

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 13, 2024**

MINUTES

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District (PBCSD) was held in the PBCSD Boardroom on December 13, 2024. President Leo M. Laska called the meeting to order at 9:30 a.m.

ROLL CALL

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

Directors Absent: None

Others Present:

Nick Becker, General Manager
Chris Simmons, Associate Engineer
Rob Wellington, Legal Counsel
Marianna Pimentel, Chief Financial Officer (CFO)
Yuriana Nuñez, Administrative Coordinator
Alayna Paxton, Environmental Compliance Coordinator
Nic Faro, Maintenance Manager
George Nunez, Unit Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)
Matt Stanford, Western Division Operations Chief, CAL FIRE
Daniel Fry, Operations Battalion Chief, CAL FIRE
Greg Leonard, Fire Prevention and Planning Captain, CAL FIRE
Frank Espinoza, Fire Prevention and Planning Chief, CAL FIRE
John Trenner, Fire Prevention and Planning, CAL FIRE
Clinton Hamilton, Captain, CAL FIRE
Sean Edwards, Captain, CAL FIRE
Cheryl Burrell, Planning and Real Estate Division, Pebble Beach Company (PBCo)
Shawn Casey, VP Resource Management, PBCo
Kathleen Lee, Director of Governmental and Community Affairs, PBCo
Barbara Buikema, General Manager, Carmel Area Wastewater District (CAWD)*
Bob Siegfried, Board Director, CAWD*
Vinod Badani, E2 Consulting Engineers*
David Goupil, Board Director, Del Monte Forest Property Owners (DMFPO)
Hampton Stewart, Pebble Beach resident
Lily Yahyavi, Pebble Beach resident
Robert Rathie*, Legal Counsel
Nathan Edelman, CPA, Eide Bailly*
Nancy Dayton, Board Clerk Pro Tem
**Signifies virtual attendance*

SWEARING-IN OF DIRECTORS

General Manager Becker led the execution of Oath of Office by incumbents Directors Leo Laska, Richard Gebhart, and Richard Verbanec, each serving a four-year term of office as Directors of the Pebble Beach Community Services District.

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

General Manager Becker introduced and welcomed DMFPO Director David Goupil as the organization's observer of 2025 PBCSD Board meetings. Ms. Lily Yahyavi was introduced and she addressed the Board regarding the collapse of her sewer lateral and the exemplary service and information provided by the PBCSD maintenance staff, especially Jesse Huddleson and Travis Edwards. Mr. Hampton Stewart addressed the board, thanking GM Becker for allowing him to host FIRESCOPE last week. The organization sets the standards for fire services throughout the State of California. Representatives from 35 agencies attended the event.

There were no changes requested to the agenda.

MINUTES AND FINANCIAL MATTERS

MOTION 24-12-01

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to approve, as presented, the *Minutes* of the Regular Board meeting held October 25, 2024.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for October 2024 and CFO Pimentel presented slides and responded to questions.

Cash Basis Budget Report

The Board received and reviewed the October 2024 report and CFO Pimentel presented.

Check Register

MOTION 24-12-02

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried 5-0 to approve the *Check Register* for October 2024.

PBCSD Annual Comprehensive Financial Report & Independent Audit Report

The Board received and reviewed the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2024. Nathan Edelman, CPA, Partner at Eide Bailly LLP, District's external independent audit firm related the scope of the audit performed. The District received an unmodified or "clean" opinion, which is the highest-level audit opinion. It is noted in the report that PBCSD has received the Government Finance Officers Association of the US and Canada (GFOA) Certificate

of Achievement for Excellence in Financial Reporting for six consecutive years through June 30, 2023. It is anticipated that the current report will continue to meet certificate standards and will be submitted to GFOA to determine eligibility for another awarded year. Director McKee noted Mr. Edelman not giving an in-person presentation; staff stated that in-person presentations will be considered in the future. GM Becker commended staff for its excellence in preparing the financial report. CFO Pimentel responded to questions from the Board and thanked Senior Accountant Nancy Johnson for leading the audit and District Finance staff for support and input in a team effort. CFO Pimentel will present to the Board at a future meeting the process for next year's audit now that Eide Bailly has provided auditing services for the three-year contract term.

MOTION 24-12-03

Moved by Director Verbanec, seconded by Director Froke, and unanimously carried 5-0 to approve the PBCSD Annual Comprehensive Financial Report including Independent Audit Report for Fiscal Year ended June 30, 2024.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending September 30, 2024 and CFO Pimentel presented slides. The effective rate of return for the quarter was 4.25%. Staff reported a series of meetings are being held between the District and County Offices to better understand the District's portion of the investment portfolio, what fee structure is applied, and options for alternative investment.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report for October 19 – December 1, 2024*. Chief Fry reported on operations. Chief Espinoza reported on the drone program, fire protection, planning, and training. Captain Leonard reported on fuel reduction efforts and defensible space inspections. GM Becker explained that there remained funding for fuel reduction work; however, contracts awarded last spring to perform work reached their limits by the fall and thereby contract change orders were issued to complete planned projects. In the future, contract amounts will take into account work needing to be done throughout the current and forthcoming fiscal year. Chief Nunez reported on regional fire efforts. He thanked the Board and staff for its support of Pebble Beach CAL FIRE that resonates throughout the other fire districts. He reported CAL FIRE was involved in various humanitarian assistance programs during the Thanksgiving holiday and is planning the same for Christmas time.

