

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 May 18, 2013, by President Ronald Nunlist at 10:00 a.m.

INVOCATION

Mr. Plumley gave the invocation.

ROLL CALL

Mr. Willems, Vice President - Secretary, called roll. All of the directors, with the exception of Dr. Eudaly and Mr. Fischer, were present. A quorum was declared.

PRIOR MINUTES REVIEWED

Mr. Brittain moved that the minutes of the Board of Directors' Meeting held March 16, 2013, be accepted as submitted. Mr. Pettibone seconded, and the motion carried.

PRESIDENT'S MESSAGE

Mr. Nunlist welcomed the shareholders to the meeting. He was pleased to report that the Resort was doing well financially. He commented that all of the activity going on this weekend with the Vintage Trailer Group event is amazing. We have the best season ahead of us, we look strong for the year, and we should easily be able to do everything that we have planned for next year's capital improvement projects.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that staff looks forward to the Sixth Annual Trail Along to Pismo Vintage Trailer Rally weekend. Last year, reservation space for the weekend sold out in four days. This year the block of reservations was sold in one day. The Resort does promotion for the event with press releases. Visitors are allowed to park outside of the resort and walk in to view the units during the open house event. Noble Productions will be shooting video of the event, and there is a possibility of a new DVD. The Pismo Coast Village Grill will be busy, not only serving from its regular location, but also with a satellite location set up by Restroom # 3 serving beer, wine, and tri-tip sandwiches. Doc Burnstein's Ice Cream Lab, a local business and one of our General Store's vendors, will also have a cart set up by Restroom #3. To assist the organizers of the event with the arrangements for next year's rally, our staff may help with the reservation process for their block of sites. Discussion continued regarding the event.

Mr. Jamison was pleased to announce that the General Store now has three new postcard designs and new clothing items with the Vintage Trailer artwork. Occupancy for the fiscal year is up approximately 505 site nights, and all ancillary revenue departments are also up over last year's figures. Staff is working hard to keep expenses down.

Mr. Jamison said that he had heard from the Verizon representative regarding the cell phone tower, and the project is still moving forward. Last month they received approval from the County of San Luis Obispo to install the tower. They expect to pull the permit by the end of May. Mr. Jamison has been discussing with them some options on what to do with the fill dirt that must be removed from the location. The Finance Committee received the first draft of the Operating Budget for Fiscal Year 2013/2014, which does reflect collecting revenue from the agreement with Verizon.

The sewer project in Oceano is moving forward, however, the timing of the project may not be until Fall. They have been surveying and excavating to locate underground pipes, etc. The project will impact our storage program because we will lose 52 long-term storage spaces, and it also requires that we move 100 units temporarily out of the construction path. It will also affect the final capacity of the lot and cause an adjustment in our payments to them.

The relocation of the Pismo Beach Lift Station will take up approximately a 35' by 35' piece of property for their new equipment in the corner of Storage Lot A. Along with the installation of the new lift station equipment, they will install a new high-pressure sewage main and replace the current six-inch pipe with eight-inch pipe along Dolliver Street. They are currently planning to do this project during this Summer.

Another project being discussed for the Resort is the replacement of Restroom # 2. The permit for the project has gone to the City of Pismo Beach for review. In addition, because the plans show a second floor on the building, the project will need to go before the Planning Commission. The project would be appealable to the California Coastal Commission. The City of Pismo Beach is not the permitting agency, however, they do review the plans to confirm that the project conforms with City ordinances and local fire regulations. The building will require an internal sprinkler system because of the second floor. We believe that the project will go before the Planning Commission within the next two months.

Mr. Jamison said that he met with the persons organizing the surf camp, and we are still looking forward to doing this. They would like to begin Pismo Coast Surf Camp the second week of June. We are considering allowing them the use of the gazebo by the Overlook for their operation. We will also let them use a portion of Storage Lot A to store surfboards, paddle boards and wetsuits. We will promote the activity on our web and Facebook pages.

