

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of September 29, 2006
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 September 29, 2006. Board President Gary D. Hornbuckle called the meeting to order at 9:30 a.m.

ROLL CALL

Present: Directors Gary D. Hornbuckle, Leo M. Laska, Richard Verbanec, Gerald Verhasselt, Jeffrey Froke

Absent: None

Others Present

Craig Anthony, General Manager/Board Secretary
Kacie Demers, Assistant Board Clerk, for Paxton Ad Hoc
Robert Wellington, Legal Counsel
Suha Kilic, Finance Officer
Michael Niccum, District Engineer
Jackie Scoggin, Operations Battalion Chief, CDF
Dennis Carreiro, Fire Prevention Battalion Chief, CDF
George Haines, Fire Chief, CDF, San Benito-Monterey Counties Unit
Nancy McCullough, Member, Del Monte Forest Property Owners ("DMFPO")
Traffic/Safety Committee
Mark Verbonich, V.P., Community Affairs, Pebble Beach Company ("PBCo")
John Tormey, Pebble Beach resident
Al Budris, Director, DMFPO
Ken White, Director, Carmel Area Wastewater District ("CAWD")
Vinod Badani, Vice President, E2 Consulting Engineers

APPEARANCES AND ORDER OF BUSINESS

There were no appearances. Craig Anthony, General Manager, PBCSD, requested the Board add under agenda item 12 a request to authorize the General Manager to expend up to \$50,000 for an emergency repair of the District reclaimed water line at Sloat Road & 17 Mile Drive. Robert Wellington, District Counsel, advised the Board that the emergency item came up after the agenda was prepared.

MOTION 09-06-01

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve adding under item 12 of the agenda a request to authorize the General Manager to expend up to \$50,000 for an emergency repair of the District reclaimed water line.

MINUTES

MOTION 09-06-02

Moved by Director Verbanec, seconded by Director Froke, and unanimously carried, to approve the minutes of the regular Board meeting held August 25, 2006, with corrections to page 6, paragraph 6, indicating that Director Verhasselt plans to attend the California Special District Association on leadership and Strategic Planning with the third *and fourth* meetings being held in Monterey in October *and* November, not the third meeting in October or November.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for August 2006. Suha Kilic, District Finance Officer, reviewed orally for the Board details of receipts relating to investment earnings, a defined benefit plan life insurance refund, and an Open Meeting Act state mandated cost reimbursement, as well as disbursements related to CDF and CAWD services and past fiscal year expenses being under budget for each of these items, even with two extraordinary expense payments to CAWD.

Check Register

The Board received and approved the *Check Register* for August 2006.

Surplus District Property

The Board received and reviewed a list of equipment that has been replaced and no longer needed by the District. Upon Board declaration of the equipment being surplus, a silent auction will be scheduled at the District on Saturday, October 7, 2006, from 10:30 a.m. to 12:00 noon. Mr. Kilic said the event will be advertised in the Herald Thursday October 5 through Saturday October 7 and the staff will contact local plumbers to increase interest. Mr. Kilic responded to questions from the Board.

MOTION 09-06-03

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution No. 06-20* declaring certain District property surplus and authorizing its disposal.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department operations report for August 2006. Battalion Chief Scoggin added to the staff report: Two wildland fires occurred on September 22nd and 23rd; one near the spur of Sunridge Road off Lopez Road and the other near Fire Road 2. Signs displaying "Incident or Arson" in the Forest are being placed at the location of each fire that has occurred under suspicious circumstances to prompt anyone passing by with information on the incidents to call the Arson Hotline (1-800-468-4408).

Fire Defense Capabilities within Pescadero Canyon

The Board received and reviewed the submitted Fire Department Staff Report regarding Pescadero Canyon fire defense. Battalion Chief Carreiro advised the Board that Staff is waiting for information back from the CDF fire behavior analyst to determine the actual area of proposed fuel break work; the delineated project area on the submitted map will be finalized based on the computer fuel model developed by the analyst specifically for the area one-quarter mile from Pine Meadows. Mr. Anthony pointed out that, in addition to the fuel model, the proposed break location will be based on the adequacy to support firefighting operations along the break during a fire. Fire Chief Haines anticipates crews starting fuel break construction early next spring. He advised the Board that vegetative maintenance in Pescadero Canyon was a high priority this year, and that it was completed on schedule. Fire prevention's current focus is on public education and the importance of lot clearance and compliance with clearance standards. Four lots remain to be cleared and owners have provided target completion dates.

