

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 10, 2021**

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 board room on December 10, 2021. Board President Jeffrey B. Froke called the meeting to order at 9:30 a.m.

ROLL CALL

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

Directors Absent: None

Others Present:

Mike Niccum, General Manager

Rob Wellington, Legal Counsel

Nick Becker, District Engineer

Chris Simmons, Assistant Engineer

Marianna Pimentel, Finance Director

Yuriana Nuñez, Administrative Coordinator*

Nijesh Sthapit, Accountant*

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

Michael Meddles, Division Chief, CAL FIRE

Roger Rinehart, EMS Coordinator Battalion Chief, CAL FIRE*

Tim Jones, Deputy Fire Marshall/Fire Prevention and Planning, CAL FIRE*

Sean Edwards, Union Representative, CAL FIRE

Peter Brown, Director of Security, Pebble Beach Company (PBCo)*

Shawn Casey, Vice President Resource Management, PBCo

Charlotte Townsend, Board Director, Carmel Area Wastewater District (CAWD)*

Barbara Buikema, General Manager, CAWD*

Domine Barringer, Administrative Assistant/Board Clerk, CAWD*

Vinod Badani, E2 Consulting Engineers*

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

Hampton Stewart, Pebble Beach resident*

Jerry Verhasselt, Pebble Beach resident

Zoe Shoats, Communications Director, Monterey Regional Waste Management District*

Autumn Rossi, Audit Partner, Hayashi | Wayland*

Maira Reid, CPA, Lead Manager, Hayashi | Wayland*

Laura Paxton, Board Clerk*

**Signifies virtual attendance*

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

Chief DiTullio introduced Sean Edwards, CAL FIRE Battalion 6 Captain, permanent engineer paramedic in the Pebble Beach battalion, and the CAL FIRE union chapter director. He is familiarizing himself with agencies to foster relationship between union membership and management.

AGENDA CHANGES

There were no requested changes to the agenda.

MINUTES AND FINANCIAL MATTERS

MOTION 21-12-01

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried 5-0 to approve, as presented, the minutes of the regular board meeting held October 29, 2021.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for October 2021. Finance Director Pimentel presented slides, including reformatted graphics developed with Director McKee, and responded to questions from the board.

Cash Basis Budget Report

The Board received and reviewed the October 2021 report and Ms. Pimentel presented slides.

Check Register

MOTION 21-12-02

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried 5-0 to approve the *Check Register* for October 2021.

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, 2021. Autumn Rossi, partner, Hayashi Wayland, District's outside independent audit firm noted changes in Government Accounting Standards Board (GASB) accounting policies/practices, stated there were no unusual transactions or alternative treatments discussed with management, and that just one additional journal entry with regard to early retirement was necessary. District received an unmodified opinion, which is the highest-level audit opinion. Ms. Rossi acknowledged District staff for their efficiency and diligence in preparing the annual statements. Ms. Reid gave an overview of the statements and report.

MOTION 21-12-03

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried 5-0 to approve the PBCSD Annual Comprehensive Financial Report including Independent Audit Report for Fiscal Year ended June 30, 2021.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending September 30, 2021. Ms. Pimentel presented slides and reported the rate of return for the quarter was 0.57%, 12 basis points lower than the previous quarter, apportioned at 0.50%. In comparison, the Local Agency Investment Fund apportionment for the quarter was 0.24%. Investment return to date is 13% of District budgeted amount.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for October 23 – December 3, 2021. Chief Meddles reviewed the report, noting that 1,699 lots inspected for defensible space are compliant and 65 in violation will be reinspected. Chief DiTullio announced his retirement effective today; however, he will be assuming the interim unit chief position effective tomorrow through the end of April. Mr. Niccum hailed the good relationship between CalFire and the District under Chief DiTullio—much was accomplished.

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 21 – November 30, 2021. District Engineer Becker presented slides. Forest Lake Reservoir water storage is at 57% capacity, well above past years' averages. Another alternative source water project is planned: the 18th Fairway facility is under construction and is anticipated to be operational sometime during the 2022 irrigation season. A minor category III 20-gallon sanitary sewer overflow occurred adjacent to 3074 Strawberry Hill Road; crews responded quickly clearing blockage within 30 minutes. Staff will submit an updated Emergency Action Plan to Cal OES by next quarter deadline.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report*. Mr. Becker presented slides. The scope of work for P-5 Sunset Lane SCADA improvements is more involved than that of P-6. Mr. Niccum noted the new weather station and other instruments allow evaporation and rainfall to be factored into Forest Lake water management.

