



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of August 29, 2008 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 August 29, 2008. Board President Richard D. Verbanec called the meeting to order at 9:33 a.m.

ROLL CALL

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

Absent: None

Others Present

Michael Niccum, General Manager/District Engineer
Suha Kilic, Deputy General Manager/CFO
George Thacher, Legal Counsel
George Haines, Fire Chief, CAL FIRE, San Benito-Monterey Unit
Robin Hamelin, Fire Prevention Chief, CAL FIRE
Buddy Bloxham, Battalion Chief, CAL FIRE
Reno DiTullio, Division Chief, CAL FIRE
Pam Breslin, graduate, PBCSD Fire Department Community Emergency Response Team ("CERT") training
Doris Nishomoto, graduate, CERT
Jim Brady, graduate, CERT
Jean Hope, graduate, CERT
David Jones, graduate, CERT
Unal Matsu, graduate, CERT
John Tormey, Pebble Beach resident
Vinod Badani, Vice President, E2 Consulting Engineers
Mark Verbonich, Vice President Community Affairs, Pebble Beach Company ("PBCo")
Spencer Thompson, Traffic and Safety Committee, Del Monte Forest Property Owners
Thomas P. Moore, Director, Marina Coast Water District
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no requests for changes to the agenda.

Mr. Thomas Moore, 14-year member of the board of directors of the Marina Coast Water District, introduced himself to the Board as a candidate for the position of alternate special district representative to the Local Agency Formation Commission ("LAFCO").

Fire Chief, George Haines led six graduates who recently completed CERT training in the *Loyalty Oath* and presented training certificates to the new team members.

MINUTES

MOTION 08-08-01

Moved by Director Froke, seconded by Director Verhasselt, and carried, to approve the minutes of the regular Board meeting held July 25, 2008. Director Laska did not attend that meeting and abstained.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* and the *Cash Basis Budget Report* for July 2008. Deputy General Manager/CFO, Suha Kilic noted that the cash balance as of July 31, 2008 was lower than the balance one year ago, and would continue to decline until December when the District receives the first large allocation of property tax revenues and user fees. The Fifth Priority Water System Improvement Project capital outlay expenditures will be incurred in the early months of the current fiscal year. This will cause the cash balance to decline at a higher pace than the same period of the previous year, in accordance with the PBCSD Annual Budget and Long-term Financial Plan.

Monterey County Treasurer's Investment Report

Mr. Kilic summarized the *Monterey County Treasurer's Investment Report* for quarter ending June 30, 2008. The annualized rate of the County investment portfolio was 2.6% for the quarter, 185 basis points less than the previous quarter, reflecting the continued cuts in the Federal Funds rate to 2% which directly affects the fixed-income type of investments government agencies can engage in. The District earned \$95,000 in interest during the quarter; total interest revenue for the year was \$665,000 due to higher interest rates in the first three quarters, exceeding the District budget of \$600,000 by \$65,000. The Local Agency Investment Fund earnings rate was 2.89%, 29 basis points

higher than the County, however the County is in a more liquid position to take advantage of any turn-around in interest rates in the future.

Mr. Tormey inquired whether any fire defense projects had been defined. Mr. Niccum stated that the District is working with the Del Monte Forest Foundation ("DMFF") to identify and participate in fire defense projects. Areas will be identified during meetings with DMFF and the Open Space Advisory Committee. The District allocates \$50,000 annually for such projects. Director Verbanec expressed a desire to see the Fire Defense Plan updated on a regular basis and would be discussing the subject further with General Manager Niccum.

The Board received the *Check Register* for July 2008. Mr. Kilic highlighted some of the expenditures and there were no questions from the board or public.

MOTION 08-08-02

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to approve the *Check Register* for July 2008.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department activity report for July 15th – August 14th, 2008. Fire Chief Haines reported that the Reverse 911[©] Emergency Notification System was used to alert residents to the vegetation fire on August 8th. The system now contains cell phone contact numbers that are operational. He encouraged those not yet signed up to receive emergency notifications to do so.

Battalion Chief, Buddy Bloxham stated that the determination whether traffic collision patients are airlifted to San Jose is dependent upon the location of the accident, extrication time, and the extent of services available at the local hospital.

Chief Haines stated that a CAL FIRE arson investigation in the Jack's Peak area resulted in the arrest of Lance Scott of Carmel Woods on 11 counts of arson and three drug related charges.

CAL FIRE San Benito-Monterey Unit Organization Update

The Board received and reviewed the report on organizational changes in the CAL FIRE San Benito-Monterey Unit. Chief Haines reviewed the report and

introduced new Monterey Peninsula Battalion 2 Division Chief, Reno DiTullio replacing Chief Robert Taylor and Fire Prevention Chief, Robin Hamelin replacing Chief Mike Marlow.

At 10:02 a.m., Director Verbanec excused himself from the meeting and Director Froke assumed Board President role.

