-04-05

Moved by Director Froke, seconded by Director Verbanec, and unanimously carried to approve the 2019 Fire Defense Plan with noted non-substantive typographical corrections, authorize three agreements for 2019 fuel reduction projects, and increase the fiscal year 2018-19 budget for fire defense projects by \$150,000 to a total of \$500,000.

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 20 – April 17, 2019 and Mr. Becker presented slides. Forest Lake Reservoir water storage is 96% of capacity. The 2019 irrigation season has begun.

PBCSD Capital Improvement Projects

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

CAWD Board Meeting

Director Laska attended the CAWD board meeting held April 25, 2019, and reported on the Sea-level Rise Committee meeting he and Director Froke attended on April 9, 2019, the minutes of which were provided in the CAWD board meeting packet.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District (MRWMD) Board Meeting

Director Laska attended the April 19, 2019, MRWMD Board meeting. A webcam monitoring Luna the owl and her chicks is operational 24/7 on the mrwmd.org website. The state of recyclable materials separation and sales was discussed.

GENERAL GOVERNMENT

California Special Districts Association of Monterey County

The Board received and reviewed the *General Manager Report* on the Special Districts Association of Monterey County meeting held April 16, 2019. Director Verbanec commented on the presentation by the featured speaker, Pete Delgado from the Salinas Valley Memorial Healthcare System, that included a number of healthcare partnerships and unique cost management systems for each of the three County hospitals.

PBCSD Safety Committee Meeting

The Board received and reviewed the *Minutes* of the March 27, 2019 Safety Committee meeting prepared and presented by Principal Engineer/Safety Officer, Nick Becker who gave highlights. The driver of the passenger vehicle involved in the March 27 fender bender with a District vehicle was advised of District claims procedures.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum provided a copy of the District newsletter recently released. Advertisement for recruitment of District maintenance worker and technician is forthcoming with anticipated employment commencing in July. The DMFPO Semiannual Meeting is Sunday, May 19, 2019 from 2:00-4:00p.m. at The Inn at Spanish Bay, featuring David Stivers speaking on the U.S. Open and PBC 100th anniversary. The PBCSD Open House and Safety Day is Saturday, July 20, 2019.

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 DMFPO Roads and Traffic Committee meeting is May 23, not August 22.

CLOSED SESSION

It was determined that a closed session of the board was not required.

ADJOURNMENT

MOTION 19-04-06

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried to adjourn at 11:20 a.m. to a regular Board meeting to be held on Friday, May 31, 2019 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.



Mike Niccum, Board Secretary