Wastewater Reclamation Project Management Committee Meeting

The Board received and reviewed draft minutes of the November 9, 2021 meeting.

Undergrounding Overhead Utilities, Phase III

The Board reviewed the *District Engineer's Report*. Mr. Becker presented slides. Mr. Niccum commended Mr. Becker for his unflinching project leadership.

MOTION 21-12-04

It was moved by Director McKee, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution 21-27* approving Contract Change Order No.2 for \$60,000 with Leo Tidwell Excavating Corporation for additional undergrounding overhead utilities work on Sombria Lane and authorize \$50,000 construction contingency, increasing construction contract to an amount not to exceed \$5,305,000. Authorize General Manager to issue payment of PG&E's Utility Fee for the Undergrounding Overhead Utilities Phase III Project for an amount not to exceed \$2,600,000.

Cypress Point P-1 and Fan Shell Beach P-2 Pump Station Rehabilitation

The Board reviewed the *District Engineer's Report*. Mr. Becker presented slides.

MOTION 21-12-05

It was moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution 21-28* authorizing General Manager to pre-purchase mechanical equipment for an amount not to exceed \$90,000; and approve Amendment No.1 to Project Assignment No.47 to the Master Agreement with E2 Consulting Engineers increasing contract value by \$45,000 to an amount not to exceed \$270,000 for P-1 & P-2 Pump Station Rehabilitation Projects.

CAWD Board Meeting

The Board received and reviewed the *Agenda Information* for the CAWD board meeting held November 18, 2021, attended by Director Laska and General Manager Niccum. CAWD had a clean rating on its audit. A \$139,000 SCADA project contract was approved. Ken White was re-elected as board president and Bob Siegfried as vice president.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District (MRWMD) Board Meeting

The Board received and reviewed the *Agenda Information* for the MRWMD board meeting held November 19, 2021. Director Laska reported Felipe Melchor, Waste Management area manager was selected as the new MRWMD general manager effective January 4, 2022. Senate Bill 1383 regulating organic waste will be effective January 1, 2022; however, enforcement will not be in effect for two years. The MRWMD Technical Advisory Committee has a guidance plan that will be launched once composting industry issues and program logistics are addressed.

Mandatory Organic Waste Disposal Reduction Ordinance – First Reading

MOTION 21-12-06

It was moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to adopt Ordinance No. 27 titled Mandatory Organic Waste Disposal Reduction Ordinance.

GENERAL GOVERNMENT

Community Advisory Board Meeting

The board received and reviewed the *Agenda* for the December 8th meeting attended and reported on by Director Froke.

DMFPO Roads and Traffic Committee Meeting

The board received and reviewed the agenda from the meeting held November 18, 2021 and improvement plans for the intersection at Stevenson Drive and Forest Lake Road. Shawn Casey, PBC reported that scheduled annual roads projects are complete and annual drainage projects are still underway.

2022 Calendar of Board Meetings

MOTION 21-12-07

It was moved by Director Verbanec, seconded by Director Laska, and unanimously carried 5-0 to approve the 2022 Board meeting calendar.

Election of District Officers

MOTION 21-12-08

It was moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution No. 21-29* electing Board President Jeffrey B. Froke, Vice President Leo M. Laska,

General Manager Mike Niccum to serve as Secretary, District Engineer Nick Becker to serve as Secretary Pro Tem, and Finance Director Marianna Pimentel to serve as Treasurer for the 2022 calendar year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided the latest PBCSD newsletter; Administrative Coordinator Nuñez is now the lead on newsletter publication. The District was awarded an extension of its Transparency Certificate of Excellence. The PBCSD Christmas party is scheduled for Wednesday, December 22nd at 11:30 am in the fire bays. The County is again requiring face masks be worn indoors in public settings. The District has set up confidential files containing vaccination status of employees.

CLOSED SESSION

The board convened closed session at 11:42 a.m. The Board came back into open session at 12:40 p.m. and Legal Counsel announced that an action to be taken in open session by the Board was in order after the closed session.

MOTION 20-12-09

It was moved by Director Laska, seconded by Director Verbanec, and unanimously carried 5-0 to (1) increase the General Manager's annual salary by 1.8% effective as of July 1, 2021 (the same percentage increase previously approved for all other District employees) and (2) increase the Legal Counsel's monthly retainer from \$2,400 to \$2,550 per month.

ADJOURNMENT

MOTION 21-12-10

M/S/C (unanimous) to adjourn at 12:41 p.m. to a regular Board meeting to be held on Friday, January 28, 2022 at 9:30 a.m., in person/virtual.



Mike Niccum, Board Secretary