



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

3101 FOREST LAKE ROAD • PEBBLE BEACH, CALIFORNIA 93953 • (831) 373-1274

PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of May 29, 2009 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 29, 2009. Board President Jeffrey B. Froke called the meeting to order at 9:34 a.m.

ROLL CALL

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

Absent: None

Others Present

Michael Niccum, General Manager/District Engineer
Suha Kilic, Deputy General Manager/CFO
Nancy Johnson, Senior Accountant
J.T. Rethke, Associate Engineer, PBCSD
Christina Baca, Assistant Engineer, PBCSD
Robert Wellington, Legal Counsel
George Haines, Fire Chief, CAL FIRE San Benito-Monterey Unit
Dennis Carreiro, Operations Chief, CAL FIRE
Buddy Bloxham, Battalion Chief, CAL FIRE
Rick Hutchinson, Assistant Chief Southern Division, CAL FIRE
John Tormey, Pebble Beach resident
Mark Verbonich, Vice President Community Affairs, Pebble Beach Company ("PBCo")
Ken White, Director, Carmel Area Wastewater District ("CAWD")
Vinod Badani, Vice President, E2 Consulting Engineers
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no appearances and no requested changes to the agenda.

MINUTES

MOTION 09-5-01

Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the minutes of the regular Board meeting held on April 24, 2009.

MOTION 09-5-02

Moved by Director Verhasselt, seconded by Director Verbanec, and unanimously carried, to approve the minutes of the special Board meeting held on May 1, 2009.

Director Hornbuckle noted that the special meeting minutes were very well prepared.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for April 2009. Deputy General Manager/CFO Kilic noted that property tax revenues were slightly higher than expected.

The Board received the *Check Register* for April 2009. In response to Mr. Tormey's question, Mr. Kilic said letter notations in the first column of the report indicate that all or part of the payment is reimbursable by another agency. The reimbursing agency and the amount to be reimbursed are provided in the "Notes" section of the check register. Mr. Tormey noted that EMTs ("Emergency Medical Technicians") are trained to test for blood sugar levels.

MOTION 09-5-03

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the *Check Register* for April 2009.

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report for quarter ended March 31, 2009* and the Deputy General Manager/CFO Report recommending a District budget amendment to decrease interest revenue in the current fiscal year. Director Laska noted the

District's prudent move of \$7 million out of the County pooled portfolio prior to it being subject to the 3% loss.

MOTION 09-5-04

Moved by Director Hornbuckle, seconded by Director Verbanec, and unanimously carried, to approve a budget amendment to decrease fiscal year 2008-09 interest revenue from \$300,000 to \$70,000.

PBCSD Preliminary Budget for Fiscal Year 2009-10

Mr. Kilic gave a presentation of the *PBCSD Preliminary Budget for Fiscal Year 2009-10*. He stated the preliminary budget included funding for programs and projects identified during the recent strategic planning session. Director Hornbuckle preferred not to allocate additional funds in the budget for enhanced law enforcement services at this point. General Manager Niccum stated District staff plans to meet with the Monterey County Sheriff's Office to explore options for providing additional law enforcement services if criminal activity were to increase in the future. Funds for enhanced crime prevention can be allocated later in the year as required. Waste collection "two-way" pick-up and return of all bins to and from properties by the franchise hauler was considered but estimated at double the current collection costs to the residents, therefore the service was not budgeted for; individual customers can request the service for approximately \$4.00 per month. Fiscal year 2009-10 would be the 11th year of flat sewer service fees with the balance of the costs covered by property tax revenue. Mr. Kilic suggested the Board may consider an increase in sewer service rates upon review of the outcome of the utility lines undergrounding study. The fire service tax, originally set in 1981, would continue unchanged.

Any State borrowing of property tax revenues was not considered in the budget presented. Two scenarios are being considered: \$500 million would be taken from enterprise special districts translating to a roughly estimated \$1.2 million for the District; or 8% of property tax revenue would be taken away from all special districts across the board translating to approximately \$800,000 for the District. Under current law, any revenues taken by the State would require repayment with interest in three years.

