

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT

The special meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the Golf Club Library at the Santa Lucia Preserve, 19 Pronghorn Run, Carmel, California, at 9:00 A.M. on Tuesday, January 20, 2026.

Call to Order. The meeting was called to order at 9:05 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Cary WHITFIELD, Melissa THORME, Ron EASTMAN and Jack PEAT. Also present were Robert LATTA, Advisor; John SHUPE, Advisor; Shaw PICK, General Manager; Aimee DAHLE, District Executive Assistant; Karen BAXTER, Preserve Company Chief Executive Officer; and Nick SANTY, Preserve Company Chief Financial Officer; Phil PENKO, District Director of Security; Aaron DULA, District Director of Public Works; and Peter GORDON, Member of the Public. Joining at 9:58 am were: Diane COWARD, Member and Cofounder of ReVISION West; Brendon CONNOLLY, Cofounder of ReVISION West; and Katy REYNOLDS, Cofounder of Shibusa System.

Present via ZOOM were: Brian PIERIK, District Legal Counsel; Emelisa SANTIAGO and Brianne WIESE, District Auditors from CLA; Michael, Member of the public.

Public Comment. Mr. GORDON discussed the methodology of roads fees being considered. Requested the Board Ad Hoc Committee and Board further consider additional fees and assessments for road repairs to be placed on non-resident users as well as potentially implementing additional construction fees for future home builds.

Approval of Minutes. Meeting minutes for November 19, 2025, regular meeting were presented. A correction on the Business Matters item of the committee findings noting that the draft stated the committee recommended a usage-based fee structure. After clarification, the minutes were to be amended to show the committee used that style of fee structure for their analysis for board consideration. With the change, a motion was presented by Director THORME to approve the minutes with the suggested changes followed by a second from Director PEAT. This motion and second was followed by a roll call vote and the meeting minutes were approved unanimously.

General Manager's Report.

Financial Report. Mr. PICK welcomed Ms. WIESE and Ms. SANTIAGO for the annual audit presentation. Ms. WIESE updated the Board to the Audit process for the Fiscal Year 2025 and informed the Board that in the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Santa Lucia Community Services District, as of June 30, 2025, and the changes in financial position and its cash flows for the year ended in accordance with American accounting principles. Ms. WIESE then briefly discussed in detail the audit adjustments, the Audited Basic Financial Statements, the Independent Auditors' Report and the Management's Discussion and Analysis. Ms. WIESE also informed the Board of the upcoming delivery of the "Representation Letter" and the "Disclosure Letter", noting the criteria of the letters and noting the items that will be covered. It was also noted there were no material weaknesses or significant deficiencies to report. Staff were acknowledged for their due diligence in a successful audit. Ms. WIESE and Ms. SANTIAGO left at 9:41 A.M.

Mr. SANTY went on to present the Board with the Statement of Net Position and review capital spending highlighting the receivable variances based on timing. With no major concerns on the quarterly financials, the Board congratulated Mr. SANTY and his team on completing a successful audit.

Business Matters.

Mr. PICK presented the Board with a timeline for upcoming elections. For the Fire & Brush Management election, Mr. PICK noted that a Public Protest Hearing was required in March. With the Public Hearing set for March 11, 2026 at 10:00 a.m., the Board directed Staff to move forward with the timeline on the election. Mr. PICK also reminded the Board of the timeline for the Roads election, which will be run by Monterey County and public information will start being released after the Fire & Brush Management election is completed in April 2026.

Mr. PICK presented the Board with the Slate of Officers for 2026 stating after discussions, the proposed Slate of Officers would be Mark BOITANO as President, Jack PEAT as Vice President, Shaw PICK as Secretary and Nick SANTY as Treasurer. A motion was made by Mr. WHITFIELD to accept the slate as presented, with a second by Mr. PEAT. With no further discussion, the officers were approved unanimously.

Security Report. Mr. PENKO presented the quarterly security report noting radar monitoring recorded 28,134 radar hits with the implementation of a second radar so to have radar at both Chamisal Pass and Rancho San Carlos Road. Staff continue to prioritize enforcement efforts, particularly for contractors and repeat offenders, while expanding radar deployment in high-risk areas. Questions were asked about the landslide on Black Mountain Trail and Mr. PICK noted that the Roads crew will further clean up the area once the weather allows.

Workforce Housing (Shibusa)

The Board received a presentation from Ms. COWARD and Ms. REYNOLDS regarding a prefabricated modular housing system (Shibusa) designed to support workforce housing initiatives. The system allows for construction timelines of approximately 12 weeks and estimated costs between \$300 and \$350 per square foot. The units are designed to be energy efficient, resilient, and cost-effective compared to traditional construction methods. The Board thanked Ms. COWARD, Mr. CONNOLY and Ms. REYNOLDS for the information and requested an opportunity to view current houses in Monterey at a later date, to which the presenters agreed.

Roads Fee Allocation Committee Update.

The Board received an update regarding the proposed \$15 million road improvement program to be implemented over a 15-year period. The committee recommended allocating approximately 7% to 10% of costs to non-resident usage, equating to roughly \$150,000 annually based on current data.

The Board discussed the importance of establishing a fair, transparent, and legally defensible fee structure and noted that additional outreach to the Ranch and Golf Club Boards, as well as SLPA for construction fees discussion, will occur prior to final decisions.

Conservancy Report. Director THORME provided an update on Conservancy activities, including a successful goat brush removal program, ongoing septic system improvements, and exploration of a native plant nursery. Discussion was held regarding coordination and funding alignment between the Conservancy and other Preserve entities.

CEO Report. Ms. BAXTER provided general updates regarding coordination efforts across Preserve organizations and ongoing governance initiatives.

Citizen's Advisory Committee Comments. Mr. SHUPE discussed the slide at Black Mountain and communication concerns regarding promptness of information for owners. Staff acknowledged Mr. SHUPE's concern and will work toward strengthening emergency communications moving forward.

Meeting Date Approval. The Board added the Public Hearing on March 11, 2026, to the meeting schedule, while pushing the April meeting to April 27, 2026, to allow for the 45-day voting period for the election. The July 21 and October 20 meetings were not changed.

Adjournment. There being no further business, a motion was made by Director THORME and seconded by Director WHITFIELD to adjourn the meeting. The board chair adjourned the meeting at 12:09 p.m.