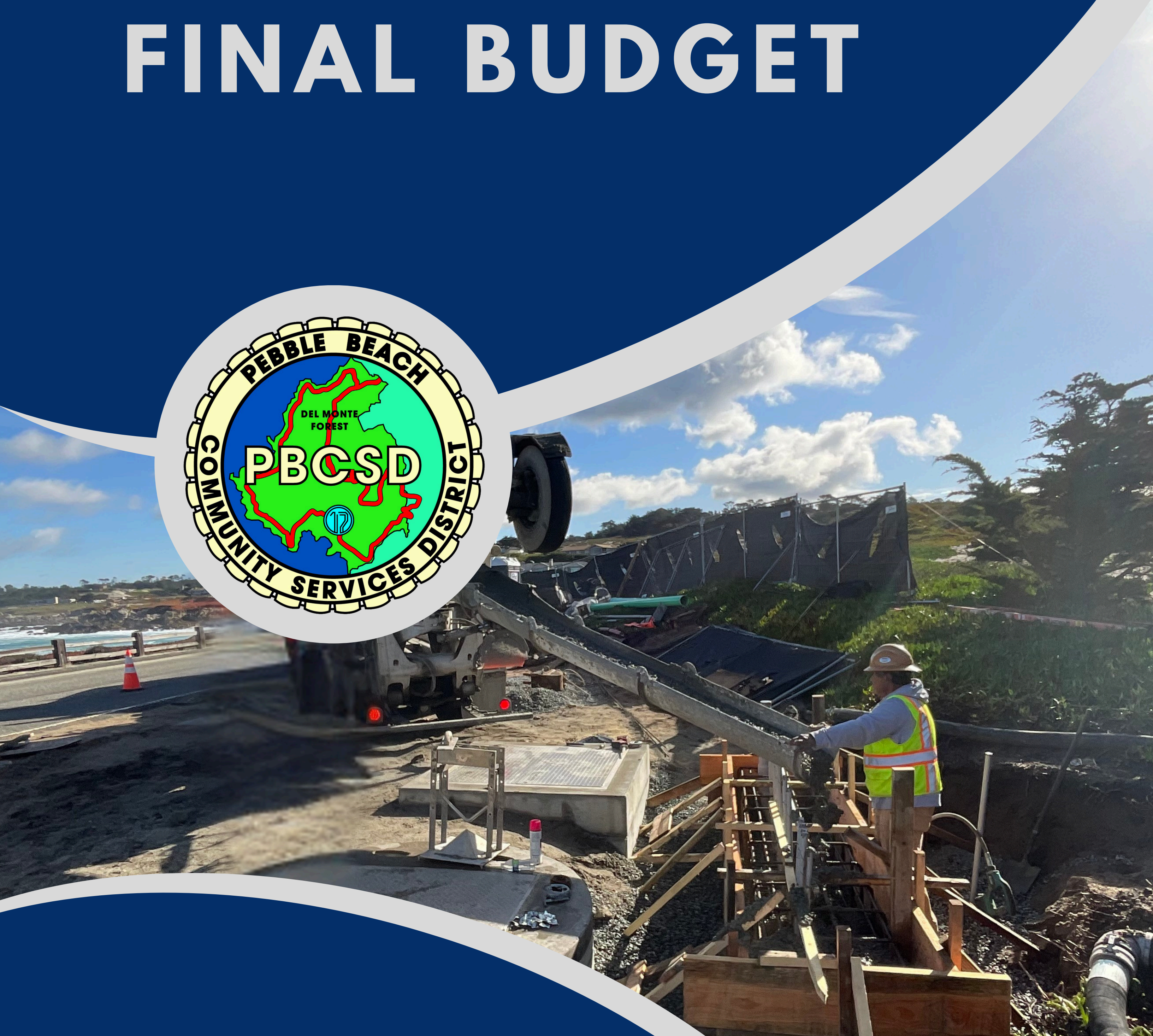
2026-27
FINAL BUDGET



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

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2026-27 FINAL BUDGET

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CHIEF FINANCIAL OFFICER REPORT
June 26, 2026

TO: Board of Directors

FROM: Marianna Pimentel, Chief Financial Officer
Nancy Johnson, Senior Accountant

SUBJECT: **Fiscal Year 2026-27 Final Budget**

RECOMMENDATIONS

1) At 9:40 a.m. on June 26, 2026 following the staff's presentation, concurrently open the public hearings to receive and consider comments on:

- The PBCSD Final Budget for fiscal year 2026-27;
- Service charges for solid waste collection and disposal;
- Service charges for sewer collection, treatment, and disposal;
- Special tax for fire protection services.

2) After all interested persons have been heard, close the public hearings on the Final Budget and service charges, and consider adopting the following Resolutions:

- Resolution No. 26-16 approving service charges for solid waste collection and disposal; sewer treatment and disposal services; and special tax for fire protection services for fiscal year 2026-27;
- Resolution No. 26-17 certifying compliance with State law for levying general and special taxes, assessments, and property related fees and charges;
- Resolution No. 26-18 adopting the Final Budget for fiscal year 2026-27;
- Resolution No. 26-19 approving positions, classifications, and pay schedule for fiscal year 2026-27;
- Resolution No. 26-20 determining the Appropriations Limit for fiscal year 2026-27; and,
- Resolution No. 26-21 establishing the District sewer connection, inspection and permit fees for fiscal year 2026-27.

SUMMARY OF THE BUDGET AND ACCOUNTING STRUCTURE

The District Board adopts an annual budget by resolution no later than August 1 of each fiscal year. The budget includes all governmental and proprietary funds, as well as capital projects. Appropriations for operating expenditures lapse at the end of the fiscal year, while appropriations for capital projects that remain incomplete are generally carried forward to the subsequent fiscal year. The District does not use encumbrance accounting.

The budget is prepared on the modified accrual basis of accounting for governmental funds, and full accrual basis for proprietary funds, consistent with generally accepted accounting principles (GAAP). Monthly budget-to-actual reports are provided to the Board on a cash basis, under which revenues are recognized when received and expenditures are recognized when paid.

The following major funds are included in the District's budget and are reported as major funds in the District's Annual Comprehensive Financial Report (ACFR):

Governmental:

- General Fund
- Governmental Capital Outlay Fund

Enterprise / Proprietery Funds:

- Wastewater Operations Fund
- Wastewater Capital Outlay Fund
- Solid Waste Fund
- Reclamation Operations Fund
- Reclamation Capital Outlay Fund

CHANGES IN STAFFING

The following table provides the changes in staffing for the prior, current, and upcoming fiscal years for the District's full-time personnel.

Full-Time Positions	Department	FY 2024-25	FY 2025-26	FY 2026-27 Proposed
General Manager	Admistration	1	1	1
Administrative Services Manager / Board Clerk	Admistration	0	0	1
Administrative Coordinator	Admistration	1	1	0
Chief Financial Officer	Finance	1	1	1
Senior Accountant	Finance	1	1	1
Accountant	Finance	2	2	2
Principal Engineer	Engineering	0	1	1
Associate Engineer	Engineering	1	1	1
Assistant Engineer	Engineering	1	0	1
Environmental Compliance Coordinator	Engineering	1	1	0
Maintenance Manager	Wastewater / Maintenance	1	1	1
Maintenance Technician	Wastewater / Maintenance	3	3	1
Maintenance Worker II	Wastewater / Maintenance	2	2	3
Maintenance Worker I	Wastewater / Maintenance	0	0	1
TOTAL		15	15	15

The changes in the District's full-time personnel from the current fiscal year to the proposed fiscal year 2026-27 budget include:

- The resignation of a Maintenance Technician.
- A Maintenance Worker I was hired in the current fiscal year to replace the Maintenance Technician that resigned.
- The retirement of a Maintenance Technician.
- A Maintenance Worker II will replace the Maintenance Technician that retired.
- The transfer of responsibilities from the Environmental Compliance Coordinator position to the Associate Engineer position.
- The promotion of the Administrative Coordinator to Administrative Services Manager / Board Clerk.

The changes in staffing in the current fiscal year and the proposed fiscal year 2026-27 budget for the personnel provided through an agreement with CAL FIRE include:

- The addition of three cost share positions, Fire Battalion Chief, Forestry Technician, and Environment Scientist to support the District's fire defense projects.
- An additional Fire Apparatus Engineer / Paramedic at the Pebble Beach Fire Station.

CHANGES FROM THE PRELIMINARY BUDGET

A Preliminary Budget was approved by the Board on April 24, 2026. In the Final Budget, there is a $280,000 increase in the total budget, from $49,960,000 to $50,240,000.

The amount budgeted for operating (O&M) expenses increased by $259,000, (from $22,805,000 to $23,064,000). This is primarily due to increased personnel costs resulting from salary adjustments approved by the Board based on a recent market rate survey.

The amount budgeted for capital outlays and construction projects increased by $21,000 (from $27,155,000 to $27,176,000). The $21,000 increase reflects adjustments made since the adoption of the Preliminary Budget, including reductions in capital costs for payments made to date. The increase is primarily due to the addition of a cost shared vehicle and equipment for the new Battalion Chief, Forestry Technician and Environmental Scientist positions, provided by a contract with CAL FIRE.

SUMMARY OF FY 2026-27 FINAL BUDGET

	Budget	Change from FY 2025-26 Budget		
REVENUES				
Current Revenue:				
District	$ 26,489,000	+	5%	$ 1,334,000
Reclamation Project Reimbursement (O&M / Capital)	700,000	-	28%	(270,000)
Subtotal	$ 27,189,000	+	4%	$ 1,064,000
Appropriations from / (to) Capital Reserves	2,821,000			
Carryover Appropriations	20,230,000			
Subtotal	$ 23,051,000			
TOTAL	$ 50,240,000			
EXPENSES				
Operations & Maintenance:				
District	$ 22,119,000	+	11%	$ 2,149,000
Reclamation Project (Reimbursed)	585,000	+	1%	5,000
Subtotal	$ 22,704,000	+	10%	$ 2,154,000
Capital Outlays (Current Year):				
District	6,831,000	-	64%	(12,044,000)
Reclamation Project (Reimbursed)	115,000	-	71%	(275,000)
Subtotal	$ 6,946,000	-	64%	$(12,319,000)
Capital Outlays (Prior Year Carryover)	20,230,000			
Appropriation to O&M Reserves	360,000			
TOTAL	$ 50,240,000			

FY 2026-27 Current Revenue (Details on Page 24)

The following table summarizes the estimated current revenue and the changes from the prior year's budget:

REVENUE	Budget	Change from FY 2025-26 Budget	
Property Tax	$ 21,865,000	4%	$ 865,000
Special Tax and User Fees	3,318,000	7%	203,000
Investment Income	700,000	56%	250,000
Other Revenue	606,000	3%	16,000
SUBTOTAL	$ 26,489,000	5%	$ 1,334,000
Reclamation Prj Contribution	700,000	-28%	(270,000)
TOTAL CURRENT REVENUE	$ 27,189,000	4%	$ 1,064,000

Property Taxes

For fiscal year 2026-27 property tax revenue projections increased by $0.9 million, or 4%, from $21 million to $21.9 million. Next year's property tax revenue increase is based on the projected 5% growth rate obtained from the Monterey County Assessor's office.

Special Tax and User Fees

Fire Protection Special Tax

No changes are proposed to the annual fire protection tax of $51.20 per residence and $25.60 per unimproved parcel. The estimated revenue generated by this special tax is approximately $200,000, representing about 1.6% of the funding for fire protection and emergency medical service operations.

Pursuant to a District ordinance adopted in 1982, a special fire protection tax has been imposed based on assigned units of benefits for each type of property. According to the ordinance, developed parcels are assigned 20 units of benefit and undeveloped parcels are assigned 10 units of benefit, with a maximum authorized limit of $5.23 per unit of benefit. The District Board has historically limited the annual assessment to $2.56 per unit of benefit, which is approximately half of the amount permitted by the authorizing ordinance. The special tax was approved by more than two-thirds of District voters, and at the discretion of the Board, it can be levied up to the authorized limit without a confirming election.

Sewer User Fees

The sewer user fees are proposed to be increased by 9%. The increase amounts to $3.40 per month, from $37.70 to $41.10 for residential units effective July 1, 2026. The commercial sewer user fees are proposed to increase by 9% based on multiples of equivalent residential units.

The total wastewater operating and capital budget is $15,335,000, including $7,366,000 in prior year carryover. Annual sewer fee revenue generated by the proposed sewer fees is $1,940,000, representing 13% of the total wastewater operating and capital budget. After accounting for prior year carryover and sewer fee revenue, the remaining $6,029,000 will be funded through property taxes ($3,280,000), capital outlay reserves ($2,352,000), and investment income and other revenues ($397,000).

During the 15-year period from fiscal years 1997–98 through 2012–13, sewer fees remained unchanged due to the availability of other revenue sources. With the proposed 9% increase in sewer service fees, the $1,940,000 in fee revenue is expected to cover approximately 45% of the total budgeted operations and maintenance (O&M) costs of $4,291,000 for wastewater collection and treatment.

