

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the Santa Lucia Preserve Golf Club, Golf Club Library, 19 Pronghorn Run, Carmel, California, at 9:00 A.M. on Monday, April 27, 2026.

Call to Order. The meeting was called to order at 9:01 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Jack PEAT, Cary WHITFIELD, Melissa THORME, and Ron EASTMAN. Also present were Carl SCHACHTER, Advisory Member; Shaw PICK, District General Manager; Aimee DAHLE, District Executive Assistant; Emily AIKEN, Fire and Fuels Management Specialist; Nick SANTY, Preserve Company CFO; Karen BAXTER, Preserve Company CEO; Phil PENKO, Director of Security; Aaron DULA, Public Works Director; Kevin KAMNIKAR, Preserve Company Director of Emergency Preparedness; and Scott SMYTHE, member of the public.

Joining the meeting by ZOOM were: Brian PIERIK, Legal Counsel for the District; and John SHUPE, Advisory Member.

Public Comment. No public comments were received.

Public Hearing Regarding Brush Management & Fire Safety Infrastructure Fee. Board President BOITANO opened the public hearing and invited comments regarding the proposed renewal of the Brush Management & Fire Safety Infrastructure Fee. No comments were received. Upon motion made by Director EASTMAN and seconded by Director WHITFIELD, the Board unanimously closed the public comment portion of the hearing and directed Ms. DAHLE to begin tabulating the mailed ballots. While the ballots were counted, the Board proceeded with the remaining agenda items.

Approval of Minutes. The Board reviewed the minutes of the regular meeting of January 20, 2026, and the special meeting of March 11, 2026. Corrections included revising Director EASTMAN's attendance status in the January minutes and confirming the accuracy of the auditor's terminology distinguishing the Governmental Accounting Standards Board (GASB) from generally accepted accounting principles (GAAP). Upon motion made by Director PEAT and seconded by Director THORME, the minutes were unanimously approved as amended.

General Manager's Report.

2026 LAFCO Ballot. District Counsel PIERIK explained that the General Manager had submitted the District's ballot for a candidate for a position on the Local Agency Formation Commission of Monterey County (LAFCO) under the mistaken belief that he had authority to cast the ballot without prior Board action. Counsel advised that the Board had taken no action outside a public meeting and therefore no Brown Act violation occurred. Counsel further recommended that future LAFCO ballots be presented to the Board for action.

Upon motion and second, the Board unanimously authorized the General Manager to send a letter to LAFCO stating that the ballot cast in 2026 did not have Board approval and was submitted based upon the General Manager's mistaken understanding of his authority. The Board then, upon motion made by Director THORME and seconded, unanimously authorized District Counsel to send a letter to Bill Lipe advising that the Board took no action regarding the ballot and that there was no Brown Act violation or need to cure or correct any Board action.

Business Matters.

Financial Report. Mr. SANTY presented the quarterly financial report and reported that working capital was approximately \$350,000 higher than the prior year and unrestricted net position had improved by approximately \$340,000. The operating surplus through February was approximately \$220,000 ahead of budget and improved to approximately \$285,000 through March, although timing differences were expected to reduce the final variance. Mr. PICK stated that the District was cautiously optimistic it would conclude Fiscal Year 2025-2026 without the deficit projected in the adopted budget. The Board discussed the timing of the solar project invoice, increased diesel costs, seasonal mowing expenditures, communications savings following the gate pedestal and Starlink upgrades.

Security Report. Mr. PENKO presented the quarterly security report discussing staffing changes and the planned integration of Gatehouse and Security operations into a cross-trained team. Staff reported that the restructuring is intended to improve coverage, reduce overtime and double-time costs, and allow personnel to serve in both gatehouse and patrol functions. The Board also discussed contractor access, trespassing and bicycle enforcement, resident follow-up after reported incidents, and potential future installation of discreet, cellular-enabled cameras at roadway intersections to improve situational awareness without monitoring residences. Staff reported that required trespassing signage was being prepared for installation along the perimeter, with an initial focus on Robinson Canyon.

Introduction of Ordinance No. 26-01 Mr. PICK presented proposed Ordinance No. 26-01, which would prohibit exterior wildfire defense sprinkler systems from being connected to the District's municipal water supply. Staff explained that some systems may use 150 to 200 gallons per minute and that

simultaneous activation by multiple property owners could rapidly reduce the District's approximately two million gallons of stored potable water, impair system pressure, and jeopardize fire flow needed by responding fire agencies. The proposed ordinance would not prohibit private wildfire sprinkler systems supplied by a swimming pool, cistern, or independent storage tank.

