

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Regular Meeting of May 23, 2007  
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 May 23, 2007. Board President Richard D. Verbanec called the meeting to order at 9:30 a.m.

**ROLL CALL**

**Present:** Directors Jeffrey B. Froke, Leo M. Laska, Richard D. Verbanec, Gerald F. Verhasselt

**Absent:** Director Gary D. Hornbuckle

**Others Present**

Craig Anthony, General Manager  
Laura Dadiw, Board Clerk, Dadiw Associates  
Robert Wellington, Legal Counsel  
Suha Kilic, Finance Officer  
Michael Niccum, District Engineer  
George Haines, Fire Chief, CAL FIRE, San Benito-Monterey Unit  
Dennis Carreiro, Fire Prevention Battalion Chief, CAL FIRE  
Vinod Badani, Vice President, E2 Consulting Engineers  
Spencer Thompson, Pebble Beach resident  
John Tormey, Pebble Beach resident  
Mark Verbonich, Vice President, Pebble Beach Company  
Bob Siegfried, Director, Carmel Area Wastewater District ("CAWD")

**APPEARANCES AND ORDER OF BUSINESS**

There were no additions or changes to the agenda. District Finance Officer, Suha Kilic thanked the Board for rescheduling the May meeting to today to allow for a family obligation he would be attending Friday.

**MINUTES**

**MOTION 05-07-01**

**Moved by Director Verhasselt, seconded by Director Laska, and unanimously carried, to approve the minutes of the regular Board meeting held April 27, 2007.**

## **FINANCIAL MATTERS**

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

The Board received and reviewed the *Statements of Receipts and Disbursements* for April 2007. Mr. Kilic commented on the report.

### **Check Register**

The Board received the *Check Register* for April 2007. Mr. Kilic responded to questions from Director Verhasselt. Director Laska commented that, the Board President has the authority to sign the checks and, at the time he signs the checks, the staff provides all related invoices and backup material. Craig Anthony, District General Manager, invited interested directors to contact District Accountant, Nancy Johnson to view any vendor checks and back up documents routinely scanned into the District's information system.

### **MOTION 05-07-02**

**Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the *Check Register* for April 2007.**

### **Monterey County Treasurer's Investment Report**

Mr. Kilic reviewed for the Board the *Monterey County Treasurer's Investment Report* for quarter ended 3/31/07. The District currently has over \$16 million in the County pool. There are no District investments outside of the County pool.

### **District Preliminary Budget for Fiscal Year 2007-08**

Mr. Anthony reviewed the high points of the *Preliminary Budget for Fiscal Year 2007-08* for the Board, stating that the District continues to be conservative in budget estimates. He said the budgeted amount for the California Department of Forestry ("CAL FIRE" or "CDF") contract is based on the top salary step for each staff position. Savings are expected because the payments will be based on the actual salaries of the staff filling these positions. Mr. Anthony reviewed the important capital outlay projects budgeted for the upcoming fiscal year. In July 2005 Cypress Fire Protection District (CFPD) increased fire engine staffing to four firefighters. PBCSD records do not indicate that the fourth position was rolled into the 50/50 cost share agreement that PBCSD has with CFPD. Since the State is no longer shifting funds away from PBCSD and the District is considering paramedic/firefighters for staffing the fourth position on the Carmel Hill Station fire engine, the 50/50 cost share agreement with CFPD should include the cost of the fourth firefighter position. Mr. Anthony reviewed the paramedic/firefighter staffing of the fourth position that is proposed for the Carmel Hill engine and the PBCSD engine. Savings from discontinuing the WestMed Quick Response Vehicle (QRV) staffing contract on November 1,

2007, would offset some of the costs of the proposed restructuring of fire department personnel. The decommissioned QRV will most likely be used for emergency services, prevention and public education. The paramedic/firefighter program is budgeted to commence on October 1, 2007. The cost difference between a firefighter and a paramedic/firefighter is approximately \$30,000, and the total cost for the addition of one personnel to an engine is approximately \$330,000 per year. The WestMed QRV service contract is \$350,000 per year. Director Laska inquired if the turnover and training costs of paramedics is figured into the budget. Mr. Anthony responded that CDF has available a large pool of pre-trained paramedic/firefighters that significantly reduce training cost.

