

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 September 15, 2018, by President Terris Hughes at 10:00 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

Mr. Hughes led the Pledge of Allegiance. Mr. Plumley gave the invocation.

PRESIDENT'S MESSAGE

Mr. Hughes welcomed the shareholders and directors to the meeting. He expressed his appreciation to Mr. Plumley for leading the employee appreciation barbecue yesterday, and he also thanked the members of the Board that assisted with food preparation and serving. On behalf of the Board, Mr. Hughes asked Mr. Jamison to let Tommy, Maintenance Lead, know how much the Board appreciated his efforts to make the event a success. He also asked Mr. Jamison to pass on the Board's appreciation to staff for making the Summer a success for the Resort.

Mr. Hughes read a letter he received from Director Jerald Pettibone stating that, due to health reasons, he must resign from the Board of Directors. His letter said that his resignation was to be effective at the end of today's Board meeting. Mr. Hughes showed the two plaques that were prepared for Mr. Pettibone, one for his more than 25 years of service on the Board, and the other commemorating his Director Emeritus status. The plaques will be presented to Mr. Pettibone at a later date. Mr. Williams moved, Mr. Buchaklian seconded, and the Board unanimously agreed to accept Mr. Pettibone's resignation from the Board with regrets.

ROLL CALL

Mr. Pappi called roll. With the exception of Mr. Pettibone, all members of the Board of Directors were present. Mr. Pappi declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Meeting held July 21, 2018, be accepted as submitted. Mr. Buchaklian seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, thanked the Board for the employee appreciation barbecue yesterday; the event was very well attended, and the food was delicious. He reported that our Retail Supervisor, Peter, retired in August after working for the company more than 19 years.

He reported that, fiscal-year-to-date, occupancy is ahead of last year by 2,915 site nights, and we are still on track to end this year ahead of last year's record occupancy. It was a busy Summer, and staff is working hard to keep the Resort maintained and our guests happy. Because the Resort was busy, we were unable to complete some of the projects planned for this year, such as relocating palm trees and slurry sealing roads. These projects will need to be scheduled for this coming December and January, when occupancy is reduced.

This installation work for the City of Pismo Beach's new sewer line along Dolliver Street/ Highway One is still in progress, and we expect in the next few weeks they will start on the construction of the new sewer lift station in the corner of A-Lot. We anticipate that this project will continue well into 2019. Our Trailer Movers are still dealing with lane closures, traffic, visibility and other issues. We have also scheduled application of dust control product in Storage Lot A for September 26, 2018. As a fundraiser for their club, the Boy Scouts will be directing the parking of vehicles for the Pismo Beach Clam Festival in A-Lot on Sat., 10/20/2018.

We are in the resubmittal process for the grading and building permits with San Luis Obispo County for new RV Shop and we are hoping to have the grading permit soon. The County has asked for another oil separator in the property's drainage plan to ensure that fluids that leak from RVs being repaired do not go into the regular water drainage system. The engineers will make this adjustment to the plans. The metal building has been ordered for the property, with expected delivery in December 2018.

Mr. Jamison reviewed the matter of the extraordinary Pacific Gas and Electric billing statement of \$52,000 for June 2018. He was pleased to report that the July statement, which was a little over \$42,000, was back to normal.

