



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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PEBBLE BEACH COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS Regular Meeting of April 30, 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 April 30, 2010. Board President Jeffrey B. Froke called the meeting to order at 9:30 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
Robert Wellington, Legal Counsel
J.T. Rethke, Associate Engineer, PBCSD
Christina Baca, Assistant Engineer, PBCSD
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
Buddy Bloxham, Battalion Chief, CAL FIRE San Benito-Monterey Unit
Sergeant Ray Faulk, California Highway Patrol
Mark Verbonich, Vice President Community Affairs, Pebble Beach Co. ("PBCo")
Barbara Buikema, Controller, Carmel Area Wastewater District ("CAWD")
Robert Kohn, Director, CAWD
Richard Gebhart, Del Monte Forest Property Owners
Vinod Badani, President, E2 Consulting Engineers
Laura Dadiw, Board Clerk, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no appearances or requested changes to the agenda.

MINUTES

MOTION 10-04-01

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held on March 26, 2010.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for March 2010. Mr. Kilic reviewed the report, noting that year-to-date capital improvement project expenditures were lower in comparison to last year resulting in higher fund balances.

Check Register

The Board received the *Check Register* for March 2010. Mr. Kilic pointed out a \$142,579 payment to Monterey County for property tax administration fee. Staff had inquired as to the approximately \$40,000 fee increase from last year and was told by the County Auditor's office that a third of the fee increase was due to increased costs resulting from higher volume of property assessments by the Assessor's Office. Two thirds of the fee increase was due to slow turnover of properties and decreased values resulting in low supplemental property tax revenue which is applied by the County to offset the administrative fees. Mr. Kilic was reviewing the County fee assessment procedure. He noted that savings in other budget line items would allow the District to absorb the increased fee without a need to change the overall budget.

Mr. Kilic projected, after speaking with the County Assessor, that District property tax revenue should be expected to decline next fiscal year on the order of 6% (2/3 of the reduction due to adjustments in commercial properties and 1/3 to adjustments in residential properties). In response to Director Laska's question, he said approximately 18% of property tax revenue collected in Pebble Beach was from commercial properties and 82% from residential properties.

MOTION 10-04-02

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

Third Quarter Budget Report

The Board received and reviewed the *Third Quarter Budget Report for Fiscal Year 2009-10*. Mr. Kilic noted that there were no proposed budget adjustments recommended at this time. Two adjustments approved previously were incorporated

into the budget: \$808,000 revenue from the sale of Proposition 1A loan receivable due from the State and \$40,000 increase in capital outlay expenditures for P-7 Rehabilitation Project. The net amount of the two changes, \$768,000, added to the Capital Outlay Reserve Fund. The impact of the 6% projected decline in property tax revenues, approximately \$650,000, will be considered in the budget for 2010-11 and the impact would be noted in the Long Term Financial Plan presented later in the meeting.

Long-Term Capital Outlay Program

The Board received and reviewed the 2010/11 *PBCSD Long-Term Capital Outlay Program*. Christina Baca, PBCSD Assistant Engineer, highlighted the report for the board. The useful lives of certain items were extended resulting in a decrease in overall costs. Based on fire staff experience, the useful life of fire engines was reduced to fifteen years due to heavy use instead of the originally projected twenty.

MOTION 10-04-03

Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to approve the 2010/11 Long-Term Capital Outlay Program.

Long-Term Financial Plan

The Board received and reviewed the 2010 *PBCSD Long-Term Financial Plan*. Mr. Kilic highlighted the report for the board and responded to questions and comments.

MOTION 10-04-04

Moved by Director Hornbuckle, seconded by Director Laska, and unanimously carried, to approve the PBCSD 2010 Long-Term Financial Plan, and authorize the Staff to make necessary inter-fund transfers to implement the Plan.

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for March 15 – April 14, 2010. Chief Carreiro gave highlights of the activity report. The District is working to coordinate with Monterey County Office of Emergency Services on events such as the recent tsunami warning. The County is currently on a learning curve with respect to its version of an emergency phone call notification system. Chief Carreiro assured the board that District fire staff monitors all emergency situations and in the case of the tsunami warning was ready to take appropriate action if conditions warranted.

CAL FIRE is gearing up for fire season with increased staffing for wildland fire engines and aircraft in early May.

Fire department costs for the US Open will be included within the allocated Schedule "A" contract amount with CAL FIRE. US Open plans will be presented to the Board at its next meeting. Mark Verbonich, Pebble Beach Company, stated that the tournament venue would be fenced and heightened security would be enforced around the Lodge complex. The remainder of Pebble Beach would be accessible. Magnetometers used for security scanning would be in place at the Carmel Gate and other access points. Portions of the 17 Mile Drive would be closed. A letter would be sent to residents regarding the impacts of the US Open.

Memorandums of Understanding for Fire Positions

The Board received and reviewed the *Fire Chief Report* regarding memorandums of understanding for Fire Prevention Battalion Chief and Paramedic Coordinator Fire Captain. The positions had been in place and funded between PBCSD, Cypress and Carmel Highlands Districts but no formal agreement had been executed in the past.

MOTION 10-04-05

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to adopt *Resolution 10-04* approving MOUs between PBCSD, Cypress and Carmel Highlands Fire Protection Districts to share costs associated with CALFIRE Fire Prevention Battalion Chief and Paramedic Coordinator Fire Captain.

