

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 8th, 2023**

MINUTES

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District (PBCSD) was held in the PBCSD board room on December 8th, 2023. President Leo M. Laska called the meeting to order at 9:30 a.m.

ROLL CALL

Directors Present: Leo M. Laska – President, Richard B. Gebhart – Vice President, Jeffrey B. Froke, Peter B. McKee, and Richard D. Verbanec

Directors Absent: None

Others Present:

Mike Niccum, General Manager

Rob Rathie, Legal Counsel

Chris Simmons, Associate Engineer

Marianna Pimentel, Chief Financial Officer (CFO)

Merrie Cole, Administrative Temp

Alayna Paxton, Environmental Compliance Coordinator

Nic Faro, Maintenance Manager

Mike Meddles, Division Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Frank Espinoza, Fire Operations Battalion Chief, CAL FIRE

John Trenner, Fire Prevention, CAL FIRE

Robert Douglas, Captain, CAL FIRE

Cheryl Burrell, Planning and Real Estate Division, Pebble Beach Company (PBCo)

Suzanne Cole, Board Director, Carmel Area Wastewater District (CAWD)*

Barbara Buikema, General Manager, CAWD*

Jacqueline Fobes, Board Director, Del Monte Forest Property Owners (DMFPO)*

Hampton Stewart, Pebble Beach resident

Jerry Verhasselt, Pebble Beach resident

Nancy Dwan, Pebble Beach resident

Nathan Edelman, Eide Bailly LLP*

**Signifies virtual attendance*

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

There were no appearances or announcements.

MINUTES AND FINANCIAL MATTERS

MOTION 23-12-01

Moved by Director Gebhart, seconded by Director Froke, and unanimously carried 5-0 to approve, as presented, the *Minutes* of the Regular Board meeting held October 27, 2023.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for October 2023 and CFO Pimentel presented.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for October 2023 and CFO Pimentel presented.

Check Register

MOTION 23-12-02

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried 5-0 to approve the *Check Register* for October 2023.

PBCSD Annual Comprehensive Financial Report & Independent Audit Report

The Board received and reviewed the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2023. Nathan Edelman, CPA, Partner at Eide Bailly LLP, District's external independent audit firm related the scope of the audit performed. The District received an unmodified or "clean" opinion, which is the highest-level audit opinion. Mr. Edelman gave an overview of GASB (Governmental Accounting Standards Board) and subsequent event adjustments made with no additional corrective measures necessary. Ms. Pimentel responded to questions from the board, and thanked Senior Accountant Nancy Johnson for leading the audit and providing report photos, and District staff for support and input.

MOTION 23-12-03

Moved by Director McKee, seconded by Director Verbanec, and unanimously carried 5-0 to approve the PBCSD Annual Comprehensive Financial Report including Independent Audit Report for Fiscal Year ended June 30, 2023.

Monterey County Treasurer's Investment Report

The Board received and reviewed the Monterey County Treasurer's Investment Report for quarter ending September 30, 2023. CFO Pimentel reported there was no first quarter interest received due to an issue with the County Controller Office. The rate of return for the quarter was 3.10%. There is \$250,000 budgeted for interest revenue with actual expected to significantly exceed this amount.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed and Chief Espinoza presented the *Monthly Fire Department Activity Report for October 21 – December 1, 2023*. Chief Espinoza and General Manager Niccum responded to questions regarding the PBCSD Drone Program that now includes eight drone pilots. Cheryl Burrell, PBCo spoke regarding changes in the structure of the AT&T Pro-Am Tournament to be held February 1 through 4, 2024. John Trenner reported on fire fuel reduction work completed and planned: non-native trees were removed along Morse Drive up to the Morse Gate; removal of non-native plants, especially acacia, will be the focus for 15-member Gabilan hand crews scheduled for winter District work at \$200/day, an appreciable cost savings over commercial crews.

General Manager Niccum commended the Fire Prevention team for its significant accomplishment completing defensible space inspections on 95% of all District properties. He advised the board that long-time Open Space Advisory Committee naturalist member Bruce Cowan passed away in November. Bruce was a very helpful advisor on fire fuel reduction, and was instrumental in eradicating highly flammable non-native plants, especially pampas grass, from the forest.

2023 Pebble Beach Zombie Race and Emergency Preparedness Fair

Chief Espinoza presented slides of data and photographs from the October 28th event. He estimated 600-650 runners participated in the highly popular event.

MAINTENANCE, ENGINEERING AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineer's Report of Utilities Operations and Maintenance for October 21 - November 30, 2023*. Associate Engineer Simmons presented slides and reported the reservoir is at approximately 67% capacity. A minor 32-gallon sewer overflow occurred October 27th at 1470 Cypress Drive; blockage was quickly removed, the spill contained, and area disinfected.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineer's Report* and Associate Engineer Simmons presented, and provided slides of Cypress Grove Pump Station P-1 rehabilitation design and construction.

Reclamation Management Committee Meeting

The Board received and reviewed the *Draft Minutes* for the CAWD/PBCSD Wastewater Reclamation Management Committee meeting held November 7, 2023 attended by Directors McKee and Verbanec. It was a routine meeting.

