

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
SANTA LUCIA COMMUNITY SERVICES DISTRICT
November 15, 2022

The regular meeting of the Board of Directors of the SANTA LUCIA COMMUNITY SERVICES DISTRICT was held via ZOOM and in person at the New Corporation Yard at the Santa Lucia Preserve, 121 Rancho San Carlos Road, Carmel, California, at 9:00 A.M. on Tuesday, November 15, 2022.

Call to Order. The meeting was called to order at 9:01 A.M. by Board President Mark BOITANO.

Roll Call. The following Directors were present: Mark BOITANO, Barbara SANTRY, Melissa THORME, Scot SMYTHE, and Cary WHITFIELD. Also present were Bob LATTA, Advisory Member; Forrest ARTHUR, District General Manager; Karen BAXTER, Preserve Company Chief Executive Officer; and Aimee DAHLE, District Executive Assistant along with Rob WELLINGTON, District Legal Counsel, via ZOOM.

Public Comment. None.

Approval of Minutes. Meeting minutes for July 19, 2022, were presented and discussed. Director SANTRY noted a statement regarding the percentage of increases within the management fees and payroll since 2019 had been noted and should be listed within the minutes. With the addition added, a motion was made by Director THORME and seconded by Director WHITFIELD to approve as amended. After a roll call and by unanimous vote, the Board Meeting Minutes were approved.

General Manager's Report

Financial Report. Mr. ARTHUR discussed the Balance Sheet and variance reports with attention being brought to water service revenues, which came in at much lower than budgeted through September primarily due to a budgeting error. Mr. ARTHUR next went on to review the bonus program in regard to Preserve Company management, reminding the Board that the budget had only been approved through December. Mr. ARTHUR also discussed the increased compensation program approved by the other entities to bring staff to comparable levels in the wake of increased inflation (Jack PEAT joined via phone at 10:27 a.m.). Mr. ARTHUR presented Resolution 22-11 to amend the District Budget to compensate for the Preserve Company budget thru June 30, 2023. Questions were asked regarding discrepancies between the budget figures and worksheet "CSD's Share by GL Line". Director SMYTHE made a motion to approve the presented Resolution 21-11 pending explanations and corrections, which was seconded by Director SANTRY. After a roll call, Directors SMYTHE, SANTRY, WHITFIELD and BOITANO all voted to approve, with Director THORME abstaining. Resolution 22-11 passed.

Security Report. Monte ROEKER, Director of Security, joined at 10:34 a.m. providing an updated report on to the Board as to road violations and emergency calls. With no questions regarding his report, Mr. ROEKER left at 10:46 a.m.

Business Matters. Mr. ARTHUR informed the Board that staff has been in negotiations with Monterey County Regional Fire District (MCRFD) to expand the medical coverage within the District from 8 hours per day to 24 hours per day. Mr. ARTHUR informed the board that the proposal from MCRFD included additional costs for increased staffing and housing above and beyond the current arrangement. Mr. ARTHUR informed the Board that the State of the Preserve presentation will include this item including a request for community feedback in support or dissention.

Mr. ARTHUR next informed the Board that the Trash collection services are currently operating ahead of budget following the first complete quarter of operations. Mr. ARTHUR also noted that there is currently only one trash handler and there is an increased need for an additional handler for safety and continuity. Mr. ARTHUR suggested that the operation continue for a full year prior to before running an analysis to see if modifications were necessary in the current rate structure. The Board agreed to the staff recommendation.

Mr. ARTHUR next informed the Board that staff had received comparison quotes relative to insurance coverage of District assets from the Special District Risk Management Authority (SDRMA), stating that all assets, excepting the wastewater treatment plant, are currently covered under the Preserve Company umbrella. Mr. ARTHUR informed the Board that this initial study did not find significant financial advantages to switching vendors. Mr. ARTHUR informed the Board that in order to perform a more comprehensive comparison, a side-by-side analysis could be performed by a broker for approximately \$15,000. After a brief discussion, the Board relayed to staff that the current comparison study adequately satisfied the desire to test the market.

Next, Mr. ARTHUR presented the CSD Bylaws with red-reline recommendations from District Counsel. Based on direction from counsel, the proposed changes to the by-laws addressed the need to modify the authority in regard to the District's designated member role on the Preserve Company Board of Directors. Director THORME informed the Board that after further review, she found further areas that needed to be updated and corrected. After a brief discussion, Mr. WELLINGTON agreed to review the changes indicated by Director THORME on behalf of the Board. A motion to approve the Bylaw changes upon review and approval of Mr. WELLINGTON was made by Director SMYTHE and seconded by Director SANTRY. Roll call was held and the motion passed unanimously.

Board Action. Mr. ARTHUR presented Resolution 22-10 to the Board to declare a single qualifying bid was received by MASTERPIECE CONSTRUCTION in the amount of \$295,099 in response to the solicitations made in Bid 22-06 for the construction of the Potrero Water Treatment Plant. A motion was made by Director

SANTRY and seconded by Director WHITFIELD, with the Resolution passing unanimously after roll call.

Preserve Board Liaison Report Director WHITFIELD updated the Board on results of the Preserve Board meeting, including the new compensation plan and increases in Club Dues.

Conservancy Board Report Director SMYTHE updated the Board on results of the Conservancy, reviewing the work being done due to the awarded Cal Fire Grant.

Citizen's Advisory Committee Comments. None

Closed Session. At 12:05 P.M., a closed session of the Board was held to conduct the Board's annual performance and salary evaluation of the General Manager. At 12:25 P.M. the session concluded with no reportable action taken. A motion was made by Director SANTRY to award a 6% salary increase to Mr. ARTHUR, seconded by Director SMYTHE, and after roll call and unanimous vote, the motion passed.

Additional Items. Mr. ARTHUR informed the Board that the staff goals for 2023 will included a 10-year water plan, an updated pavement management plan, a review of the existing five-year plan and further strategic planning to include solar initiatives.

Adjournment. With no further business being brought before the Board, upon motion and second (SMYTHE/SANTRY), the meeting was adjourned at 12:38 p.m.