



# 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 February 26, 2010 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 February 26, 2010. Board President Jeffrey B. Froke 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, and Gerald F. Verhasselt

**Absent:** None

### **Others Present**

Michael Niccum, General Manager/District Engineer  
Suha Kilic, Deputy General Manager/CFO  
Christina Baca, Assistant Engineer, PBCSD  
David Drewien, Field Operations Supervisor, PBCSD  
Robert Wellington, Legal Counsel  
Rick Hutchison, Unit Chief, CAL FIRE San Benito-Monterey Unit  
Dennis Carreiro, Assistant Chief, CAL FIRE San Benito-Monterey Unit  
Robin Hamelin, Fire Prevention Chief, CAL FIRE San Benito-Monterey Unit  
Jude Acosta, Fire Operations Chief, CAL FIRE San Benito-Monterey Unit  
Sergeant Ray Faulk, California Highway Patrol  
John Tormey, Pebble Beach resident  
Mark Verbonich, Vice President Community Affairs, Pebble Beach Co. ("PBCo")  
Spencer Thompson, Traffic and Safety Committee, Del Monte Forest Property Owners  
Bob Siegfried, Director, Carmel Area Wastewater District ("CAWD")  
Vinod Badani, President, E2 Consulting Engineers  
Laura Dadiw, Board Clerk, Dadiw Associates

### **APPEARANCES AND ORDER OF BUSINESS**

There were no requests for changes to the agenda.

## **MINUTES**

### **MOTION 10-02-01**

**Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held on January 29, 2010.**

## **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 January 2010. Mr. Kilic reviewed the reports, noting that \$404,000 was received by the District from bonds sold under the Prop 1A securitization program to coincide with the State borrowing of the same amount of property taxes from the District. The second and final securitization payment of \$404,000 would occur in May 2010.

### **Check Register**

The Board received the *Check Register* for January 2010. General Manager Niccum explained that the District agreed to reimburse a resident for 50% of the cost for installation of a private sewer lift station on 17 Mile Drive near Cypress Point since the resident's sewer lateral is connected directly into the Pump Station P-1 wet well. The new residential lift station pump is equipped with a check valve to prevent any sewage from backing up into the residence. Sanitary sewer overflows have occurred in the past when sewage flowed through the resident's lateral into the residence before the wet well reached the level of the overflow line to the ocean.

### **MOTION 10-02-02**

**Moved by Director Laska, seconded by Director Verhasselt, and unanimously carried, to approve the *Check Register* for January 2010.**

### **Treasurer's Investment Report**

The Board received and reviewed the *Treasurer's Report of Investments for the quarter ending December 31, 2009*. Mr. Kilic advised that a low interest rate environment and consequently a low return on investments are expected to continue until the unemployment rate improves, at least through the end of the year. The Treasurer continues to aggressively pursue recovery of the defaulted Lehman Brothers bond.

### **District Annual Audit Agreement**

The Board received and reviewed the *Deputy General Manager/CFO Report* regarding an agreement with Hayashi & Wayland LLP for the District's annual audit.

### **MOTION 10-02-03**

**Moved by Director Verbanec, seconded by Director Verhasselt, and unanimously carried, to approve an *Agreement* with Hayashi & Wayland LLP to perform the annual audits of the District's financial transactions for a three-year period (fiscal years ending June 30, 2010, 2011, and 2012) for a total cost of \$76,200; and authorize the Board President to execute the agreement.**

### **FIRE PROTECTION**

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

The Board received and reviewed the *Monthly Fire Department Activity Report* for January 15, 2010 – February 14, 2010. Chief Carreiro noted that the repainting of the quint ladder fire truck had been delayed by the manufacturer and was anticipated for next month. The Fire Department responded to the Ocean Pines condominiums to investigate the smell of smoke resulting from an electrician load-testing one of the circuits. Fire Department staff will make arrangements to attend the next Ocean Pines homeowners association board meeting later in the month to encourage the board to have the entire condominium complex's late 1970s construction era electrical circuitry evaluated.

#### **CAL FIRE 2010 Local Government Cooperators Meeting**

The Board received the *General Manager's Report* on the local government cooperators meeting held February 2, 2010 attended by Mr. Niccum and Directors Froke and Verbanec for the District. All those that attended agreed the meeting was interesting and informative. Director Verbanec brought a binder of meeting handouts to the District office for anyone interested in reviewing them.

