

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Regular Meeting of June 28, 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 June 28, 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, Richard D. Verbanec, Jeffrey B. Froke

**Absent:** Leo M. Laska

**Others Present**

Mike Niccum, General Manager  
Suha Kilic, Deputy General Manager/CFO  
Robert Rathie, Legal Counsel  
Nancy Kay Johnson, Senior Accountant  
Nick Becker, Principal Engineer  
Yuriana Nunez, Administrative Assistant  
Arda Arkan, Summer Intern  
Reno DiTullio, Jr., Division Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)  
Paul Gaines, Fire Operations Chief, CAL FIRE  
John Trenner, Fire Chief, CAL FIRE  
Michael Rachel, Board Director, Carmel Area Wastewater District (CAWD)  
Barbara Buikema, General Manager, CAWD  
Dawn Mathes, Environmental/Governmental Affairs, Pebble Beach Company (PBC)  
Brent Reitz, Director of Energy and Water Conservation, 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  
Dan Yost, Pebble Beach resident  
Brooke Phayer, Pebble Beach resident  
Steven Nascimento, California Special Districts Association / Special District Leadership Foundation  
Laura Paxton, Board Clerk

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

Yuriana Nunez, District Administrative Assistant introduced summer intern Arda Arkan assisting with fire, administration and engineering departments. Item 11A was moved forward on the agenda after Item 3.

## **GENERAL GOVERNMENT**

### **PBCSD Transparency Certificate of Excellence**

Steven Nascimento of California Special District Leadership Foundation presented to the District a Transparency Certificate of Excellence in recognition of outstanding efforts to promote transparency in operations and governance to the public. The certificate is awarded for two years to districts that comply with laws regarding training requirements; Form 700 submissions; website posting of minutes, agendas and financial reports; and conducting community outreach such as newsletters and budget notices. The District first received this certificate in 2017 and Deputy General Manager Kilic led the application effort for renewing the certificate for the next two years.

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

### **Reclamation Project Well Drilling Services Agreement**

The Board received and reviewed the *Engineering Report* on the Reclamation Project Water Well Drilling Services Agreement. Brent Reitz, PBC Director of Energy and Water Conservation and well drilling project manager, noted that drilling was conducted near China Rock, the site deemed having the most production potential out of three selected. Drilling was discontinued once it was determined that the volume of water encountered did not merit continued effort. Staff now recommends confirming the general manager's authorization of agreement and increasing the project budget to \$100,000 instead of the \$75,000 noted in the staff report to cover additional costs of Granite Drilling moving its operation to the Bird Rock alternative site. Project costs are being incurred in the current fiscal year however payments will be made in the 2019-20 fiscal year where budgeted.

### **MOTION 19-06-01**

**Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 4-0 to approve General Manager authorization of agreement with Granite Drilling Company for drilling services required for new water well located near China Rock for a cost not to exceed \$100,000.**

## **MINUTES & FINANCIAL MATTERS**

### **MOTION 19-06-02**

**Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 4-0 to approve, as presented, the minutes of the regular board meeting held May 31, 2019.**

**Statement of Receipts and Disbursements**

The Board received and reviewed the *Statement of Receipts and Disbursements* for May 2019. There were no questions or comments.

**Check Register**

The Board received and reviewed the May 2019 *Check Register*. A total of approximately \$430,000 has been expended in Fiscal Year 2018-19 of the \$500,000 budgeted for Fire Defense Plan work.

**MOTION 19-06-03**

**Moved by Director Gebhart, seconded by Director Froke, and unanimously carried 4-0 to approve the *Check Register* for April 2019.**

**TIMED BUSINESS – CONCURRENT PUBLIC HEARINGS**

**FISCAL YEAR 2019-20 PBCSD FINAL BUDGET AND SERVICE FEES**

The Board received and reviewed the Final Budget for Fiscal Year 2019-20 (7/1/19 through 6/30/20). Mr. Kilic reported that following the adoption of the preliminary budget, a summary of the user fees and the proposed budget had been mailed to property owners and a budget hearing notice had been published in the Pine Cone according to the timelines specified in State Law. He gave a summary presentation and noted changes from the preliminary budget. There are no changes in the Operating (O&M) expenditures. Reclamation Project capital outlays decreased by \$80,000 due to removing certain equipment purchases and adding the well drilling project. Corresponding reimbursement revenue has been adjusted accordingly. The changes have no impact on the District's financial position since the Reclamation Project reimburses the District for all project related expenses. The amount budgeted for capital items decreased by \$227,000 with the changes having no financial impact on the District's long-term financial position. Removed items will be re-budgeted in a future fiscal year and an added item is carried over from the prior fiscal year.