Mr. Tormey inquired whether \$50,000 allocated for fire fuel reduction was enough to complete the identified work. Mr. Niccum stated the program was in the development stage and felt the amount was appropriate; the Board could approve more funding this year if additional needs are identified.

Senior Accountant, Nancy Johnson was recognized by Mr. Kilic for her significant input, time and expertise expended on preparing the budget documents and delivering an excellent product.

MOTION 09-5-05

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution No. 09-09* approving the proposed Preliminary Budget for fiscal year 2009-10 subject to reducing the amount budgeted for supplemental law enforcement service by \$50,000, and setting public hearing to consider Final Budget and user fees on July 31, 2009 at 9:40 a.m.

MOTION 09-5-06

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution No. 09-10* determining the maximum limit applicable to the appropriation of property tax proceeds for the fiscal year 2009-10 to be \$13,856,246.

FIRE PROTECTION

Fire Chief's Monthly Report

Chief Haines introduced Rick Hutchinson, Assistant Chief of South Division of CAL FIRE, who operates the Gabilan Conservation Camp, and is incident commander on major fires throughout California. Assistant Chief Hutchinson has some new ideas for use of crews for fire defense within the District. Chief Haines also introduced Dennis Carreiro as the new Assistant Fire Chief effective June 15, 2009, replacing Reno DiTullio who is retiring.

Fire Operations Chief, Dennis Carreiro added to the Monthly Activity Report – April 15 – May 14, 2009 an incident that occurred last week that appeared initially to be a simple medical aid for a skateboarder north of Cypress Point. The subject was found to be in possession of a gun and was ultimately subdued by Sheriff's deputies at the scene.

Chief Carreiro reported on behalf of Fire Prevention Chief Hamelin who was absent, stating that fire safe self-inspection notices had gone out and approximately 460 have been returned to date. The retired annuitant inspectors had completed 230, and engine companies had performed approximately 50 on-site inspections so far this year. The goal is to spot check 25% of self-inspections. There are approximately 110 vacant lots left in the Forest, down from 185 five years ago. 100% of vacant lots are inspected for full compliance.

The Fire Safe Demonstration Garden work is progressing and is approximately 80% complete.

The District Fire Department annual Fire Safety Open House and Barbeque is scheduled for June 20th from 10 a.m. to 2 p.m. at the District. The theme this year is green living and green construction. A list of vendors planning to attend to the Open House was shared with the Board.

Chief Haines stated that the City of Carmel-by-the-Sea, after hosting workshops on proposed consolidation of fire protection with the City of Monterey, had pulled the discussion from its council agenda for an indefinite period to allow time to respond to comments and questions brought forth. The Cypress Fire Protection District ("Cypress") Board looks at Carmel City as a natural fit into a regionalization process along with Cypress, PBCSD and Carmel Highlands. The incoming president of the Cypress District, Denver Dale, has proposed sending a joint letter to the City of Carmel and offer to share information related to the effective process that currently provides fire protection to citizens of surrounding unincorporated areas using depth of resources and economies of scale. Mr. Dale would be drafting a letter to the Carmel City Council and hoped for endorsement by other boards.

MOTION 09-5-07

Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution No. 09-11* approving a three-year extension of the contract with CAL FIRE to provide structural fire protection services within the District.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 4/18/09 – 5/22/09* prepared by Associate Engineer, J.T. Rethke. Mr. Rethke responded to questions from the Board related to compliance with California Air Resources Board regulations for the District's non-exempt and exempt equipment and vehicles. Mr. Tormey inquired as to the reason why wastewater flow was 1/3 below historic flow for April. Mr. Niccum stated that the reduction in wastewater flow does not appear to relate to the functionality of the flow meters or necessarily to conservation efforts or dry weather, but could possibly be related to the reduction in visitors to the area. The District is carefully watching flow rates to make any necessary adjustments to the recycled water distribution system to accommodate irrigation demand.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status of *Capital Improvement Program* projects prepared by Assistant Engineer Christina Baca. Mr. Niccum noted that once the Spruance Water Storage Tank Project had completed the County permit process to allow an increase in the size of the tank, District staff would present the Board with a recommendation on the filing of a negative declaration. He also noted that the Fire Road 20 Intersection Improvements Project would require a County permit as trees are to be removed and the project area is within the coastal zone.