Over the past 10 fiscal years, sewer fee revenue has covered approximately 19% of the actual costs of wastewater services, including collections (PBCSD) and treatment (CAWD), O&M and capital outlays. Historically, combined capital outlay expenditures for PBCSD and CAWD have ranged from $1 million to $3 million annually.

In 2014, CAWD updated its Capital Outlay 15-year Wastewater Treatment Plant Master Plan identifying the renewal and replacement needs of the treatment plant and started a major capital improvement project. PBCSD paid approximately $9.7 million over the last ten fiscal years and expects to pay approximately $8.3 million over the next 15 fiscal years.

The District has the authority to increase fees to recover up to 100% of the costs associated with wastewater collection and treatment services.

The proposed single-family residential rate of $41.10 per month, for FY 2026-27, is the lowest among the peninsula cities as displayed in the following table.

Residential Sewer Service Fee Comparison	
JURISDICTION	**FEE / MONTH**
Pacific Grove (Proposed FY 2026-27)	**$92.10**
Carmel (Proposed FY 2026-27)	**$79.40**
Monterey (Proposed FY 2026-27)	**$79.01**
Seaside/Del Rey Oaks (Proposed FY 2026-27)	**$74.20**
Pebble Beach (Proposed FY 2026-27)	**$41.10**

Solid Waste Collection and Disposal Fees

The fees for solid waste and recyclable material collection services are proposed to be increased by 3.28% effective July 1, 2026. The estimated revenue generated is $1,178,000. These services are provided by the District through a franchise agreement with Green Waste Recovery (GWR). Based on the rate adjustment, the fee for the basic residential garbage service will increase $1.12 per month, from $34.34 to $35.46.

GWR has been serving the District as well as six other Monterey Peninsula cities since July 1, 2015, pursuant to a 15-year franchise agreement.

The 3.28% increase is due to higher labor, fuel, and other costs from inflation, along with an increase in processing and disposal expenses at the local landfill.

At the proposed rate of $35.46 per month, PBCSD residential solid waste service fee remains in line with neighboring jurisdictions as displayed in the following table.

Residential Solid Waste Service Fee Comparison	
JURISDICTION	**RESIDENTIAL 32-GALLON**
Pacific Grove (FY 2025-26) includes one-way service	**$60.99**
Carmel-by-the-Sea (FY 2025-26) includes two-way service	**$56.03**
Santa Cruz County Unincorporated (FY 2025-26)	**$38.59**
Salinas (FY 2025-26)	**$36.46**
Pebble Beach (Proposed FY 2026-27) includes one-way service	**$35.46**
Del Rey Oaks (FY 2025-26)	**$35.39**
Monterey (FY 2025-26)	**$30.16**
Seaside (FY 2025-26)	**$27.78**

Investment Income

For fiscal year 2026-27 the estimated investment income increased by $250,000, or 56%, from $450,000 to $700,000. This estimate is based on current interest rate conditions and recent earnings trends reported by the County of Monterey Treasury, which indicate elevated returns compared to prior low-rate periods. Actual revenues may vary depending on changes in interest rates, the District's cash balances, and market conditions.

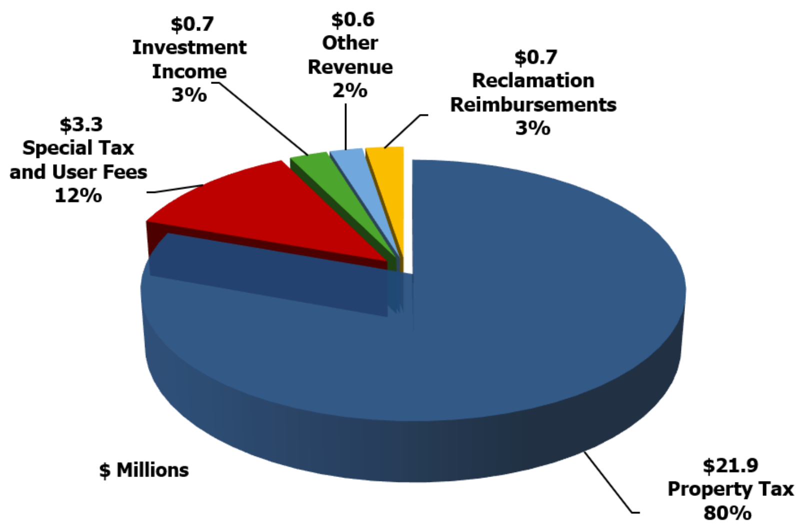
Other Revenue

The budget includes $300,000 in Proposition 172 public safety sales tax revenue, unchanged from the prior year. Beginning fiscal year 1993-94, the State permanently shifted a portion of the property tax revenue from cities, counties, and special districts to schools. Proposition 172 was placed before the voters by the Legislature and the Governor as a partial mitigation for the property tax transfers. The measure approved by the California voters in November 1993 established a permanent statewide half-cent sales tax to support local public safety functions in cities and counties. Monterey County is the only county in the State which allocates a portion of the public safety sales tax to fire districts.

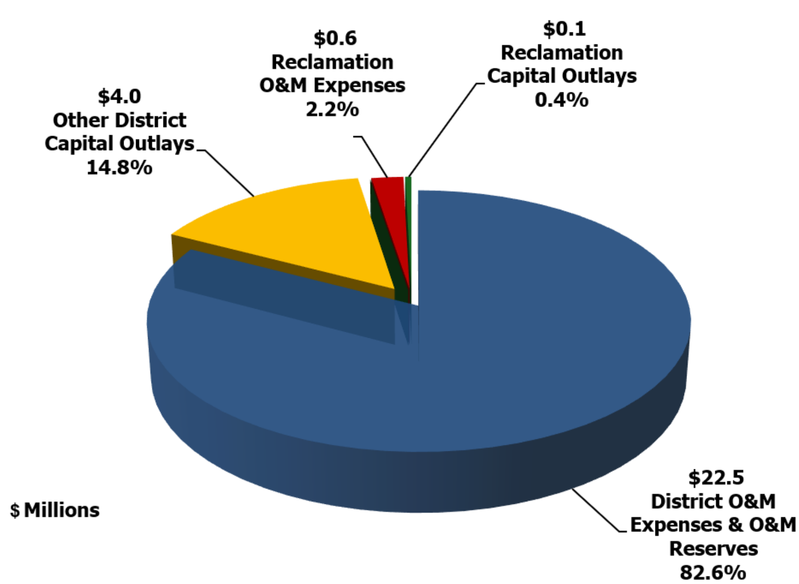
The budget also includes $226,000 in solid waste franchise fees (9% of the franchise holder's annual revenue), an increase of $6,000 from the prior year; $38,000 in sewer connection and permit fees, an increase of $8,000 from the prior year; $16,000 in support services provided by District staff, an increase of $2,000 from the prior year; and $26,000 in other miscellaneous revenues, unchanged from the prior year.

Revenue Summary and Conclusion

The following chart displays the District's budgeted $27,189,000 in current revenues.



The proposed allocation of $27,189,000 in current revenues is sufficient to cover the District's planned expenditures. Of this amount, $22,479,000 is designated for operations and maintenance (O&M) expenses, excluding depreciation. An additional $4,010,000 will be used to partially fund District-funded capital outlays and construction projects. Separately, Reclamation Project expenses are funded through Reclamation Project contributions, including $585,000 for O&M and $115,000 for capital outlays.



FY 2026-27 Operations and Maintenance (O&M) Expenses

The total proposed Operations and Maintenance (O&M) budget is $22,692,000, representing an increase of $2,142,000, or 10%, compared to the prior year's adopted budget. Included in the proposed O&M budget is $585,000 for Recycled Water Distribution System expenses. These costs will be fully reimbursed through contributions from the Reclamation Project and therefore will not impact the District's net operating expenditures.

The proposed O&M expenses are presented in detail on pages 25 through 32.

The following table presents the budgeted Operations and Maintenance (O&M) expenses and the changes from the prior year's budget.

Department	Budget	Change from FY 2025-26 Budget	
Administration/Engineering	$ 3,343,000	6%	$ 204,000
Fire/Emergency Medical	12,718,000	15%	1,638,000
Supplemental Law Enforcement	419,000	5%	21,000
Wastewater/Maintenance	4,291,000	6%	238,000
Solid Waste	1,348,000	4%	48,000
SUBTOTAL	$ 22,119,000	11%	$ 2,149,000
Reclamation	585,000	1%	5,000
TOTAL	$ 22,704,000	10%	$ 2,154,000
Allocation to O&M and Rate Stabilization Reserves	360,000	13%	40,000
TOTAL	$ 23,064,000	11%	$ 2,194,000

Salary Adjustments

The Budget includes a recommended Cost-of-Living Adjustment (COLA) and Market Rate Adjustment (MRA) for staff salaries, effective July 1, 2026. The Board's policy determines the COLA using the average annual changes in the December and February Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose region, which resulted in 2.8% COLA for fiscal year 2026-27. Staff presented the results of a market rate salary survey to the Board in May, resulting in proposed MRA of 2.2% for Administrative and Engineering classifications and 4.2% for Maintenance Department classifications. The survey also reviewed weekday, holiday, and weekend standby compensation for maintenance department employees, resulting in an increase in standby hours paid for after-hours emergency response availability. Weekday standby compensation will increase from one hour to two hours; and weekend and holiday standby compensation will increase from two hours to three hours. The General Manager position was not included in the market rate salary survey. The Board evaluates the General Manager compensation separately each December.

Highlights of the O&M Appropriations and Changes from the Prior Year's Budget

Administration/Engineering:

The amount budgeted for Administration and Engineering operations increased by 6% or $204,000, from $3,139,000 to $3,343,000.

The following are highlights of the changes (Pages 25 and 26 provide details of all line items):

- The amount budgeted for Salaries, Payroll Taxes, and Benefits ($2,312,000) increased by $125,000, or 6%, from the prior year. This change reflects the 2.8% cost-of-living adjustment (COLA) and a 2.2% market rate adjustment. There were also merit/step increases, addition of an Assistant Engineer position, and a promotion for the position of Administrative Coordinator to Administrative Services Manager / Board Clerk. These increases are partially offset by the transfer of the responsibilities of the Environmental Compliance Coordinator position to an Associate Engineering position.

- Of the total budgeted salaries and benefits, $37,000 is allocated to the Reclamation Project for services provided by Administration and Engineering staff.

Supplemental Law Enforcement (Page 26 provides details of all line items):

The budgeted amount for the California Highway Patrol (CHP) supplemental law enforcement service contract increased by $20,000, or 6%, from $360,000 to $380,000. The contract provides for one officer assigned 40 hours per week, one sergeant averaging 10 hours per month, mileage reimbursement, and a share of overhead costs. It also includes funding for additional traffic control support during special events.

Fire/Emergency Medical (Pages 27 and 28 provide details of all line items):

The amount budgeted for Fire and Emergency Medical services increased by 15% or $1,638,000 from $11,080,000 to $12,718,000. The following are highlights of the changes:

- The budgeted amount for the CAL FIRE contract for Fire Protection and Emergency Medical Services increased by $1,000,000, or 11%, from $8,700,000 to $9,700,000. The increase is primarily due to increased labor costs, the addition of three fire prevention positions shared with the Cypress & Carmel Highlands Fire Protection Districts, the addition of one operations position (fire apparatus engineer / paramedic) required under the new operating schedule, and an increase in budgeted unplanned overtime to better align with actual costs. The new three fire prevention positions include a Battalion Chief assigned to manage the District's fuel reduction program and manage new support staff including a Forestry Technician and an Environmental Scientist.

- The budget includes $1,500,000 for fire defense projects, an increase of $500,000 from the prior year.

- The budget includes $912,000 for all other O&M expenses related to fire station operations, prevention, and cost-shared programs. This amount is $60,000, or 7%, higher than the prior year, primarily due to increased liability and property insurance costs, and addition of operation expense budget for the three new positions.

Wastewater/Maintenance (Pages 29 and 30 provide details of all line items):

The amount budgeted for Wastewater and Maintenance operations increased by 6% or $238,000 from $4,053,000 to $4,291,000. The following are highlights of the changes:

- The amount budgeted for Salaries, Payroll Taxes, and Benefits decreased by $13,000, or 1%, from $1,225,000 to $1,212,000 compared to the prior year. While this change includes a 2.8% cost-of-living adjustment (COLA), a 4.2% market rate adjustment, and merit/step increases, the overall decrease is primarily due to the replacement of two Maintenance Technicians positions with a Maintenance Worker I and a Maintenance Worker II position.

- Of the total budgeted salaries and benefits, $101,000 is allocated to the Reclamation Project for the services of the District's maintenance staff. This amount is $16,000 less than the prior year primarily due to reduced staff hours resulting from the completion of the Forest Lake strainers installation in the current year.

- The $2,400,000 budgeted for Carmel Area Wastewater District (CAWD) Treatment Plant O&M expenses represents an increase of $200,000, or 9%, over the prior year. PBCSD share is budgeted at 40.5% of the anticipated plant O&M expenses, based on an estimated 33% wastewater flow allocation plus a 7.5% administrative charge. The increase is primarily due to an increase in salaries and benefits included in CAWD's proposed budget. PBCSD cost includes an estimated $125,000 for inflow from alternative source water facilities (including the water wells at MPCC and dry weather diversion facilities), which will be reimbursed by the Reclamation Project, resulting in a net cost to PBCSD of $2,275,000.

