

MINUTES  
OF THE  
MEETING OF THE BOARD OF DIRECTORS

CALL TO ORDER

The regular Meeting of the Board of Directors of Pismo Coast Village, Inc. was called to order July 19, 2014, by President Ronald Nunlist at 9:59 a.m.

INVOCATION

Mr. Hughes gave the invocation.

ROLL CALL

Mr. Nunlist affirmed that all members of the Board of Directors were present, with the exception of Mr. Pappi who could not attend due to a work-related business trip. Mr. Willems, who was filling in for Mr. Pappi as V. P. - Secretary, declared a quorum present.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Meeting held May 17, 2014, be accepted as submitted. Mr. Enns seconded, and the motion carried.

PRESIDENT'S MESSAGE

Mr. Nunlist welcomed the shareholders to the meeting. He was pleased to report that everything was going well. The current financial statement shows that we are ahead of last year. Construction on Restroom 2 is going well. He commented that the Company will be challenged in the future due to the increasing cost of insurance coverage, and this will be taken into consideration in budget preparation for future years.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, commented that the Company is doing well financially, and he expressed his appreciation to staff for their efforts to make this happen. Occupancy is up approximately 5% compared to last year. Storage Lot K is basically full, and the Board may need to consider whether they want to purchase more land for storage lots.

Mr. Jamison gave an update on the City of Pismo Beach's project to set up their lift station in Storage Lot A. At the May Board meeting, the Board had authorized Mr. Jamison to sign the easement agreement for the property that the City will occupy. Mr. Jamison has not signed the agreement, but did approach the City on compensation for the easement. The City has agreed to have the property appraised and will compensate the Company 10% of the appraised value. Once the appraisal is done, we can move forward with signing the agreement.

The permit process for the cell tower location in Storage Lot D is in the development phase. When Verizon was doing their due-diligence for the permit, they found that there was a cloud over the property ownership. We are now trying to locate one of the beneficiaries of the former owner so that we can have them sign a form confirming that they were paid for the property which changed hands in the early 1980s. If, for some reason, they refuse to sign the document of reconveyance, Pismo Coast Village will be required to take out a bond.

We were contacted last week by another representative of Verizon that would like to put a third cell phone tower on Pismo Coast Village property. The location they have selected for the vault and antenna is the steeple on the Clubhouse building. Mr. Jamison will keep the Board informed of this proposal.

Mr. Jamison gave an update on the road abandonment effort with the County of San Luis Obispo for the paper streets at Storage Lot D. One of the paper streets runs through D-Lot. If, in the future, they should decide to develop the street, we would lose a considerable amount of land and usable storage space. Along with the owners of the other neighboring properties, we submitted an application to the County to abandon those paper streets. The public hearing with the County Planning Commission is next Thursday. Mr. Jamison will keep the Board informed on the matter.

Mr. Jamison recently spoke to the local head biologist for the California State Department of Parks and Recreation. They discussed the status of the proposed pedestrian bridge across Pismo Creek. There has been concern with the California Coastal Commission thinking that this bridge would only benefit Pismo Coast Village and would not be in the best interest of the public. We have not located the original agreement for the beach boardwalk easement made between the California State Department of Parks and Recreation and Pismo Coast Village in 1976 and 1977, however, we did find an addendum that was signed by representatives of State Parks and Pismo Coast Village. When the head biologist received a copy of the addendum, he told Mr. Jamison that he believes there is a chance that the document might help us with the opinion of the Coastal Commission. If the pedestrian bridge proposal is not able to be accomplished on the State level, Pismo Coast Village may consider trying for a permit to install a bridge going from our outfall structure to our property on the other side of the Creek.

Last week we were contacted by the City of Pismo Beach's Public Works Department regarding water conservation and their recommendation that we install waterless urinals in our restroom facilities. In an effort to conserve water, we have reduced our watering schedule for the landscaping from three times to twice per week, in addition to reducing the amount of water used per watering session. Signs have been put up in the resort asking our guests to help with water conservation. We are considering other options for reducing water usage and have also ordered new low-flow shower heads for the restrooms.

Mr. Jamison acknowledged the fact that the Pismo Beach Police Department was in the resort last week to put on a K-9 demonstration for our guests with their police dog. The officers were very appreciative of the crowd that was present and have asked if they could do another show in August. We are proud of the great relationship that we have with the local police department.

The Oceano Drainage Project is still on schedule to be a 2015 project. It will affect Storage Lot B, which we lease from the County of San Luis Obispo. Once the project starts, we will have to periodically relocate units to allow for the installation process, and when the project is completed we will lose 52 storage spaces in the lot.

