



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 June 26, 2009 DRAFT 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 26, 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, and Richard D. Verbanec

Absent: Director Gerald F. Verhasselt

Others Present

Michael Niccum, General Manager/District Engineer
Suha Kilic, Deputy General Manager/CFO
J.T. Rethke, Associate Engineer, PBCSD
Christina Baca, Assistant Engineer, PBCSD
Robert Rathie, Legal Counsel
George Haines, Fire Chief, CAL FIRE San Benito-Monterey Unit
Rick Hutchison, Division Chief, CAL FIRE
Dennis Carreiro, Operations Chief, CAL FIRE
Buddy Bloxham, Battalion Chief, CAL FIRE
Robin Hamelin, Fire Prevention Chief, CAL FIRE
John Tormey, Pebble Beach resident
Spencer Thompson, Del Monte Forest Property Owners Traffic/Safety Committee
Mark Verbonich, Vice President Community Affairs, Pebble Beach Company ("PBCo")
Greg D'Ambrosio, Director, Carmel Area Wastewater District ("CAWD")
Vinod Badani, Vice President, E2 Consulting Engineers
Caroline Harty, Carmel resident
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

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

MINUTES

MOTION 09-6-01

Moved by Director Laska, seconded by Director Verbanec, and unanimously carried, to approve the minutes of the regular Board meeting held on May 29, 2009.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for May 2009. Deputy General Manager/CFO Kilic noted that pursuant to a request by the District staff, CAL FIRE conducted a review of the fiscal year 2007-08 unplanned overtime costs which resulted in a \$29,600 refund to the District.

Budget Report

The Board received the *Cash Basis Budget Report* for May 2009. Mr. Kilic noted that the District is in a favorable position with disbursements at 88.5% of the budgeted amount.

Check Register

The Board received the *Check Register* for May 2009. Mr. Kilic responded to questions from the Board.

MOTION 09-6-02

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to approve the *Check Register* for May 2009.

FIRE PROTECTION

Fire Chief's Monthly Report

The Board received and reviewed the monthly fire department activity report for May 15, 2009 – June 14, 2009. Chief Haines noted that overall for the State the fire season so far has been uneventful. Operations Chief Carreiro briefly reviewed the report for the board.

Fire Prevention Chief, Robin Hamelin stated the Open House held June 20, 2009 was very successful with 700-800 meals served; details of the event would be submitted at next month's meeting. Property inspection violations at this point are typical of the first notice phase. Goats were planned for last week however the herder was ill and the schedule was delayed.

Conveyance of Fire Protection Water System

The Board received and reviewed the General Manager's memorandum regarding the transfer of the water system improvements to California American Water ("Cal-Am"). Director Laska inquired how the improvements would be treated by Cal-Am, such as owned in fee with a particular value assigned, if the company were sold. Mr. Niccum stated he would check the project documents relating to that issue and noted that the District's main concern when the agreement was formed was insuring that the transferred assets were not included in the Cal-Am rate base and ratepayers were not charged for these improvements.

MOTION 09-6-03

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution 09-15* approving a Bill of Sale conveying fire protection water system improvements to California American Water.

City of Carmel-By-The-Sea (Carmel) and Regional Fire Protection Services

The Board received and reviewed the General Manager's memorandum regarding consideration by the board to draft a joint letter with the Carmel Highlands and Cypress Fire Protection Districts to the City of Carmel offering to share their experiences with Cal Fire in providing regional fire protection services. Chief Haines gave an overview of the efficiency of resources and economies of scale that could be achieved by Cal Fire providing structural fire protection services to the City of Carmel as opposed to it continuing as a standalone fire department or contracting with the City of Monterey. Cal Fire does not solicit to provide services however the Cypress Board feels that the Carmel City Council should be fully informed of all potential options prior to making a final decision on future fire protection services.

Carolyn Hardy, resident of Carmel, addressed the board stating her support of the draft letter submitted and desire for the City of Carmel to consider options other than contracting with the City of Monterey. She suggested that the wording in the last paragraph of the draft letter be strengthened – that the regional districts offer to meet with the City of Carmel to discuss the mutual benefits of regional services – to prompt a response from the Council.