### **GENERAL GOVERNMENT**

#### **Law Enforcement Program Status Report**

The Board received and reviewed the *Deputy General Manager's Report* regarding the supplemental Traffic Enforcement Program status for quarter ending December 31, 2009. Sergeant Faulk answered questions from the Board and indicated a weekend patrol could be arranged for areas of the Forest where bicycle safety was a concern. Mr. Verbonich thanked CHP for its involvement with and presence during Pebble Beach Company events.

### **MAINTENANCE, ENGINEERING, AND CONSTRUCTION**

#### **Wastewater Collection, Treatment and Disposal System**

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 1/22/10 – 2/19/10* prepared by Associate Engineer, J.T. Rethke, who was absent. Mr. Niccum reviewed the highlights of the report and responded to questions from directors.

### **PBCSD Capital Improvement Projects**

Assistant Engineer Christina Baca presented the *Engineering Report* on the monthly status of *Capital Improvement Program* projects. Staff was continuing to review alternatives to the proposed Spruance water storage tank due to Coastal Commission restrictions at the proposed location.

### **2010 Sewer Line Replacement Project Engineering Services**

The Board received and reviewed the *Engineering Report* regarding engineering services for the 2010 Sewer Line Replacement Project. Field Operations Supervisor David Drewien stated that proposed sewer line replacement project work along Highway 68 would use pipe-bursting technology, and would be performed at night for minimal traffic disruption.

### **MOTION 10-02-04**

**Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution 10-02* approving Project Assignment No. 23 to the Master Agreement with E2 Consulting Engineers, Inc. to provide engineering services required for the 2010 Sewer Line Replacement Project with a budget not to exceed \$99,600.**

### **CAWD Board Meeting**

Director Verbanec attended the Carmel Area Wastewater District Board meeting held Thursday, February 25, 2010 and gave an oral report. The CAWD board discussed the letter sent to the County Health Department regarding construction of wells on small lots and potential impact on their neighbors. A new project to allow disposal of grease at the treatment plant will improve the efficiencies of the biological processes and create more gas for production of electricity. The project to recharge the Carmel Lagoon with treated water discharged from the reverse osmosis process continues to be pursued by CAWD. Mr. Niccum noted that minutes of the CAWD Pension Plan Trustees meeting are provided in the agenda packet since CAWD charges billed to PBCSD are impacted by pension plan actions. PBCSD staff has been meeting with CAWD staff in preparation for the transition of the new general manager, Barbara Buikema, into office in July 2010. The manufacturer continues to search for the cause of the failure of the microfiltration units in the advanced treatment operation.

### **SOLID WASTE MANAGEMENT**

#### **Monterey Regional Waste Management District Board Meeting**

Director Laska reported orally on the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on February 19, 2010. The budget had been discussed at length with regard to the substantial decrease in tonnage coming across the scales resulting in significantly reduced revenues. The board was looking at the notion of, upon impending payoff of current bond debt,

funding an increase in the size of the recycling facility to accommodate acceptance of two to three times the current amount of recycled waste with benefits being an increase in diversion rates, and a portion of the revenue from the sale of the recovered materials being passed through back to the communities where the recycled waste was generated. MRWMD increases tipping fees effective January 1 and PBCSD adopts its garbage service fees effective July 1 which normally includes an adjustment to offset the increase in tipping fees; the six months' difference is funded from the franchise fees that PBCSD receives. Although waste haulers are essentially collecting and disposing of increasingly less waste from households resulting in a decrease in the cost of disposal, many of the established hauler agreements with other jurisdictions allow an automatic pass through of tipping fee increases regardless of the quantity of material disposed.

## **GENERAL GOVERNMENT**

### **Agenda Format**

The Board received and reviewed the *General Manager Report* regarding changing the board meeting agenda format to include consent agenda items in an effort to reduce the length of meetings. The board concurred to continue with the current agenda format unchanged.

## **MISCELLANEOUS INFORMATION AND COMMUNICATIONS**

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

Mr. Niccum noted that he had attended the Strategic Planning Session for the Cypress Fire Protection District; the capital outlay portion of the discussion was of interest because the District shares the cost of a number of capital equipment items with Cypress.

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

In response to Director Laska's inquiry, Mr. Niccum stated that Cypress and Carmel Highlands Fire Protection Districts would be providing ethics training locally with Mr. David Laredo, Esquire, in the next couple of months, and that the ACWA conference in May would also provide an opportunity for training. Ethics training is also available on line. Ethics training is required to be completed by directors every two years.

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

The next Reclamation Management Committee meeting was expected to be held the first or second Friday in May.

## **CLOSED SESSION**

It was determined that no closed session was in order.

## **ADJOURNMENT**

There being no further business at 10:57 a.m. a motion was made to adjourn.

**MOTION 10-02-05**

**M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, March 26, 2010 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.**