

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Regular Meeting of December 11, 2020**

MINUTES

CALL TO ORDER

A regular meeting of the Board of Directors of the Pebble Beach Community Services District (PBCSD) was held via videoconference on December 11, 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, Richard B. Gebhart, Leo M. Laska, and Richard D. Verbanec

Absent: None

Others Present:

Mike Niccum, General Manager

Suha Kilic, Deputy General Manager/Chief Financial Officer (CFO)

Rob Wellington, Legal Counsel

Nick Becker, Principal Engineer

Yuriana Nunez, Administrative Assistant

Nancy Johnson, Senior Accountant

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

John Trenner, Fire Inspector, CAL FIRE

Josh Silveira, Battalion Chief, CAL FIRE

Paul Gaines, Operations Battalion Chief, CAL FIRE

Robert Siegfried, Board Director, Carmel Area Wastewater District (CAWD)

Barbara Buikema, General Manager, CAWD

David Stivers, President, Pebble Beach Company (PBCo)

Dawn Mathes, Environmental/Governmental Affairs, 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

Autumn Rossi, CPA, Partner, Hayashi Wayland

Paul Petro, Media Systems Group

Laura Paxton, Board Clerk

APPEARANCES, ORDER OF BUSINESS, & ANNOUNCEMENTS

The execution of Oath of Office by Richard B. Gebhart, Richard D. Verbanec, and Leo M. Laska as directors of the Pebble Beach Community Services District was conducted by General Manager Niccum. There were no appearances. The board concurred to have Item 13 follow Item 15.

MINUTES & FINANCIAL MATTERS

MOTION 20-12-01

Moved by Director Verbanec and seconded by Director Gebhart to approve, as presented, the minutes of the regular board meeting held October 30, 2020. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

Statements of Receipts and Disbursements

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

Cash Basis Budget Report

The Board received and reviewed the *Cash Basis Budget Report* for October 2020.

Check Registers

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

MOTION 20-12-02

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

PBCSD Comprehensive Annual Financial Report & Independent Audit Report

The Board received and reviewed the PBCSD Annual Financial Statements and Independent Auditors' Report for Fiscal Year ended June 30, 2020. Autumn Rossi, partner, Hayashi Wayland, District's outside independent audit firm, gave an overview of the statements and report. Ms. Rossi noted there were no significant changes in accounting policies or practices, no unusual transactions or alternative treatments discussed with management, and no additional journal entries necessary. The District received an unmodified opinion, which is the highest-level audit opinion. Ms. Rossi acknowledged the District staff for their efficiency and diligence in preparing the annual report.

Monterey County Treasurer's Investment Report

The Board received and reviewed the *Monterey County Treasurer's Investment Report* for quarter ending September 30, 2020. Mr. Kilic reported the rate of return for the quarter was 1.61%, 30 basis points lower than the previous quarter, apportioned at 1.53%. In comparison, the Local Agency Investment Fund apportionment for the quarter was 0.84%. The current Federal Reserve monetary policy is expected to yield lower returns in the next quarters, yet the budgeted investment earnings are conservative and remain unchanged. Due to impending retirement, Mr. Kilic will be resigning his position as chair of the Monterey County Treasury Oversight Committee.

FIRE DEPARTMENT

Fire Chief's Monthly Report

The Board received and reviewed the *Monthly Fire Department Activity Report* for October 24, 2020 – November 17, 2020. Chief Gaines noted the report now provides a listing of ocean rescue team responses. Fire Inspector John Trenner reported on fire fuel reduction work along Ronda and Lopez Roads to the PBCo Corporation Yard entrance. PBCo treated the Fire Road 23 area in Pescadero Canyon below Sunset Lane using new mastication equipment.

Replacement Fire Prevention Vehicle

The Board received and reviewed the Fire Department *Staff Report*.

MOTION 20-12-03

Moved by Director Verbanec and seconded by Director Froke to adopt *Resolution 20-19* authorizing the purchase of replacement fire prevention vehicle (P4624) for a total price not to exceed \$58,000.00 including sales tax, delivery, and installation of equipment and accessories; and declaring the replaced vehicle as surplus and authorizing the disposal per District policies. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

Wastewater Collection, Treatment and Disposal System

The Board received and reviewed the *Engineering Report of Utilities Operations and Maintenance* for October 22 – December 3, 2020 and Mr. Becker presented slides. Forest Lake Reservoir water storage is currently at 38% capacity, tracking with averages. Lack of rain has substantially increased demand so far in December. Recovery of groundwater levels in the inactive alternative source water recovery facilities is optimal even with lack of rain.