Zombie Race and Emergency Preparedness Fair

The 10th Annual Zombie Race was held October 26, 2024. Chief Espinoza presented slides. GM Becker thanked Fire Department staff, Pebble Beach Company, and Del Monte Forest Property Owners for participating.

Donation of Reserve Ladder Truck 122

The Board received and reviewed the *Fire Department Staff Report* highlighted by Chief Stanford. Staff responded to questions from board members.

MOTION 24-12-04

Moved by Director Froke, seconded by Director Verbanec, and unanimously carried 5-0 to adopt *Resolution 24-35* declaring reserve ladder truck T122 surplus and authorizing donation of ladder truck T122 to the South Bay Regional Fire Training Consortium.

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 19 - December 5, 2024*. Engineer Simmons presented slides. The reservoir was at 71% capacity. All alternative source water facilities are offline.

PBCSD Capital Improvement Projects

The Board received and reviewed *Engineer's Report* and Engineer Simmons presented.

Reclamation Management Committee Meeting

The Board received and reviewed the *Draft Minutes* for the CAWD/PBCSD Wastewater Reclamation Management Committee meeting held November 12, 2024, attended by Directors McKee and Verbanec. GM Becker gave highlights and answered questions.

2024-25 Sewer Line Replacement Project Contract

The Board received and reviewed the *Engineering Report*. Engineer Simmons presented slides and staff responded to Board members' questions. Director McKee requested title reports be obtained by the District for parcels that the project sewer lines traverse, other than those owned by Pebble Beach Company.

MOTION 24-12-05

Moved by Director McKee, seconded by Director Froke, and unanimously carried 5-0 to adopt *Resolution 24-36* declaring the bid from KJ Woods Construction, Inc. as the lowest responsible bid and authorizing General Manager to enter contract for a total amount not to exceed \$2,048,000 for the construction of 2024-2025 Sewer Replacement Project. Approved Amendment No. 01 to Project Assignment 57 with E2 Consulting Engineers, Inc. increasing consulting contract by \$80,000 for construction support services, for a total amount not to exceed \$230,000.

CAWD Board Meeting

The Board received and reviewed the Agenda Information for the CAWD Board meeting attended by Director Gebhart on October 29, 2024, and attended by Director McKee on November 21, 2024. Director Gebhart reported that the Board authorized a \$86,207 replacement effluent pump purchase; a \$47,505 replacement microfiltration feed pump purchase; appointment of Chris Foley as Facilities Manager in charge of both operations and maintenance (upon Ed Waggoner's retirement); execution of amendment to the CAWD/PBCSD agreement (achieved very cooperatively and constructively between the agencies); and issuance of a request for proposal for legal services. Director McKee reported that CAWD is recruiting for a new lab analyst position as well as a replacement lab supervisor.

SOLID WASTE MANAGEMENT

ReGen Monterey Board Meeting

The Board received and reviewed the *Agenda Information* for the ReGen Monterey Regular Board meeting held November 22, 2024, attended by Director McKee. The main item covered was the pension liability that is 67% funded and \$19.5 million unfunded. ReGen Monterey plans to make a lump sum payment of \$0.5 million per year over a 20-year period.

GENERAL GOVERNMENT

CAWD/PBCSD Agreement for Wastewater Treatment Facilities

The Board received and reviewed *General Manager's Report* regarding an update to the First Amendment to Agreement for Use of Wastewater Treatment Facilities, noting a very minor change made to the cost-based formula in the agreement as approved and adopted by the CAWD Board. This change will not result in differing the historic cost allocation.

Legal Counsel Recruitment

The Board received and reviewed *General Manager's Report* regarding retirement of District legal counsel. GM Becker thanked Counsel Wellington for his service to PBCSD for the past 35 years, and as legal counsel for the Reclamation Project. Direction was given to have the 2024 and 2025 Board presidents and GM develop criteria on soliciting interest from law firms to reference in selection process to be discussed at the January Board meeting.

DMFPO Roads & Traffic Committee and Safety Committee Meetings

The Board received and reviewed the agendas for both the Roads & Traffic Committee and Safety Committee meetings, successively held on November 14, 2024. GM Becker attended both meetings and gave highlights.

2025 Calendar of Board Meetings

MOTION 24-12-06

It was moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to adopt the 2025 Calendar of Board Meetings.

Election of District Officers

MOTION 24-12-07

It was moved by Director Laska, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution No. 24-37* electing Board President Richard D. Verbanec, Vice President Peter B. McKee, General Manager Nicholas Becker to serve as Secretary, and Chief Financial Officer Marianna Pimentel to serve as Secretary Pro Tem and Treasurer for the 2025 calendar year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

The Board received and reviewed *General Manager's Report* covering meetings, events, and information received during the months of November and December. GM Becker and CFO Pimentel responded to questions regarding the administrative offices remodel.

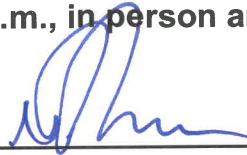
CLOSED SESSION

At 12:25 p.m. the Board met on the matter listed on the Agenda: a performance evaluation of the General Manager under CA Code §54957(b)(1). During the discussion the Board received information and provided direction, no reportable action was taken during the closed session. The Board returned briefly to open session at 12:45 p.m.

ADJOURNMENT

MOTION 24-12-08

M/S/C (unanimous) to adjourn at 12:45 p.m. to a regular Board meeting to be held on Friday, January 24, 2025, at 9:30 a.m., in person and virtually.



Nicholas R. Becker, Board Secretary Pro Tem