GENERAL GOVERNMENT

Agreement with California Highway Patrol

The Board received and reviewed the *Deputy General Manager/CFO Report* regarding the CHP service contract. Sgt. Faulk addressed the Board stating that 12-15 officers patrolled the Forest, and that stop counts remain approximately the same however the number of tickets issued had decreased. Patrol was focused on school zones, the Bird Rock parking area, and construction worker traffic. Sgt. Faulk stated that during the US Open CHP would have a motorcycle unit patrolling the coastline and one unit on general patrol. Mr. Verbonich stated that the US Open event would bear the costs of increased CHP patrol during the tournament. There would be heavy involvement of local, state and federal security forces. Monterey County Sheriff's Office would have overall authority for the planning and implementation of security during the event. He stated that PBCo fully supported PBCSD's extension of the contract with CHP.

MOTION 10-04-06

Moved by Director Verbanec, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution No. 10-05* approving and authorizing execution of an agreement with the CHP to provide supplemental vehicle code enforcement service in FY 2010-11 at a cost not to exceed \$165,000.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 3/20/10 – 4/23/10* prepared by Associate Engineer, J.T. Rethke, who gave an overview of the report. He noted that full reservoir capacity had been reached.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Assistant Engineer Christina Baca and E2 Consulting Engineers, Vinod Badani gave the Board an update on the Spruance/Huckleberry Hill Water Storage Tank Project.

Purchase of Forest Lake Spare Feed Pump

Assistant Engineer Baca highlighted the *Engineering Report* on the purchase of a Forest Lake spare feed pump. The pump would arrive in 6-8 weeks and would require half a day to install in the event it is needed.

MOTION 10-04-07

Moved by Director Verbanec, seconded by Director Laska, and unanimously carried, to authorize the General Manager to purchase an Aurora Model 413-BF 8-inch Vertical Split Case Pump from Pumpworks, Inc. for the amount of \$29,068.71 to be used at Forest Lake Reservoir as a spare feed pump.

Sanitary Sewer Management Plan

Assistant Engineer Baca presented the *Engineering Report* and the completed 2010 PBCSD Sewer System Management Plan. General Manager Niccum commended Ms. Baca for her efforts over two years to complete the Plan.

MOTION 10-04-08

Moved by Director Verbanec, seconded by Director Hornbuckle, and unanimously carried, to provide Final Sewer System Management Plan Certification required by the State Water Resources Control Board Order No. 2006-0003 – Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

Review of Rate Models for Sewer Services

The Board received the *General Manager Report* in regards to the review of rate models for sewer services. General Manager Niccum concluded that the current method of calculating sewer rates provided a fair allocation of costs. Director Verhasselt felt that the current method of calculation was antiquated, having been instituted over twenty years ago, and felt District rates should be based on water use. Counsel Wellington noted that the District's current calculation method was the industry standard used by jurisdictions such as the District that were not also water purveyors and that the method was also the industry standard of State Water Resources Control Board regulations. Director Verhasselt noted that on the list provided in the report comparing sewer rates between area entities, PBCSD was the only entity where user fees funded only a small portion (25%) of the costs of wastewater operations; the operations of most of the other entities were funded 100% by user fees.

The report was provided as informational for discussion purposes.

CAWD Board Meeting

Director Verbanec gave an oral report on the CAWD board meeting held April 22, 2010. The board heard a 10-year history of data on sewer system overflows. Barbara Buikema would assume General Manager position on August 1st. A copy of the CAWD Long-term Capital Plan would be available in the District office for viewing.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District Board Meeting

The Board received and reviewed the *Memorandum* from Director Laska on the highlights of the meeting of the Monterey Regional Waste Management District ("MRWMD") held on April 16, 2010. Director Laska detailed discussions regarding the need for an increase in tipping fees.

GENERAL GOVERNMENT

Revised PBCSD Administrative Code

The Board received and reviewed the *Deputy General Manager Report* regarding the PBCSD Administrative Code update. Comments from Director Verbanec were

incorporated into the presented revised code. The Board and staff discussed providing proportional vacation, holiday and sick leave benefits for part time employees.

MOTION 10-04-09

Moved by Director Laska, seconded by Director Hornbuckle, and unanimously carried, to approve Resolution No. 10-03 adopting the revised PBCSD Administrative Code and repealing its previous versions.

Undergrounding Overhead Utilities Feasibility Study

The Board received and reviewed the *Engineering Report* regarding the undergrounding overhead utilities feasibility study. Assistant Engineer Baca stated that the study would consider feasible alternatives in addition to the option of placing lines underground and would be completed in approximately six months.

MOTION 10-04-10

Moved by Director Verhasselt, seconded by Director Verbanec, and unanimously carried, to authorize the General Manager to approve the Agreement with Robert Gray & Associates to provide engineering services required for the Undergrounding Overhead Utilities Feasibility Study for a cost not to exceed \$27,505.

District Newsletter Articles

The Board received and reviewed the *Deputy General Manager Report* regarding potential newsletter articles. The Board concurred with the list of articles recommended by staff to be included in the May 2010 District newsletter.

Monterey County Special Districts Association

Director Verbanec reported on the April 22, 2010 meeting of the Special Districts Association of Monterey County. General Manager Niccum provided a written report of the meeting.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum noted that Directors Laska and Verbanec would be attending the ACWA/JPIA conference next week in Monterey. Directors Froke and Verhasselt attended ethics training provided by the Carmel Highlands and Cypress Fire Protection Districts. Director Froke attended the Special District Institute 2-day training program on finance and board's role in management on April 22nd and 23rd. Chief Hutchison also attended.

Mr. Niccum provided to the Board an advertisement fact sheet in support of the Monterey Bay Regional Water Project that indicated support from 15 local cities and agencies including the District. There would be a briefing by project principals on Friday May 7th in Seaside.

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

There were no comments from directors or staff.

Oral reports or announcements from Board President, directors or staff

There were no reports or announcements from president, directors or staff.

CLOSED SESSION

It was determined that no closed session was in order.

ADJOURNMENT

There being no further business at 11:58 a.m. a motion was made to adjourn.

MOTION 10-4-11

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, May 28, 2010 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.