

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
April 16, 2024

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the Hacienda Preserve Room at the Santa Lucia Preserve, 68 Rancho San Carlos Road, Carmel, California at 9:00 A.M. on Tuesday, April 16, 2024.

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 in person: Mark BOITANO, Barbara SANTRY, Melissa THORME, Cary WHITFIELD and Scot SMYTHE. Also present were Forrest ARTHUR, District General Manager; Karen BAXTER, Preserve Company Chief Executive Officer; Mike SAEIDI, Preserve Company Chief Financial Officer; Aaron DULA, District Water Systems Director; Kevin SIRING, District Assistant Water Systems Director; Bob LATTA, Advisor; Jak PEAT, Advisor; and John SHUPE, member of the public.

Joining via Zoom: Aimee DAHLE, District Executive Assistant; Rob WELLINGTON, District Legal Counsel; Emily AIKEN, Fuel & Fire Specialist (joined at 9:06 A.M.); and Alexis SCHWEISINGER, member of the public (leaving at 10:22 A.M.).

Public Comment. Alexis SCHWEISINGER, representing Green Infrastructure Design, addressed the Board concerning why a Request for Proposal (RFP) had not been issued relating to GIS mapping services currently provided by a competitor. Ms. SCHWEISINGER also inquired about a cancellation letter that had been received by Green Infrastructure Design. Mr. ARTHUR reminded Ms. SCHWEISINGER that the contract in question was with the Preserve Company, not the Community Services District. Mr. ARTHUR also noted that he had been informed by legal counsel that the District was within its rights to contract with another agency without going to bid for this particular service. Ms. SCHWEISINGER also expressed concern over the Fuel & Fire Specialist position currently working for the District, stating that she believed there to be a conflict-of-interest in her working privately as well as for the District. She also expressed concern over the District's compliance within California State Bill 865. Mr. WELLINGTON informed Ms. SCHWEISINGER that these were new issues that would be investigated and brought before the Board at a future meeting if needed. Mr. ARTHUR thanked Ms. SCHWEISINGER for attending the meeting.

Approval of Minutes. After reviewing the January 16, 2024, meeting minutes, Director SANTRY noted a correction in the audit report relative to a comment made regarding the investment policy. Staff was instructed to review the comments/edits in question and bring the corrected minutes to the next board meeting.

Director SMYTHE made the motion to approve the February 14, 2024, meeting minutes with Director THORME seconding the motion. A roll call was held with Director SANTRY abstaining due to her absence from that meeting. The minutes were passed unanimously among the voting members.

General Manager's Report. Mr. ARTHUR informed the Board that due to the increased number of advisors and guests attending future meetings, the next meeting will be held at the golf library to accommodate the need.

Financial Report. Mr. SAEIDI presented the Statement of Net Position discussing the actuals through February along with the forecasting through the end of the year. Mr. ARTHUR informed the Board that there was a budget error in payroll in the Operations department due to an employee not being allocated properly for five months.

Review of the current investment policy was held with discussions on updating the policy. Staff was instructed to draft an updated policy based on the suggestions of the Board and provide an updated policy at a future meeting. Director SANTRY stated that the current policy required a quarterly report of the investments. She requested this practice become part of the financial presentation for future meetings.

Security Report. Mr. ARTHUR presented the Security Report and responded to a question by Director THORME regarding the accidents relating to damage at the gates. Mr. ARTHUR informed the Board that Security is at full staff, however, a resignation was recently received by a staff member who is moving out of the state. After further discussion, recommendations by staff were to increase staffing levels within the Security department in order to closely monitor roadways and traffic. Mr. ARTHUR stated that this position will be considered and brought to the Board at the budget meeting.

Water Report. Mr. ARTHUR updated the Board in regard to consolidation of the Operations and Water Department. Mr. Arthur stated that the current management in the Water and Wastewater departments, Aaron DULA and Kevin SIRING, would be managing the responsibility of the combined departments. Mr. ARTHUR also noted that this consolidation would begin on a trial basis, through June 30th, 2024. Staff will supply a final recommendation for the new department at the budget meeting.