Mr. Kilic presented a review of the submitted preliminary budget. Property Tax revenue is estimated to increase by 3.7%. The estimate is based on a countywide property tax revenue increase of 11% and the PBCSD property tax revenue increase of 6% in the current fiscal year, and, projected countywide increase of 7% in the next fiscal year. The garbage service monthly fee is proposed to increase by \$0.57, from \$15.11 to \$15.68. Mr. Kilic stated that the budget includes an approximately \$7,000 one-time payment to the franchise holder to offset the landfill disposal fee increase which became effective in January of 2007. Director Verbanec requested clarification of the \$50,000 allocated for fire defense projects. Mr. Anthony stated that the funds are for strategic improvements per the Fire Defense Plan on a cost-share basis with Forest organizations proposing projects such as making improvements beyond what is required by state law regarding structure clearance. Each project would be brought before the Board for approval prior to any commitment of funds. Work crews in the area completing Fire Defense Plan work are available for firefighting as well if needed. Director Verhasselt asked questions regarding the proposed enhancements to the current firefighting and paramedic services and related costs. Mr. Anthony clarified the Board policy issues involved with the proposed fire department staff restructuring as: 1) contracting with either CDF or WestMed Ambulance to deliver paramedic services, 2) staffing the fire engine at the main station with three or four firefighters, and 3) determining whether to assume the 50% of the cost of the fourth firefighter serving on the Carmel Hill Station fire engine, in light of CFPD unilaterally upgrading the staffing from three to four and placing a paramedic-trained firefighter in that fourth position. He said contracting with one service provider versus the current two would give clarity to future cost structures and provide administrative consolidation. Director Froke considered that constituents might be more comfortable with CDF-staffed emergency services due to current service delivery challenges being experienced by WestMed Ambulance. A fire engine staffed by four personnel is the National Fire Protection Agency (NFPA) recognized standard. Insurance providers follow NFPA standards. Mr. Anthony stated that currently

there appears to be no property owner benefits from fire department upgrades on insurance premiums, however the improvements will increase the fire department emergency response level. Local agencies, with the exception of CDF, have three personnel per engine. Agencies tend to increase engine staffing levels when financially capable and when other public services are not competing for funding. Chief Haines stated that he could provide the Board the document presented at the Strategic Planning Meeting on February 26, 2007, that listed current District firefighting response standards against recommendations for improvement and what the District needs to do to achieve those recommendations. Director Verbanec summarized the issue under consideration as a Board decision approving the best quality of service the District can afford or approving a standard, generally accepted quality of service.

Pebble Beach resident, John Tormey gave comments and questions on the submitted preliminary budget: 1) The budget includes the largest draw from reserves in many years, all justified, 2) congratulations on no new vehicles budgeted, 3) contrary to past Board meeting discussions, community room equipment is left in the budget, 4) requested clarification as to special events requiring budgeted defibrillators, 5) requested clarification as to the upgrade of the Forest Lake boat for a cost of \$7,000. Mr. Kilic stated that the items listed under the title of "Office and Community Room Equipment" are for administrative office needs only, not for the boardroom. He said the title in the final budget will be changed to reflect that. Mr. Anthony stated that fire department personnel keep defibrillators on hand for emergency response when they staff special events in the Forest. A new boat is budgeted for use at Forest Lake that is two feet longer than the current boat to allow for more stability. The current boat will be traded in.

### **MOTION 05-07-03**

**Moved by Director Laska, seconded by Director Froke, and unanimously carried, to approve *Resolution No. 07-08* approving the *Preliminary Budget for FY 2007-08* and setting public hearing to consider Final Budget and user fees on July 27, 2007 at 9:40 a.m. and approving *Resolution No. 07-09* determining annual District appropriations limit.**

### **FIRE PROTECTION**

#### **Fire Chief's Monthly Report**

The Board received and reviewed the monthly fire department operations report for April 2007. Chief Haines reported increased investigation on vegetation fires reported orally at the last Board meeting. No suspicious vegetation fires have occurred in the last three weeks. CDF declared fire

season on May 14, 2007. Staffing has increased statewide and CDF is exploring contracting for a DC10 air tanker to aid in firefighting throughout the state. A CAL FIRE helicopter from the Pinnacles area and S2 tankers are mobilized out of Hollister each time a call comes in reporting a vegetation fire in the Forest. During the summer months, two state and the Cypress/Pebble Beach fire engines located at Carmel Hill are staffed by 12 firefighters. Along with seven firefighters at the District station, optimum staffing levels are achieved.

