



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 28, 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 May 28, 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, Richard D. Verbanec, and Gerald F. Verhasselt

Absent: Leo M. Laska

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
Nancy Johnson, Senior Accountant, PBCSD
Marianna Escareno, Accounting Technician, 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
Jude Acosta, Fire Operations Chief, CAL FIRE San Benito-Monterey Unit
John Tormey, Pebble Beach resident
Richard Gebhart, Del Monte Forest Property Owners ("DMFPO")
Spencer Thompson, DMFPO Traffic and Safety Committee member
Sergeant Ray Faulk, California Highway Patrol
Mark Verbonich, Vice President Community Affairs, Pebble Beach Co. ("PBCo")
Mark Stilwell, Executive Vice President, PBCo
Ken White, Director, Carmel Area Wastewater District ("CAWD")
Vinod Badani, President, E2 Consulting Engineers
Laura Dadiw, Board Clerk, Dadiw Associates
Becky Rieser, Dadiw Associates

APPEARANCES AND ORDER OF BUSINESS

There were no appearances. General Manager Niccum requested that item #11 might need to be moved in the agenda to allow for Mark Stilwell's arrival.

MINUTES

MOTION 10-05-01

Moved by Director Verhasselt, seconded by Director Hornbuckle, and unanimously carried, to approve the minutes of the regular Board meeting held on April 30, 2010.

FINANCIAL MATTERS

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for April 2010. Mr. Kilic reviewed the report, noting that revenues included the April property tax distribution totaling \$3,845,000 and \$542,000 in user fees, in line with expectations. The District received \$404,000 the first week in May through the Proposition 1A Securitization Program and those revenues were not included in the April report. The \$2.9 million in disbursements included two quarterly payments to CalFIRE per contract and the \$404,000 loan given to the State related to the Proposition 1A Securitization Program revenue received in May, resulting in expenses being higher than usual for the month of April.

Cash Basis Budget Report

The Board received the *Cash Basis Budget Report* for April 2010. Mr. Kilic noted that revenues were approximately 93% of budget, and expenses were only 51% of budget due to major capital projects being carried over to the upcoming fiscal year. There were no questions or comments.

Check Register

The Board received the *Check Register* for April 2010. Regarding the payments to CalFIRE, the standard contract provides a schedule of quarterly payments taking into consideration the cash flow of the contracting agencies. The first quarter payment, which covers July thru September services, is not due until January of the following year, and the estimated fourth quarter payment, which covers April thru June services, is due in advance in April.

MOTION 10-05-02

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

District Preliminary Budget for Fiscal Year 2010/11 and Appropriations Limit

The Board received and reviewed the *Preliminary Budget for Fiscal Year 2010-11* and Mr. Kilic gave a presentation of the highlights. Director Verbanec inquired whether other agencies were subsidizing sewer service fees as the District does. Mr. Kilic did not know of any others. Director Verbanec requested staff present a comparison with other jurisdictions on the increase in sewer operations costs over time. Director Verbanec noted that the fire fuel reduction budget was being increased from \$100,000 to \$150,000 and inquired how much of the \$100,000 was expended in the current fiscal year. Chief Hamelin responded that a \$48,000 balance remained due to delays in fieldwork being able to be performed however he anticipated expending all the funds by the end of the current fiscal year. Mr. Kilic said two-thirds of the estimated 2.6% reduction in property tax revenues is the result of adjustments to commercial property values and one-third is attributed to adjustments in residential property values.

Mr. John Tormey addressed the board, expressing his gratitude for the expertly presented preliminary budget, one with no numerical errors, only one vehicle purchased, and a big year planned for painting. He pointed out the following:

1. Revenue streams seemed to be in order although possibly threatened.
2. Expenditure streams were all up however seemed justified and consistent with the District's responsibility to provide first class services within its legal limits. It had been noted throughout the past that actual expenses were routinely lower than budgeted amounts.
3. There were options provided to reduce the budget if necessary.
4. Staff had proposed a clear, financially sound, readable, and well considered budget.

Director Verhasselt stated that he was concerned regarding the possible significant reduction in property tax revenues that could occur in the upcoming year. Mr. Kilic stated that revenues would be monitored closely and if reductions occurred, the District would adjust its plans accordingly. Director Verhasselt stated his continued belief that the special public safety tax should

not be assessed for fire protection services.

Mr. Kilic thanked Senior Account Nancy Johnson and Accounting Technician Marianna Escareno for an excellent job in preparing the majority of the budget. He thanked all department heads also for their part in developing the budget and providing a very comprehensive planning tool.

MOTION 10-05-03

Moved by Director Hornbuckle, seconded by Director Verbanec, and carried 3-1, Director Verhasselt voting no, to adopt *Resolution 10-06* approving Preliminary Budget for FY 2010-11 and setting public hearing to consider Final Budget and user fees on July 30, 2010 at 9:40 a.m.; and unanimously carried to adopt *Resolution 10-07* determining annual District appropriations limit.

