

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

January 14, 2025

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at 9:00 A.M. on Tuesday, January 14, 2025.

Call to Order. The meeting was called to order at 9:00 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Cary WHITFIELD, Melissa THORME, and Jack PEAT. Also present were Robert LATTA, Advisor; John SHUPE, Advisor; Carl SCHACHTER, Advisor; Forrest ARTHUR, sitting District General Manager; Shaw PICK, incoming General Manager; Aimee DAHLE, District Executive Assistant; Karen BAXTER, Preserve Company Chief Executive Officer; and Nick SANTY, Preserve Company Controller.

Present via ZOOM were: Rob WELLINGTON, District Legal Counsel; Rae GULARTE, Brianne WIESE, and Mike BRILEY, District Auditors from CLA.

Public Comment. None.

Approval of Minutes. After reviewing the November 19, 2024, and December 18, 2024, Special meeting minutes, Ms. THORME requested edits to the December meeting minutes stating an incomplete sentence be stricken from the minutes. A motion was presented by Director THORME to approve both sets of minutes with the suggested changes followed by a second from Director WHITFIELD. This motion and second was followed by a roll call vote and the meeting minutes were approved unanimously.

General Manager's Report.

Financial Report. Mr. BOITANO welcomed Mr. BRILEY, Ms. GULARTE and Ms. WIESE for the annual audit presentation. Mr. BRILEY informed the Board that he will be retiring in 2026, and Ms. WIESE has joined the team for the transition. Ms. WIESE updated the Board to the Audit process for the Fiscal Year 2024 and informed the Board that the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Santa Lucia Community Services District, as of June 30, 2024, and the changes in financial position and its cash flows for the year ended in accordance with American accounting principles. Ms. GULARTE then briefly discussed in detail the audit adjustments, the Audited Basic Financial Statements, the Independent Auditors' Report and the Management's Discussion and Analysis. Ms. GULARTE also informed the Board that the only adjustment made was in the

internal charges in the Roads department for work done by the Mechanics for District repairs. Ms. GULARTE also informed the Board of the upcoming delivery of the “Representation Letter” and the “Disclosure Letter”, noting the criteria of the letters and noting the items that will be covered. It was also noted there were no material weaknesses or significant deficiencies to report. Staff were acknowledged for their due diligence in a successful audit. Ms. GULARTE, Ms. WIESE and Mr. BRILEY left at 9:32 A.M.

Mr. PICK went on to present the Board with the Statement of Net Position and review capital spending highlighting the receivable variances based on timing. A brief conversation was held on the Corporation Yard loan with Mr. PICK informing the Board that it was a 15-year loan with four years remaining.

Mr. PICK presented the Board with a timeline for election should the Board elect to move forward with a new 5-year plan. Discussion was held on the current budgets, overages, and concerns regarding increasing costs. The Board directed Staff to move forward with the timeline on the election for a new 5-year plan and roads program as well as conducting a Board workshop regarding the budgets, budget processes, and spending needs.

Security Report. Mr. PICK presented the Security Report and answered questions regarding the alarm responses, staffing and various reported events. Mr. PICK also went on to discuss the search for a new Director of Security stating that there were no internal candidates. After a brief discussion the Board approved an increase in recommended salary from \$100,000 to \$130,000 - \$150,000 dependent on qualifications and the new Director potentially needing housing.

#### Business Matters.

Mr. PICK presented the Board with the Slate of Officers stating that the positions of Secretary is traditionally held by the General Manager with the Treasurer being held by the CFO. With no objection from the Board, the Secretary and Treasurer were confirmed unanimously. Mr. BOITANO stated that he would be willing to stay as Chair should there be no other candidates. With no other Board member nominated, Mr. BOITANO was elected Board President unanimously. Ms. THORME and Mr. PEAT were both nominated as Vice President. Being that there were members of the Board missing, the election of the Vice President was delayed until the next meeting.

Ms. THORME discussed the selection committee process for selecting new legal counsel for the District. The committee interviewed six firms and chose the top two based on price, experience and resources. The final two firms will be notified of the next meeting to be interviewed by the entire Board for selection.

CEO Report. Ms. BAXTER updated the BOARD stating that the CEO goals and objectives for 2025 will be set in February. Ms. BAXTER also

informed the Board that talks with the leaders of the indigenous tribes concluded with the committee working with the Esselen and Rumsen/Ohlone tribes on protocols for gaining property access.

Citizen's Advisory Committee Comments. Mr. SCHACHTER thanked Mr. PICK for the Fact Sheet provided and felt it was informative for the discussion on the next 5-year plan. Mr. SCHACHTER also commented on the importance of transparency and consideration of how to address community concerns about rising costs.

Meeting Date Approval. New meeting dates were discussed for April and November. After a brief discussion the meeting dates were set as follows: April 23, and July 22. The November meeting was discussed and will be finalized at a later date. Mr. PICK made note that based on the timeline for the 5-year plan election, the April meeting may need to be moved to a later date.

Adjournment. There being no further business, a motion was made by Director THORME and seconded by Director WHITFIELD to adjourn the meeting. The board chair adjourned the meeting at 11:19 a.m.