

**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, on Wednesday, July 22, 2026, scheduled for 9:00 A.M.

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

Roll Call. The following Directors were present: Mark BOITANO, Cary WHITFIELD, Ron EASTMAN, and Melissa THORME. Director Jack PEAT was absent. Also present were John SHUPE, Advisory Member; Nick SANTY, Preserve Company CFO; Phil PENKO, Director of Security; Aimee DAHLE, District Executive Assistant; Shaw PICK, District General Manager; Aaron DULA, Public Works Director; and Kimberly VENTRE, member of the public. Jamil TANGUAY, Gatehouse Manager, joined the meeting at 9:24 A.M.

Joining by ZOOM were Brian PIERIK, District Counsel, and Mark MANDELL, District Municipal Counsel (left at 9:21 A.M.).

Public Comment. Kimberly VENTRE addressed the Board regarding vehicle speeds and equestrian safety on Pronghorn Run between Rancho San Carlos Road and Vasquez Trail, particularly westbound traffic at approximately 4:00 P.M. She stated that her concerns did not involve contractors or Preserve staff. The Board received the comments, and Security staff took note.

Consent Agenda. Director THORME reported that she had reviewed and assisted with edits to the Sewer System Management Plan. Upon motion made by Director THORME and seconded by Director WHITFIELD, the Board unanimously approved the Consent Agenda, consisting of:

- Minutes of the regular meeting of April 27, 2026.
- Minutes of the special meeting of June 3, 2026.
- Resolution No. 26-12 ordering the Board seat election.
- Resolution No. 26-13 authorizing the General Manager to file federal tax documents for the Clean Energy Incentive.
- Resolution No. 26-14 approving the updated Sewer System Management Plan.
- Adoption of Ordinance No. 26-01 prohibiting use of the municipal water supply for an external sprinkler system for wildfire defense.

Wastewater System Discussion. Following approval of the Consent Agenda, the Board discussed wastewater system capacity. Staff explained that the treatment plant had been expanded in 2015 and was sized to accommodate future connections within the existing service area. No collection system expansion was currently contemplated. A future Board visit to the treatment plant was suggested.

Public Hearing Regarding Establishment of Community Facilities District No. 2 Road Quality and Levy of a Special Tax. Board President BOITANO opened the public hearing at 9:08 A.M. Mr. PICK reported that notice of the hearing had been emailed to property owners on July 10, 2026, and that no formal written protests had been received. He explained the majority protest thresholds applicable to the proposed district. Board President BOITANO invited public comments;

none were received. Upon motion and second, the Board unanimously closed the public hearing at 9:10 A.M. Staff confirmed that the protest count was zero.

The Board acknowledged staff's community outreach and informational video. Upon motion made by Director WHITFIELD and seconded by Director THORME, the Board unanimously adopted Resolution No. 26-08 establishing Community Facilities District No. 2 and Resolution No. 26-09 ordering the tax measure election.

Later in the meeting, Mr. MANDELL clarified that the corrected last sentence of Section 12 of Resolution No. 26-08 permits prepayment of the special tax by payment of the maximum taxes for all remaining years of the tax term, together with any unpaid past taxes. The Board discussed how prepayment would account for the authorized annual increases. At counsel's recommendation, the Board voted again to confirm adoption of the corrected resolutions. Upon motion made by Director WHITFIELD and seconded by Director THORME, the Board unanimously adopted the updated wording of Resolution No. 26-08.

General Manager's Report.

Security Report. Mr. PENKO presented the quarterly security report and reported that traffic volume had decreased by approximately 3,000 vehicles from the prior quarter, with a shift in traffic between the Rancho San Carlos and Chamisal entrances. The Board requested longer-term traffic comparisons and identification of officers referenced in future reports. Staff discussed the limitations of radar camera images, use of gatehouse license plate recognition cameras to investigate reported vehicles and plans to make camera feeds available on patrol officers' iPads. Discussion also addressed trespassing at Moore's Lake involving a counterfeit vehicle sticker and increased patrol attention to vehicle stickers.

Financial Report and Fiscal Year 2026-2027 Budget. Mr. PICK reviewed Fiscal Year 2025-2026 results and the proposed Fiscal Year 2026-2027 budget. He reported an anticipated year-end deficit of approximately \$110,000, compared with the approximately \$188,000 budgeted deficit. Fuel costs and Roads expenditures affected performance, while most departments performed under budget.