FIRE DEPARTMENT

Preparations for US Open Golf Tournament

Mr. Mark Stilwell, Executive Vice President for Pebble Beach Company gave a detailed overview of the preparations for the US Open Golf Tournament scheduled for June 14 to 20, 2010 including parking and shuttle service logistics and security check points. Chief Carreiro gave an overview of the fire department staff's responsibilities during the tournament. The joint agency operations center for security and the emergency communications dispatch center during the tournament will be located in the PBCSD administrative offices. Bike teams of medical staff from CHOMP and golf carts staffed with fire department paramedics will be stationed throughout the tournament grounds for quick response within the crowds. Golf cart flat beds will be used for any needed transportation to two dedicated ambulances and a fire engine will be stationed at Casa Palmero for responses within the golf course. Mr. Niccum stated that the wastewater pump station in the Lodge area would be inspected at 5 a.m. each day during the tournament and provisions had been made to gain access during the event if needed. Daily attendance is estimated to be approximately 50,000 at the height of the event. Mr. Verbonich stated that one or two maps depicting general circulation of traffic in the greater lodge area during the event would be mailed to residents in the next week.

FINANCIAL MATTERS

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report for Quarter Ended March 31, 2010*. Mr. Kilic had no

additional comments and there were no questions.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for April 15 – May 14, 2010. Chief Carreiro gave highlights of the report.

Mobile Computing and Automated Vehicle Locator Program

The Board received and reviewed the *Staff Report* regarding the Mobile Computing and Automated Vehicle Locator (AVL) Program. Chief Bloxham noted changes in the report including the total cost of the project should be \$140,000 instead of \$135,000, the onetime startup cost should be \$45,000 instead of \$35,000, and annual operating costs should be \$7,800 instead of \$9,300. Chief Bloxham explained that the AVL program includes software, hardware and wireless connectivity that will allow GPS data to be used on lap top computers recently installed in fire department vehicles through a joint purchase agreement with the City of Monterey. A presentation would be made to the board once the system is up and running. Accuracy of location mapping is estimated at 3 feet depending on coverage levels attained.

MOTION 10-05-04

Moved by Director Verbanec, seconded by Director Hornbuckle, and unanimously carried, to authorize implementation of wide area network including mobile computing and automated vehicle locator mapping software.

PBCSD Open House and Public Safety Day

The Board received and reviewed the *Staff Report* regarding the upcoming 2010 Open House and Public Safety Day scheduled for June 26, 2010. Director Verhasselt suggested and Chief Hamelin stated he would invite representatives of Monterey Peninsula Water Management District and Mr. Niccum would invite representatives of the Regional Water Project.

GENERAL GOVERNMENT

Receive Law Enforcement Status Update

The Board received and reviewed the *Informational Report* regarding the Supplemental Traffic Enforcement Program status quarter ending March 31, 2010. Sergeant Faulk reported change in patrol hours for two or three days of the week to include afternoon hours. Sgt. Faulk would contact Cal-Trans to request the pothole reported by Director Froke at the intersection of Highway

68 and 1 be repaired.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION
Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance for 4/24/10 – 5/21/10* prepared by Associate Engineer, J.T. Rethke, who gave an overview of the report.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* on the status of *Capital Improvement Program* projects. Assistant Engineer Christina Baca stated that two captain's bedrooms were being constructed in the fire department.

Engineering Services for Pump Station P-7 Rehabilitation Project

Assistant Engineer Baca highlighted the *Engineering Report* on engineering services for the Pump Station P-7 Rehabilitation Project. The project is planned for construction at the end of the year and would take approximately eight months to complete.

MOTION 10-05-05

Moved by Director Hornbuckle, seconded by Director Verhasselt, and unanimously carried, to adopt *Resolution 10-08* approving Project Assignment No. 24 to the Master Agreement with E2 Consulting Engineers, Inc. to provide engineering services required for final design and construction-related services for Pump Station P-7 Rehabilitation Project for a cost not to exceed \$162,008.

Reclamation Project Management Committee Report

The Board received the *General Manager Report* in regards to the meeting of the Reclamation Management Committee on May 21, 2010. There were no questions.

CAWD Board Meeting

Director Hornbuckle submitted a written report on the CAWD board meeting held May 27, 2010. He gave an overview of the possible cause of the major failure that occurred some time ago in the microfiltration units at the advanced treatment plant. Photographs of the affected system were provided. Siemens, the manufacturer of the units is reviewing recent observations at the plant.

Mr. Tormey provided an issue of *The Economist* with a 16-page article on global water issues.

Director Hornbuckle stated that CAWD might need to consider hiring an engineer to fill the vacancy left with Ray Van Dohren's departure in July.

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 May 21, 2010. Director Laska was absent from the meeting. Mr. Kilic had attended the meeting and gave highlights of the report. Assemblyman Monning spoke at the meeting emphasizing the merits of AB 32 which set standards for carbon emission reductions, and noted that AB 1998, the ban on plastic bag use by retailers, would be on the assembly floor soon. He reported that the preliminary budget adopted by the MRWMD board includes a \$5.00 per ton disposal fee increase effective January 1, 2011, which may result in a 3% or 50 cents a month increase in the PBCSD garbage service fees next fiscal year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

Mr. Niccum advised the board of the District's opportunity to hire a college student as a temporary short-term intern for the summer to assist with organizing engineering records. Directors Laska and Verbanec attended the ACWA/JPIA conference in Monterey in early May.

The board was provided with a copy of the recently distributed issue of the District Newsletter.

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 12:02 p.m. a motion was made to adjourn.

MOTION 10-05-06

M/S/C (unanimous) to adjourn to the next regular Board meeting to be held on Friday, June 25, 2010 at 9:30 a.m. in the District Board Room at 3101 Forest Lake Road.