

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Regular Meeting of January 25, 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 January 25, 2019. Board President Peter B. McKee called the meeting to order at 9:30 a.m.

**ROLL CALL**

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

**Absent:** Richard D. Verbanec

**Others Present**

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/CFO

Rob Wellington, Legal Counsel

Nick Becker, Principal Engineer

David Fulcher, Unit Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Reno DiTullio, Jr., Division Chief, CAL FIRE

Buddy Bloxham, Fire Operations Chief, CAL FIRE

Shawn Casey, Vice President Resource Management, Pebble Beach Company (PBC)

Michael Rachel, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Vinod Badani, E2 Consulting Engineers

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

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

Hampton Stewart, Pebble Beach resident

Brian McMinn, Public Works Director, City of Marina

Jeff Lindenthal, Director of Communications and Sustainability, Monterey Regional Waste Management District (MRWMD)

Jim Moresco, General Manager, Santa Cruz Operation, GreenWaste Recovery

Sgt. Chris Pia, California Highway Patrol (CHP)

Laura Paxton, Board Clerk

**APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS**

There were no appearances or announcements. Traffic Enforcement Status Report was moved to the beginning of the meeting; and Cost-based Rate Study for Solid Waste Franchise Agreement was moved after Fire Department items.

## **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 December 31, 2018. Sgt. Pia reported five minor collisions during the quarter. He encouraged those reporting issues for CHP response to take photos if possible such as license plates of parked vehicles restricting street access. The CHP will be assisting with the half marathon being held tomorrow from 7:15 – 10:30 a.m. along one closed lane of coastal 17 Mile Drive. In addition to the routine fixed posts, two CHP units will be patrolling during the AT&T Pro-Am Tournament.

## **MINUTES & FINANCIAL MATTERS**

### **MOTION 19-01-01**

**Moved by Director Froke, seconded by Director Gebhart, and carried 4-0 to approve, as presented, the minutes of the regular board meeting held December 7, 2018.**

### **Statement of Receipts and Disbursements**

The Board received and reviewed the *Statements of Receipts and Disbursements* for November and December 2018. Mr. Kilic summarized the reports and responded to questions from the board.

### **Cash Basis Budget Report**

The Board received and reviewed the December 2018 *Cash Basis Budget Report* and Mr. Kilic gave highlights.

### **Check Register**

The Board received and reviewed the November and December 2018 *Check Registers*. Staff responded to questions from board members.

### **MOTION 19-01-02**

**Moved by Director Laska, seconded by Director Gebhart, and carried 4-0 to approve the *Check Registers* for November and December 2018.**

### **Financial Audit Services**

The Board received and reviewed the Deputy General Manager Report regarding selection of an outside independent audit firm. The 3-year agreement with Hayashi and Wayland ended with the completion of the FY 2017-18 fiscal year audit; the firm has submitted a proposal to provide services for another three years. There is a legal requirement to rotate every six years the individuals who are assigned by

the firm to have the primary responsibility for conducting the audit. Hayashi and Wayland rotated the lead audit partner and staff members reviewing District financial transactions three years ago.

**MOTION 19-01-03**

**Moved by Director Froke, seconded by Director Gebhart, and carried 4-0 to approve a contract with Hayashi and Wayland Accounting and Consulting, LLP to perform the annual audit of District's financial transactions for a period of three years, for fees of \$29,300 (FY 2018-19); \$30,500 (FY 2019-20); and \$31,800 (FY 2020-21).**

**FIRE DEPARTMENT**

**Fire Chief's Monthly Report**

The Board received and reviewed the *Monthly Fire Department Activity Report* for November 15, 2018 – January 14, 2019. Chief Bloxham reviewed and noted response to 45 calls during the recent storm event. Planning for the AT&T Pro-Am and the US Open is underway. Mr. Niccum requested the Fire Cause Classification section of the report include a rolling year listing of incidents. Chief DiTullio acknowledged Mr. Hampton Stewart for receiving the CAL FIRE Director's Partnership Award for collaborative support of CAL FIRE telecommunications projects. New Unit Chief David Fulcher introduced himself to the board.

**Increase Budget for Fire Defense Projects and Authorize Agreements**

The Board received and reviewed the *Fire Department Staff Report* regarding increasing the District budget for fuel reduction projects and authorizing agreements for vegetative management services. Mr. Casey of Pebble Beach Company stated that PBC has increased staffing and equipment for heightened egress and greenbelt maintenance. Del Monte Forest Conservancy and OSAC are also partnering in the projects. Mr. Niccum noted this will be a multiple year process requiring budgeting in the range of \$350,000-\$400,000 each year. Director McKee requested that the board be given a broad overview of the multi-year planned projects at the next board meeting.