- The budget includes $50,000 for a feasibility study to evaluate the replacement of the roofs of the Administrative, Fire Station, and Maintenance buildings, with an option to incorporate solar panels. Of this amount, $18,000 is included in the Fire and Emergency Medical operating budget, $17,000 in the Administration and Engineering operating budget, and $15,000 in the Wastewater and Maintenance operating budget.

Solid Waste:

The amount budgeted for Solid Waste operations increased by 4% or $48,000, from $1,300,000 to $1,348,000. The following are highlights of the changes (Page 30 provides details of line items):

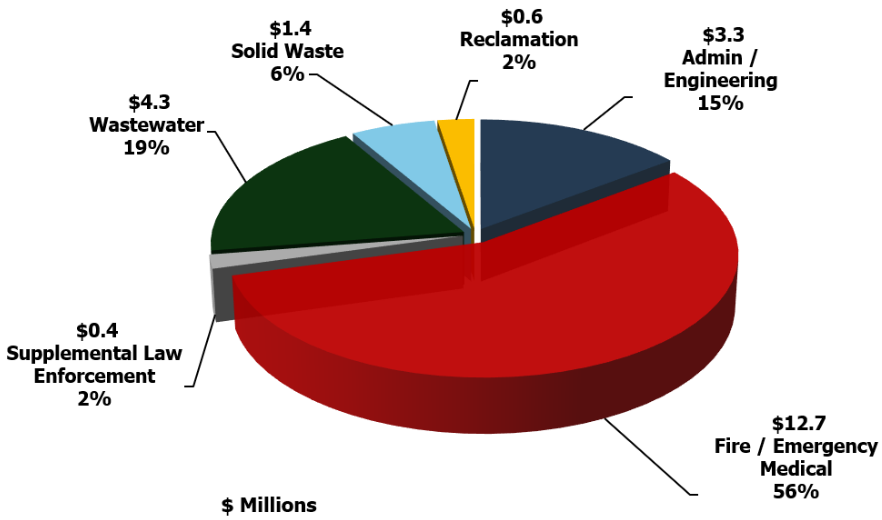
- The amount budgeted for solid waste residential basic service, provided by GreenWaste Recovery, increased by $43,000, or 4%, from $1,135,000 to $1,178,000 mainly due to higher labor, fuel, and tipping fees at the landfill driven by inflation. The District collects service fees on the property tax rolls and makes quarterly payments to the franchise holder.

- The budget also includes $46,000 for the annual household hazardous waste collection (HHW) event, $25,000 for franchise agreement support services, $20,000 for SB 1383 organic waste recycling act related costs, and $14,000 for the District's contribution to Pebble Beach special events Zero Waste and Recycling program. These expenses will be funded by the District's franchise fee revenue.

Reclamation:

The amount budgeted for Reclamation operations increased by 1% or $5,000 from $580,000 to $585,000. (Pages 31 and 32 provide details of all line items).

The following chart displays budgeted O&M expenses ($22,704,000).



Summary of Capital Outlays

The total proposed Capital Outlay budget is $27,176,000, representing an increase of $1,916,000, or 8%, compared to the prior year's adopted budget. Included in the proposed Capital Outlay budget is $115,000 for Recycled Water Distribution System expenditures. These costs will be fully reimbursed through contributions from the Reclamation Project and therefore will not impact the District's net capital outlay expenditures. The following table presents the budgeted Capital Outlay expenditures and the changes from the prior year's budget.

Department	Budget	Change from FY 2025-26 Budget	
Administration/Engineering	$ 260,000	-82%	$ (1,158,000)
Fire/Emergency Medical	428,000	-61%	(665,000)
Undergrounding of Overhead Utilities	15,500,000	23%	2,850,000
Wastewater/Maintenance	10,873,000	12%	1,164,000
SUBTOTAL	$ 27,061,000	9%	$ 2,191,000
Reclamation	115,000	-71%	(275,000)
TOTAL	$ 27,176,000	8%	$ 1,916,000

The District has a comprehensive long-term capital outlay and financial plan which identifies capital projects and equipment purchases over a 15-year period. These plans are adopted by the District Board annually in March. A capital project will improve, rehabilitate or replace existing infrastructure (e.g., Pump Stations and Sewer Lines). Equipment is considered a capital outlay if the costs exceed $10,000 and the useful life is greater than 4 years. The table below outlines the useful lives of the District's major capital asset groups.

Assets	Years
Buildings and Improvements	10 - 50
Subsurface Lines	50
Other Wastewater System Infrastructure	10 - 40
Wastewater Equipment and Vehicles	4 - 20
Fire Dept Equipment and Vehicles	4 - 20
Administration Equipment	4 - 20
Reclamation Project Assets	4 - 50

A comprehensive list of all capital outlays is provided on pages 34 through 37. Items over $50,000 are summarized below.

Administration:

- $200,000: Rehabilitation of the District offices asphalt parking lot. The entire budgeted amount is carryover from the prior year.

Fire/Emergency Medical:

- $425,000: Replacement of two eight-year-old command vehicles for the Fire Prevention Chief (B25) and Assistant Chief (D20), and purchase of a new vehicle for the new Fire Battalion Chief (B28). Of this amount, 62.5%, or $266,000, will be reimbursed by the Cypress and Carmel Highlands Fire Protection Districts, resulting in a net cost to PBCSD of $159,000.

- $110,000: Purchase five drones to support firefighting and water rescue activities. The Cypress and Carmel Highlands Fire Protection Districts will reimburse PBCSD 62.5%, or $69,000, of the total cost, resulting in a net cost to PBCSD of $41,000.

- $100,000: Improvements to the Pebble Beach Fire Station Fire Safe Garden. The project includes the establishment of Zones 0, 1, and 2, combining fire safety, education, environmental stewardship, and aesthetic enhancement.

- $90,000: Prevention Captains' vehicles (P26 and P27) emergency response packages and miscellaneous equipment. Of this amount, 62.5%, or $63,000, will be reimbursed by the Cypress and Carmel Highlands Fire Protection Districts, resulting in a net cost to PBCSD of $34,000. The entire budgeted amount is carried over from the prior year.

Undergrounding:

- $15,500,000: Planning, engineering design services, and anticipated construction costs associated with the four-mile Phase 4 undergrounding project. Of the amount budgeted, $12,500,000 is carried over from the prior year.

Wastewater:

- $4,775,000: Engineering planning and design services, anticipated construction costs, and equipment purchases associated with rehabilitation of pump station P3 (Seal Rock), which includes replacement of wastewater pumps, access hatches, valving, electrical and control systems. The entire budgeted amount is carried over from the prior year.

- $2,660,000: The District has an ongoing program to replace aging wastewater lines and manholes, which are identified and prioritized based on condition. Of this amount, $660,000 is carried over from the prior year to complete two miles of sewer line replacements scheduled for construction in fiscal year 2026–27.

- $1,355,000: Equipment purchases, construction costs associated with rehabilitation of pump station P4 (Highway 68). Of the amount budgeted, $815,000 is carried over from the prior year.

- $903,000: CAWD Wastewater Treatment Plant Capital Outlays. PBCSD's one-third share of Capital Outlays over $50,000 include:

  $472,000: Utility Mains Relocation: This project will relocate existing gas and potable water pipelines, which are critical to the day-to-day operations of the Wastewater Treatment Plant, from the Carmel River to new utility trenches to be constructed along the old plant access road to new connections off Highway 1. Overhead 12kV electrical service lines will be placed underground in a joint utility trench with the gas service and communications line. These pipes were installed in 1973 and their condition is unknown. PBCSD's one-third share is net of a 5.5% allocation to collections department. Of the amount budgeted $124,000 is carried over from the prior year.

$143,000: Wastewater Treatment Plant Site Improvements: Combines previously budgeted ClP projects including equipment enclosures, paving and vault lids repairs, landscaping, and replacement of the staff office trailers. The project includes design and construction of a new pre-engineered steel building enclosures for emergency generators, pumps and other critical assets, new paved surfaces inside the treatment plant grounds, landscaping improvements throughout the plant to improve cleanliness, safety and visual appeal; and design and construction of a new pre-engineered steel office building. PBCSD's one-third share is net of a 16% allocation to collections department. Of the amount budgeted, $45,000 is carried over from the prior year.

$65,000: Plant Bridge Retro-fit Project: Structural rehabilitation of existing plant bridge to maintain functionality and safety of structure. The pedestrian crossing over the Carmel River provides access to assets on the north side of the river, and also for access to the Wastewater Treatment Plant if the plant access road is flooded. The river crossing was evaluated by a structural design firm in 2011 and was found to have deficiencies during a large seismic event and would be vulnerable if it is hit by a large tree during an extreme flood event. PBCSD's one-third share is net of a 5.5% allocation to collections department. Of the amount budgeted, $33,000 is carried over from the prior year.

- $500,000: Closed-circuit television (CCTV) assessment of the District's wastewater collection system that have not yet been surveyed since the prior CCTV assessment performed in 2020. CCTV assessment helps identify future projects and improvements to the wastewater collection system. The entire amount budgeted is carried over from the prior year.

- $190,000: Replace the existing TV camera truck (PB-3), which has experienced ongoing mechanical issues and contains outdated electronics and hardware incompatible with the District's modern camera system, with a safer and smaller footprint TV camera van. This smaller footprint is more suitable for operations inside the forest, as the existing box type larger truck often caused road closures during camera operations. Of the amount budgeted, $150,000 is carried over from the prior year.

- $100,000: Overhaul of the power generator at pump station P7 (Pebble Beach Golf Links) and upgrade to system controls to combat electrical aging and corrosion. The entire amount budgeted is carried over from the prior year.

- $100,000: Engineering study associated with the future rehabilitation of pump station P5 (Sunset Lane). The District is evaluating the feasibility of relocating or removing this pump station.

- $75,000: Replacement of the maintenance utility truck (PB-5), originally purchased in 2016, with a half-ton truck. The replacement may involve consideration of an electric vehicle requirement, which could require associated infrastructure upgrades.

- $75,000: Replacement of a trailer-mounted 6-inch pump with a sound-reducing enclosure capable of transporting wastewater for use in smaller pump station bypass operations.

Reclamation:

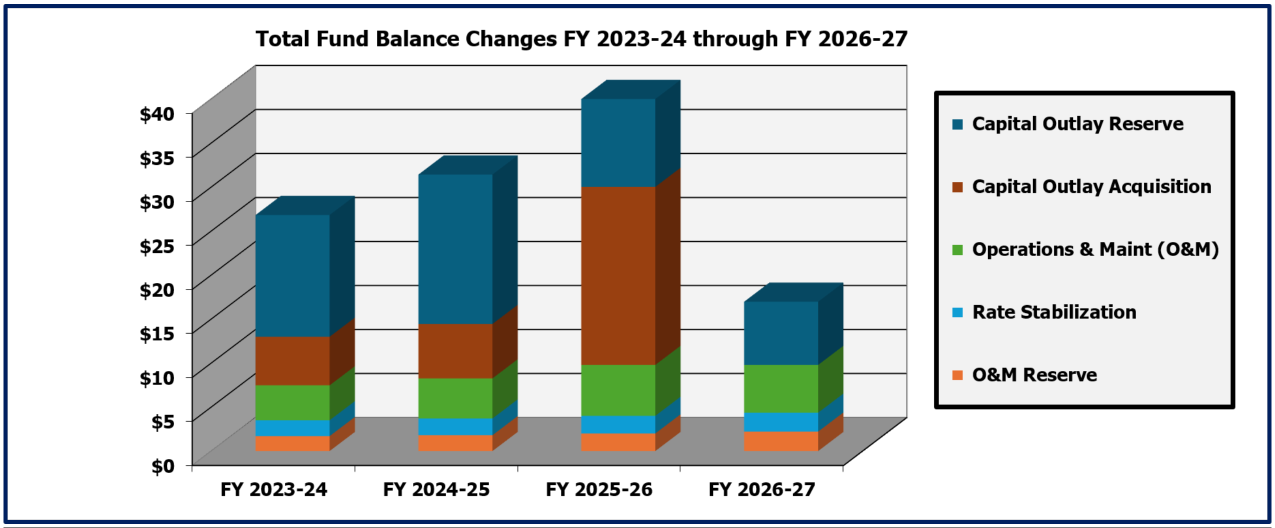
- $50,000: Replacement of the sulfuric acid dosing pumps and check valves at the Forest Lake Reservoir, which have reached the end of their useful life.

Fund Balance / Working Capital

The following table and chart display the change in the District's total fund balance for FY 2023–24 through FY 2026–27 (in millions), based on the proposed budget. Board designations of fund balance are based on the District's long-term capital improvement and financial plans.