The Board discussed enforcement, existing homes, emergency shutoff authority, liability, alternative water sources, public education, and whether the proposed penalties were sufficient. The Board directed District Counsel to research whether penalties could lawfully be increased from \$100, \$200, and \$500 to \$1,000, \$2,000, and \$5,000 for successive violations, noting that each day could constitute a separate violation. Counsel recommended proceeding with introduction of the ordinance while researching amendments before final adoption.

At the request of the Board, District Counsel read the title of Ordinance No. 26-01: "An Ordinance of the Santa Lucia Community Services District Prohibiting Municipal Water Supply for an External Sprinkler System for Wildfire Defense." Upon motion made by Director THORME and seconded by Director PEAT, the Board unanimously waived further reading, introduced Ordinance No. 26-01, and authorized the General Manager to publish a summary of the ordinance.

2025 Annual Water Report. Aaron DULA presented the 2025 Annual Water Report and responded to questions concerning water quality, rainfall, groundwater recharge, well production, water storage, golf course irrigation, and evaporation-control measures. Staff reported approximately 42 inches of rainfall, full ponds, and groundwater recharge levels comparable to the strongest recent years. Based on forward-looking drought assumptions, staff believed the system could withstand the temporary loss of a major well while retaining time to develop additional supply, if necessary. The Board discussed possible proactive PFAS testing and directed staff to obtain a non-regulatory blended sample from a storage tank. Staff later reported that the local certified laboratory charges approximately \$390 per source sample; the Board favored beginning with a representative blended sample rather than testing every well. No formal action was taken.

Road Election Update. Mr. PICK reviewed the schedule for the proposed Road Quality Financing District election. A special intent hearing was tentatively scheduled for June 3, 2026, allowing the subsequent required hearing to occur at the July regular meeting before a November 3, 2026 election. Staff is developing a community presentation and video illustrating road conditions, preventive maintenance, rehabilitation needs, and the proposed 15-year capital program. Mr. PICK reported that the updated road study reduced the anticipated project scope and cost by approximately one-half from earlier estimates. The Board discussed prioritizing vulnerable road segments before they deteriorate to

the point of full reconstruction and the importance of sustained community outreach. No formal action was taken.

Conservancy Report. Mr. SMYTHE presented the Conservancy update addressed staffing stability, the endowment, community outreach and educational programming, participation in the Big Day of Giving, and opportunities to increase engagement with residents and the broader Carmel Valley community. Discussion included the Conservancy's Carmel Valley Road facility, potential future development of an on-Preserve learning or visitor center, acquisition of property near White Rock, and fundraising for a bridge across San Jose Creek to improve emergency and land-management access.

CEO/Preserve Board Liaison Update. Mr. WHITFIELD provided general updates regarding organizational staffing, leadership recruitment, community operations, and coordination among the District, Preserve Company, clubs, and Conservancy.

Citizen's Advisory Committee Comments. None.

Meeting Date Approval. The Board confirmed a special meeting for the Road Election Intent Hearing at 9:00 A.M. on June 3, 2026. The Board also discussed moving the July 21, 2026 regular meeting to July 22, 2026. District Counsel advised that the regular meeting schedule must first be formally amended at a properly noticed meeting. Staff was directed to place the schedule change on the June 3, 2026 agenda. The October 20, 2026 meeting remained unchanged.

Public Hearing Matter Continued. Ms. DAHLE reported that 153 ballots were returned in the election regarding the Brush Management & Fire Safety Infrastructure Fee. Of the ballots returned, 124 were cast in favor and 29 were cast in opposition, resulting in 81% support among returned ballots and approximately 48% participation among eligible parcels. Staff noted that this represented the highest number of returned ballots and the highest percentage of support among the District's three most recent fee elections. Though pleased with the turnout, the Board expressed hope to see continuing increases in future elections. The Board next discussed communicating the results to the community and thanked property owners for their participation and continued support of the District's fire and brush management program.

The Board then considered Resolution No. 26-04, entitled "A Resolution of the Board of Directors of the Santa Lucia Community Services District Certifying Election Results and Imposing the Brush Management & Fire Safety Infrastructure Fee." Upon motion made by Director PEAT and seconded by Director THORME, Resolution No. 26-04 was unanimously adopted.

Adjournment.

With no further business being brought before the Board, upon motion made by Director WHITFIELD and seconded by Director PEAT, the meeting was unanimously adjourned at 10:32 A.M.