CAWD Board Meeting

Director Verbanec attended the May 28, 2009 CAWD board meeting and reported that the meeting was brief. CAWD and PBCSD have both submitted letters supporting the Pebble Beach Company application for the Environmental Protection Agency 2009 Governor's Environmental and Economic Leadership Award.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

Director Laska gave highlights of his submitted report on the meeting of the Monterey Regional Waste Management District ("MRWMD") held on May 15, 2009 and responded to questions regarding recycling rates and associated State requirements.

GENERAL GOVERNMENT

District Administrative Code Revisions

The Board received and reviewed the General Manager's Report regarding Administrative Code holiday and vacation revisions. Director Verhasselt stated his concern with employee recognition in the form of an additional 5 days of vacation annually after 20 years of employment. He felt a one-time recognition would be more appropriate. Mr. Niccum stated that after 20 years of employment the amount of vacation that could be bought back would increase to 10 days, however he did not feel the revision would be a significant cost issue; if all currently eligible employees chose to sell back the vacation time the estimated annual cost would be \$6,000.

MOTION 09-5-08

Moved by Director Verbanec, seconded by Director Laska, and carried, with Director Verhasselt voting no, to revise the District Administrative Code to include the following changes:

- 1. Substitute Columbus Day for California Admission Day on the District Holiday Schedule.**

- 2. Increase annual vacation leave and the limit for payment in lieu of vacation by 5 days for employees with more than 20 years of employment with the District.**

Potential for the State to Borrow Funds from Local Government

General Manager Niccum presented the item to allow the Board a chance to discuss the issue and recommended that staff monitor the situation and the District not take any action on the issue.

District Safety Committee Meeting

The Board received and reviewed the minutes of the Safety Committee meeting held on May 8, 2009. There were no questions or comments.

Agreement with California Highway Patrol (CHP)

Director Laska suggested staff layout a plan to decrease money from CHP traffic enforcement services to move to Monterey County Sheriff's Office services for criminal law enforcement. Director Froke suggested that dual plans be presented, one as suggested by Director Laska and another to possibly increase the amount budgeted for law enforcement to allow for Sheriff's Office services in addition to current level of traffic enforcement services from CHP. Director Hornbuckle felt that scheduling CHP patrol in a more random manner could be effective in crime deterrence. Mr. Niccum stated that, after discussions with the Sheriff's Office, staff would come back to the board with information for its consideration.

MOTION 09-5-09

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried, to adopt *Resolution No. 09-12* approving and authorizing execution of a contract with California Highway Patrol for supplemental law enforcement services for fiscal year 2009-10, subject to changing references to "supplemental traffic enforcement" to "supplemental law enforcement" in the body of the resolution.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Kilic provided a test model of an Acer netbook computer with a 10" screen running Windows XP for directors to use for reviewing electronic packet materials for board meetings. He invited directors to sample the computer after the meeting and provide feedback. The computer is available from Best Buy for \$350, and can be

sampled there by directors as well. Director Hornbuckle stated that he will use his own computer and did not request a District computer. Counsel Wellington advised the board that documents and messages generated by agency-issued electronic devices could be subject to discovery under the Public Records Act.

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

The Special District Institute training would be held on June 18 and 19, 2009 in Seaside.

Oral reports or announcements from Board President, directors or staff

Director Verhasselt announced that he would be absent from the June 2009 board meeting, and absent from the June 20th Open House; Director Froke announced he would be absent from the August 2009 board meeting; and Director Laska announced he would be absent from the July 2009 board meeting.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 11:49 a.m. a motion was made to adjourn.

MOTION 09-5-10

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, June 26, 2009 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.