

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of May 29, 2020
MINUTES**

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District (PBCSD) was held via teleconference on May 29, 2020. Board President Peter B. McKee called the meeting to order at 9:30 a.m.

ROLL CALL

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

Absent: Director Richard B. Gebhart

Others Present

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/CFO

Rob Wellington, Legal Counsel

Nick Becker, District Engineer

Justin Ferron, Assistant Engineer

Yuriana Nunez, Administrative Assistant

Nancy Johnson, Senior Accountant

Mariana Pimentel, Senior Accountant

Nijesh Sthapit, Finance and Information Systems Coordinator

Reno DiTullio, Jr., Division Chief, CAL FIRE San Benito-Monterey Unit (CAL FIRE)

Paul Gaines, Operations Battalion Chief, CAL FIRE

John Trenner, Fire Inspector, CAL FIRE

Roger Rinehart, Emergency Medical Services Battalion Chief, CAL FIRE

Josh Silveira, Captain, CAL FIRE

Chris Steggall, Captain, CAL FIRE

Michael Rachel, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

Dawn Mathes, Environmental/Governmental Affairs, Pebble Beach Company (PBCo)

Shawn Casey, Vice President Resource Management, PBCo

Peter Brown, Director of Security, PBCo

Vinod Badani, E2 Consulting Engineers

Jacqueline Fobes, Board Director, Del Monte Forest Property Owners

Hampton Stewart, Pebble Beach resident

Sgt. Chris Pia, California Highway Patrol

Laura Paxton, Board Clerk

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

The General Manager requested the Board to move Agenda Item No. 20 to a closed session item on the meeting agenda to provide instructions to the district labor negotiator, concerning negotiating strategy, potential terms and such. This matter can be added to the agenda by a 4/5ths vote of the board (or all 4 if only 4 present) – some urgency regarding this matter came to the attention of the General Manager after the agenda for this meeting was prepared, and it is reasonably necessary that this matter be considered and discussed before the next regular board meeting. Legal Counsel Wellington recommended closed session for the matter.

MOTION 20-05-01

Moved by Director Laska and seconded by Director Verbanec to move agenda item 20, District Voluntary Retirement Incentive Program, to closed session. McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.

GENERAL GOVERNMENT

Status Report of District Response to Coronavirus Disease (COVID-19)

The Board received and reviewed the *General Manager Report*. Mr. Niccum gave an update on protocols in place. None of the District workforce has contracted the virus.

MINUTES & FINANCIAL MATTERS

MOTION 20-05-02

Moved by Director Froke and seconded by Director Verbanec to approve, as presented, the minutes of the regular board meeting held April 24, 2020. McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.

Statement of Receipts and Disbursements

The Board received and reviewed the *Statement of Receipts and Disbursements* for April 2020 and CFO Kilic gave highlights.

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for April 2020 and Mr. Kilic gave highlights.

Check Register

The Board received and reviewed the April 2020 *Check Register*.

MOTION 20-05-03

Moved by Director Verbanec and seconded by Director Froke to approve the *Check Register* for April 2020. McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report* for quarter ending March 31, 2020. Mr. Kilic reported the yield for the quarter was 2.25%, about the same as the previous quarter. In comparison, the State Local Agency Investment Fund yield for the quarter was 2.03%. Mr. Kilic presented a slide showing the annual yield on investments increasing from 0.5% in fiscal year ending 2013 to 2.3% in fiscal year ending in 2020. Actual investment earnings are estimated to be \$460,000 in the current fiscal year in comparison to \$280,000 budgeted amount. Next year the yield may go down to about 1.5% reflecting the recent Federal Reserve rate cut to near 0%, partially offset by higher yields in the 2 to 3-year range maturities that are currently in the portfolio.

LAW ENFORCEMENT

Traffic Enforcement Status Report

The Board received and reviewed the *Deputy General Manager Report* on the Supplemental Traffic Enforcement Program status for quarter ending March 31, 2020. Mr. Kilic noted a significant reduction in vehicle traffic beginning the third week in March.

California Highway Patrol Amendments: COVID-19 Impact & Extension

The Board received and reviewed the *Deputy General Manager Report* on COVID-19 impact on law enforcement services and contract amendments with California Highway Patrol (CHP). Beginning March 22, when COVID-19 pandemic raised concerns about increased criminal activity, a 5 day per week CHP patrol shift was added, increasing weekly service from 40 hours to 70 hours. The proposed \$50,000 contract amendment would cover the cost of the 30 hours per week increased patrol in the current fiscal year. In addition, Mr. Kilic recommended increasing fiscal year 2020-21 contract amount from \$233,000 to \$300,000 to allow maintaining the extra shift in July and August, and give flexibility to make adjustments as needed thereafter. Peter Brown, PBCo Director of Security, noted the recent arrest of a burglary gang operating in Pebble Beach, and the arrest of an individual for the theft of packages from porches.

MOTION 20-05-04

Moved by Director Laska and seconded by Director Verbanec to:

- 1. Adopt *Resolution 20-08* approving an amendment to increase CHP Fiscal Year 2019-20 contract amount by \$50,000 from \$225 to \$275,000, and**
 - 2. Adopt *Resolution 20-09* approving an amendment to extend the term of CHP contract through June 30, 3021 at a cost not to exceed \$300,000.**
- McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.**

Fire Department

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for April 17, 2020 – May 21, 2020. Chief Gaines reviewed incident responses during the period. Inspector Trenner reported on fire prevention activities, including fuels reduction work at Pescadero Canyon, and between Shepherds Knoll and Skyline Road to Ocean Pines Condominiums.