Fire Safe Demonstration Garden

Director Froke related his experience with developing Fire Safe Demonstration Gardens, typically constructed by fire departments to provide fire safe public education and demonstrations. Native and horticultural plants with fire-safe attributes will be considered for the fire safe garden. Battalion Chief Carreiro reported that the proposed fire garden area is scheduled to be cleared for planting and is located in a 1/4 acre area near the Del Monte Forest Property Owners office end of the PBCSD administration building. A maintenance plan and project

budget will also be developed for Board approval. An estimated timeline is for plantings to begin next spring.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater collection, treatment and disposal system

The Board received and reviewed the District Engineer's Report of Utilities Operations and Maintenance for 8/18/06 – 9/21/06. Mr. Niccum responded to Director Hornbuckle's inquiry of the status of the broken wastewater line at the 18th Hole of Pebble Beach. Emergency repairs had been made and the line made secure against any storm environment. Residents along the line are interested in constructing a seawall and requested the District relocate pending Coastal Commission review of the seawall alternative. The residents will not grant an easement to move the line onto their properties. An alternative to the existing line location is to install individual pump stations for each affected residence.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed orally his monthly status report on capital improvement projects and responded to questions from the Board.

Forest Lake Reservoir

District Engineer Niccum had nothing to add to the submitted report. The reservoir is attended to daily by PBCSD personnel and monitored round the clock by cameras and pH sensors.

Emergency Repair of Reclaimed Water Line

Mr. Niccum gave an overhead presentation of the water line repair conducted at the convergence of Sloat Road, 17 Mile Drive. The reclaimed water was relocated over the golf cart tunnel to reduce road work and impact on traffic flow. Pavex Construction performed the repair on a time and materials basis. A curb will be installed and possibly a fence along the PBCo right of way where the pipe was relocated. The repair expense is reimbursable by the Reclaimed Water Project. Total estimated cost will be from \$40,000 to \$50,000, exceeding the General Manager's expenditure authority.

MOTION 09-06-04

Moved by Director Laska, seconded by Director Froke, and unanimously carried, to authorize the General Manager to expend up to \$50,000 for the emergency repair of the reclaimed water line at Sloat Road and 17 Mile Drive.

Fourth Priority Fire Protection Pipeline Replacement Project

Mr. Niccum reviewed orally his submitted report and made the plans and specifications available at the meeting.

MOTION 09-06-05

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to approve the plans and specifications for the Fire Protection Water System Improvements – Fourth Priority Pipeline Replacement Project and authorize an invitation to bidders.

Trailer Mounted Generator

The Board received and reviewed the submitted memorandum from the District Engineer. The requested generator would replace a 20 year old unit and feature lower decibels.

MOTION 09-06-06

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried to adopt *Resolution 06-21* declaring the bid of \$57,161 from MQ Power as the lowest responsible bid and authorizing the purchase of a trailer mounted 60 KW diesel generator.

Wastewater System Program Review

Mr. Anthony apprised the Board of the intent of the District's program review presentations. Mr. Niccum presented a review of the District's wastewater collection system, and responded to questions from the Board and public. One issue for the strategic planning and budgeting process is whether to accelerate the sewer line replacement project. The Board concurred that review of the District's major programs was helpful.

CAWD Board Meeting

Director Verhasselt attended the Carmel Area Wastewater District Board meeting held September 28, 2006 and reviewed orally the highlights of the meeting. The Board adopted a resolution to increase the budget for Phase II of the Wastewater Reclamation Project to \$3.3 million for engineering. The Board also adopted a resolution to map and video the District's sewer system.

CAWD Meeting Assignment

Director Verbanec was assigned to attend the CAWD regular Board meeting on Thursday, October 26, 2006 at 9:30 a.m. in the CAWD Boardroom at 3945 Rio Road, Carmel.