Purchase of Televising Camera Equipment and Vehicle

The Board received and reviewed and Maintenance Manager Nic Faro presented the *Staff Report* and responded to directors' questions.

MOTION 23-12-04

Moved by Director Froke, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution 23-23* authorizing purchase of new sewer line closed circuit televising equipment and utility task vehicle for an amount not to exceed \$200,000.

Purchase of Replacement Line Cleaning Truck

The Board received and reviewed and Maintenance Manager Nic Faro presented the *Staff Report* and responded to directors' questions.

MOTION 23-12-05

Moved by Director McKee, seconded by Director Verbanec, and unanimously carried 5-0 to adopt *Resolution 23-24* authorizing purchase of a replacement sewer line cleaning truck for a total amount not to exceed \$285,000.

Recycled Water Pipeline Cathodic Protection System Improvement Project

The Board received and reviewed and Engineer Simmons presented the *Staff Report* and slides of the 1.7-mile project area. All costs are funded by the Wastewater Reclamation Project and have been approved by the Management Committee.

MOTION 23-12-06

Moved by Director Verbanec, seconded by Director Gebhart, and unanimously carried 5-0 to adopt *Resolution 23-25* approving Construction Contract with American Construction & Supply, Inc., for a total amount not to exceed \$180,000 for the Recycled Water Pipeline Cathodic Protection System Improvement Project.

CAWD Board Meeting

There were no meetings held during the period. The board welcomed newly appointed CAWD board member Suzanne Cole who was in attendance as the CAWD Board representative.

SOLID WASTE MANAGEMENT

ReGen Monterey Board Meeting

The Board received and reviewed the *Agenda Information* for the ReGen Monterey Regular Board meeting held November 17, 2023, attended by Director Laska who reported nothing of note for PBCSD was discussed. Director Laska received a resolution of appreciation from the ReGen board and a reception was held in his honor upon his retirement as a ReGen board director after 28 years of service.

Appoint PBCSD Representative to Serve on Monterey Regional Waste Management Authority Board of Directors

The Board received and reviewed the *General Manager Report*.

MOTION 23-12-07

Moved by Director Gebhart, seconded by Director Verbanec, with an abstention by Director McKee registered as an affirmative vote/consent to action, and carried 5-0 to adopt *Resolution 23-26* to appoint Director McKee as PBCSD representative to serve on the Board of Directors of the Monterey Regional Waste Management Authority.

GENERAL GOVERNMENT

Del Monte Forest Property Owners Road and Traffic Committee Meeting

The Board received and reviewed the *Agenda Information* from the November 17, 2023 meeting. General Manager Niccum followed up from the October board meeting regarding speeds along 17 Mile Drive from Point Joe to Bird Rock: data shows that the 85th percentile speed is 35mph. Pedestrians, some with dogs, walk in the bike lane instead of the adjacent walking path damaged by heavy storms including parts of the trail being covered with sand. To address the safety concern of pedestrians walking amongst bicyclists and near vehicles traveling 35mph, after the rainy season PBCSD in coordination with PBCo will arrange a contractor to “scrape” the walking paths with the cost borne by PBCSD anticipated to be within general manager spending authorization; the board will be kept apprised of the arrangements.

2024 Calendar of Board Meetings

The calendar was provided for reference.

Election of District Officers

MOTION 23-12-08

It was moved by Director Verbanec, seconded by Director McKee, and unanimously carried 5-0 to adopt *Resolution No. 23-27* electing Board President Leo M. Laska, Vice President Richard B. Gebhart, General Manager Mike Niccum to serve as Secretary, Deputy General Manager Nick

Becker to serve as Secretary Pro Tem, and Finance Director Marianna Pimentel to serve as Treasurer for the 2024 calendar year.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

CFO Pimentel provided certificates from ACWA JPIA recognizing PBCSD's three safety programs achieving an insurance loss ratio of 20% or less. The latest issue of the PBCSD newsletter was provided. Board members were invited to the PBCSD Holiday Party on December 21st at 11:30 a.m. in the fire bays. The PBCSD Fire Department presentation at the Del Monte Forest Property Owners Semiannual Meeting was well executed and received.

CLOSED SESSION

The Board convened in closed session at 11:42 a.m. Open session reconvened at 12:05 p.m. and Legal Counsel announced that in closed session the Board had taken up and concluded one item of the two performance evaluations listed on the meeting agenda, that being the performance evaluation of the General Manager and had deferred consideration of the performance evaluation of the Legal Counsel to a later date in February or March 2024. Following some general discussion in the closed session concerning the compensation of the General Manager and a recommendation made in that regard, Legal Counsel announced that an action to be taken in open session by the Board was in order after the closed session.

MOTION 23-12-09

Moved by Director Gebhart and seconded by Director Verbanec to approve an increase of 5.1% in General Manager annual compensation to \$271,000 per year retroactive to July 1, 2023 (the same cost of living percentage increase received by all other District employees on July 1st). Froke – Aye; Gebhart – Aye; Laska – Aye; McKee – Aye; Verbanec – Aye. Motion passed.

ADJOURNMENT

MOTION 23-12-10

M/S/C (unanimous) to adjourn at 12:08 p.m. to a regular Board meeting to be held on Friday, January 26, 2024, at 9:30 a.m., in person and virtually.



Mike Niccum, Board Secretary