Chief DiTullio reported that George Nunez promoted out of the position of Emergency Medical Services Battalion Chief and welcomed his replacement, Battalion Chief Roger Rinehart. General Manager Niccum reported productive relations with the new Emergency Medical Services Agency director, Teresa Rios.

Budget for Pebble Beach Company Fuel Reduction Services

The Board received and reviewed the *General Manager Report* on proposed reimbursement to PBCo personnel for fuel reduction work. Inmate early release during COVID-19 has reduced the number of crews available for fuel reduction work. Moreover, otherwise furloughed PBCo personnel are familiar with sensitive species protection, and are cost-efficient.

MOTION 20-05-05

Moved by Director Verbanec and seconded by Director Froke to authorize General Manager to reimburse Pebble Beach Company up to \$100,000 for the use of otherwise furloughed Forestry and Maintenance employees to perform fuel reduction work as part of the annual Fire Defense Program. McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.

MAINTENANCE, ENGINEERING, AND CONSTRUCTION

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for April 15 – May 22, 2020 and Mr. Becker presented slides.

Forest Lake Reservoir water storage is currently at 80% capacity, slightly below the 5-year average. Demand has been exceedingly high in May as compared to past irrigation seasons. Alternative source water facilities are operational with the recently constructed Bird Rock Well the most productive.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* and Mr. Becker presented slides. The Wastewater Collection System Assessment Project is 11% complete as of May 15: minor repairs were made in the Cypress Point area as a result of the video inspection and evaluation of lines.

Wastewater Reclamation Project Management Committee Meeting

The Board received and reviewed the *Draft Minutes* of the May 13, 2020 Wastewater Reclamation Project Management Committee meeting prepared by Engineer Becker who gave an overview.

Revision 2.0 to District Sewer System Management Plan

The Board received and reviewed the *Engineering Report* on the second five-year update to the Sewer System Management Plan. The most significant revision involved upgrades to District mapping and GIS systems. A Pump Station P-3 Emergency Bypass Plan was added, and updates were made to how sanitary sewer overflow incidents are reported to the State for occurrence mapping. The District organizational chart was also updated.

MOTION 20-05-06

Moved by Director Froke and seconded by Director Verbanec to adopt Resolution 20-10 certifying the Pebble Beach Community Services District Sewer System Management Plan, Revision No. 2. McKee – Aye; Verbanec – Aye; Froke – Aye; Laska – Aye. Motion passed.

CAWD Board Meeting

General Manager Niccum reported for Director Froke that CAWD videoconference board meeting held April 30, 2020 was routine. Director McKee was unable to attend the CAWD videoconference board meeting held May 28. Mr. Niccum reported \$120,000 is PBCSD share of the Coastal Commission sea level rise study cost of \$420,000. CAWD was awarded a \$750,000 grant from the Coastal Conservancy for the Carmel River Lagoon underground outfall project. Design estimate is \$317,000; however, Ms. Buikema noted the complexity of the project and the likelihood that the cost would be higher. Another funding source is being sought for construction. The estimated \$4.6 million project mitigates the Carmel River FREE (Floodplain Restoration and Environmental Enhancement) project.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District (MRWMD) Board Meeting

The Board received and reviewed the *Agenda Information* for the MRWMD teleconference board meeting held May 22, 2020. Director Laska reported the four-hour meeting covered fee increases proposed in the 2020-21 preliminary budget, and included a closed session on waste acceptance and labor negotiations.

GENERAL GOVERNMENT

PBCSD Safety Committee Meeting

The Board received and reviewed the *Minutes* of the May 14, 2020 Safety Committee meeting prepared by Principal Engineer/Safety Officer Becker who gave an overview.

District Retirement Incentive Program

The Board voted earlier in the meeting to move this item to closed session.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided a memorandum from the Local Agency Formation Commission announcing re-election for a four-year term of incumbent Warren "Pete" Poitras as Independent Special District Member. An engagement letter from Hayashi Wayland to perform fiscal year 2019-20 audit of PBCSD financial statements was included in the miscellaneous communications. The District is in informal negotiations with the City of Pacific Grove regarding the City's desire to annex the Mission Linen Supply property at Sunset Boulevard and Congress Avenue. The site, vacated but still owned by Mission Linen, is in unincorporated Monterey County and within the PBCSD boundary. When operational, Mission Linen generated 35,000 gallons per day of wastewater. If the parcel is annexed by the City, PBCSD is negotiating to continue wastewater service and collection of related revenue.

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

There were no questions from directors or staff.

Oral reports or announcements from Board President, Directors or staff

There were no oral reports or announcements.

CLOSED SESSION

The board convened closed session at 11:06am.

Open session reconvened at 11:55am and Legal Counsel announced that in the closed session the Board took up the agenda item (No. 20) that was moved to the closed session at the beginning of the board meeting, having to do with labor negotiations, discussed the matter and by a 4 – 0 vote gave directions to the General Manager, as the District's negotiator, relative to the current negotiations, and that no reportable action was taken.

ADJOURNMENT

MOTION 20-05-07

M/S/C (unanimous) to adjourn at 11:56am to a regular Board meeting to be held on Friday, June 26, 2020 at 9:30am via teleconference.



Mike Niccum, Board Secretary