

MINUTES OF THE SPECIAL MEETING OF  
THE BOARD OF DIRECTORS OF THE  
SANTA LUCIA COMMUNITY SERVICES DISTRICT  
December 18, 2024

The special meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the New Corporation Yard at the Santa Lucia Preserve, 121 Rancho San Carlos Road, Carmel, California, at 9:00 a.m. on Wednesday, December 18, 2024.

Call to Order. The meeting was called to order at 09:00 a.m. by President Mark BOITANO.

Oath of Office. Mr. ARTHUR conducted the Oath of Office for Melissa THORME, Jack PEAT and Ron EASTMAN.

Roll Call. The following Directors were present: Mark BOITANO, Cary WHITFIELD, Melissa THORME, Jack PEAT, and Ron EASTMAN. Also present were Robert LATTA, Advisor; Forrest ARTHUR, sitting District General Manager; Shaw PICK, incoming District General Manager, Karen BAXTER, Preserve Company CEO; and Mike SAEIDI, Preserve Company CFO. Present via ZOOM: Robert WELLINGTON, District Legal Counsel; and Lindsey DEALY, District Administrative Assistant.

Public Comment. None.

General Manager's Report. Mr. ARTHUR presented to the Board with updated projections regarding a proposed new 5-year plan beginning in the fiscal year 2025-26. Mr. ARTHUR then presented the forecasted capital needs including solar, a geological study for drilling new wells and building requirements for sewer lift stations and associated structures. After further discussion relating to the funding responsibility of sewer lift stations, Mr. ARTHUR stated staff would research the responsibilities and obligations of the District in this regard. ARTHUR recommended the board proceed with a new 5-year plan in early 2025. Mr. ARTHUR recommended a new 5-year plan election take place in 2025 with a 7% increase per year in the property-related fees, not including the road rehabilitation plan, to meet the operating and capital needs of the District over the next five years. It was also noted that, if approved, the District was not obligated to increase the fees 7% each year as this is a maximum amount allowable each year. Next Mr. ARTHUR stated that staff investigated other options for the capital needs of the District and in particular, an emergency funding mechanism issued by the District's primary banking agency, Wells Fargo. Mr. ARTHUR noted that Wells Fargo refused loan opportunities for the District at this time. After further discussion, the Board instructed staff to provide information and timelines for recommended elections in calendar year 2025.

Mr. ARTHUR next discussed the Director of Security search stating that cost of living in the area remained an obstacle in securing the right candidate at current budgeted salary levels. . Currently an internal candidate, Erick MENDOZA, is being considered as a candidate. It was also recommended that the Board consider the

importance of on-property housing for this position and that an employee home could be provided if the Board considered amending the current budget to include funding the necessary repairs to bring the vacant home up to suitable standards. Mr. ARTHUR advised the Board that the Santa Lucia Preserve Housing entity held title to the home and therefore, the Preserve Board would need to approve any arrangements relative to repairs and longevity of the agreement. Ms. BAXTER agreed to take the proposal to the Preserve Board for consideration at its next meeting. Further discussion was held on the search for the Director of Security with Director WHITFIELD expressing concern regarding a candidate under consideration.

Mr. ARTHUR presented Resolution 24-14 to amend the budget to increase the expenses by \$154,000 to include the increase in the Preserve Company allocation, the updated Wildan report and the repair of the employee house for District staff, pending the approval by the Preserve Company. With no further discussion, a motion was made by Director THORME and seconded by Director WHITFIELD, to approve the increased budget amounts. Roll call was held with the resolution passing unanimously.

Mr. ARTHUR updated the board on the search for General Counsel stating that six proposals were received and were under review. A sub-committee, including Director THORME, Advisor LATTA and Advisor SHUPE, would be responsible for interviewing the initial candidates with recommendations provided to the Board at a later meeting.

Next, Mr. ARTHUR presented two date changes for the 2025 meetings, stating that a request was made to change April 22<sup>nd</sup> to April 23<sup>rd</sup> and November 18<sup>th</sup> to November 19<sup>th</sup>. After a brief discussion, no commitment was made to the date change, and the Board will confirm the dates at the January meeting.

Adjournment: There being no further business, a motion and second (THORME/WHITFIELD) was made and the meeting was adjourned at 11:01 A.M.