Change in Fund Balance (In Millions)

	Actual FY 2023-24	Actual FY 2024-25	Estimated FY 2025-26	Budget FY 2026-27
Beginning Fund Balance	$ 27.8	$ 31.2	$ 35.9	$ 40.0
Revenue	25.1	27.0	26.9	27.2
Expenditures	(21.7)	(22.3)	(22.8)	(50.2)
Change in Fund Balance	3.4	4.8	4.1	(23.1)
Ending Fund Balance	$ 31.2	$ 35.9	$ 40.0	$ 17.0
Designations				
O&M Reserve	$ 1.7	$ 1.8	$ 2.0	$ 2.2
Rate Stabilization	1.8	1.9	2.0	2.1
Operations & Maint (O&M)	4.0	4.6	5.8	5.4
Capital Outlay Acquisition	5.5	6.2	20.2	-
Capital Outlay Reserve	13.8	17.0	10.0	7.2
Special Project Reserve	4.3	4.5	-	-
Total	$ 31.2	$ 35.9	$ 40.0	$ 17.0



Budget Schedule

The Statutory deadline for adopting the Final Budget is September 1, 2026. It is recommended the final budget be adopted on June 26, 2026. This will allow placement of the fees for fire, sewer, and solid waste services on property tax statements prior to the County Auditor's August 1 deadline. A summary of the budget and notice of the final budget and user fees public hearing was mailed to all District property owners 45 days in advance, of the final budget hearing, as required by State law.

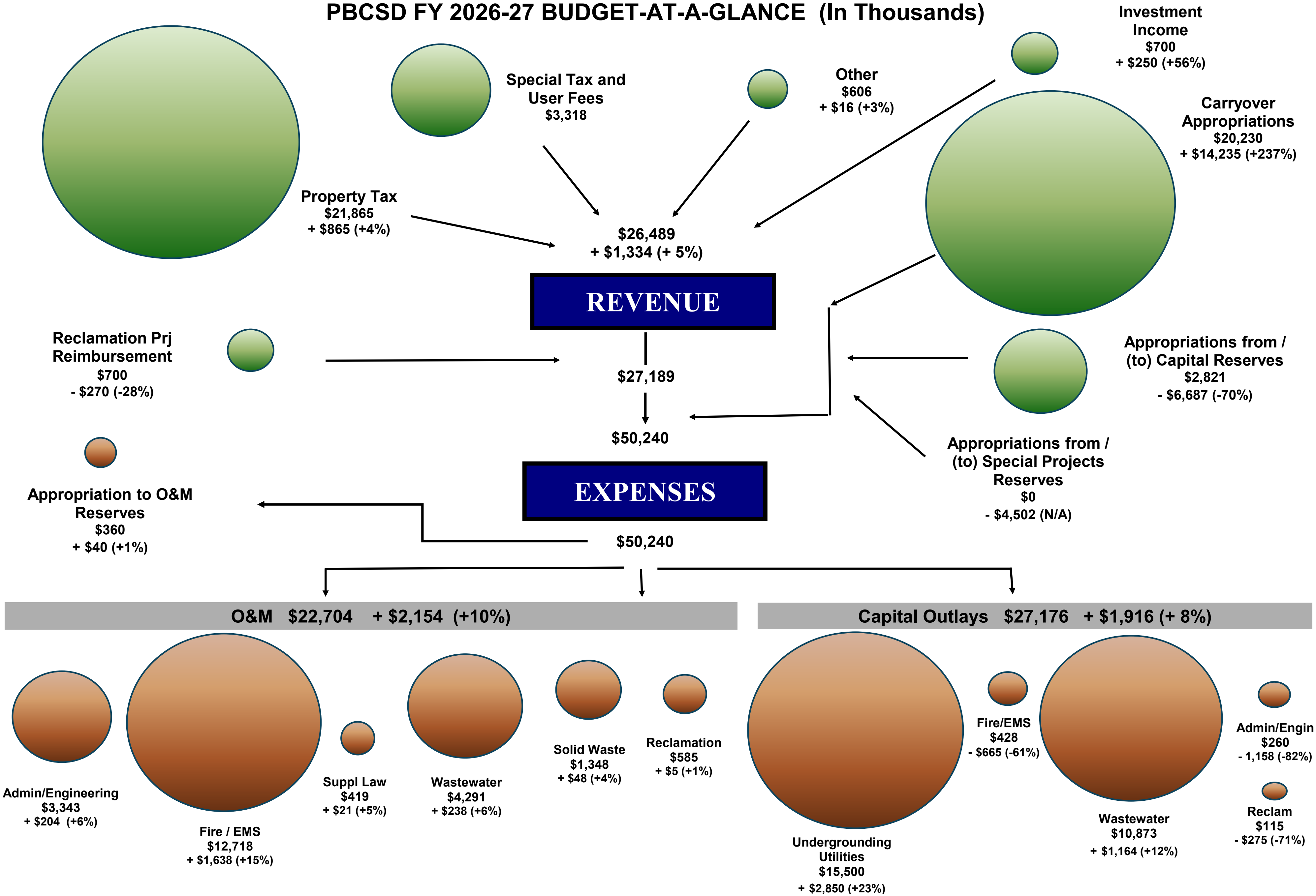
Enclosure: Resolution No. 26-16, 17, 18, 19, 20, 21

FINAL BUDGET

FY 2026-27

BUDGET SUMMARY

PBCSD FY 2026-27 BUDGET-AT-A-GLANCE (In Thousands)



PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

TOTAL - ALL FUNDS / DEPARTMENTS

	ADMIN / ENGINEERING	FIRE PROTECTION	UNDERGROUND UTILITIES	SUPPLEMENTAL LAW	WASTEWATER / MAINTENANCE	SOLID WASTE	RECLAMATION	TOTAL FY 2026-27	BUDGET FY 2025-26	ESTIMATED ACTUAL FY 2025-26
REVENUES										
Property Tax	$ 3,236,000	$ 12,397,000	$ 2,531,000	$ 421,000	$ 3,280,000			$ 21,865,000	$ 21,000,000	$ 20,924,000
Special Tax and User Fees		200,000			1,940,000	$ 1,178,000		3,318,000	3,115,000	3,118,000
Investment Income	90,000	258,000			352,000			700,000	450,000	1,472,000
Other	86,000	300,000			45,000	175,000		606,000	590,000	640,000
Subtotal Current Revenue	$ 3,412,000	$ 13,155,000	$ 2,531,000	$ 421,000	$ 5,617,000	$ 1,353,000	$ -	$ 26,489,000	$ 25,155,000	$ 26,154,000
Reclamation Reimbursements							700,000	700,000	970,000	674,000
Subtotal Current Revenues and Reimbursements	$ 3,412,000	$ 13,155,000	$ 2,531,000	$ 421,000	$ 5,617,000	$ 1,353,000	$ 700,000	$ 27,189,000	$ 26,125,000	$ 26,828,000
Appropriations from / (to) Capital Outlay Reserves	-	-	469,000	-	2,352,000	-	-	2,821,000	9,508,300	(7,489,000)
Appropriations from / (to) Special Projects Reserves			-					-	4,501,700	-
Carryover Appropriations	210,000	154,000	12,500,000	-	7,366,000			20,230,000	5,995,000	3,390,000
TOTAL REVENUES	$ 3,622,000	$ 13,309,000	$ 15,500,000	$ 421,000	$ 15,335,000	$ 1,353,000	$ 700,000	$ 50,240,000	$ 46,130,000	$ 22,729,000
EXPENDITURES										
Operations	$ 3,343,000	$ 12,718,000		$ 419,000	$ 4,291,000	$ 1,348,000	$ 585,000	$ 22,704,000	$ 20,550,000	$ 18,160,000
Capital Outlays	260,000	428,000	$ 15,500,000	-	10,873,000		115,000	27,176,000	25,260,000	4,269,000
Subtotal	$ 3,603,000	$ 13,146,000	$ 15,500,000	$ 419,000	$ 15,164,000	$ 1,348,000	$ 700,000	$ 49,880,000	$ 45,810,000	$ 22,429,000
Appropriations to O&M Reserves	19,000	163,000		2,000	171,000	5,000		360,000	320,000	300,000
TOTAL EXPENDITURES	$ 3,622,000	$ 13,309,000	$ 15,500,000	$ 421,000	$ 15,335,000	$ 1,353,000	$ 700,000	$ 50,240,000	$ 46,130,000	$ 22,729,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

1. OPERATIONS

	ADMIN / ENGINEERING	FIRE PROTECTION	SUPPLEMENTAL LAW	WASTEWATER / MAINTENANCE	SOLID WASTE	RECLAMATION	TOTAL FY 2026-27	BUDGET FY 2025-26	ESTIMATED ACTUAL FY 2025-26
REVENUES									
Property Tax	$ 3,206,000	$ 12,334,000	$ 421,000	$ 2,359,000			$ 18,320,000	$ 16,435,000	$ 13,693,000
Special Tax and User Fees		200,000		1,940,000	$ 1,178,000		3,318,000	3,115,000	3,118,000
Investment Income	70,000	47,000		118,000			235,000	150,000	441,000
Other	86,000	300,000		45,000	175,000		606,000	590,000	640,000
Subtotal	$ 3,362,000	$ 12,881,000	$ 421,000	$ 4,462,000	$ 1,353,000	$ -	$ 22,479,000	$ 20,290,000	$ 17,892,000
Reclamation Reimbursements						585,000	585,000	580,000	568,000
TOTAL REVENUES	$ 3,362,000	$ 12,881,000	$ 421,000	$ 4,462,000	$ 1,353,000	$ 585,000	$ 23,064,000	$ 20,870,000	$ 18,460,000
EXPENDITURES									
Personnel	$ 2,275,000			$ 1,111,000		$ 138,000	$ 3,524,000	$ 3,412,000	$ 3,087,000
Other O&M	909,000	$ 2,412,000	$ 14,000	701,000	$ 106,000	447,000	4,589,000	3,884,500	3,532,000
Contractual Services		9,700,000	385,000	2,275,000	1,178,000		13,538,000	12,305,000	11,541,000
Contingency 5% O/M	159,000	606,000	20,000	204,000	64,000		1,053,000	948,500	-
Subtotal	$ 3,343,000	$ 12,718,000	$ 419,000	$ 4,291,000	$ 1,348,000	$ 585,000	$ 22,704,000	$ 20,550,000	$ 18,160,000
Appropriations to O&M Reserves	19,000	163,000	2,000	171,000	5,000		360,000	320,000	300,000
TOTAL EXPENDITURES	$ 3,362,000	$ 12,881,000	$ 421,000	$ 4,462,000	$ 1,353,000	$ 585,000	$ 23,064,000	$ 20,870,000	$ 18,460,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

2. CAPITAL OUTLAY

	ADMIN / ENGINEERING	FIRE PROTECTION	UNDERGROUND UTILITIES	SUPPLEMENTAL LAW	WASTEWATER / MAINTENANCE	SOLID WASTE	RECLAMATION	TOTAL FY 2026-27	BUDGET FY 2025-26	ESTIMATED ACTUAL FY 2025-26
REVENUES										
Property Tax Transfer from Operations Fund	$ 30,000	$ 63,000	$ 2,531,000		$ 921,000			$ 3,545,000	$ 4,565,000	$ 7,231,000
Investment Income	20,000	211,000			234,000			465,000	300,000	1,031,000
Subtotal Current Revenue	$ 50,000	$ 274,000	$ 2,531,000	$ -	$ 1,155,000	$ -	$ -	$ 4,010,000	$ 4,865,000	$ 8,262,000
Reclamation Reimbursements							115,000	115,000	390,000	106,000
Subtotal Current Revenues and Reimbursements	$ 50,000	$ 274,000	$ 2,531,000	$ -	$ 1,155,000	$ -	$ 115,000	$ 4,125,000	$ 5,255,000	$ 8,368,000
Appropriations from / (to) Capital Outlay Reserves			469,000		2,352,000			2,821,000	9,508,300	(7,489,000)
Appropriations from / (to) Special Projects Reserves			-					-	4,501,700	-
Carryover Appropriations	210,000	154,000	12,500,000	-	7,366,000			20,230,000	5,995,000	3,390,000
TOTAL REVENUES	$ 260,000	$ 428,000	$ 15,500,000	$ -	$ 10,873,000	$ -	$ 115,000	$ 27,176,000	$ 25,260,000	$ 4,269,000
EXPENDITURES										
Capital Outlay Expenditures	$ 260,000	$ 428,000	$ 15,500,000	$ -	$ 10,873,000	$ -	$ 115,000	$ 27,176,000	$ 25,260,000	$ 4,269,000
TOTAL EXPENDITURES	$ 260,000	$ 428,000	$ 15,500,000	$ -	$ 10,873,000	$ -	$ 115,000	$ 27,176,000	$ 25,260,000	$ 4,269,000