Proposed expense growth was approximately 6.8% over actual or forecast expenditures, compared with the five-year plan's 4% goal. Mr. PICK identified CEO transition-related administrative cost reimbursement and higher projected fuel costs as the principal factors above the goal. The proposed budget projected an approximately \$148,000 deficit. A potential \$130,000 clean energy tax credit for the solar project was excluded from the budget forecasts pending IRS approval and receipt of the credit, which could substantially reduce that forecasted FY 26-27 deficit. Proposed capital expenditures had been reduced from approximately \$750,000 to \$698,000.

Capital projects discussed included a multifunction wheeled excavator, the first phase of the Cantera wells project, a second Ford Maverick security vehicle, coordinated technology purchases, and covered storage at the corporation yard to protect materials and equipment.

Director THORME raised concerns regarding general and administrative costs, the District's share of the Preserve-wide CEO salary, shared service allocations, and the District's responsibilities as a public agency. Other Directors discussed the value of integrated accounting, human resources, and other shared services. Staff was asked to review the allocation methodology and whether it could be updated annually. Director WHITFIELD was asked to inquire about the status of revisions to the management services agreement and report back.

The Board requested that future budget presentations include proposed budget vs. prior year actuals as well as prior year budget figures. Mr. SANTY agreed to review potential improvements to the financial presentation and bring recommendations back to the Board.

Staff described ongoing reviews of equipment ownership versus leasing, mowing and weed-whacking services, contractor costs, prevailing wage requirements, workers' compensation exposure, and recovery of costs for homeowner services. Staff planned a more detailed review of equipment maintenance and labor costs before the next season. The Board discussed possible cost reduction initiatives and employee incentives, including the need to preserve service quality and avoid unintended consequences. Director WHITFIELD was asked to look into District representation on the compensation committee. Staff also explained the employee meal stipend and its treatment as taxable payroll compensation.

Board Action.

Resolution No. 26-10 Budget Adoption. Upon motion by Director EASTMAN and seconded by Director WHITFIELD, the Board adopted Resolution No. 26-10 adopting the final budget for Fiscal Year 2026-2027. The motion passed with three votes in favor and Director THORME abstaining.

Resolution No. 26-11 Tax and Assessment Compliance. Upon motion made by Director THORME and seconded by Director EASTMAN, the Board unanimously adopted Resolution No. 26-11 certifying compliance with state law regarding the levy of general and special taxes, assessments, and property-related fees and charges.

Resolution No. 26-15 Truck Purchase. Upon motion by Director THORME and seconded by Director WHITFIELD, the Board unanimously adopted Resolution No. 26-15 declaring that no responsive bids had been received in Bid No. 26-01 for the purchase of one truck and authorizing the General Manager to enter into negotiations on the open market for the purchase.

Resolution No. 26-16 Wheeled Excavator Purchase. Upon motion made by Director THORME and seconded by Director EASTMAN, the Board unanimously adopted Resolution No. 26-16 declaring that no responsive bids had been received in Bid No. 26-02 for the purchase of one wheeled excavator and authorizing the General Manager to enter into negotiations on the open market for the purchase. Staff discussed identifying a low-hour 2023 machine to avoid the added cost associated with newer tariff-affected models.

Citizen's Advisory Committee Comments. Advisory Member John SHUPE commented on the relationship between the District's General Manager and the Preserve CEO, suggesting that management agreement language clarify the District Board's authority over the General Manager. Staff stated that the current agreement addresses the Board's authority over the General Manager. Directors discussed the agreement and District representation in Preserve governance. District Counsel PIERIK recommended placing further discussion on a future agenda. No action was taken.

CEO and Preserve Board Liaison Update. Director WHITFIELD reported that interviews for a new CEO were underway and that he would relay matters discussed at the District meeting and report back.

Conservancy Update. Director THORME reported on new Conservancy Board members, recruitment of nonresident members, participation in garden talks, and efforts to increase engagement with the indigenous community, including possible participation in selected group hikes.

Adjournment. With no further business, upon motion made by Director THORME and seconded by Director WHITFIELD, the Board unanimously adjourned at 10:03 A.M.