MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
July 22, 2025

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held via ZOOM and in person at the Hacienda Preserve Room, Santa Lucia Preserve, 68 Rancho San Carlos Road, Carmel, California, at 9:00 A.M. on Tuesday, July 22, 2025.

Call to Order. The meeting was called to order at 9:00 A.M. by Board Vice President Jack PEAT.

Roll Call. The following Directors were present in person: Jack PEAT, Cary WHITFIELD, Melissa THORME and Ron EASTMAN. Also present were Bob LATTA, Advisory Member; Carl SCHACHTER, Advisory Member; Shaw PICK, District General Manager; Karen BAXTER, Chief Executive Officer of Santa Lucia Preserve Company; Nick SANTY, Controller of Santa Lucia Preserve Company; Brian PIERIK, Legal Counsel for the District, Aimee DAHLE, District Executive Assistant; Aaron DULA, Director of Public Works; and Phil PENKO, Director of Security. Joining the meeting by ZOOM: John SHUPE, Advisory Member.

Public Comment. There were no members of the public present.

Approval of Minutes. The minutes for the special meeting of June 25, 2025, were presented. With no corrections requested, a motion was made by Director WHITFIELD and seconded by Director EASTMAN to approve the minutes as presented. The motion passed unanimously.

General Managers Report.

Security Report. Mr. PENKO presented the Security Report and answered questions regarding the alarm responses and reported events stating that requests decreased by 33% from the first to the second quarter. Mr. PENKO also highlighted the two mountain lion sightings and the addition of a pedestrian gate to the parking lot entrance by the gatehouse to deter bicyclists from trespassing. Use of cameras for security purposes was discussed by the Board during review of the Vasquez and Robinson Canyon fires, as well as discussions over dedicated Security and Gatehouse cell phones for use in the event the phone lines are down.

Financial Report. Mr. SANTY presented the quarterly financial packet for discussion. There being no questions on the report from the Board, Mr. PICK introduced the proposed draft budget for FY 2025-2026. A question was raised on the revenue showing $196,000 in grants to which Mr. PICK explained that it was for the Grant the Fire & Brush Department received for the remote control masticator. Mr. PICK next highlighted the cost savings in various line items informing the Board of the

diligence done by the management team to identify spending inefficiencies to assist in cost saving efforts. Mr. DULA responded to a question about timing on the Potrero Treatment facility stating that final approvals are needed before the plant can go online and an increase in employees for operations will be needed. Mr. DULA also offered the Board a guided tour of the new facility. Mr. PICK updated the Board to the long-term solar plan in response to a question regarding solar possibilities for the new plant.

Mr. PICK next noted that there were significant savings in the road repair program due to approximately $370,000 being held back pending the completion of the new pavement report. There was discussion of forming plans to address different major segments such as Rancho San Carlos and Chamisal. Mr. PICK proposed undertaking initial work on the first half of Rancho San Carlos Road to showcase the program for the upcoming road assessment vote. Mr. PICK also noted that the Fy 25-26 Budget shows an approximate 8.9% increase over the end of FY 2024-2025 actuals, however it is only a 2.9% increase over the 2024-2025 approved budget. The holdback of the road maintenance budget and two encumbered positions accounted for this difference.

Mr. PICK next presented a list of Capital projects, highlighting the prior year's performance including ongoing and new projects proposed for FY 2025-26. Mr. PICK noted that the Road Pavement Repair Program is undergoing a fee allocation study by the committee to review the fee structures and that it will present options at a future meeting. At this time, several questions were asked in regard to the specifics of the budget as presented. Mr. PICK answered the questions, and staff were thanked for their diligence.

Business Matters Mr. PICK presented the Septic Waiver Policy informing the Board that Monterey County has been increasing their permitting and inspection requirements for more complex septic systems. These systems require advanced monitoring that is performed by certified professionals, which tend to be outside contractors. The Policy Waiver would allow homeowners with these septic systems to present documentation to the Public Works Department to request waiver of the CSD septic fee. Thew waiver would release the district of liability to the septic system and will have negligible effect on revenues. After a brief discussion and questions, a motion was made by Director THORME and seconded by Director WHITFIELD to adopt the Septic Waiver Policy as presented. After a roll call vote, the policy passed unanimously.

Board Action. Resolution 25-05 to adopt the FY 2025-2026 Budget was presented to the Board. A motion was made by Director EASTMAN and seconded by Director THORME to adopt the Resolution as presented. Following a roll call vote, Resolution 25-05 passed unanimously. Resolution 25-06 was also introduced as "A Resolution Certifying Compliance with State Law with respect to Levying of General and Special Taxes, Assessments, and Property Related Fees and Charges". Upon motion by Director WHITFIELD and seconded by Director THORME, a roll call vote was held with Resolution 25-06 passing unanimously. Resolution 25-07 was presented before the Board to accept the Booster 2 Solar Project Bid by Applied Solar Energy. The motion was made by Director THORME and seconded by Director WHITFIELD, following a roll call vote, Resolution 25-07 passed unanimously. Ordinance 25-01 to approve the

continuation and implementation of the Cross-Connection Control Program was presented. Director PEAT made a motion to approve the ordinance as presented, followed by a second from Director THORME. With a vote of the Board, Ordinance 25-01 was passed unanimously.

CEO/Preserve Board Liaison Report. Ms. BAXTER updated the Board relating to work being done on SLPA Bylaw Changes and the Management Services Agreement review which will come up for review and input by the CSD.

Citizen's Advisory Committee Comment. None.

Adjournment. With no further business being brought before the Board, upon motion and second (THORME/WHITFIELD), the meeting was adjourned at 10:59 A.M.