In August, Pismo Coast Village made a \$5,000 contribution to the Monarch Butterfly Grove's fundraising drive for a new trailer for docents working at the site, and last week we received a letter thanking us for our donation.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Nelson, Chair of the Personnel and Compensation/Benefits Committee reported that a joint meeting of the Personnel and Compensation/Benefits Committee and Executive Committee was held yesterday. All committee members were present. Mr. Jamison also attended. Mr. Nelson also reported that the two committees also held a joint meeting in August specifically for Mr. Jamison's annual employment review and for discussion of the renewal of his contract as CEO/General Manager, which expires September 30, 2018. A special committee consisting of Mr. Nunlist, Mr. Plumley and Mr. Roberts was formed to work with Mr. Jamison on the updating and renewal of the employment contract. Mr. Nelson was pleased to report that a new five-year agreement had been executed to extend Mr. Jamison's contract to serve as CEO/General Manager. During yesterday's joint meeting, Mr. Jamison gave an update on the status of the Resort, and the Committee discussed Mr. Jamison's employment contract.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, reported that the Committee met this morning. Except for Mr. Pettibone, all committee members were present. Mr. Hughes and Mr. Jamison also attended. The Finance Committee reviewed the August 2018 financial statement. The balance sheet remains strong. Due to the allocation of funds for the new RV Shop, which has yet not been completed, the capital expenditures for Fiscal Year 2017/2018 came in substantially below budget. The proposed Operating and Capital Expenditures Budgets for fiscal year 2018/2019 were discussed, and a motion will be presented during Closed Session.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. All committee members were present. The Committee discussed the rules and regulations, the reservation process, and dogs in the Resort. They also reviewed comments submitted on car passes, comments posted on www.guestreviews.com and other comments received from guests.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. All committee members were present. Mr. Hardesty and Mr. Jamison also attended. The Committee discussed the financial status of the Company and capital improvements. Also discussed were concerns about Brown Armstrong CPA's fiscal year end audit in October. Mr. Enns confirmed that there would be Audit Committee members present during that process.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mrs. King, Chair, reported that the Committee met yesterday morning with all committee members were present. Also attending were Mr. Hughes, Charles Amian, Operations Manager, and Rodrigo, Housekeeping Department Lead. Mr. Amian gave an update on accidents and injuries to guests and employees since the Committee's last meeting. The Committee interviewed Rodrigo and discussed routines and suggestions for improvements. The Committee agreed that the Housekeeping staff are generally to be commended for the cleanliness of not only the restrooms, but the Resort in general. The List of Advisories were reviewed, and four of the nine items listed have been completed. Accompanied by Mr. Amian, the Committee inspected the restrooms and made notes with him concerning items that need attention, like ceiling vent cleaning and additional emergency lighting in the ADA-restrooms. In addition, Rodrigo had pointed out areas where the concrete and/or pavement has been raised by growing plants or tree roots. These areas should be leveled to prevent the potential for trip and fall accidents.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Nominating Committee Chair, reported that the Committee met yesterday. The Committee interviewed two returning candidates for the Board of Directors, reviewed the Active Board Application Packet Log, and discussed all current Board members' performance. The Committee also recently received new applications from two candidates whose current applications have or will soon expire from active status.

SHAREHOLDERS' COMMENTS

A shareholder expressed her appreciation for the newly redone steps to the pool. She also thanked whomever was responsible for having and keeping the lids down on the trash dumpsters, which has helped with keeping the birds from removing trash and lingering around the open containers.

A shareholder commented that the condition and status of this resort is a direct result of determined dedicated service and leadership. He expressed his appreciation for the contributions made by the Board and Mr. Jamison for the betterment of the Company.

A shareholder inquired about the status of the two television channels that have been unavailable on the satellite system for the last ten days. Mr. Jamison reported that we are still waiting for parts for the system.

A shareholder thanked the Board for the wonderful job they do. He asked about the decomposed granite that is used on the campsites and asked if there had been consideration of using another material that would not be so dusty and/or muddy. Mr. Jamison stated that we have been experimenting with another product, similar to pea gravel, on several campsites, and guest response has been good. We have budgeted funds for the upgrade of fifty campsites with this new material for this coming winter.

A shareholder said that she was currently staying in one of the sites with the new material, and commented that the texture is so much better for reducing the amount of product being carried into their RV.

Jeanne Sousa, owner/broker of Pismo Coast Investments, commented that she has a waiting list of interested buyers, but does not have shares available for purchase. She also commented that there appears to be termites in the Sales Office building.

Mr. Hughes recessed the meeting at 10:39 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:55 AM.

There being no further business, the meeting was adjourned at 11:29 AM.

The above minutes of the September 15, 2018, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary

:tb/C:\Users\tmb\Desktop\datasyst\CORPORATE\BOD.MINUTES\2018\BOD.Min.September15,2018.doc