PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Minutes of a Regular Meeting of the Board of Directors

Held on June 22nd, 2026

Directors Present: Fred Nelson, Richard Collins, Michael Esparza, Lolo Levy, and Zan Villanueva
Directors Absent: None
Staff Present: General Manager Eric Steinlicht, Office Manager Marissa Fehling, and Administrative Assistant Maritza Chaloux
Also Present: Chris Palmer with the California Special Districts Association (CSDA), and resident Ron Krohn

1. Call to Order: The Regular Meeting was called to order at 10:00 a.m. by Director Nelson

2. Pledge of Allegiance: The Pledge of Allegiance was led by Director Lolo Levy.

3. Roll Call: Office Manager Fehling conducted roll call and confirmed that a quorum was present.

4. Approval of the Agenda: The Board reviewed the agenda and approved moving Item No. 12, Special District Leadership Foundation Awards the Pauma Valley Community Services District with the District Transparency Certificate of Excellence, to immediately follow the Public Comment Period.

   Motion: Approve the agenda as amended, moving Item No. 12 to immediately follow the Public Comment Period.
   Result: Approved (Unanimous)
   Moved by: Director Collins
   Seconded by: Director Villanueva

5. Public Comment Period:
   There were no public comments.

– SERVICE RECOGNITION AND AWARDS –

12. Special District Leadership Foundation Awards the Pauma Valley Community Services District with the District Transparency Certificate of Excellence
    The Board of Directors will be presented with the District Transparency Certificate of Excellence awarded by the Special District Leadership Foundation (SDLF). The certificate recognizes the District's commitment to transparency, open government, and public engagement through compliance with SDLF's transparency program requirements. A representative of the California Special Districts Association (CSDA) will present the certificate to the District on behalf of SDLF.

    Staff Recommendation:

    1. Accept and file the District Transparency Certificate of Excellence.
    2. Discuss and take action as appropriate.

    Chris Palmer, representing the California Special Districts Association on behalf of the Special District Leadership Foundation, presented the District Transparency Certificate of Excellence to the Board. Mr. Palmer recognized the District's commitment to transparency, open government, and public engagement. The Board accepted and filed the certificate. Office Manager Fehling was recognized for leading the District's transparency application process.

    Motion: Accept and file the District Transparency Certificate of Excellence.
    Result: Approved (Unanimous)
    Moved by: Director Esparza
    Seconded by: Director Nelson

– CONSENT ITEMS –

Items 6-11 appearing on the Consent Calendar may be voted on by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors or public requests removal prior to a vote on a motion to approve the items. Such items removed will be considered separately for action by the Board.

6. Minutes of the Regular Board Meeting on May 26th, 2026
7. Review of Variance Report, Balance Sheet, Revenue and Expense Report
8. Accounts Receivable Report
9. Security Division Report
10. Employee Handbook Policy Revisions
11. Resolution Number One Hundred and Thirty-Nine (139) Authorizing the Fiscal Year 2027 Salary Schedule, Effective January 1, 2026

Motion: Approve and file Consent Calendar Items 6-11
Result: Approved (Unanimous)
Moved by: Director Esparza
Seconded by: Director Collins

– DISCUSSION ITEMS –

13. Pauma Valley Roadway Association Roadwork and Communication Protocols
The Board discussed communication concerns related to recent roadway closures, including advance notice, emergency access, contractor coordination, and resident communications. The Board directed staff to work with legal counsel to explore options for establishing formal coordination procedures and inter-agency communication protocols for future roadway projects.

14. Security Division Ad-Hoc Committee Update
No updates were provided.

15. Rancho Pauma Mutual Water Company Ad-Hoc Committee Update
The Board received an update regarding the proposed lease, shared property use, and utility cost allocation with Rancho Pauma Mutual Water Company. Matters requiring legal review were deferred to Closed Session.

16. Pauma Valley Country Club Equivalent Dwelling Unit (EDU) Assignment
The Board briefly revisited the Country Club's EDU assignment and related concerns. The Board noted the previously reviewed calculation methodology and took no action.

17. Operating Budget, Long Range Financial Plan, and Capital Improvement Plan
Treasurer Levy led a discussion regarding coordination of the District's Operating Budget, Long Range Financial Plan, and Capital Improvement Plan. The Board discussed reserve funding, capital planning priorities, and aligning future infrastructure needs with available financial resources. Staff will continue developing the financial planning framework for future Board review.