PBCSD Capital Improvement Projects

The Board received and reviewed the *Engineering Report* and Mr. Becker presented slides. The Undergrounding Utilities Program Phase III project award is

anticipated in February 2021. Shop drawings from Tesco Controls for the new electrical and SCADA equipment are expected by end of year; fabrication will then take approximately 60 days.

Combination Jet/Vacuum Sewer Line Cleaning Truck

The Board received and reviewed the *Engineering Report* and Mr. Becker presented slides.

MOTION 20-12-04

Moved by Director Froke and seconded by Director Verbanec to adopt *Resolution 20-20* authorizing the purchase of replacement combination jet/vacuum sewer line cleaning truck for a total amount not to exceed \$440,000. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

Portable Closed Circuit Televising Equipment

The Board received and reviewed the *Engineering Report*.

MOTION 20-12-05

Moved by Director Laska and seconded by Director Gebhart to adopt *Resolution 20-21* authorizing purchase of portable closed circuit televising equipment for a total amount not to exceed \$55,000. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

Wastewater Reclamation Project Management Committee Meeting

The Board received and reviewed the *Draft Minutes* of the videoconference meeting held November 10, 2020.

CAWD Board Meeting

The Board received and reviewed the *Agenda Information* for the CAWD teleconference board meeting held December 10, 2020. Director Gebhart reported Directors D'Ambrosio, Townsend and Siegfried were sworn in to serve four more years on the board. Director White was nominated and confirmed as Board President and Director Siegfried as Board President Pro Tem. The board approved purchase of a chopper pump for the influent pump station due to sanitary wipes being flushed into the collection system causing clogging and frequent pump cleaning; CAWD and PBCSD agreed to jointly publish something in the Pine Cone and/or Weekly on the subject. Consideration of a rebate to wastewater customers due to reduced flows to CAWD during the pandemic was deferred to the Budget Committee. CAWD has the opportunity to submit an amendment to the Phase II Mitigated Negative Declaration of the Coastal Development Permit for plant

improvements to come before the Coastal Commission January 2021—lack of Commission approval has been holding up construction over a year.

SOLID WASTE MANAGEMENT

Monterey Regional Waste Management District (MRWMD) Board Meeting

The Board received and reviewed the *Agenda Information* for the MRWMD videoconference board meeting held December 4, 2020. Director Laska reported the focus of the meeting was a ten-year contract with Keith Day Company to continue composting operations at the landfill; the item was tabled until the January meeting to determine whether composting operations are the cause of odors in the region.

GENERAL GOVERNMENT

2021 Calendar of Board Meetings

MOTION 20-12-06

It was moved by Director Gebhart and seconded by Director Laska to approve the 2021 Board meeting calendar. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

Election of District Officers

MOTION 20-12-07

It was moved by Director Laska and seconded by Director Gebhart to adopt *Resolution No. 20-22* electing Board President Jeffrey B. Froke, Vice President Leo M. Laska, General Manager Mike Niccum to serve as Secretary, Principal Engineer Nick Becker to serve as Secretary Pro Tem, and Senior Accountant Marianna Pimentel to serve as Treasurer for the 2021 calendar year. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

MISCELLANEOUS INFORMATION AND COMMUNICATIONS

Oral reports from General Manager

General Manager Niccum provided to the board the recently published District newsletter. Forty applications were received during recruitment of two maintenance department positions; interviews will be held next week. Recruitment for the engineering position has begun with advertisement made and applications due the first week in January. There will not be a District Christmas party this year.

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 11:42am. Open session reconvened at 11:53am and Legal Counsel announced that in the closed session the Board had taken up and concluded its performance evaluations of both the General Manager and the Legal Counsel, and no reportable action was taken.

MOTION 20-12-08

Moved by Director Laska and seconded by Director Gebhart to approve an increase of 2.7% in General Manager annual compensation to \$242,000 per year retroactive to July 1, 2020, and an increase of \$200 per month for Legal Counsel retainer. McKee – Aye; Verbanec – Aye; Froke – Aye; Gebhart – Aye; Laska – Aye. Motion passed.

ADJOURNMENT

MOTION 20-12-09

M/S/C (unanimous) to adjourn at 11:55am to a regular Board meeting to be held on Friday, January 29, 2021 at 9:30am via teleconference.



Mike Niccum, Board Secretary