

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
January 29, 2019

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the New Corporation Yard, Santa Lucia Preserve, 121 Rancho San Carlos Road, Carmel, California, at 9:00 A.M. on Tuesday, January 29, 2019.

Call to Order. The meeting was called to order at 9:02 A.M. by Board Chairman, Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Allen FINLEY, Dave MADDOX, and Carl EKLUND. Also present were Forrest ARTHUR, District General Manager; Karen BAXTER, Chief Executive Officer of the Santa Lucia Preserve Company; Andy SIMER, District Finance Officer; Rich SPECIALE, Director of Security; Melissa THORME, Advisory Member (by teleconference); David RINALDO, Advisory Member; Bill DOREY, Advisory Member; Scot SMYTHE, Advisory Member; Robert WELLINGTON, Legal Counsel for the District; and Aimee DAHLE, District Executive Assistant.

Public Comment. None.

Approval of Minutes. After review of the November 13, 2018 minutes, and a motion by Director EKLUND and second by Director FINLEY, the minutes were unanimously approved.

General Manager's Report.

Security Report. Mr. SPECIALE presented the Security Report, stating that average speeds along Rancho San Carlos Road had remained within the speed limits posted. Alarms and storm check requests had increased YOY due to the increase in storm events. The numbers of 911 Emergency Responses were noted to have gone down and are expected to continue to decrease with the changes in the protocol regarding bee stings. Mr. ARTHUR noted that upon the retirement of Paul DAHLE, discussions for housing fire personnel on property in the future are being held with the Monterey County Regional Fire Chief. After a question regarding the Robinson Canyon Road closure, it was noted that the County is still evaluating the repairs to the road and our neighboring properties have been given access via Rancho San Carlos Road. Mr. SPECIALE left at 9:21 A.M.

Financial Report. Mr. SIMER opened the discussion of the financial report, which included a Balance Sheet, a Statement of Cash Flow, and a Statement of Revenues & Expenses, all through the end of December 2018. Mr. SIMER made note that overall expenses and capital expenditures were lower than budget, due primarily to the timing on purchases or late project starts. Mr. ARTHUR noted that the final payment for fiber has not yet been made, but is

expected to be paid soon. Mr. ARTHUR will report on the final costs of the fiber project and the requirement to return any unused funds back to the District members.

Business Matters.

Mr. ARTHUR opened discussion on the water report, stating that overall water usage was comparable to the prior year due to conservation efforts. Continued communications with the membership about their monthly water usage have proven to be effective and will continue in 2019. Mr. ARTHUR also recognized Kyle BUTLER, the golf Course superintendent, for managing within his water budget and using 59 million gallons for the year against 60 million gallons budgeted. As for future water production, Mr. ARTHUR informed the Board that staff would continue to investigate new sites for future wells and treatment facilities, specifically in the lower portions of the District. In response to a question regarding water rate increases in recent years, Mr. ARTHUR informed the Board that the last rate increase to water was in 2004. Discussion also was had regarding the fact that the majority of the District's water expenses are covered by the property related fees. It was recommended that the District remain with the current rate structure as long as the community continues to be conscious of their use.

Mr. ARTHUR presented the Waste Management rate schedule and noted that starting January 1st, 2019, Waste Management was proposing a 3.268% increase, which would raise the monthly charge from \$73.69 to \$76.09. After a brief discussion, the Board agreed by motion to accept the proposed increase.

Mr. ARTHUR then updated the Board regarding the Conservancy and Crown Castle negotiations relative to the two Cell Tower Lease Agreements. It was noted the Conservancy had recently signed a non-disturbance agreement that was necessary in order to move forward. Mr. ARTHUR will next work with the Conservancy to find a suitable attorney to help with the amendment to the current lease agreement, as well as to further discuss with Crown Castle the possibility of building additional cell sites to help with District coverage.

Mr. ARTHUR presented an overview of C.E.R.T., a program introduced to the District by Mr. SMYTHE, to assist in continued training and assistance of the Districts Emergency Response Team. Mr. SMYTHE informed the Board of the volunteer program and how it interfaces with other emergency organizations in relation to self, family, and community care when responders are unavailable or overwhelmed. After receiving the background on the C.E.R.T. program, the District was then presented with a proposal to sponsor the creation of a Preserve C.E.R.T. team consisting of members and employees. Staff was instructed to move forward with soliciting interest in the program. (Ron BUILTA joined the meeting at 10:15 A.M.)

Mr. ARTHUR next went on to finalize the Board Meeting dates for 2019. After full discussion, the remaining dates of April 23rd, July 29th, and November 18th were finalized.

Mr. ARTHUR recognized Ron BUILTA for his 48 year tenure with both Rancho San Carlos, and the District. Mr. BUILTA then addressed the Board, which then thanked him for his years of dedication. Mr. BUILTA left at 10:32 A.M.)

Citizen Advisory. Ms. THORME informed the Board of recent law developments that could impact the District in the future.

Closed Session. At 10:37 A.M., a closed session of the Board was held to conduct the Board's annual performance and salary evaluation of the General Manager. At 11:23 A.M. the session concluded. Mr. WELLINGTON reported that the Board discussed the matter and received information. No reportable action was taken in closed session. Mr. ARTHUR was thanked by the Board for his continued dedication to the District.

Adjournment. There being no further business to come before the Board, upon motion and second by Directors FINLEY and EKLUND, and a subsequent unanimous vote, the meeting was adjourned at 11:29 A.M.