We have done a considerable amount of tree trimming in the resort recently. The arborist was here last week to prepare a report on the trees along the Dolliver Street footage of the resort. The report will identify trees that the arborist recommends for trimming, thinning or removal. There are two trees that the arborist recognized as nesting trees, which may require having a biologist come in before we trim to make sure we do not interfere with nesting activity.

A new telephone system was installed. In the last two weeks, we have worked through most of the learning process for the new setup. The new system replaced the prior system that was approximately twelve years old and no longer supported by the provider. The replacement of the equipment will not result in any significant increase in expense for the Company.

## EXECUTIVE COMMITTEE REPORT

Mr. Nunlist reported that the Executive Committee had not met, and, therefore, had no report.

## FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his committee met this morning and reviewed the first drafts of the Capital Expenditures and the Operating Budgets for Fiscal Year 2013/2014. He was pleased to report that the financial statements for the seven-month period ended April 30, 2013, reflect increased revenues and decreased expenses. Advance deposits and storage rental revenue are increased over last year and the outlook for Summer is outstanding.

## OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. They discussed the current rules and regulations and had no recommended changes. The Committee also reviewed the Guest Reviews Report and guest comments. The Committee has received great comments about the staff in regards to the Vintage Trailer Rally event.

## AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. Jay Jamison and Kitty Karstetter, Accounting Manager, also attended the meeting. The Committee reviewed the company credit card policy, local vendor charge accounts, employee policies with respect to risk management, and *PCA-CX-5.1: Entity-level Control Form for Control Environment*. The Committee was comfortable with all of the responses and had no findings to report.

## NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. The Committee discussed and approved the revised list of interview questions for applicants for the Board of Directors. The Committee also interviewed one candidate for board membership.

## ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday. At that meeting, Charles Amian, Operations Manager, gave the Committee an update on accident and workers' compensation insurance claims for guests and employees. The Committee reviewed all incidents and was pleased to report that they had been processed. Mr. Amian reported to the committee that several staff members recently renewed their AED/CPR/First Aid certifications. He also escorted the Committee on a tour of all of the storage lots for the Company. The Committee found them all to be in good order.

## SHAREHOLDERS' COMMENTS

1. A shareholder reported that she has had problems with the wireless internet system and getting bumped off of the connection. Mr. Jamison said that Darrell Sisk, Reservations Supervisor, has been replacing the transmitters for the wi-fi system. The company that we originally obtained the transmitters from is not responding to our requests for service, so we are upgrading to a different company and

transmitters. Mr. Jamison said that this may be what is causing the issue and it will be looked into. The shareholder also commented about the top of the slide at Playground #3 being boarded off. Mr. Buchaklian reported that an "Out of Order" sign was posted on the cracked slide until it can be repaired or replaced.

2. A shareholder commented that he had noticed a company doing core sample probing outside of the resort along Dolliver Street and asked what was happening. Mr. Jamison reported that this was part of the Pismo Beach Lift Station Project and sewer line replacement. The shareholder also reported that, in Restroom #2, the receptacle that his wife was using for her hair dryer kept ejecting the plug. He suggested that the receptacle be checked for replacement.

Mr. Jamison reported that the Company recently purchased a trailer and the RV Service Department has set up its own portable RV washing system which is in compliance with our policies. The system consists of a tank with a twelve-volt pump and limited spray, and will use deionized water from the system already in place at the RV Shop. The system has been tested at the RV shop, and we expect that we will be able to begin servicing customers in the Resort and at other local properties within the next few weeks. Brief discussion ensued regarding the proposed pricing for this service.

3. A shareholder asked when one of the current detailing vendors would be required to be in compliance with policies. Mr. Jamison said this was addressed with the operator yesterday.

Mr. Nunlist recessed the meeting at 10:40 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:55 a.m.

There being no further business, the meeting was adjourned at 11:05 a.m.

The above minutes of the May 18, 2013, Board of Directors' Meeting are correct and accepted as presented.

*Gary S. Willems*

Gary S. Willems, V. P. - Secretary

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