**MOTION 19-01-04**

**Moved by Director Gebhart, seconded by Director Froke, and carried 4-0 to adopt *Resolution 19-01* authorizing three agreements for 2018-19 fuel reduction projects and increasing the budget for fire defense projects by \$160,000 to a total of \$350,000.**

## **SOLID WASTE MANAGEMENT**

### **Cost-based Rate Study for Solid Waste Franchise Agreement**

The Board received and reviewed the *Deputy General Manager Report* regarding a solid waste franchise cost-based rate adjustment study. Such a study may affect PBCSD solid waste rates favorably, while cost of it can be shared with the City of Marina and other agencies that may choose to participate. Mr. McMinn assured that the City of Marina was seeking the most equitable cost-sharing of the study for franchise participants. Mr. Lindenthal thanked the District for its attention to this matter, and mentioned that Director Laska was recognized at the last MRWMD board meeting for his 15 years of service on that board.

### **MOTION 19-01-05**

**Moved by Director Froke, seconded by Director Gebhart, and carried 4-0 to authorize the General Manager to: 1) enter into an agreement with HF&H Consultants, LLC to perform a cost-based rate study for a fee not to exceed \$60,000 and increase the FY 2018-19 Administration operating budget by that amount; and 2) request a cost-based rate adjustment with GreenWaste Recovery to be effective July 1, 2019.**

## **MAINTENANCE, ENGINEERING, AND CONSTRUCTION**

### **Wastewater Collection, Treatment and Disposal System**

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for November 28, 2018 – January 16, 2019. Forest Lake Reservoir water storage is currently 82% of capacity, well above the 5-year average. Installation of a weather station as part of the SCADA project will provide additional seasonal data to study evaporation rates at the reservoir. Mr. Becker presented slides of inundation map documents submitted early January to Division of Safety of Dams.

### **PBCSD Capital Improvement Projects**

The Board received and reviewed the *Engineering Report*. Mr. Becker presented slides, and thanked PBC for its coordination of generators and electrical bypasses during the switch from the existing 4KV circuit to the new underground 21KV circuit around the Lodge area.

### **SCADA System Improvement Project**

The Board received and reviewed the *Engineering Report* on Phase I of the SCADA System Improvement Project. Mr. Becker requested the purchase amount of \$80,000 in the staff report be increased to \$90,000 mainly to account for sales tax.

**MOTION 19-01-06**

**Moved by Director Gebhart, seconded by Director Froke, and carried 4-0 to adopt *Resolution 19-02* authorizing the General Manager to proceed with purchase of Server Hardware & Software for the SCADA System Improvement Project, Phase I for an amount not to exceed \$90,000.**

**CAWD Board Meeting**

Director Verbanec attended the CAWD board meeting held December 13, 2018. Mr. Niccum reported it was a routine meeting. Subsequent special meetings were held regarding an issue with the outfall line above the Lagoon and pump station emergency repairs that had to be made. Director McKee attended the recent strategic planning session and reported the following issues were reviewed: Long-term planning anticipates growth in user base, higher plant efficiency, and positive interaction amongst staff members and with board members. Mr. Niccum noted that treatment cost allocation negotiations delayed the final fiscal year 2017/18 PBCSD payment to CAWD. He suggested in order to reduce end of fiscal year payment delays that the PBCSD District Engineer and Senior Accountant participate in CAWD budget meetings and both districts agree to cost allocations prior to budget adoption each fiscal year.

**SOLID WASTE MANAGEMENT**

**Monterey Regional Waste Management District (MRWMD) Board Meeting**

Director Laska was absent from the meeting of the MRWMD Board held January 18, 2019. Mr. Niccum attended a meeting of the local chapter of the American Public Works Association the previous evening where the MRWMD Materials Recovery Facility was awarded Project of the Year for environmental projects between \$5 million and \$25 million.

**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 January 15, 2019 attended by Directors Froke and Verbanec.

**PBCSD Safety Committee Meeting**

The Board received and reviewed the *Minutes* of the December 13, 2018 Safety Committee meeting prepared by Principal Engineer/Safety Officer, Nick Becker.

**2019 Assignments for PBCSD Board of Directors**

The Board received and reviewed the *General Manager Report* regarding board director assignments.

**MOTION 19-01-07**

**It was moved by Director Laska, seconded by Director Froke, and carried 4-0 to continue in 2019 the same PBCSD Director assignments as 2018.**

**MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

**Oral reports from General Manager**

Mr. Niccum provided a letter from Association of California Water Associations Joint Powers Insurance Authority presenting the District with the President's Special Recognition Award for very low loss-to-premium ratios in its liability, property, and workers' compensation programs for the three-year period ending in 2017.

Mr. Niccum recently attended an evacuation summit hosted by the Monterey Fire Chief at the Monterey Conference Center. Though law enforcement has ultimate authority, collective cooperation of jurisdictions is required for practical, effective evacuations to be performed, prompting discussion of a regional evacuation approach. Supervisor Adams is hosting a meeting in the near future on the subject of preparations for the next wildfire.

Mr. Niccum will present to the board at its next meeting a proposed District organizational change to help improve operational efficiency and staff continuity.

**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 Laska will not be in attendance at the February 22, 2019 board meeting.

**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 11:22 a.m.

**MOTION 19-01-08**

**M/S/C (unanimous) to adjourn to a regular Board meeting to be held on Friday, February 22, 2019 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.**



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**Mike Niccum, Board Secretary**