18. Emergency Sewer Mainline Repair Update
General Manager Steinlicht reported on the emergency sewer mainline repair beneath a County road. The damaged area required excavation of approximately 14 to 15 feet, and repair evidence and video documentation were preserved. Staff also identified two manholes that had been paved over. The Board supported obtaining a qualified proposal to raise the manholes to grade using appropriate specifications and

directed staff and legal counsel to pursue reimbursement from the County. Staff will also continue outreach regarding improper materials entering the sewer system.

19. Supervisory Control and Data Acquisition (SCADA) and Cybersecurity Grant Update
General Manager Steinlicht reported that the SCADA system is operational and providing improved monitoring, trending, and visibility. The approximately $122,000 system upgrade was funded through the cybersecurity grant. Additional improvements will be completed in phases within remaining grant funds and in compliance with grant requirements.

20. San Diego Local Agency Formation Commission (LAFCO) Status
The Board received an update on the annexation process. Engineering work will resume after the July budget reset to prepare the required legal description and map for submission to LAFCO. Staff will confirm whether any additional LAFCO fees will apply and continue monitoring project costs.

21. Radio Frequency Identification Device (RFID) Policy Implementation, Communication, and Schedule
The Board discussed implementation of the RFID renewal fee beginning in July, database cleanup, and a standardized renewal schedule. RFIDs issued during 2025 and 2026 will be aligned to a January renewal date, with future renewals generally based on the applicable anniversary date. Staff will communicate the renewal requirements and continue maintaining accurate vehicle records.

22. Ordinance Fifty-Five (55) Review and Discussion
The Board discussed a potential conflict between Ordinance No. 55 and an agreement addressing RFID deactivation for debts owed to third parties. The Board noted that the District's authority may be limited to delinquencies owed directly to the District. General Manager Steinlicht will request legal review and options for clarifying the District's authority, policy boundaries, and any necessary amendments or agreement revisions.

23. Board of Directors Term Details and Upcoming General Election
The Board discussed upcoming Director terms and the general-election candidate filing process. Candidate filing materials and final dates were pending confirmation from the County. Staff will issue neutral informational communications explaining that candidates must be registered voters residing within the District, then provide confirmed dates and filing instructions when received.

– ACTION ITEMS –

24. Lease Execution Between the District and Rancho Pauma Mutual Water Company
The Board of Directors will consider executing a lease with the Rancho Pauma Mutual Water Company for the shared utilization of District-owned real estate.

<u>Staff Recommendation:</u>

Discuss and take action as appropriate.

Prior to consideration of this item, the Board approved reordering the agenda to continue Item No. 24 until immediately following Closed Session.

Motion: Continue Item No. 24 until immediately following Closed Session.
Result: Approved (Unanimous)
Moved by: Director Esparza
Seconded by: Director Levy

25. Public Hearing and Authorization to Place Delinquent Accounts onto the County Tax Roll.

The Board of Directors will conduct a Public Hearing prior to approving Resolution Number One Hundred and Forty (140) authorizing the General Manager to place delinquent accounts onto the San Diego County Tax Roll for collections.

Staff Recommendation:

1. Conduct a Public Hearing
2. Approve Resolution number one hundred and forty (140) authorizing the placement of delinquent accounts onto the San Diego County Tax Roll.
3. Discuss and take other action as appropriate

President Nelson opened the public hearing regarding delinquent accounts proposed for placement on the San Diego County Tax Roll. The Board reviewed the delinquent account list, annual collection practices, aging accounts, and questions concerning long-term nonpayment and foreclosure.

Motion: Adopt Resolution Number One Hundred and Forty (140), authorizing the placement of delinquent accounts onto the San Diego County Tax Roll.
Result: Approved (Unanimous)
Moved by: Director Esparza
Seconded by: Director Collins

26. Fiscal Year 2027 Budget Approval and Adoption
The Board of Directors will consider the presentation and approval of the Fiscal Year 2027 Operating Budget via Resolution Number One Hundred and Forty-One (141).

Staff Recommendation:

1. Approve Resolution Number One Hundred and Forty-One (141) approving and adopting the Fiscal Year 2027 Operating Budget.
2. Discuss and take other action as appropriate.

The Board reviewed the Fiscal Year 2027 Operating Budget, reserve funding, vehicle procurement assumptions, and narrative explanations. The Board also discussed leasing two vehicles, acquiring a utility vehicle, researching grants and cooperative purchasing opportunities, and evaluating an electrical-panel upgrade to support the District's vehicle chargers.

