

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
February 9, 2021

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at 9:00 A.M. on Tuesday, February 9, 2021. Pursuant to Executive Order N-25-20, by the State of California, this meeting was held via video conferencing.

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

Roll Call. The following Directors were present: Mark BOITANO, Carl EKLUND, Melissa THORME, Barbara SANTRY, and Scot SMYTHE. Also present were Forrest ARTHUR, District General Manager; Aimee DAHLE, District Executive Assistant; Mike SAEIDI, District Finance Officer; Jamison WATTS, Director of the Santa Lucia Conservancy; David SIMPSON, Director of Property Operations (joining at 9:48 A.M.); and Rob WELLINGTON, District Legal Counsel; Rae GULARTE, Emelisa SANTIAGO, and Mike BRILEY, District Auditors from Hayashi & Wayland; and Felipe MELCOR and Kristin SKROMME, Waste Management (joining at 10:03 A.M.).

Public Comment. None.

General Manager's Report.

Approval of Minutes. After review of the December 1, 2020 meeting minutes, discussion was had regarding minor edits and corrections to the draft meeting minutes and a motion to approve was made by Ms. SANTRY and seconded by Mr. EKLUND; the meeting minutes were approved unanimously as amended.

General Manager's Report.

Mr. ARTHUR introduced Jamison WATTS, the newly appointed Director of the Santa Lucia Conservancy. Mr. WATTS briefly discussed his plans for a continued partnership with the District. Mr. WATTS left at 9:17 A.M.

Financial Report. Mr. BRILEY outlined the audit process and ensuing delays caused by the Pandemic. He went on to briefly discuss the “Representation Letter” and then the “Disclosure Letter.” Ms. GULARTE then discussed in detail the audit adjustments, the Audited Basic Financial Statements, the Independent Auditors’ Report and the Management’s Discussion and Analysis, stating that there were no significant control deficiencies identified. Ms. GULARTE pointed out that there were no material weaknesses identified in the audit, and the District was given an un-qualified opinion (i.e., a “clean

audit"). She further stated the audit letter for the Santa Lucia Preserve Company, which contracts with the District to manage, process and record the District's records, did not identify any significant issues or weaknesses. This was followed by a brief discussion between the Board and the auditors without the presence of staff. Ms. GULARTE, Ms. SANTIAGO, and Mr. BRILEY left at 9:43 A.M. A motion was made by Ms. SANTRY and seconded by Mr. EKLUND to approve the audit as presented. After roll call, the audit was approved unanimously.

Mr. SAEIDI discussed the Balance Sheet and variance reports with attention being brought to the Admin Reimbursement, which came in higher than budgeted through the end of December. After a brief discussion on costs, Mr. SAEIDI discussed the additional increase to the property insurance and how the District portion is allocated.

Waste Management Update. Mr. ARTHUR introduced Felipe MELCHOR and Kristin SKROMME from Waste Management, at which time Mr. MELCHOR presented an updated plan with financials. After a brief discussion, Mr. MELCHOR and Ms. SKROMME left at 10:19 a.m. Mr. ARTHUR requested a motion to approve the increase of 15 %, which would retroactively be applied to January 1, 2021. Ms. SANTRY made the motion, with Mr. EKLUND seconding. After roll call, the increase was passed unanimously. Mr. ARTHUR then informed the Board that David SIMPSON, Director of Operations, supports the concept of providing the collection of trash utilizing District staff beginning January 2022. Mr. SIMPSON left at 10:36 A.M.

Business Matters. Mr. ARTHUR presented the 2020 water use summary to the Board. Of note was overall water use remained stable even with the increase of residency during the pandemic. Mr. ARTHUR also made mention that current rain fall totals were below normal and stated that the Preserve Golf Club was installing floating solar and evaporation discs in the ponds to assist in maintaining their water supply, as well as offsetting their electrical use.

Mr. ARTHUR next discussed the draft five- year plan and the addition of a Fire Safety Infrastructure Fee, noting that this initiative was endorsed by Monterey Regional County Fire. Mr. ARTHUR next discussed the proposed fee increases relating to water, water collection, roadways, and security. Discussion ensued regarding the aging of Preserve roadways and continuing signs of deterioration, therefore increasing the need for more paving. After a brief discussion on the plan, Mr. ARTHUR informed the Board that he will present them with a final version with detailed information regarding the needs of the District.

Citizen's Advisory.

None.

Adjournment.

There being no further business to come before the Board, upon motion and second (SANTRY/THORME), and a unanimous vote, the meeting was adjourned at 11:44 A.M.