#### EXECUTIVE COMMITTEE REPORT

Mr. Nunlist, Chair, reported that the Executive Committee did not formally meet, however, they did meet jointly with the Personnel and Compensation/Benefits Committee yesterday.

#### PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Hughes, Chair, reported that the Committee met jointly with the Executive Committee. All members of the Committee were present, with the exception of Mr. Pappi who was away on business. Mr. Jamison and Mr. Willems were also present. Topics discussed at the meeting were updates on the Company's medical insurance program, workers' compensation insurance, annual performance reviews for two employees, and funding of the Pismo Preserve project.

### FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his committee met this morning and reviewed the financial statement for the seven-month period ended June 30, 2014. He was pleased to report that financially the Company is doing well. The Committee also reviewed the second drafts of the budget documents for fiscal Year 2014/2015. At the present time, the construction cost for Restroom 2 is under the budgeted amount.

### OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning and discussed the perimeter fence along Dolliver Street/Highway One, as well as the Resort's rules and regulations. Mr. Plumley will present the information discussed on both topics during Closed Session.

### AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. Also present at the meeting was Kitty Karstetter, Accounting Manager. The Committee reviewed storage accounting procedures and keeping track of the inventory of the RVs stored in the storage lots. The Committee also reviewed the financial statements and the documentation for procedures.

### NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday afternoon. The Committee updated the list of questions used during candidate interviews and finalized the Board Application Log document. There were no interviews scheduled for the meeting.

### ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, said that the Committee met yesterday morning. Charles Amian, Operations Manager, gave the Committee an update on accident and workers' compensation insurance claims for guests and employees. The Committee interviewed a member of the Security Department about trip and fall situations, and the employee made suggestions which were recorded by Mr. Amian for future consideration. The Committee toured the General Store and found all to be in order and well organized. Mr. Buchaklian complimented the Store manager and his staff for the great job that they do. The Committee toured Restroom 2 and was impressed with the workmanship. He was also complimentary of the activities available on the Recreation Department's Summer schedule.

### SHAREHOLDERS' COMMENTS

A shareholder commented on Mr. Jamison's report about the Coastal Commission and their goal of providing access to the beach. The shareholder believes that the Coastal Commission is actually blocking access to the Coast in the case of Pismo Coast Village and the request for a pedestrian bridge and doing work to relocate Pismo Creek.

A shareholder commented that the wireless internet access is currently not very good. Mr. Jamison said that having the access point at Restroom 2 out of service during the construction period had affected the system, however, that equipment was reinstalled when the power was connected to the building a few days ago. There was also a small power outage yesterday that caused some equipment to fail, requiring replacement. We are always looking into ways to improve the wireless internet system and increase bandwidth. Mr. Jamison encouraged guests that are having issues with wi-fi reception to contact the office so that this can be investigated. The shareholder also suggested that, when people make reservations, our reservation agents ask if they are bringing dogs with them and ask the breed of the pets.

A shareholder commented about the traffic noise heard in the campsites next to Dolliver Street/Highway One. He suggested that a sound wall be considered when the perimeter fence project is finalized, but also said that removing trees and vegetation for the project will increase the traffic noise carrying into the resort.

A shareholder commented about the difficulties that he had in trying to make his Summer reservations, which included driving over and waiting in line on the release date. He suggested cross-training employees to assist in that office during peak times. He said that unregistered guests coming in to use our shower facilities also affects the water usage in the resort.

A shareholder asked about the status of the plan to relocate eighteen palm trees that was discussed at a previous Board meeting. Mr. Jamison said that two trees have been relocated so far. He said that there has been discussion regarding finding a way to keep the lighting along the street once the palm trees have been moved to other locations, which is a major consideration.

A shareholder suggested that the speed bumps be painted again so that they are more visible for guests walking in the resort after dark.

A shareholder asked that the sidewalks by the playground areas be swept periodically during the day. Children, during their play, leave sand on sidewalks which could cause a slip and fall situation.

Mr. Nunlist recessed the meeting at 10:49 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 11:02 a.m.

There being no further business, Mr. Pettibone moved that the meeting be adjourned and Mr. Enns seconded. The motion carried and the meeting was adjourned at 12:20 p.m.

The above minutes of the July 19, 2014, Board of Directors' Meeting are correct and accepted as presented.

*Gary Willems*

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Gary Willems, V. P. - Secretary Pro Tempore

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