FINAL BUDGET

FY 2026-27

<u>REVENUE AND EXPENDITURE DETAIL</u>

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

REVENUE DETAIL

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	CHANGE FROM FY 2025-26 BUDGET %
PROPERTY TAX					
Property Tax	$ 21,000,000	$ 20,924,000	$ 21,865,000	$ 865,000	4%
SUBTOTAL	$ 21,000,000	$ 20,924,000	$ 21,865,000	$ 865,000	4%
SPECIAL TAX AND USER FEES					
Sewer Service Fees	$ 1,780,000	$ 1,779,000	$ 1,940,000	$ 160,000	9%
Solid Waste Residential Basic Svc Fees	1,135,000	1,133,000	1,178,000	43,000	4%
Fire Protection Special Tax	200,000	206,000	200,000	-	0%
SUBTOTAL	$ 3,115,000	$ 3,118,000	$ 3,318,000	$ 203,000	7%
INVESTMENT INCOME					
Operations	$ 150,000	$ 441,000	$ 235,000	$ 85,000	57%
Capital Outlay	300,000	1,031,000	465,000	165,000	55%
SUBTOTAL	$ 450,000	$ 1,472,000	$ 700,000	$ 250,000	56%
OTHER REVENUE					
Proposition 172 Funds	$ 300,000	$ 294,000	$ 300,000	$ -	0%
Solid Waste Franchise Fees	220,000	250,000	226,000	6,000	3%
Sewer Connection and Permit Fees	30,000	58,000	38,000	8,000	27%
PBCSD Support Services / Office Rent	14,000	17,000	16,000	2,000	14%
Other Miscellaneous Revenue & Refunds	26,000	21,000	26,000	-	0%
SUBTOTAL	$ 590,000	$ 640,000	$ 606,000	$ 16,000	3%
SUBTOTAL CURRENT REVENUES	$ 25,155,000	$ 26,154,000	$ 26,489,000	$ 1,334,000	5%
REIMBURSEMENTS					
Reclamation Project Operations	$ 580,000	$ 568,000	$ 585,000	$ 5,000	1%
Reclamation Project Capital Outlays	390,000	106,000	115,000	(275,000)	-71%
SUBTOTAL	$ 970,000	$ 674,000	$ 700,000	$ (270,000)	-28%
TOTAL CURRENT REVENUES	$ 26,125,000	$ 26,828,000	$ 27,189,000	$ 1,064,000	4%
ALLOCATIONS & OTHER APPROPRIATIONS					
Appropriations from / (to) Capital Outlay Reserves	$ 9,508,300	$ (7,489,000)	$ 2,821,000	$ (6,687,300)	-70%
Appropriations from / (to) Special Projects Reserve	4,501,700	-	-	(4,501,700)	N/A
Carryover Appropriations	5,995,000	3,390,000	20,230,000	14,235,000	237%
SUBTOTAL	$ 20,005,000	$ (4,099,000)	$ 23,051,000	$ 3,046,000	15%
TOTAL REVENUES	$ 46,130,000	$ 22,729,000	$ 50,240,000	$ 4,110,000	9%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
ADMINISTRATION / ENGINEERING

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
PERSONNEL					
Salaries & Wages	$ 1,458,000	$ 1,280,000	$ 1,541,000	$ 83,000	6%
Payroll Taxes	137,000	111,000	141,000	4,000	3%
Benefits	592,000	523,000	630,000	38,000	6%
Subtotal	$ 2,187,000	$ 1,914,000	$ 2,312,000	$ 125,000	6%
Allocation to Reclamation Project	(35,000)	(30,000)	(37,000)	2,000	6%
TOTAL PERSONNEL	$ 2,152,000	$ 1,884,000	$ 2,275,000	$ 123,000	6%
GENERAL OPERATIONS					
Programs & Charges					
Association Memberships & Support Contributions	$ 35,000	$ 31,000	$ 37,000	$ 2,000	6%
Director Fees	10,000	7,000	10,000	-	0%
Election	-	-	34,000	34,000	N/A
LAFCO Budget - PBCSD Share	33,000	31,000	33,000	-	0%
County Property Tax Admin Chgs	200,000	171,000	200,000	-	0%
Insurance - Liability & Property	31,000	37,000	35,000	4,000	13%
Training / Conference & Travel	21,000	5,000	21,000	-	0%
Subtotal	$ 330,000	$ 282,000	$ 370,000	$ 40,000	12%
Professional & Technical Services					
Newsletters, Notices, Advertisements Production & Mailing	$ 70,000	$ 75,000	$ 81,000	$ 11,000	16%
Legal	45,000	32,000	46,000	1,000	2%
Auditing & Accounting	47,000	42,000	49,000	2,000	4%
Administrative Support	20,000	1,000	15,000	(5,000)	-25%
Other Professional Services	24,000	4,000	24,000	-	0%
Safety & Wellness	9,000	3,000	12,000	3,000	33%
Information Sys / Network & Software	100,000	75,000	90,000	(10,000)	-10%
Subtotal	$ 315,000	$ 232,000	$ 317,000	$ 2,000	1%
Materials / Supplies/ Equipment & Maintenance					
Housekeeping & Hospitality	$ 29,000	$ 26,000	$ 40,000	$ 11,000	38%
Building & Facilities Maintenance	50,000	29,000	68,000	18,000	36%
Office / Network Equipment & Supplies	48,000	27,000	41,000	(7,000)	-15%
Network Hardware / Software Maintenance Subscriptions	13,000	10,000	15,000	2,000	15%
Subtotal	$ 140,000	$ 92,000	$ 164,000	$ 24,000	17%
TOTAL GENERAL OPERATIONS	$ 785,000	$ 606,000	$ 851,000	$ 66,000	8%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
ADMINISTRATION / ENGINEERING

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
UTILITIES					
Gas & Electricity	$ 13,000	$ 11,000	$ 16,000	$ 3,000	23%
Telephone / Communications & Internet	36,000	33,000	37,500	1,500	4%
Water	4,500	4,000	4,500	-	0%
TOTAL UTILITIES	$ 53,500	$ 48,000	$ 58,000	$ 4,500	8%
5% CONTINGENCY	$ 148,500	$ -	$ 159,000	$ 10,500	7%
TOTAL ADMIN & ENGINEERING	$ 3,139,000	$ 2,538,000	$ 3,343,000	$ 204,000	6%

SUPPLEMENTAL LAW

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
GENERAL OPERATIONS					
Materials / Supplies & Equipment	$ 8,000	$ 7,000	$ 8,000	$ -	0%
Educational Prg & Sober Grad Sponsorships	6,000	3,000	6,000	-	0%
TOTAL GENERAL OPERATIONS	$ 14,000	$ 10,000	$ 14,000	$ -	0%
CONTRACTUAL SERVICES					
Suppl Law & Traffic Enforcement Svc (CHP)	$ 360,000	$ 317,000	$ 380,000	$ 20,000	6%
Other Law Enforcement Services (Mo County Sherriff)	5,000	-	5,000	-	0%
TOTAL CONTRACTUAL SERVICES	$ 365,000	$ 317,000	$ 385,000	$ 20,000	5%
5% CONTINGENCY	$ 19,000	$ -	$ 20,000	$ 1,000	5%
TOTAL SUPPLEMENTAL LAW ENFORCEMENT	$ 398,000	$ 327,000	$ 419,000	$ 21,000	5%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
FIRE / EMERGENCY MEDICAL

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	CHANGE FROM FY 2025-26 BUDGET %
GENERAL OPERATIONS					
Programs & Charges					
Insurance - Liability & Property	$ 49,000	$ 83,000	$ 60,000	$ 11,000	22%
Subtotal	$ 49,000	$ 83,000	$ 60,000	$ 11,000	22%
Professional & Technical Services					
Information Sys / Network & Software	$ 34,000	$ 34,000	$ 44,000	$ 10,000	29%
Subtotal	$ 34,000	$ 34,000	$ 44,000	$ 10,000	29%
Materials / Supplies/ Equipment & Maintenance					
Shop & Small Tools	$ 6,000	$ 5,000	$ 6,000	$ -	0%
Housekeeping & Hospitality	36,000	27,000	33,000	(3,000)	-8%
Building & Facilities Maintenance	25,000	9,000	42,000	17,000	68%
Office/Network & Software	15,000	11,000	13,000	(2,000)	-13%
Subtotal	$ 82,000	$ 52,000	$ 94,000	$ 12,000	15%
TOTAL GENERAL OPERATIONS	$ 165,000	$ 169,000	$ 198,000	$ 33,000	20%
FIRE DEPT OPERATIONS (Supplies / Equip and R&M)					
Vehicles & Equipment	$ 50,000	$ 96,000	$ 52,000	$ 2,000	4%
Fire Hose	9,000	7,000	9,000	-	0%
Self Contained Breathing Apparatus (SCBA)	24,000	13,000	24,000	-	0%
Personnel & Safety	50,000	66,000	50,000	-	0%
Uniform & Laundry Svc	13,000	18,000	13,000	-	0%
TOTAL FIRE DEPT OPERATIONS	$ 146,000	$ 200,000	$ 148,000	$ 2,000	1%
FIRE PREVENTION PROGRAM					
District Public Safety Day & Open House	$ 75,000	$ 75,000	$ 75,000	$ -	0%
Community Event (Zombie Race)	55,000	37,000	55,000	-	0%
Pebble Beach Station Prevention O/M	42,000	17,000	55,000	13,000	31%
Fire Hazard Inspection Program Expenses	7,000	6,000	7,000	-	0%
Fire Hazard Abatement Clearance	10,000	-	10,000	-	0%
Residential & Vacant Lot Clearance Reimb	(10,000)	-	(10,000)	-	0%
Fire Defense Projects	1,000,000	1,000,000	1,500,000	500,000	50%
Fire Prevention Shared O&M	110,000	65,000	97,000	(13,000)	-12%
Fire Hydrant Testing & Maintenance Svc	120,000	70,000	120,000	-	0%
Fire Defense Space Inspectors	175,000	92,000	88,000	(87,000)	-50%
Less: Cypress & C. Highlands Reimb	(300,000)	(145,000)	(176,000)	124,000	-41%
TOTAL FIRE PREVENTION PROGRAM	$ 1,284,000	$ 1,217,000	$ 1,821,000	$ 537,000	42%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
FIRE / EMERGENCY MEDICAL

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
FIRE DEPT COST SHARE					
Water Rescue Program (33.5% PBCSD)	$ 37,000	$ 57,000	$ 37,000	$ -	0%
Drone Program	50,000	50,000	15,000	(35,000)	-70%
Paramedic Program (37.5% PBCSD)	106,000	92,000	95,500	(10,500)	-10%
Battalion Joint Training Prg (37.5% PBCSD)	104,000	91,000	100,000	(4,000)	-4%
Carmel Hill Station (50% PBCSD)	55,000	36,000	52,500	(2,500)	-5%
Command & Support Staff (37.5% PBCSD)	20,500	15,000	28,500	8,000	39%
Less: Cypress & C. Highlands Reimb	(187,000)	(176,000)	(161,500)	25,500	-14%
Automatic Vehicle Locator Prg	33,000	39,000	34,000	1,000	3%
Less: Cypress / C. Highlands / Aromas / Soledad & So Monterey County Reimb (70.8%)	(23,500)	(24,000)	(24,000)	(500)	2%
TOTAL FIRE DEPT COST SHARE	$ 195,000	$ 180,000	$ 177,000	$ (18,000)	-9%
UTILITIES					
Gas & Electricity	$ 34,000	$ 34,000	$ 39,000	$ 5,000	15%
Telephone & Communications	17,000	13,000	17,000	-	0%
Water	11,000	11,000	12,000	1,000	9%
TOTAL UTILITIES	$ 62,000	$ 58,000	$ 68,000	$ 6,000	10%
CONTRACTUAL SERVICES					
CAL FIRE Schedule A Fire Protection / Emerg Medical & Advanced Life Support Svc	$ 8,700,000	$ 8,047,000	$ 9,700,000	$ 1,000,000	11%
TOTAL CONTRACTUAL SERVICES	$ 8,700,000	$ 8,047,000	$ 9,700,000	$ 1,000,000	11%
5% CONTINGENCY	$ 528,000	$ -	$ 606,000	$ 78,000	15%
TOTAL FIRE DEPARTMENT	$ 11,080,000	$ 9,871,000	$ 12,718,000	$ 1,638,000	15%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
WASTEWATER / MAINTENANCE