Mr. Kilic presented the proposed Fiscal Year 2019-20 garbage and sewer service fees, including changes from the prior year, the basis for the adjustments and comparisons to neighbor jurisdictions. Garbage service fees are proposed to increase by 4.0% amounting to \$0.99 per month, from \$24.69 to \$25.68, for basic residential service. Sewer user fees are proposed to increase by 9.0% amounting to \$1.86 per month, from \$20.62 to \$22.48 for residential units. There is no change proposed for the annual single-family residential fire protection service assessment of \$51.20 and vacant lot assessment of \$25.60.

Mr. Kilic presented background information and purposes of Resolutions 19-10 through 19-15.

One public comment was received by mail concerning the District / California Highway Patrol contract.

President McKee opened the public hearing at 10:09 a.m.

Mr. Phayer requested more funding be allocated for undergrounding utility lines, and felt that the District should take more of a supervisory role than PG&E. Mr. Niccum encouraged Mr. Phayer to meet with Engineer Becker who can detail the \$1.4 million per year allocation included in the District's long-term plans. To help expedite undergrounding of utility lines, discussions with PG&E are underway for the District to handle more aspects of Phase III design and construction. The District is considering holding a special meeting in the fall specifically for public input on undergrounding. President McKee emphasized that undergrounding is a District priority; experience gained from past phases helps to standardize processes and speed progress.

In response to Mr. Yost's inquiry as to District costs related to US Open Golf Tournament, Mr. Kilic estimated less than \$10,000.

There were no further comments and no protests and/or requests for clarification regarding adoption of service charges were received. President McKee closed the hearing at 10:19 a.m.

#### **MOTION 19-06-04**

**Moved by Director Froke, seconded by Director Gebhart, and unanimously carried 4-0, to adopt the following resolutions:**

**Resolution No. 19-10 approving service charges for garbage collection and disposal; sewer treatment and disposal services; and special tax for fire protection services for the Fiscal Year 2019-20;**

**Resolution No. 19-11 certifying compliance with State law for levying general and special taxes, assessments, and property related fees and charges;**

**Resolution No. 19-12 adopting the Final Budget for Fiscal Year 2019-20;**

**Resolution No. 19-13 approving positions, classifications and pay schedule for Fiscal Year 2019-20;**

**Resolution No. 19-14 adopting the Appropriations Limit for FY 2019-20;**

**Resolution No. 19-15 approving sewer connection, inspection, and permit fees for FY 2019-20.**

**END OF TIMED BUSINESS**

**FIRE DEPARTMENT**

**Fire Chief's Monthly Report**

The Board received and reviewed the *Monthly Fire Department Activity Report* for May 15 – June 15, 2019. Chief DiTullio thanked fire department staff for US Open efforts. The goats arrived yesterday for up to 10 weeks, initially placed along 17 Mile Drive in Pescadero Canyon near Del Ciervo Road, then across the street to Ford Meadow, and on to Navajo Tract. Fire Prevention staff is proceeding with fire mitigation work at the 1367 Cantera Court property and will seek reimbursement from the property owner.

**MAINTENANCE, ENGINEERING, AND CONSTRUCTION**

**Wastewater Collection, Treatment and Disposal System**

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for May 22 – June 19, 2019 and Mr. Becker presented slides. Forest Lake Reservoir water storage is 86% of capacity, approximately 30 million gallons more than average. Demand is approximately 100 million gallons below average.

**PBCSD Capital Improvement Projects**

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

**Reclamation Water Storage Tank Project Engineering Services**

The Board received and reviewed the *Engineering Report and Resolution 19-16* on project engineering services. Interior tank work will need to be done from November to February, the golf course irrigation off-season.

**MOTION 19-06-05**

**Moved by Director Gebhart, seconded by Director Verbanec, and unanimously carried to adopt *Resolution 19-16* approving agreement with Tank Industry Consultants to provide engineering services for the Reclamation Storage Tank Rehabilitation Project for an amount not to exceed \$150,000.**

**CAWD Board Meeting**

Director McKee attended the CAWD board meeting held June 27, 2019, and reported CAWD adopted, with no public opposition, the 2019-20 Budget and 7.6% fee increase. The CAWD website is being updated.

**SOLID WASTE MANAGEMENT**

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

General Manager Niccum attended, on behalf of Director Laska, the June 21, 2019, MRWMD Board meeting. The 2019-20 budget was approved. There is no tipping fee increase, instead the \$40 per ton recycling credit was waived due to the adverse recycling material markets and will result in an approximately \$50,000 annual revenue loss to PBCSD.

**MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

**Oral reports from General Manager**

Mr. Niccum thanked Director Froke for his leadership in enhancing the Fire-safe Garden. This year CAWD will participate in the PBCSD Open House and Safety Day on July 20.

**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**

There were no reports or announcements.

**CLOSED SESSION**

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

**ADJOURNMENT**

**MOTION 19-06-06**

**M/S/C (unanimous) to adjourn at 11:08 a.m. to a regular Board meeting to be held on Friday, July 26, 2019 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.**



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**Mike Niccum, Board Secretary**