

MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
SANTA LUCIA COMMUNITY SERVICES DISTRICT  
July 24, 2018

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held at the New Corporation Yard, Bldg. A, at the Santa Lucia Preserve, 121 Rancho San Carlos Road, Carmel, California, at 9:00 A.M. on Tuesday, July 24, 2018.

Call to Order. The meeting was called to order at 9:00 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Carl EKLUND, Dave MADDOX, John GAMBLE, and Barbara SANTRY. Also present were David RINALDO, Advisory Member; Allen FINLEY, Advisory Member; Melissa THORME; Advisory Member (Joining by teleconference at 9:02 A.M.); Forrest ARTHUR, District General Manager; Aimee DAHLE, District Executive Assistant; Andy SIMER, District Finance Officer; Karen BAXTER, Chief Executive Officer of the Santa Lucia Preserve Company and Rob WELLINGTON, District Legal Counsel.

Public Comment. None.

Approval of Minutes. Meeting minutes for April 24, 2018, were presented and with no corrections needed, a motion was made by Director SANTRY and seconded by Director EKLUND, and by unanimous vote, the Board Meeting Minutes were approved.

General Manager's Report.

Security Report. Mr. ARTHUR presented the Security Report to the Board, stating that average speeds along Rancho San Carlos Road had remained consistent with prior reports and was in line with expectations. Mr. ARTHUR then went on to discuss the various law enforcement matters that occurred on Robinson Canyon Road on a neighboring property. Discussion ensued relative to Security's involvement including internal communications regarding both events.

Financial Report. Mr. SIMER addressed the Board and presented forecasted results for Budget FY 2017-18. Revenues were expected to exceed budgeted expectations by approximately \$33,000 and expenses were expected to be better to budget by \$85,000. Mr. ARTHUR then presented the Board with the draft Budget, FYE 2018-2019. Proposed increases in revenues and operating expenses were discussed, including the need for a discussion in the January meeting relating to the rise of cost of living expenses affecting staff and the ability to hire new personnel. After further discussion,

Mr. Arthur informed the Board that the modest increase in operating expenses would be diligently monitored and whenever possible, offset in other areas in the coming year. There was a brief discussion of the Capital Considerations, Mr. ARTHUR made mention of item 16, referring to retention of a legal firm, Latham and Watkins, by the Preserve Co. Mr. BOITANO commented on the process and decision to proceed with a review on outstanding issues relating to the Conditions of Approval and other legal matters on the Preserve. Ms. BAXTER contributed additional information as to the scope of work and cost associated with the project. After further discussion, a motion was made to approve Resolution 18-03, "A Resolution Adopting a final Budget for Fiscal Year 2018-2019", but to omit from the budget, item 16 on the Considerations page. Motion was made by Director GAMBLE and seconded by Director SANTRY. Further discussion ensued and the Resolution passed unanimously with the amendment.

Business Matters. Mr. ARTHUR informed the Board of the current water situation and the need to supply additional potable water sources for golf course irrigation. Mr. ARTHUR also informed the Board that approximately 90 homes have completed their fiber installation with approximately six on the schedule yet to be completed. With the project nearing completion, District staff expects to make the final payment soon.

Board Action. Resolution 18-02 was brought before the Board to award the Bid for the purchase of a New Holland Tractor. Mr. ARTHUR explained that there were two bids returned, however, the second bid was considered non responsive as it did not arrive on time. The responsive bid was Coastal Tractor of Salinas in the amount of \$72,762.35. With a motion made by Director SANTRY and seconded by Director GAMBLE, the Resolution passed unanimously.

Next, Resolution 18-04 was presented before the Board to approve the tax levy for Fiscal Year 2018-2019. A motion was made by Director SANTRY and seconded by Director MADDOX, with the Resolution passing unanimously.

Resolution 18-05 was presented before the Board to adopt the appropriations limit for Fiscal Year 2018-2019. A motion was made by Director SANTRY and seconded by Director GAMBLE, with the Resolution passing unanimously.

Next, Resolution 18-06 was presented before the Board to order the election of two board seats in November 2018. A motion was made by Director SANTRY and seconded by Director GAMBLE, with the Resolution passing unanimously.

Additional Items. None.

Citizen's Advisory Committee Comments. None.

Adjournment. With no further business being brought before the Board, upon motion and second (SANTRY/EKLUND), the meeting was adjourned at 12:02 P.M.