

Minutes of a Regular Meeting of the Board of Directors of the
PAUMA VALLEY COMMUNITY SERVICES DISTRICT (PVCSD)

Held on September 27, 2021

Directors Present: Sam Logan, Michael Esparza, Bill Jacobs, Bill Schultz, and Jim Cipriano
Also Present: Residents Charles Mathews, Michael Martello, Paul Kaymark of Nigro
and Nigro, General Manager Bobby Graziano, and Office Manager Amber
Watkins

- 9.1 Call to Order: Regular Meeting was called to order at 10:12 a.m. by Vice President Esparza.
- 9.2 Roll Call: Esparza requested a Roll Call. Watkins verified that all directors with the exception of President Logan were present at that time.
- 9.3 Open for Public Comments:
a. Anyone wishing to address any matter pertaining to District business may do so at this time. If a comment pertains to an item on the agenda the comment will be heard during that agenda item. The public comment period is limited to three (3) minutes per person – Martello thanked the Board for authorizing the California Special District Association (CSDA) membership, noting that it is a great benefit for staff and board members to have access to.
- 9.4 Draft Audit Report for Year Ending June 30, 2021:
a. CPA Paul Kaymark with Nigro and Nigro will present the Draft Audit Report – Kaymark presented the draft report. Kaymark noted that all statements are very consistent when compared to the prior period audit. Logan joined the meeting at 10:25 a.m. Logan apologized for the technical difficulties he was having. Kaymark noted that any questions regarding the draft can be sent via email. Kaymark exited the meeting at 10:26 a.m. Esparza stepped down as meeting chair so that President Logan can chair the meeting from this point forward.
- 9.5 Approval of Previous Minutes:
a. Regular Meeting August 23, 2021 – Reviewed, no comments. Cipriano motioned to adopt the Regular Meeting Minutes of August 23, 2021 as presented, seconded by Schultz and upon a unanimous vote were adopted.
- 9.6 Financial Report:
a. Review of BS, P&L as of 08/31/2021 – Cash Assets reflect \$1,228,244, Accounts Receivable of \$21,089 and Accounts Payable of \$32,944. Watkins informed that Rancho Pauma Mutual Water Company (RPMWC) dues for services provided in August have been paid in full. Watkins noted that account 664 includes the \$27,000 Hillside Fire Settlement payment as well as \$4,000 in rebates for the Teslas. Watkins noted that account 701 is for the Pauma Valley Country Club Agreement to maintain and clean the ditch at hole number eight. Jacobs inquired on account 815, Watkins explained this is where the CSDA dues are shown. Graziano noted a job well done by Director Cipriano as he negotiated with CSDA to honor the pricing provided for 16 months instead of the proposed three months. Jacobs noted the electrical was higher than normal, Graziano noted this is due to the temperature being hot and the air conditioning running more as well as the Teslas charging at the building. Cipriano asked if it safe to assume that the property tax revenue will increase due to the property values and tax increases; Graziano noted that this was account for during the budget creation. Cipriano motioned to adopt the financial report as presented, seconded by Logan, and upon a vote was unanimously adopted.
- b. Accounts Receivable – Presented for review. Mathews reported that an account in the District has a legal settlement on file from some years ago. Mathews asked why the District is not enforcing the legal agreement. Graziano thanked him for the information and will review the file.

9.7 Security Report:

a. Daily Activity Report - Graziano presented the report. Jacobs inquired on the mileage reported, Graziano noted that is the current odometer reading. Graziano also reported that the service needed for the vehicles will be coordinated by the Security Supervisor moving forward. A question was raised as to if the Teslas are able to jump start vehicles, Graziano informed that Security staff carry portable jump starters as they are not able to use the Teslas for this service due to the voltage different between EV's and other vehicles. Esparza reported that he was made aware of an issue with the radios for staff. Graziano reported that internet connectivity at the Front Gate Guardhouse was temporarily remedied but will be looking into correcting this permanently. Jacobs suggested that a communication block diagram be created for his review. Schultz inquired on the traffic collision on September 3, 2021 as traffic was redirected through Pauma Valley Country Club Estates (PVCCE). Graziano informed that Security guided groups of vehicles through the PVCCE community to avoid traffic build up on Highway 76. Both Esparza and Logan agreed with the decision made by staff and so noted. Upon a motion by Cipriano, second by Schultz and unanimous vote, the Daily Activity Report was accepted and ordered filed.

b. Gate Penalty Assessment Report - Presented for review.