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
PERSONNEL					
Salaries & Wages	$ 824,000	$ 794,000	$ 845,000	$ 21,000	3%
Payroll Taxes	92,000	80,000	91,000	(1,000)	-1%
Benefits	309,000	299,000	276,000	(33,000)	-11%
Subtotal	$ 1,225,000	$ 1,173,000	$ 1,212,000	$ (13,000)	-1%
Allocation to Reclamation Project	(117,000)	(121,000)	(101,000)	16,000	-14%
TOTAL PERSONNEL	$ 1,108,000	$ 1,052,000	$ 1,111,000	$ 3,000	0%
GENERAL OPERATIONS					
Programs & Charges					
Association Memberships & Certifications	$ 17,000	$ 9,000	$ 17,000	$ -	0%
Insurance - Liability & Property	46,000	74,000	56,000	10,000	22%
Training / Conference & Travel	26,000	11,000	21,000	(5,000)	-19%
Subtotal	$ 89,000	$ 94,000	$ 94,000	$ 5,000	6%
Professional & Technical Services					
Contractual Maintenance	$ 10,000	$ 7,000	$ 10,000	$ -	0%
Safety & Wellness	14,000	11,000	17,000	3,000	21%
Professional Engineering & Consulting	34,000	20,000	53,000	19,000	56%
Information Sys / Network & Software	17,000	12,000	12,000	(5,000)	-29%
Subtotal	$ 75,000	$ 50,000	$ 92,000	$ 17,000	23%
Materials/Supplies/Equipment & Maintenance					
Shop & Small Tools	$ 15,000	$ 13,000	$ 15,000	$ -	0%
Housekeeping & Hospitality	5,000	6,000	5,500	500	10%
Office / Network & Software	8,000	8,000	9,000	1,000	13%
Personnel Protective & Safety	15,000	9,000	14,800	(200)	-1%
Laundry & Uniform Services	21,000	21,000	22,200	1,200	6%
Subtotal	$ 64,000	$ 57,000	$ 66,500	$ 2,500	4%
TOTAL GENERAL OPERATIONS	$ 228,000	$ 201,000	$ 252,500	$ 24,500	11%
BUILDING & FACILITIES					
Gasoline & Diesel Fuel	$ 82,000	$ 77,000	$ 86,000	$ 4,000	5%
Less: CAL FIRE & Reclam Reimb	(57,000)	(55,000)	(61,000)	(4,000)	7%
Subtotal	$ 25,000	$ 22,000	$ 25,000	$ -	0%
Materials/Supplies & Maintenance					
Buildings / Facilities Repairs & Maintenance	$ 33,500	$ 19,000	$ 49,500	$ 16,000	48%
Subtotal	$ 33,500	$ 19,000	$ 49,500	$ 16,000	48%
TOTAL BUILDING & FACILITIES	$ 58,500	$ 41,000	$ 74,500	$ 16,000	27%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
WASTEWATER / MAINTENANCE

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
WASTEWATER OPERATIONS (Supplies / Equipment and R&M)					
Vehicles & Equipment	$ 45,000	$ 37,000	$ 38,500	$ (6,500)	-14%
Permits	21,500	21,000	22,000	500	2%
Sewer Pump Stations	111,000	75,000	111,000	-	0%
Subsurface Lines & Equipment	39,000	48,000	45,500	6,500	17%
Call Out Mileage Expense	1,000	1,000	1,000	-	0%
TOTAL WASTEWATER OPERATIONS	$ 217,500	$ 182,000	$ 218,000	$ 500	0%
UTILITIES					
Gas & Electricity	$ 119,000	$ 120,000	$ 127,000	$ 8,000	7%
Telephone & Communications	16,000	15,000	20,000	4,000	25%
Water	8,000	9,000	9,000	1,000	13%
TOTAL UTILITIES	$ 143,000	$ 144,000	$ 156,000	$ 13,000	9%
CONTRACTUAL SERVICES					
CAWD Sewer Treatment & Disposal	$ 2,200,000	$ 2,153,000	$ 2,400,000	$ 200,000	9%
Allocation to Reclamation Prj (Source Water)	(95,000)	(117,000)	(125,000)	(30,000)	32%
TOTAL CONTRACTUAL SERVICES	$ 2,105,000	$ 2,036,000	$ 2,275,000	$ 170,000	8%
5% CONTINGENCY	$ 193,000	$ -	$ 204,000	$ 11,000	6%
TOTAL WASTEWATER / MAINTENANCE	$ 4,053,000	$ 3,656,000	$ 4,291,000	$ 238,000	6%

SOLID WASTE

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
GENERAL OPERATIONS					
Household Hazardous Waste Recycling Event	$ 45,000	$ 43,500	$ 46,000	$ 1,000	2%
Franchise Agreement Support Svcs	25,000	-	25,000	-	0%
SB1383 Related Costs	20,000	15,000	20,000	-	0%
Zero Waste & Recycling Programs Support	14,000	-	14,000	-	0%
Medical Waste Take Back Program	1,000	500	1,000	-	0%
TOTAL GENERAL OPERATIONS	$ 105,000	$ 59,000	$ 106,000	$ 1,000	1%
CONTRACTUAL SERVICES					
Green Waste Recovery: Basic Residential Collection & Disposal Services	$ 1,135,000	$ 1,141,000	$ 1,178,000	$ 43,000	4%
TOTAL CONTRACTUAL SERVICES	$ 1,135,000	$ 1,141,000	$ 1,178,000	$ 43,000	4%
5% CONTINGENCY	$ 60,000	$ -	$ 64,000	$ 4,000	7%
TOTAL SOLID WASTE	$ 1,300,000	$ 1,200,000	$ 1,348,000	$ 48,000	4%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
RECLAMATION

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	%
ADMINISTRATIVE & GENERAL EXPENSES					
Salaries / Benefits & Overhead (Admin & Engin.)					
Salaries	$ 23,500	$ 20,000	$ 24,500	$ 1,000	4%
Payroll Taxes / Benefits & Overhead	11,500	10,000	12,500	1,000	9%
Subtotal	$ 35,000	$ 30,000	$ 37,000	$ 2,000	6%
Other Administrative & General Expenses					
Directors Fees	$ 500	$ 500	$ 500	$ -	0%
Insurance - Property & Liability	13,500	21,000	15,500	2,000	15%
Insurance - Earthquake	40,500	53,000	31,000	(9,500)	-23%
Insurance Forest Lake Dam Failure Liability	5,500	5,000	6,000	500	9%
Legal Services	-	8,000	10,000	10,000	N/A
Subtotal	$ 60,000	$ 87,500	$ 63,000	$ 3,000	5%
TOTAL ADMINISTRATIVE & GENERAL	$ 95,000	$ 117,500	$ 100,000	$ 5,000	5%
DISTRIBUTION SYSTEM O&M EXPENSES					
Salaries, Benefits & Overhead (Maintenance)					
Salaries	$ 78,000	$ 80,500	$ 67,000	$ (11,000)	-14%
Payroll Taxes / Benefits & Overhead	39,000	40,500	34,000	(5,000)	-13%
Subtotal	$ 117,000	$ 121,000	$ 101,000	$ (16,000)	-14%
Energy & Utilities					
Gas & Electricity	$ 50,000	$ 51,500	$ 55,000	$ 5,000	10%
Telephone & Communications	2,500	2,000	2,500	-	0%
Forest Lake Eye Wash Station Water	1,500	2,500	2,500	1,000	67%
Subtotal	$ 54,000	$ 56,000	$ 60,000	$ 6,000	11%
Other Distribution System O&M					
Permits	$ 32,000	$ 29,000	$ 32,000	$ -	0%
Distribution Lines Repairs & Maint.	5,000	10,000	5,000	-	0%
Viscaino Pump Station Repairs & Maint.	5,000	4,000	5,000	-	0%
Forest Lake Reservoir Repairs & Maint.	34,500	13,500	34,500	-	0%
Storage Tank Repairs & Maint.	2,000	6,500	5,000	3,000	150%
Employee Call Out Mileage	2,000	2,000	2,000	-	0%
Fuel	4,000	3,500	4,000	-	0%
Training / Memberships & Certifications	5,000	2,500	5,000	-	0%
Forest Lake Reservoir Operating Expenses	35,000	20,500	35,000	-	0%
Forest Lake Chemicals	35,000	24,000	35,000	-	0%
Scada Software / Instrumentation	4,000	500	4,000	-	0%
Scada Platform Support Svcs Subscription	5,000	4,500	5,000	-	0%
Subtotal	$ 168,500	$ 120,500	$ 171,500	$ 3,000	2%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

OPERATING EXPENDITURES DETAIL
RECLAMATION

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	CHANGE FROM FY 2025-26 BUDGET %
Professional Services					
Engineering Consulting	$ 35,000	$ 23,000	$ 15,000	$ (20,000)	-57%
Other Professional Services	1,500	-	500	(1,000)	-67%
Subtotal	$ 36,500	$ 23,000	$ 15,500	$ (21,000)	-58%
TOTAL DISTRIBUTION SYSTEM	$ 376,000	$ 320,500	$ 348,000	$ (28,000)	-7%
ALTERNATIVE SOURCE WATER O&M					
Water Wells Supplies / Equip. / Repairs & Maint.	$ 10,000	$ 9,000	$ 8,000	$ (2,000)	-20%
Remote Monitoring	4,000	4,000	4,000	-	0%
Water Treatment Cost	95,000	117,000	125,000	30,000	32%
TOTAL SOURCE WATER	$ 109,000	$ 130,000	$ 137,000	$ 28,000	26%
	$ 580,000	$ 568,000	$ 585,000	$ 5,000	1%

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

CAPITAL OUTLAYS SUMMARY

	BUDGET FY 2025-26	PROJECTED ACTUAL FY 2025-26	PROPOSED FY 2026-27	CHANGE FROM FY 2025-26 BUDGET $	CHANGE FROM FY 2025-26 BUDGET %	*Information Only* CARRYOVER FROM FY 2025-26
ADMINISTRATION / ENGINEERING						
Parking Lot Pavement	$ 200,000	$ -	$ 200,000	$ -	0%	$ 200,000
Office Furniture / Software	208,000	165,000	25,000	(183,000)	-88%	
Facility Improvements	1,000,000	989,000	25,000	(975,000)	-98%	
Emergency Replacement Reserve	10,000	-	10,000	-	0%	10,000
Subtotal	$ 1,418,000	$ 1,154,000	$ 260,000	$ (1,158,000)	-82%	$ 210,000
FIRE / EMERGENCY MEDICAL						
Fire Department Capital Projects & Equipment	$ 1,073,000	$ 734,000	$ 408,000	$ (665,000)	-62%	$ 134,000
Emergency Replacement Reserve	20,000	-	20,000	-	0%	20,000
Subtotal	$ 1,093,000	$ 734,000	$ 428,000	$ (665,000)	-61%	$ 154,000
UNDERGROUNDING UTILITIES						
Undergrounding Utilities Phase 4 Project	$ 12,650,000	$ 147,000	$ 15,500,000	$ 2,850,000	23%	$ 12,500,000
Subtotal	$ 12,650,000	$ 147,000	$ 15,500,000	$ 2,850,000	23%	$ 12,500,000
WASTEWATER / MAINTENANCE						
Pump Stations Rehabilitation	$ 6,665,000	$ 712,000	$ 6,400,000	$ (265,000)	-4%	$ 5,750,000
Sewer Replacement	1,930,000	760,000	3,160,000	1,230,000	64%	1,160,000
CAWD Treatment Plant	634,000	461,000	903,000	269,000	42%	236,000
Wastewater Equipment	430,000	195,000	360,000	(70,000)	-16%	170,000
Emergency Replacement Reserve	50,000	-	50,000	-	0%	50,000
Subtotal	$ 9,709,000	$ 2,128,000	$ 10,873,000	$ 1,164,000	12%	$ 7,366,000
RECLAMATION						
Reclamation Vehicles & Equipment	$ 390,000	$ 106,000	$ 115,000	$ (275,000)	-71%	
Subtotal	$ 390,000	$ 106,000	$ 115,000	$ (275,000)	-71%	
TOTAL CAPITAL OUTLAYS	$ 25,260,000	$ 4,269,000	$ 27,176,000	$ 1,916,000	8%	$ 20,230,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

CAPITAL OUTLAY DETAIL
ADMINISTRATION / ENGINEERING

	PROPOSED FY 2026-27	*Information Only* CARRYOVER FROM FY 2025-26
ADMIN FACILITIES IMPROVEMENTS / OFFICE EQUIPMENT & SOFTWARE		
Parking Lot Pavement	$ 200,000	$ 200,000
Admin Office Improvements	25,000	
Security Cameras (12)	25,000	
TOTAL IMPROVEMENTS AND EQUIPMENT	$ 250,000	$ 200,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

CAPITAL OUTLAY DETAIL
FIRE / EMERGENCY MEDICAL

	PROPOSED FY 2026-27	*Information Only* CARRYOVER FROM FY 2025-26
FIRE DEPARTMENT CAPITAL PROJECTS & EQUIPMENT		
Pebble Beach Fire Station		
Fire Safe Garden Improvements	$ 100,000	$ 100,000
Truck 122 / Engine 22 Headsets	25,000	
Dormitory Mattresses (12)	15,000	
iPad Pro 11" (4) & Mounting Systems (3)	14,000	
SUBTOTAL	$ 154,000	$ 100,000
Shared Battalion Programs (PBCSD Serving as Lead Agency):		
Battalion Chief - Prevention Vehicle (B25)	$ 150,000	
Battalion Chief - Fuels Vehicle (B28)	150,000	
Assistant Chief Vehicle (D20)	125,000	
Drones (5)	110,000	
Fire Captains Vehicles (P26 / P27) Equipment	90,000	$ 90,000
Water Rescue Inflatable Boat with Trailer	30,000	
iPad Pro 11" & Mounting Systems (4)	16,000	
Advanced Life Support (ALS) Child Mannequin	10,000	
Less: Cypress FPD & Carmel Highlands FPD Share (62.5%)	(427,000)	(56,000)
SUBTOTAL	$ 254,000	$ 34,000
TOTAL CAPITAL PROJECTS & EQUIPMENT	$ 408,000	$ 134,000

UNDERGROUNDING UTILITIES

	PROPOSED FY 2026-27	CARRYOVER FROM FY 2025-26
CAPITAL IMPROVEMENT PROJECTS		
Undergrounding Utilities Phase 4 Project	$ 15,500,000	$ 12,500,000
TOTAL CAPITAL IMPROVEMENTS	$ 15,500,000	$ 12,500,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