Motion: Approve and adopt Resolution Number One Hundred and Forty-One (141), approving the Fiscal Year 2027 Operating Budget with the stated narrative corrections and clarifications.
Result: Approved (Unanimous)
Moved by: Director Collins
Seconded by: Director Nelson

27. District Vision, Dental, and Health Reimbursement Account Benefit Allocations
The Board of Directors will consider authorizing options regarding additional coverage for District staff that includes Dental, Vision, and the Health Reimbursement Account, totaling an estimated annual fiscal year impact of nine thousand and four hundred dollars ($9,400).

Staff Recommendation:

1. Approve option One authorizing the District to contribute eighty percent (80%) towards all eligible employees' vision and dental insurance.
2. Authorize an "Opt-Out" Health Reimbursement Account (HRA) contribution addition.
3. Discuss and take action as appropriate.

The Board considered additional employee benefit coverage and the related annual fiscal impact. The Board approved an 80 percent District contribution toward vision and dental insurance premiums for eligible employees, consistent with the District's health-insurance contribution.

Motion: Approve Option One, authorizing the District to contribute eighty percent (80%) towards all eligible employees' vision and dental insurance premiums, and authorize an "Opt-Out" Health Reimbursement Account (HRA) contribution addition.
Result: Approved
Moved by: Director Esparza
Seconded by: Director Nelson
Nays: Director Collins

28. Regular Board Meeting Schedule for the Calendar Year 2027
The Board of Directors will consider the schedule of Regular Meetings of the Board for the upcoming Calendar Year 2027.

Staff Recommendation:

1. Approve Exhibit A.
2. Discuss and take other action as appropriate

The Board reviewed Exhibit A, which establishes eight Regular Board Meetings during Calendar Year 2027. The Board discussed balancing staff workload with the need to timely conduct public hearings, budget actions, and other regular business.

Motion: Approve Exhibit A, the Calendar Year 2027 Regular Board Meeting Schedule.
Result: Approved
Moved by: Director Collins
Seconded by: Director Nelson
Abstained by: Director Esparza

– INFORMATIONAL ITEMS –

29. General Manager's Report
General Manager Steinlicht provided his report, including operational, grant, infrastructure, and solar-project updates. Staff will evaluate the first post-solar utility bill and develop a supportable method for allocating shared electricity costs. The Board also discussed planning a community safety fair in connection with the November 7 airport open house and beginning outreach to potential participants.

30. Miscellaneous Items
   A. Requested Items for future agendas **(Directors and Staff Only)**
      a) Salary and Total Compensation Study (In Progress)
      b) Critical Spare Part Inventory/Replacement Program and Computerized Maintenance Management System (CMMS) (In Progress)
      c) Employee Satisfaction Survey (In Progress)
   B. Next Regular Meeting of the Board:
      a) Monday, July 27th, 2026, at 10:00 AM

– CLOSED SESSION –

31. The Board of Directors will meet in a Closed Session to discuss:
   A. CONFERENCE WITH LEGAL COUNSEL
   Existing Litigation
   Pursuant to Government Code Section 54956.9(d)(1)
   Rancho Pauma Mutual Water Company vs Pauma Valley Community Services District
   (San Diego Superior Court Case No. 37-2023-00038164-CU-BC-NC)

B. CONFERENCE WITH LEGAL COUNSEL
Potential/Threatened/Anticipated Litigation
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)
(Three (3) Matters)

The Board entered closed session at 12:05 p.m.

32. Open Session
    A. Reportable Actions.

The Board reconvened to Open Session at 12:40 p.m. Reportable action taken following Closed Session is documented under Item No. 24.

24. Lease Execution Between the District and Rancho Pauma Mutual Water Company
The Board of Directors will consider executing a lease with the Rancho Pauma Mutual Water Company for the shared utilization of District-owned real estate.

Staff Recommendation:

Discuss and take action as appropriate.

Following Closed Session, the Board returned to Item No. 24 for consideration. The Board discussed the proposed lease between the District and Rancho Pauma Mutual Water Company, including the status of execution and any remaining conditions for finalizing the agreement.

Motion: Approve the Lease Execution Between the District and Rancho Pauma Mutual Water Company as written.
Result: Approved (Unanimous)
Moved by: Director Collins
Seconded by: Director Esparza

33. Adjournment
With nothing further to discuss, the meeting adjourned at 12:42 p.m.

Marissa Fehling

Marissa Fehling, Recording Secretary