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 7/18/08 – 8/21/08* prepared by Associate Engineer, J.T. Rethke. Mr. Niccum noted that the PBCSD Carmel gate flow metering station measurement for July – 23% of total flow – was approximately 6-7% less than historical measurements for the season. CAWD is investigating the accuracy of the flow meter at the treatment plant. An adjustment to the percentage may be considered since it is used to determine the District's share of the costs for operations and maintenance of the treatment facility.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status report for capital improvement projects and responded to questions from the Board. Vinod Badani, Vice President of E2 Consulting Engineers stated that the size of the Spruance water tank might be increased from the designed 600,000 gallons to 1 million gallons based on a request by California American Water.

Director Laska inquired if the new generator for Pump Station P-7 would be compliant with AB32 legislation requiring the reduction of emissions from stationary equipment in the next few years. Mr. Niccum stated that AB32 rules have not yet been determined however new or replacement District equipment would meet what is most likely projected to be required.

Mr. Niccum stated that staff intends to request board approval at a future meeting to begin construction of the Forest Lake Reservoir outlet structure modifications scheduled for the winter.

CAWD Board Meeting

Director Froke attended the August 28, 2008 CAWD board meeting and reported a risk management plan had been drafted by CAWD staff for different aspects of operations; a professional firm had been retained to review and finalize the plan. Mobile car washing vehicles are now being required to submit a permit fee to CAWD and connect to the wastewater collection system while operational. Director Hornbuckle attended the July 31, 2008 meeting and submitted a written report to the board. In response to Mr. Tormey's question,

he said that operation of the advanced treatment plant is more complicated than anticipated requiring further personnel training and higher maintenance cost. There had been no indication of any difficulties with the operation itself. Mr. Niccum had been pleasantly surprised that the plant sent treated water to PBCSD every day with no disruptions during start-up period.

SOLID WASTE MANAGEMENT

The Board received and reviewed a report from Director Laska on the highlights of the meeting of the Monterey Regional Waste Management District held on August 15, 2008. Director Laska noted that a special meeting is planned to review prospective programs that could affect cities in the District such as increased recycling mandated by the State or future increases in the production of landfill gas using sewage sludge or yard waste anaerobically treated in a vessel to capture resulting methane. Currently the District produces approximately 5 Megawatt of power every year from landfill methane collectors generating over \$2 million in revenue and aiding in the reduction of greenhouse emissions. Vegetation waste is included in the diversion credit formula for PBCSD. Director Hornbuckle pointed out that large yards in the Forest tend to generate more green waste than can be contained in the yard waste bins provided by the franchise hauler resulting in yard waste being disposed of in the regular garbage. In his opinion, the extra pick-up services provided for regular waste at times during the year should be exchanged for extra yard waste pick-up services.

Pilot Household Hazardous Waste Collection Event

The Board received and Mr. Kilic highlighted a memorandum regarding a household hazardous waste and e-waste collection event to be held in the District parking lot on Saturday, September 27, 2008 between 9:00 a.m. and 2 p.m. for District residents. Fire Captain Lopez, having peace officer status, fulfills legal requirements and can provide pharmaceutical drug collection services at the event. Bulk items would generally not be accepted. Board members requested staff looking into scheduling this event annually. Mr. Niccum thanked Mr. Kilic for his hard work and follow-through on this event.

MOTION 08-08-03

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried 4-0, to approve a household hazardous waste and electronics waste collection event at the District parking lot on Saturday, September 27, 2008 between 9:00 a.m. and 2:00 p.m. for an estimated cost of \$20,000.

GENERAL GOVERNMENT

District Newsletter Topics

The Board reviewed the memorandum from Mr. Kilic requesting guidance regarding the article topics that are proposed for publication in the District's next newsletter to be delivered in October 2008. Director Froke suggested an article on the status of the Reclamation Project as it relates to Forest Lake Reservoir.

Ballot for Election of Monterey County LAFCO Commissioners

The recent LAFCO election of a Special District Regular Member resulted in a tie vote. LAFCO called for a second round election requested members to cast a new ballot. Director Laska made a motion to cast a ballot for Anne McGowan but after discussion he withdrew his motion.

MOTION 08-08-04

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried 4-0, for the District to cast a ballot for Don Champion as LAFCO Special District Regular Member.

Ballot for Election of California Special Districts Association Director

MOTION 08-08-05

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried 4-0, for the District to cast a ballot for Vincent C. Ferrante as representative to CSDA Board of Directors, Region 3, Seat C.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum reported that PBCo is planning a dry weather diversion project that involves diverting summer storm water runoff into the wastewater collection system. PBCo has applied for a grant from the State for the project as well as other storm water related projects in the area that are part of the grant. PBCo is requesting the District provide a letter of support for the project. PBCSD staff does not foresee any issues with the project and the diversion water may actually help with irrigation.

Mr. Niccum requested the Board begin to consider holding one board meeting for the months of November and December and he would bring a suggested date with options to the next meeting.

Goats have been feeding in the Forest reducing the fire fuel and were visible along Highway 68.

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 no closed session was in order.

ADJOURNMENT

There being no further business at 11:04 a.m. a motion was made to adjourn.

MOTION 08-08-06

**M/S/C (unanimous) 4-0 to adjourn to the next special meeting
Board field trip on Friday, September 5, 2008 at 9:30 a.m. at the
Carmel Area Wastewater District Treatment Plant.**