Chief Carreiro submitted a Staff Report on the status of the PBCSD Open House and Public Safety Day to be held June 23, 2007 from 10 a.m. to 2 p.m. with lunch to be served at 11:00 a.m. Printed notices will be mailed before the event. A presentation of vegetation management work in Pescadero Canyon might be on display. Another display suggestion from Director Verbanec involves a spray-on fire retardant substance for roof application if a residence is in the path of a fire. A product named "Barricade" or "Thermo-Gel" is possibly what Director Verbanec is referring to and will be investigated by staff.

## **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 4/19/07 – 5/16/07*. Last week golf course daily demand for recycled water reached 2 million gallons for several days.

### **PBCSD Capital Improvement Projects**

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

### **Sewer Line Replacement Project Engineering Services**

#### **MOTION 05-07-04**

**Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve *Resolution No. 07-10* approving Project Assignment Number 16 to the Master Agreement with E2 Consulting Engineers to provide engineering services required for the 2007 Sewer Line Replacement Project. The total estimated engineering cost is \$90,000.**

### **Reclamation Management Committee Meeting**

Director Hornbuckle previously submitted a brief report to staff indicating a routine meeting held May 11, 2007. Mr. Anthony had nothing to add.

### **CAWD Board Meeting**

Director Froke will attend the CAWD regular Board meeting on Thursday, May 24, 2007 at 9:30 a.m. in the CAWD Boardroom at 3945 Rio Road, Carmel.

### **CAWD Meeting Assignment**

Director Laska is assigned to attend the CAWD regular Board meeting on Thursday, June 28, 2007 at 9:30 a.m. in the CAWD Boardroom at 3945 Rio Road, Carmel.

### **SOLID WASTE MANAGEMENT**

Director Laska reviewed orally the meeting of the Monterey Regional Waste Management District ("MRWMD") held on May 18, 2007. Continued discussion on the upcoming fiscal year budget included the need for a reduction of approximately \$2 million due to increased costs to do business and a significant increase in workers compensation costs. The budget reduction was achieved by deferring capital improvement projects and by delaying the filling of vacant staff positions. Decreases in revenue were due to reduced amounts of refuse coming at levels lower than anticipated, including Fort Ord building demolition refuse being taken to another landfill. This revenue decrease is partially offset by taking in 35,000 tons per year from Santa Cruz County. A rate increase in January 2008 will be only \$2 per ton instead of the \$5/ton increase that would have been needed if the \$2 million had not been cut out of the budget. Rate increases correspond with disposal handling requirements, recycling mandates, advances in technology, and other District cost factors.

### **GENERAL GOVERNMENT**

#### **Law Enforcement Program**

The Board reviewed the submitted data records from the radar speed display units through May 2007. Mr. Anthony reported that as of April 2007, the California Highway Patrol (CHP) had issued 148 citations, half of those for unsafe speeds and stop sign violations. CHP presence in the Forest has been reduced due to decreased CHP staffing levels. Director Froke requested that the area of Bird Rock Road and Indian Village be patrolled, particularly after 5:30 p.m., for high speeds on the curved road.

### **MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

#### **Oral reports from General Manager**

The Board reviewed the submitted General Manager's Report regarding issues being addressed by Mr. Anthony. Mr. Anthony advised the Board that Mr. Kilic and the District's IT consultant Yavuz Atila of Monterey Bay Technologies will be presenting a professional paper they authored on web-based database application with ARCIMS at the 2007 ESRI International User Conference in San Diego June 18-22, 2007.

**Questions from Directors or staff seeking clarification of matters within the purview of the District**

Director Verbanec reported seeing a letter to the editor that suggested the establishment of a special district as a new water system owner in lieu of California American Water (Cal-Am) being a private owner. He inquired as to whether water pipelines upgraded by the District are part of Cal-Am's rate base. Per Mr. Niccum new pipelines are transferred to Cal-Am but they are not included in the rate base.

**Oral reports or announcements from Board President, directors or staff**

Director Verbanec reported that the Local Agency Formation Commission (LAFCO) is considering the development of a process for establishing Memorandums of Understanding between LAFCO and cities before any annexation actions are considered by the cities after the adoption of their sphere of influences. Some agencies feel it is beyond LAFCO authority. LAFCO feels the process will smooth the MOU process. Some commissioners want to move forward, others are reluctant.

**CLOSED SESSION**

It was determined that no closed session was in order.

**ADJOURNMENT**

There being no further business at 12:05 p.m. a motion was made to adjourn.

**MOTION 05-07-05**

**M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, June 29 2007 at 9:30 a.m. in the District Board Room at Forest Lake and Lopez Roads.**