MOTION 09-6-04

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to authorize the board president to finalize and cosign a joint letter with Carmel Highlands Fire Protection District and Cypress Fire Protection District to Carmel-By-The-Sea regarding regional fire services.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Report of Utilities Operations and Maintenance for 5/23/09 – 6/19/09* prepared by Associate Engineer, J.T. Rethke. Mr. Rethke responded to questions regarding small midge flies sometimes present near the Forest Lake Reservoir.

PBCSD Capital Improvement Projects

Mr. Niccum reviewed the monthly status of *Capital Improvement Projects* prepared by Assistant Engineer Christina Baca. Mr. Niccum stated that planned slurry seal pavement work near the Lodge may be pulled from contract for the Fifth Priority Water Project and covered by a separate contract because the work cannot be scheduled until the fall. He stated that preliminary meetings with PG&E had revealed that its staff is much more comfortable with placing utility lines underground than they were 10 years ago. PG&E suggested looking initially at the main feed lines coming into the Forest. Companion utility lines such as AT&T phone lines and Comcast cable lines are required to be separated from power line conduits but can be placed in the same underground trench.

2009 Sewer Line Replacement Project

The Board received and reviewed the *Engineering Report* regarding engineering services for the 2009 Sewer Line Replacement Project.

MOTION 09-6-05

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to adopt *Resolution No. 09-13* approving Project Assignment No. 21 to the Master Agreement with E2 Consulting Engineers to provide engineering services required for the 2009 Sewer Line Replacement Project.

Relocation of Sewer Line at 17-Mile Drive Townhouse #18

The Board received and reviewed the *Engineering Report* regarding the relocation of a sewer line and abandoning an existing sewer easement serving Pebble Beach Townhouses.

MOTION 09-6-06

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to adopt *Resolution 09-14* authorizing an agreement for relocation of a sanitary sewer main line and abandoning an existing sanitary sewer easement.

CAWD Board Meeting

Director Hornbuckle attended the June 25, 2009 CAWD board meeting and reported to the board that the meeting was brief focusing on the final approval of the budget and adjusted sewer rates. Overall residential sewer rates went up 5% and the budget for administrative costs increased 11% including an allocation of \$25,000 to recruit a new general manager. The CAWD budget committee consists of two CAWD board members, the general manager, and the finance officer; Director Hornbuckle felt since the District pays 1/3 of the costs to CAWD it should be represented in CAWD budget development. Mr. Niccum stated he will review the rights of the District under the contractual agreement with CAWD. He noted that historically PBCSD staff reviews the draft budget but has had little involvement in the budget preparation process. Mr. Niccum will prepare a report for the next board meeting reviewing the contractual relationship with CAWD and the current process PBCSD staff uses to review the CAWD budget. Mr. Tormey agreed with Director Hornbuckle and felt that the District was not as fully informed on the cost of CAWD operations as it was on other issues and programs. CAWD Director D'Ambrosio stated his support of discussions on the CAWD budget development process.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

The Board received and reviewed the report from Director Laska on the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on June 19, 2009. Director Laska noted the MRWMD employees would be decertifying from Service Employees International Union ("SEIU") and be represented by another union; and management was in negotiations with an employee representative to address the salary and benefits until employees are able to vote for a new union. Meetings have been

scheduled with Salinas Valley Waste Management Authority regarding a possible merger to improve efficiencies of solid waste management in Monterey County; however the City of Salinas is reluctant to participate. Director Laska has been elected to serve as the MRWMD board chair for a fourth year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum announced that the Del Monte Forest Property Owners would be hosting a presentation on Gang Awareness by the Monterey County Joint Gang Task Force on Sunday, July 19, 2009 from 2:00 – 3:30 p.m. in the PBCSD boardroom. The DMFPO Traffic and Safety Committee meetings are now quarterly with the next meeting scheduled for July 28, 2009 at 4:00 p.m. in the PBCSD boardroom.

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

Director Froke took Mr. Tormey's suggestion for a FireSafe Garden ceremony under advisement.

Oral reports or announcements from Board President, directors or staff

Director Verbanec reported on the Special District Institute conference on administration in Seaside indicating that it was a good presentation and he found it more informative than the CSDA conference equivalent. The next segment on finance was scheduled for an upcoming conference in San Diego.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 10:55 a.m. a motion was made to adjourn.

MOTION 09-6-07

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, July 31, 2009 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.