CAPITAL OUTLAY DETAIL
WASTEWATER / MAINTENANCE

	PROPOSED FY 2026-27	*Information Only* CARRYOVER FROM FY 2025-26
CAPITAL IMPROVEMENT PROJECTS		
Sewer Line & Manhole Replacement Projects	$ 2,660,000	$ 660,000
Sewer & Manhole CCTV Projects	500,000	500,000
TOTAL CAPITAL IMPROVEMENTS	$ 3,160,000	$ 1,160,000
PUMP STATIONS REHABILITATION PROJECTS		
Pump Station P3 Rehabilitation	$ 4,775,000	$ 4,775,000
Pump Station P4 Rehabilitation	1,355,000	815,000
Pump Station P5 Rehabilitation	100,000	
Pump Station P7 Power Generator Rehabilitation	100,000	100,000
Pump Station P7 Pumps (60HP)	35,000	35,000
Pump Station P7 Flow Meter	15,000	15,000
Carmel Gate Metering Instrumentation	10,000	10,000
Pump Station P8 Instrumentation	10,000	
TOTAL PUMP STATIONS REHABILITATION	$ 6,400,000	$ 5,750,000
MAINTENANCE DEPARTMENT EQUIPMENT		
PB-3 Camera Van	$ 190,000	$ 150,000
PB-5 Utility Truck	75,000	
6-inch Portable Pump	75,000	
GIS / CMMS Development	20,000	20,000
TOTAL MAINTENANCE DEPT EQUIPMENT	$ 360,000	$ 170,000

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
FY 2026-27 FINAL BUDGET

CAPITAL OUTLAY DETAIL
WASTEWATER TREATMENT PLANT
(CAWD 1/3 PBCSD Share)

	PROPOSED FY 2026-27	*Information Only* CARRYOVER FROM FY 2025-26
CAWD LONG-TERM CAPITAL PROJECTS		
Utility Mains Replacement (5.5% Collections)	$ 472,000	$ 124,000
Wastewater Treatment Plant Site Improvements (16% Collections)	143,000	45,000
Plant Bridge Retrofit Project (5.5% Collections)	65,000	33,000
TOTAL CAWD LONG-TERM CAPITAL PROJECTS	$ 680,000	$ 202,000
CAWD EQUIPMENT		
Effluent Pump Assembly	$ 34,000	$ 34,000
65kW Microturbine (Replace 30kW)	36,000	
DAFT Structure Coating	32,000	
Distribution Box Concrete Coating	32,000	
Distribution Box Weir Gates	28,000	
Treatment Plant Truck ZEV	27,000	
Secondary Effluent Flowmeter	14,000	
Effluent Building Roof	10,000	
CDC Channel Electric Valve Acutators	10,000	
TOTAL CAWD EQUIPMENT	$ 223,000	$ 34,000

RECLAMATION

	PROPOSED FY 2026-27
EQUIPMENT (FOREST LAKE & DISTRIBUTION SYSTEM)	
Forest Lake Sulfuric Acid Injection Equipment	$ 50,000
Forest Lake Generator	40,000
4th Fairway Diversion Pumps (2)	25,000
TOTAL CAPITAL EQUIPMENT	$ 115,000

FINAL BUDGET

FY 2026-27

FINAL BUDGET RESOLUTIONS

1)	No. 26-16	Approving Service Charges and Special Assessments for Sewer Collection and Treatment, Solid Waste Collection and Disposal, and Fire Protection Services within the District for the Fiscal Year 2026-27.
2)	No. 26-17	Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-related fees and charges for Fiscal Year 2026-27.
3)	No. 26-18	Adopting Final Budget for Fiscal Year 2026-27.
4)	No. 26-19	Approving Positions, Classifications, and Pay Schedule for Fiscal Year 2026-27.
5)	No. 26-20	Adopting the Appropriations Limit for FY 2026-27.
6)	No. 26-21	Establishing the District Sewer Connection, Inspection, and Permit Fee for Fiscal Year 2026-27

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-16

APPROVING SERVICE CHARGES FOR SEWER COLLECTION AND TREATMENT, SOLID WASTE COLLECTION AND DISPOSAL SERVICES; AND A SPECIAL TAX FOR FIRE PROTECTION SERVICES WITHIN THE DISTRICT FOR THE FISCAL YEAR 2026-27

-o0o-

WHEREAS, on June 2, 1981 the voters of former Monterey County Service Area ("CSA") No. 42 approved a proposition entitled, "*Ordinance No. 2703, An Ordinance of The County of Monterey Imposing A Special Tax For Fire Protection And Prevention In Monterey County Service Area No. 42*"; and

WHEREAS, this District, as successor in interest to CSA No. 42, subsequently adopted Ordinance No. 2 ratifying and adopting all ordinances and resolutions of said CSA; and

WHEREAS, this District adopted Ordinances No. 3 and 13 providing for sewer collection and treatment and solid waste collection and disposal services provided by the District on the County property tax roll; and

WHEREAS, it is necessary to fix rates for sewer collection and treatment services, solid waste collection and disposal services, and to determine and levy the amount of the annual special tax for fire protection and prevention services.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Pebble Beach Community Services District as follows:

1. The annual rates for District services are approved as follows:
   a) ***Sewer collection and treatment services*** as displayed in the **"Exhibit A" attached** hereto,
   b) Basic residential ***solid waste collection and disposal se*****rvices: $425.52**
   c) ***Special tax for fire protection and prevention services***: **$51.20** for residential units, **$25.60** for unimproved parcels and for other properties as prescribed in CSA No. 42 Ordinance No. 2703.

2. The service charges and special tax are hereby adopted in full and ordered to be listed, along with any changes approved by the Board, in a report to be prepared by the General Manager/Secretary or his designated representative, and said charges and special tax are to be collected on the tax rolls of the County of Monterey for fiscal year 2026-27 in the manner provided by law.

3. The Board Secretary is instructed to file with the Auditor of Monterey County, on or before the 1st day of August 2026, an electronic list of said service charges and special tax levied on each separate parcel, and a certified copy of this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, at a regular meeting held on **June 26, 2026** by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President	Nicholas R. Becker, Board Secretary

“Exhibit A”

RATE SCHEDULE FOR FY 2026-27 SEWER SERVICE CHARGES

Rate Schedule. Sewer Service Charges are hereby prescribed for all premises within the District, and for all undeveloped residential lots of record for which the sewer system is being maintained in order to provide for eventual connection for the said residential lots of record. The annual rates for operation and maintenance of sewage treatment and local collection facilities shall be as follows:

SOURCE	2026-27 RATES FOR SYSTEM-WIDE USER CHARGE
Residential ($/Unit)	$ 493.20
Motel / Hotel ($/Unit)	
Private	98.64
Commercial	246.60
School & Child Day Care	
$/Boarding Student	123.30
$/Day Student	24.66
Restaurant/Bar ($/Seat/Seating)	32.88
Dining Rooms ($/Seat/Seating)	
Private	9.86
Commercial	24.66
Gas Station ($/Unit)	986.40
Miscellaneous Commercial	
$/ 1-10 Employees	493.20
$/ 11-20 Employees	986.40
$/ 21-30 Employees	1,479.60
Post Office ($/Unit)	493.20
Large Commercial Users ($/1000 Gallons)	8.53
Miscellaneous	
Restroom ($/Toilet)	61.65
Availability Fee: Undeveloped Residential Lots of Record	164.40

CHIEF FINANCIAL OFFICER REPORT

June 26, 2026

To: Board of Directors

From: Marianna Pimentel, Chief Financial Officer

Subject: **Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments and Property Related Fees and Charges.**

RECOMMENDATION

Adopt Resolution 26-17 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property Related Fees and Charges for the fiscal year 2026-27.

DISCUSSION

The District's sewer service charges, solid waste basic service charges, and fire service special taxes are collected on the Monterey County's secured property tax rolls. Proposition 218, adopted in 1996, imposes specific legal procedures and requirements on local governments to raise revenue**.** The County requires a resolution certifying compliance with law, including a hold harmless and indemnification provision, to collect the District's services charges on property tax bills. This certification is required to be submitted by August 1, 2026.

Agenda Item No 6B.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-17

RESOLUTION CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS, AND PROPERTY-RELATED FEES AND CHARGES

-oOo-

WHEREAS, Pebble Beach Community Services District ("District") requests that the County of Monterey Auditor-Controller enter those general or special taxes, assessments, or property-related fees or charges identified in Exhibit "A" on the tax roll for collection by the County of Monterey Treasurer-Tax Collector and distribution by the County of Monterey Auditor-Controller commencing with the property tax bills for fiscal year 2026-27.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The District hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the general or special taxes, assessments or property-related fees or charges identified in Exhibit "A", regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The District further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees, and agents, with regards to the handling of the USB thumb drive or electronic file identified as Exhibit "A", the District shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the County of Monterey, its officers, employees and agents for every claim, demand, or challenge to the levying or imposition of the general or special taxes, assessments or property-related fees or charges identified in Exhibit "A" and that it shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees, and agents on every such action, suit or other proceeding, including all claims for refunds and interest thereon, legal fees, court costs and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, this 26th day of June, 2026, upon motion of _____________, seconded by ______________________, and carried by the following vote, to wit:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President	Nicholas R. Becker, Board Secretary

EXHIBIT "A"

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-17
CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF GENERAL AND SPECIAL TAXES, ASSESSMENTS, AND PROPERTY-RELATED FEES AND CHARGES

FISCAL YEAR 2026-27

GENERAL TAXES: None.

SPECIAL TAXES: Fire Service Special Tax.

ASSESSMENTS: None.

PROPERTY-RELATED FEES AND CHARGES:

1. Levied as an incident of property ownership: Sewer availability fee.
2. Other: Sewer Service Charges.

   Solid Waste Basic Residential Service Charges.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-18

ADOPTING FINAL BUDGET FOR FISCAL YEAR 2026-27

-o0o-

WHEREAS, on April 24, 2026, the Board of Directors of the Pebble Beach Community Services District ("District") has received, reviewed and approved a Preliminary Budget for the District for fiscal year 2026-27; and

WHEREAS, the District has provided notification to the public and disseminated information about the Preliminary Budget and has held a public hearing on this date to receive any questions, comments and requested changes to be considered in the adoption of a Final Budget for the District for fiscal year 2026-27.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Pebble Beach Community Services District, Monterey County, California, as follows:

1. The District's Final Budget for fiscal year 2026-27, attached hereto as “Exhibit A”, is hereby approved.
2. The Final Budget for fiscal year 2026-27 includes the following anticipated revenues and expenditures:

REVENUES:	
Property Tax	$21,865,000
Special Tax & User Fees	3,318,000
Investment Income	700,000
Other	606,000
Reimbursements	700,000
From Fund Balance/Reserves:	23,051,000
Total Revenues	**$50,240,000**
EXPENDITURES:	
Operations	$23,064,000
Capital Outlays	27,176,000
Total Expenditures	**$50,240,000**

3. The Board Secretary is instructed to transmit to the Monterey County Auditor-Controller a certified copy of this Resolution and the fiscal year 2026-27 Final Budget.

PASSED AND ADOPTED by the Board of Directors of Pebble Beach Community Services District, Pebble Beach, Monterey County, California, at a regular meeting held on **June 26, 2026** by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President	Nicholas R. Becker, Board Secretary

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-19

APPROVING POSITIONS, CLASSIFICATIONS,
AND PAY SCHEDULE FOR FISCAL YEAR 2026-27

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RESOLVED, by the Board of Directors of the Pebble Beach Community Services District, Monterey County, California, that:

1. The number of employee positions, classifications, and pay schedule for fiscal year 2026-27, as shown on Exhibit "A" hereto, and the same is hereby adopted as this District's personnel and pay plan for fiscal year 2026-27.