SOLID WASTE MANAGEMENT

Director Laska reviewed orally his submitted memorandum of highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on September 15, 2006. He stated that the projected life of the landfill is 117 years due to recycling efforts reducing the waste stream: Recycling is costly and the extended projection comes with increased costs to the District. Figures for revenue generated from the various components of the District's recycling program are reported to the Board, as well as presented in the annual report.

Solid Waste Program Review

Mr. Kilic presented an overview of the District's Solid Waste Program and responded to questions from the Board and public. Notwithstanding the high cost of each event, Mr. Anthony pointed out the benefit of providing household hazardous waste collection events to rid homes of flammable substances in garages and under sinks, and to reduce the chances of hazardous chemicals being disposed of down drains and potentially adversely affecting the treatment process at the CAWD plant.

Director Verhasselt commented on the on-going problem of garbage collection workers not performing the service requested of placing garbage totes in a screened area after emptying. Director Verbanec suggested discussing the issue during Strategic Planning and to consider offering the return service to all residents to simplify the process for the collectors. Director Verhasselt inquired about the quarterly clean-up weeks during which residents can leave seven cans of extra garbage for collection. It was explained that it is seven cans *worth* of garbage, however, plastic bags can be used. Mr. Tormey suggested using the *Reverse 911* system to advise residents of special waste disposal events.

GENERAL GOVERNMENT

Law Enforcement Program Update

Mr. Anthony reported orally that the radar display units have been received by the District and should be operational early next week. The contract between the District and the California Highway Patrol ("CHP") is projected to be finalized after the first of the year. An interim local reimbursement agreement will be used to initiate CHP augmented vehicle enforcement beginning October 16, 2006.

MOTION 09-06-07

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to authorize the Board President to execute a \$50,000 interim cost reimbursement agreement with the California Highway Patrol for supplemental law enforcement services within the District.

Director Compensation and Expense Reimbursement Policy

Mr. Kilic reviewed orally the submitted memorandum. Director Hornbuckle requested that the quarterly attendance of the Del Monte Forest Community Advisory Committee by a director of the PBCSD Board be added to Exhibit "A" of the resolution. Director Verhasselt requested the Board consider compensation be granted for attendance at meetings, seminars, and conferences of a general educational nature. Director Laska felt that 50% of the Board meeting compensation amount for attendance at the PBCSD Supplemental Retirement Plan Investment Committee meetings is not commensurate. Mr. Kilic clarified one question from the Board that based on law, a written report is required for Board member compensation and an oral report is sufficient if direct expense reimbursement is sought without any other compensation.

MOTION 09-06-08

Moved by Director Laska, seconded by Director Verhasselt, opposed by Director Verbanec, and carried, to adopt *Resolution No. 06-22* which establishes a policy for compensation of Directors and reimbursement of business-related expenses, with the addition of Section 2060.122, item c, Del Monte Forest Community Advisory Committee meetings.

Call for Nominations for the Selection of LAFCO Commissioners

Director Laska advised the Board that the current Special Districts representative to the Local Agency Formation Commission is Tom Perkins who is doing a fine job. He is seeking re-election and Director Laska felt it inappropriate to nominate someone to run in opposition to Mr. Perkins. The Board concurred to not pursue any nominations.

District Newsletter

Mr. Kilic reviewed orally the submitted memorandum requesting the Board to provide input regarding a new format and appearance for the District newsletter. The Board chose the title of *District News* out of the six nominations provided, and a request was made to use a larger size logo in the masthead.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral Reports from General Manager

Mr. Anthony is following the status of AB 2683 relating to the CDF union salary issue that could have significant cost implications to the District. The governor is due to pass or veto the legislation by tomorrow night.

Mr. Anthony spoke regarding the advocates of each District program using a team approach that results in the District functioning at an optimum level.

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 Verbanec advised the Board of the Association of California Water Agencies *Blueprint for Water* recently released series of videos on the subject of water issues in California. Director Verbanec requested the District order the series.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 12:30 p.m. a motion was made to adjourn.

MOTION 09-06-09

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, October 27, 2006 at 9:30 a.m. in the District Boardroom at Forest Lake and Lopez Roads.