Next, the annual water report was presented to the Board, stating that the District is now reporting to both the County and State based on the number of connections. In response to a question by Mr. LATTA, Mr. ARTHUR informed the Board that well drilling will continue to be the most cost-efficient way to increase the water supply rather than creating more storage. Mr. ARTHUR noted that the management team for the Golf Course has cooperated extensively in conserving water use while also deploying evaporation control strategies. Mr. ARTHUR also stated that the changes in defensible space requirements are causing a reduction in the landscaping of homescapes, thus, water usage by new homesites is lower on average than in the past. Mr. ARTHUR also informed the Board that a violation was issued to the Water District for a missed test during

the fall of 2023. Mr. DULA assured the Board that the test was taken as soon as the error was discovered, and all test results came back with no issues. After a brief discussion regarding the oversight of the testing schedule, the Board thanked staff for the information and their continued diligence.

Waste Collection. Mr. ARTHUR updated the Board on the grant application with Cal Recycle, stating that the grant has been approved along with the proposed budget for acquisition of residential composting units. Mr. ARTHUR stated that the funding was expected at any time and therefore, staff requested approval to move forward with educating the homeowners on the program. After a brief discussion, the Board directed staff to proceed as planned.

Business Matters. Mr. ARTHUR informed the Board that the District will be moving all of its properties to SDRMA for property insurance. In the past, the vast majority of the District's assets were insured through the insurance program held by Santa Lucia Preserve Company.

Mr. ARTHUR next presented Resolution 24-03 ordering the election of the Board of Directors for the District and to enter into a contract with Monterey County Elections to conduct the election. Mr. ARTHUR noted that three seats were up for election with Directors SANTRY and THORME electing to run as incumbents, while Director SMYTHE will leave office following the July meeting. After a brief discussion regarding the community notice of election, a motion was made by Director SANTRY to approve Resolution 24-03 with a second by Director SMYTHE. Roll call was held, and the resolution was adopted unanimously.

Next Mr. ARTHUR presented the Board with Resolution 24-04, a resolution to acknowledge no bids were received in the proposal for a new truck within the water department. A motion was made by Director THORME and seconded by Director SANTRY. Roll call was then held, and the resolution was adopted unanimously.

Mr. ARTHUR presented Resolution 24-05 to award Graham Contractors bid 12-04 as sole bidder and stated that Graham Contractors bid was received at \$248,400 which was within the budgeted amount. Discussion was held regarding the process of advertising the bids in order to receive multiple quotes. Ms. DAHLE informed the Board that requests for the bid package were received by three vendors, including Graham, but only one was received upon the deadline. Mr. ARTHUR also noted that a community message will go out to notify the members of the work should they want to contract GRAHAM for private driveway work while they are onsite. A motion was made by Director SANTRY and seconded by Director THORME. Roll call was held, and the resolution was adopted unanimously.

Conservancy Update. Director SMYTHE updated the Board stating that a seasonal crew was recently hired for grassland management. Further information was shared in regard to Pacific Clover and its existence along Preserve roadways. Mr. SMYTHE also discussed upcoming events being hosted by the Conservancy and provided an update regarding future Grant applications.

Citizen's Advisory. Mr. ARTHUR noted that Mr. SHUPE has agreed to be an advisor to the Board to which the board approved the appointment.

Closed Session. At 11:08 a.m., a closed session of the Board was held to confer with legal counsel regarding potential litigation pursuant to Governmental Code section 54956.9, as well as discuss employee appointment matters. At 12:28 p.m. the session concluded with no reportable action taken.

There being no further business, a motion was made by Director WHITFIELD and seconded by Director SANTRY to adjourn the meeting. The board chair adjourned the meeting at 12:29 p.m.