2. This Resolution shall be entered upon the minutes of this Board, and its provisions shall become effective on July 1, 2026.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, duly held on **June 26, 2026** by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President	Nicholas R. Becker, Board Secretary

"Exhibit A"
FY 2026-27

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

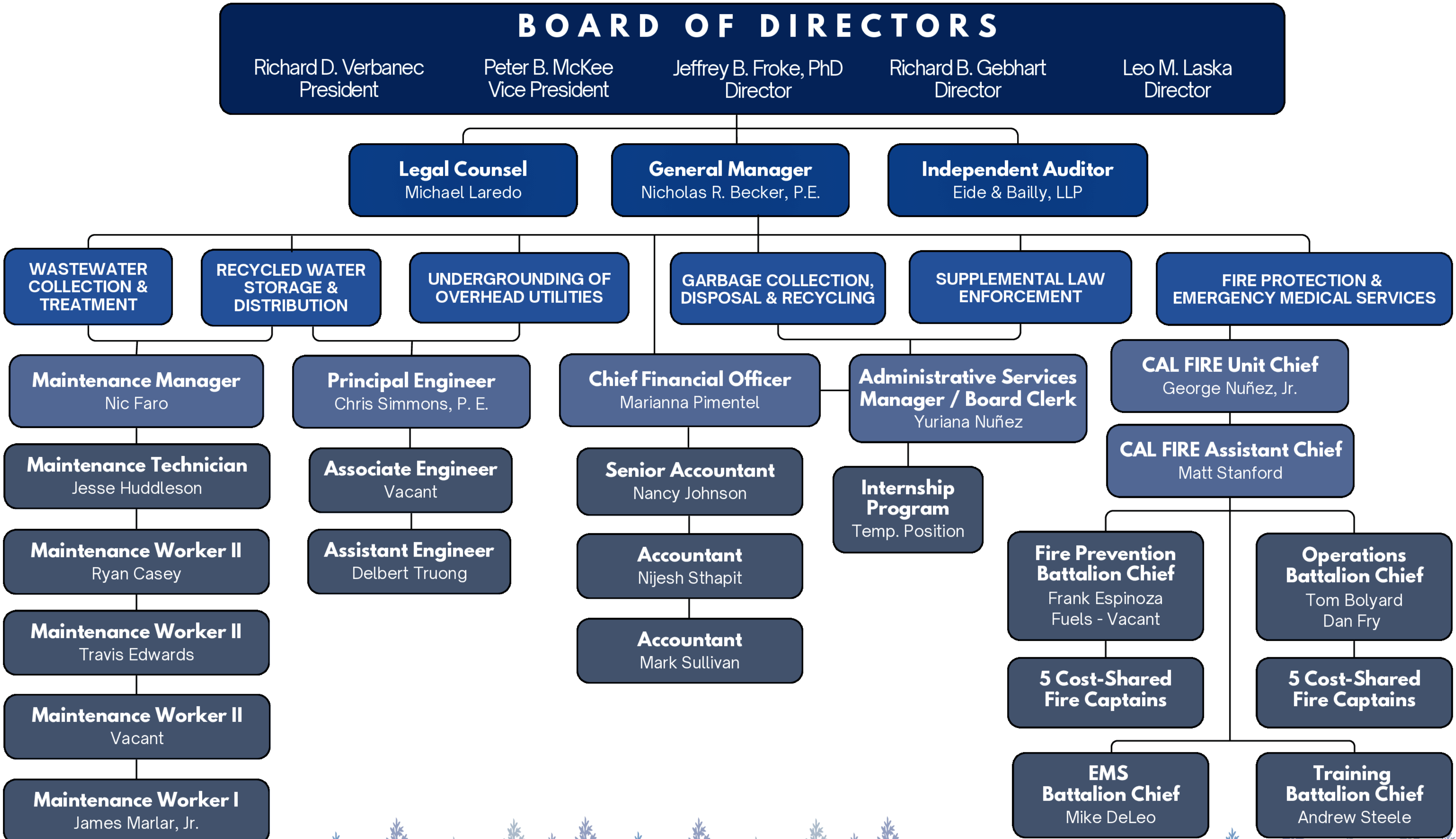
POSITIONS, CLASSIFICATIONS, AND PAY SCHEDULE

No. of Positions	Classification	Salary
1.0	General Manager	$292,235/yr
1.0	Administrative Services Manager / Board Clerk	$11,853/mo - $14,410/mo
1.0	Chief Financial Officer	$15,938/mo - $19,374/mo
1.0	Senior Accountant	$11,282/mo - $13,714/mo
2.0	Accountant	$9,260/mo - $11,255/mo
1.0	Principal Engineer	$14,439/mo - $17,552/mo
1.0	Associate Engineer	$12,149/mo - $14,769/mo
1.0	Assistant Engineer	$9,034/mo - $10,981/mo
1.0	Maintenance Manager	$11,497/mo - $13,975/mo
1.0	Maintenance Technician	$9,436/mo - $11,469/mo
3.0	Maintenance Worker II	$7,745/mo - $9,415/mo
1.0	Maintenance Worker I	$6,678/mo - $8,115/mo
15.0		

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

Organizational Chart, July 2026

Established 1982



CHIEF FINANCIAL OFFICER REPORT
June 26, 2026

To: Board of Directors

From: Marianna Pimentel, Chief Financial Officer

Subject: **Appropriations Limit**

RECOMMENDATION

Adopt Resolution 26-20 adopting the District Appropriations Limit for fiscal year 2026-27.

DISCUSSION

The appropriations limit (also known as the "Gann Limit"), which was established by the State Constitution, places a limit on the amount of tax proceeds that State and local governmental agencies can appropriate and spend each year. It is calculated based on the limit adopted in the prior fiscal year, modified to reflect changes in cost-of-living and population according to a methodology provided by State law. The District's fiscal year 2026-27 appropriation limit has been calculated at $30,607,514 and the appropriations subject to the limit has been calculated at $19,721,000. Therefore, the appropriations in the proposed Final Budget are $10,886,514 below the Appropriations Limit and are in compliance with the law. The exhibits of the attached Resolution No. 26-20 include the calculations for the appropriations limit.

The State law requires adoption of the annual appropriations limit by July 1. The adopted appropriations limit is subject to an annual independent audit review and must be submitted to the State Controller by January 31 with the Annual Statement of Annual Transactions.

Agenda Item No 6E.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-20

ADOPTING THE FISCAL YEAR 2026-27 APPROPRIATIONS LIMIT

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WHEREAS, Article XIIIB of the California Constitution places a limit on the amount of tax proceeds that State and local governmental agencies can appropriate in a given year and provides a methodology for the calculation of said appropriations limit; and

WHEREAS, California Constitution requires a local entity adopt its annual appropriations limit by July 1 of each year and also requires the calculation of the appropriations limit to be part of that entity's annual financial audit.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Pebble Beach Community Services District that:

1. The District on the basis of appropriations limit calculations included in the attached Schedules "A" and "B" adopts the maximum limit applicable to the appropriation of tax proceeds for the fiscal year 2026-27 to be $30,607,514.

2. The District reserves the right to change or revise adjustment factors associated with the calculation of the appropriations limit.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, duly held on **June 26, 2026** by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President

Nicholas R. Becker, Board Secretary

Schedule A

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Appropriations Limit Calculation
Fiscal Year 2026-27

Revenue Source	Proceeds of Tax	Nonproceeds of Tax	Total
ADMINISTRATION/ENGINEERING			
Property Tax Allocation	$3,236,000		$3,236,000
Investment Revenue	90,000		90,000
Other		$86,000	86,000
WASTEWATER			
Property Tax Allocation	3,280,000		3,280,000
Investment Revenue	352,000		352,000
Sewer User Service Fees		1,940,000	1,940,000
Other		45,000	45,000
FIRE/EMERGENCY MEDICAL			
Property Tax Allocation	12,397,000		12,397,000
Investment Revenue	258,000		258,000
Fire Service Special Tax	200,000		200,000
Other		300,000	300,000
SUPPLEMENTAL LAW			
Property Tax Allocation	421,000		421,000
UNDERGROUND UTILITIES			
Property Tax Allocation	2,531,000		2,531,000
SOLID WASTE DISPOSAL			
Property Tax Allocation			-
Solid Waste Basic Service Fees		1,178,000	1,178,000
Other		175,000	175,000
Fund Balance\Reserves	23,051,000		23,051,000
Reimbursements		700,000	700,000
Subtotal	$ 45,816,000	$ 4,424,000	$ 50,240,000

Schedule B

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Appropriations Limit Calculation
Fiscal Year 2026-27

Appropriations subject to limit:		
Fiscal Year 2026-27 total appropriations		$50,240,000
Less:		
Nonproceeds of tax		(4,424,000)
Less:		
Appropriations to Qualified Capital Outlays		(26,095,000)
Plus:		
User Fees in excess of costs		0
Total Appropriations Subject to Limit		$19,721,000
Appropriation Limit:		
Fiscal Year 2025-26 appropriation limit		$29,213,564
Factor Change		
A. Cost of Living Adjustment CPI*:	1.0495	
B. Population Adjustment **:	0.9983	
= Change Factor (A x B)	1.047716	
Increase in appropriation limit		$1,393,950
Fiscal Year 2026-27 appropriation limit		$30,607,514
Remaining appropriation capacity		$10,886,514
Available capacity as a percent of appropriation limit		35.57%

Notes:

* Based on percentage change in per capita personal income as published by State Department of Finance.

** Based on annual population change percentage in Monterey County.

CHIEF FINANCIAL OFFICER REPORT

June 26, 2026

To: Board of Directors

From: Marianna Pimentel, Chief Financial Officer

Subject: **PBCSD FY 2026-27 Sewer Connection Fee**

RECOMMENDATION

It is recommended the Board consider approving the attached Resolution No. 26-21 which sets the fiscal year 2026-27 sewer connection, inspection and permit fees at $5,368, $125 and $25, respectively.

ISSUE

PBCSD Ordinance No.18 adopted March 31, 1989 requires the District to "annually or otherwise deemed as appropriate" adopt fees for: 1) making a connection to the District's sewer collection system (connection fee); 2) inspecting the physical installation of the connection (inspection fee); and 3) administrative cost of issuing a permit for the connection (permit fee). The above-mentioned fees are $5,368; $125; and $25, respectively, at present.

The ordinance also provides a formula for calculation of the connection fee. The connection fee for the fiscal year 2026-27 has been calculated as $5,368 which is $163 or 3.1% more than the prior year. No change is recommended for the inspection and permit fees. The ordinance requires the above-mentioned fees to be adopted by a resolution of the Board.

DISCUSSION

Sewer Connection Fee

The connection fee is intended to represent a fair share of the District wastewater assets to be paid when a new residential unit makes a connection to wastewater system. The formula was originally developed by Kennedy/Jenks/Chilton Engineering Consultants in the 1970s. The calculation is based on certain variables including: current value of the District's applicable wastewater assets adjusted by deprecation and the Engineering News Record (ENR) construction cost index (which is also a variable), average daily flow per capita, and capita per residential unit (ERU).

Sewer Inspection and Permit Fee

When a new building is connected to the sewer system or a sewer lateral is replaced, the District requires the owner or the contractor to obtain a permit from the District office. In addition to preparing the permit, the staff verifies the plumbing contractor's license and insurances. After that, the District maintenance staff inspects the physical connection in the field, including preparation of a sketch of the connection and the house lateral which is added to District's database. The District currently has a fixed $25.00 fee for issuance of the permit and $125.00 for the inspection.

Encl.

Agenda Item No. 6F

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 26-21

ESTABLISHING THE DISTRICT SEWER CONNECTION, INSPECTION AND PERMIT FEES FOR THE FISCAL YEAR 2026-27

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WHEREAS, Ordinance No. 18 provides a formula for the determination of sewer connection fees for the Pebble Beach Community Services District with said fees to be adjusted annually, or more frequently, based upon certain determinations to be made by the General Manager, including the current value of District assets; and

WHEREAS, the Chief Financial Officer has submitted her report to this Board, attached hereto as Exhibit A, with revised information as to the District's assets, based on determination of applicable assets on June 30, 2026; and

WHEREAS, said ordinance also requires adoption of appropriate fees for the costs of inspection of the physical connection to the District sewer system (Inspection Fee), and issuance of a permit (Permit Fee).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Pebble Beach Community Services District that:

1. The District's sewer connection fee, as established per Ordinance No. 18, is hereby determined to be $5,368 per equivalent residential unit for the Fiscal Year 2026-27.

2. The District's sewer inspection and permit fees are hereby determined to be $125 and $25, respectively, per connection for the Fiscal Year 2026-27.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Pebble Beach Community Services District, Pebble Beach, Monterey County, California, duly held on **June 26, 2026** by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ATTEST:

Richard D. Verbanec, Board President	Nicholas R. Becker, Board Secretary

"Exhibit A"

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
CONNECTION FEE CALCULATIONS
FY 2026-27

Based on fixed asset values on June 30, 2026

CAWD Treatment Plant PBCSD Share			
CAWD Applicable Assets ENR Value	86,796,641		
Local Value- After Grant Funds	85,892,869		
Excluded Assets (Local Value)	(45,452,061)		
Subtotal	40,440,807		
PBCSD 1/3 Share		**$13,466,789**	
PBCSD other Applicable Assets	$18,425,088		
Depreciated Value	7,155,614		
ENR Updated Value		**9,553,128**	
Add Applicable Current Assets at 6/30/26		**13,750,551**	
(A) Total Value of all Applicable District Assets 6/30/26		**$36,770,468**	
(B) Average Daily Flow per Residential Usage (gpd)	(See Note 1)	146	gpd
(C) PBCSD share of Authorized Flows (1/3 x 3mgd) = 1mgd			
(D) Connection fee per gallon per day (A) divided by (C)		$36.77	
Connection fee per Equivalent Residential Unit (B) x (D)	(See Note 2)	$5,368	
CONNECTION FEE FY 2026-27		**$5,368**	

NOTES:

(1) Following method was used in the calculation of average daily flow per residential usage:

Estimated average number of persons per residential unit = 1.46 (PBCSD Information Systems)

Average Daily Flow per Capita = 100 gpd (Wastewater Treatment Facility Design Criteria)

Average Daily Flow per Residential Usage = 1.46 x 100 = 146 gpd

(2) Calculated using the formula specified in PBCSD Ordinance No.18 adopted March 31, 1989