9.8 General Manager's Report: Graziano presented the report. Graziano provided a recommendation to the Board for a complete video and clean of all sewer lines within the District be performed by Downstream Services. Logan noted this will help identify weak areas in the sewer system. Graziano explained that cash reserves will be used to fund this unbudgeted but required by regulation expense. Graziano presented the cash projection model for review. Graziano also reminded that PVCC has verbally committed to prepay \$100,000 at anytime that the District requests it. Jacobs noted that the model of solar invertors changed. Graziano noted that Century Sun and Solar will be providing 10 invertors rather than the originally planned 1. Graziano informed that the \$25,000 lease payment for the solar system has been paid to PVCC. Graziano also noted that the EV Charging Stations are just waiting for SDG&E to authorize then that project will be complete. Graziano suggested outsourcing the sewer equivalent dwelling unit (EDU) audit requested by resident Mathews. Mathews noted that this is very important to have a basis for assessing these fees. Motion was made by Cipriano to authorize staff to outsource the sewer EDU audit, seconded by Logan and upon unanimous vote was approved. Graziano presented the recommendation for the board to adopt a motion to authorize staff to collect the funds from RPMWC and combine with its portion and send to CalPERS to pay off the UAL. Motion was made by Cipriano to agree to payoff the CalPERS Unfunded Accrued Liability as presented using cash reserves in the timeframe suggested by staff, seconded by Logan and upon a vote was unanimously approved. Cipriano noted that it is the intent of the Board to replenish the cash reserves, so noted. The cash model as presented shows the cash reserves being replenished to \$1,000,000 in three years.

9.9 District Wide Sewer System Cleaning:

a. Board will consider authorizing the expenditure - Cipriano asked when this project is financially feasible, Graziano informed that this project, when complete, will put PVCSD into compliance with the Sewer System Management Plan (SSMP). Graziano will provide the cash model at each meeting moving forward to allow the Board to track the rebuilding of cash reserves. Esparza noted that this is a regulation which is an easy justification for rate setting purposes. Esparza motioned to approve the District Wide Sewer System Cleaning quote provided by Downstream Services, motion was seconded by Logan and upon a unanimous vote was authorized.

- 9.10 CalPERS Unfunded Liability Payoff Initiative:
a. The Board will consider approving the use of cash reserves to jointly payoff the unfunded CalPERS liability – This item was discussed and approved during item eight of this meeting. Jacobs asked for an update on SGMA, Graziano informed that GeoScience has been doing a great job at creating the Groundwater Sustainability Plan (GSP) and has held several public outreach meetings. The GSP is on track for submittal by January 31, 2022. Graziano noted that RPMWC is in a good position with this as there should not be any change to their ability to pump groundwater.
- 9.11 Closed Session – Public Employee Performance Evaluation:
a. In accordance with Government Code Sections 54954.5 (e), and 54957 the Board will discuss the performance of the General Manager - Entered into Closed Session at 11:22 a.m.
- 9.12 Open Session:
a. Report any actions from Closed Session – Reconvened to open session at 12:31 p.m. Nothing to report as the Board was provided a status report on the General Manager’s Goals and Initiatives.
- 9.13 Other Business:
a. Requested items for next or future agendas (Directors and Staff Only)- Jacobs requested that the Purchasing Policy update and revisions be included on the next agenda.

b. Board comments – None.
- 9.14 Adjournment:
a. Next Regular Meeting on October 25, 2021, at 10:00 a.m. – The next meeting date is scheduled for October 25, 2021, at 10:00 a.m. With noting further to discuss and upon a motion from Cipriano, second by Schultz and unanimous vote, the meeting adjourned at 12:32 p.m.

Amber Watkins

Amber Watkins, Recording Secretary