PAUMA VALLEY COMMUNITY SERVICES DISTRICT
33129 Cole Grade Road
Pauma Valley, CA 92061
PHONE: (760) 742-1909 | FAX: (760) 742-1588

REGULAR MEETING
SUPPLEMENTAL MATERIALS PACKET

DATE: Monday, November 16th, 2026

TIME: 10:00 AM – **Open Session**

VENUE: Board Room, Pauma Valley Community Services District
33129 Cole Grade Road, Pauma Valley, CA 92061

Pauma Valley Community Services District Mission

"The mission of the Pauma Valley Community Services District is to protect the public health and environment of its community by providing effective wastewater management and stormwater drainage control, life safety assistance, security services, and exceptional customer care."

SUPPLEMENTAL MATERIALS PACKET POSTED: November 6th, 2026

DPMC | Devaney Pate Morris & Cameron LLP

Jeffery A. Morris, Esq.
jmorris@dpmclaw.com
Direct: (951) 262-4492

October 22, 2026

Carol Fontane
32326 Cahuka Court
Pauma Valley, CA 92061
carolfontane@gmail.com

Re: Storm Drain on 32326 Cahuka Court

Dear Ms. Fontane:

This will serve as a follow up to the Board meeting of the Pauma Valley Community Service District on October 16, 2026, to discuss multiple requests by you or individuals who are assisting you concerning the storm drain that was installed on your property in 2017. Please see the excerpts from Board minutes of May 17, 2017, and June 26, 2017 below that were discussed. I have highlighted the important comments, notably that the change to the drainage easement was at your request, that all expenses for the relocation were to be assumed by you, and that the owner and your engineer were advised at the time in 2017 that plans needed to approved by the CSD. To date, no engineering plans have been submitted to the CSD for approval.

Board Minutes May 17, 2017

D. Relocate drainage easement – Houser presented Tract Map 5743 which shows a 10' drainage easement through Lot 95. This lot, currently owned by HOA 2-A, is undergoing boundary adjustments to divide the property between Lots 94 and 96. Lot 96 owners intend to do an expansion to their home and are requesting that the 10' drainage easement and all appurtenants be moved to accommodate the structure. The homeowner will assume all costs associated with the re-location of the drainage easement. Logan motioned to approve the re-location of the 10 ' drainage easement as presented with the homeowner assuming all costs, seconded by Schultz and unanimously approved.

Board Minutes June 26, 2017

E. Drain relocation (5.8D) – Houser reported that the property owner on Cahuka is disappointed with the pricing from Szytel Engineering for relocating the drainage pipes; if the property owner decides to continue, then PVCSD will need to approve the plan set. Pape reminded that we can permit this project as it belongs to the district. The owner and the engineer have been informed of the plans needed for approval by CSD.

At this time, the District understands that you are having CPL provide a detailed map and written report, documenting the plan and profile of the relocated storm drainpipe, with surveyed elevations showing the pipe's horizontal alignment, depth and grade: invert elevations at each end, at each change in direction, and at intervals sufficient to establish grade. Please note that CPL are not licensed engineers and are providing data for an engineer. The CPL work did not go forward last week due to the recent rains. The CPL work will need to be completed.

During the meeting, you and Betty Potalivo asked if the District could hire the engineer and that you would reimburse the District for that expense. Please be advised that the District is following up on that issue with Engineer Gary Szytel and will let you know the outcome of those discussion. As discussed during the meeting, the critical piece of information that the District needs are engineer signed As-Built plans, which are very standard among municipalities in accepting improvements that become part of the municipality's infrastructure. Since the storm drain was installed in 2017, a retaining wall was built over portions of the storm drain along with adding two concrete pads with propane tanks over portions of the storm drain. The exact details of where the storm drain is located and the new items which encroach on to the storm drain are critical pieces of information for the District.

As part of the As-Built process, the District will need documentation or testing to demonstrate the compaction of the soil as it relates to the storm drain. The following is a short list of the items that need to be completed to solve acceptance by the District of the new storm drain.

1. As-Built Plans signed by a licensed engineer documenting the location, depth, angle, horizontal and vertical, with references to other fixtures that encroach on the storm drain.
2. Storm drain easement quitclaim deed for the original easement.
3. New storm drain easement deed and legal description, to be recorded with the project.
4. Depending on how the As-Built Plans go and whether there will be ongoing issues with the storm drain that impact acceptance, there could be a maintenance/reimbursement agreement that will be recorded with the property for future property owners to be aware of and responsible for the terms of that agreement. This issue is just being included subject to further negotiation and discussion if necessary.

Please have your legal representative contact me to discuss, or feel free to reach out to me.

Very Truly Yours,
DEVANEY PATE MORRIS & CAMERON LLP

Jeffery A. Morris
Partner

cc: Betty Potalivo
bettypotalivo@me.com

Eric Steinlicht
General Manager

Fred Nelson
Board President

PVCSD BOARD PACKET REQUEST RE RELOCATED STORM DRAIN

November 6, 2026

Pauma Valley Community Services District
Attn: General Manager and Board of Directors

Subject: Repair of Pre-Existing (Not Relocated) Storm Drain located at 32326 Cahuka Court (APN 132-370-41)

Subject: Relocated Storm Drain located at 32326 Cahuka Court (APN 132-370-41)

Dear Eric and Board Members,

As you know I have been working with the District to properly document the relocation of the storm drain under my property which occurred in approximately 2018. We are nearly done with this process, but unfortunately there are two issues that the District is asking me to address that are simply not feasible. I am asking that you recognize the good faith efforts I have made to address these issues, take into account the District's own culpability for the situation that exists, and simply work with me to come up with a reasonable solution.

This has been a trying process for me in light of the circumstances. I am not familiar with all of the background, as Dick was handling this prior to his passing; and, the District does not seem to have complete documentation on its end (and if it does it has not provided them as of yet in response to our Public Records request.). This has made it impossible to accurately gather the facts that explain how we got to the point where we are today.

The District's lawyer is telling me, based on District meeting minutes, that we were responsible for providing engineered plans to it for its approval as a condition of the work that occurred; and, that we must still provide this information nearly ten years later. I am not trying to place blame, and simply want to resolve this issue so that there is no cloud on my property title. However, I do not think it is fair for the District to take the position that I am solely responsible for this situation; and think it bears some of the responsibility. The minutes do not tell the whole story, and it is common knowledge that prior District administrators operated in a much less formal, by the book manner than Eric does now. It is obvious that that District was aware that the relocated storm drain was constructed and connected to the District's system, and that the pre-existing portion of the drain was disconnected and put out of service. And, there is little doubt in my mind that District personnel (likely including Mr. Styzel) not only knew of this after the fact, but actually observed the work as it was occurring. Yet, despite this actual knowledge, no one at the District required engineered plans be submitted for its approval at the time, and prior to the work commencing, let alone being completed; nor did anyone require it for nearly 9 years until Dick began addressing concerns about the storm drain system unrelated to the work that occurred.

In hindsight, everyone I am sure will agree that the project could have been handled much better 9 years ago with proper specifications and oversight at that time. But that did not happen, and here we are today trying to solve a problem. I am not trying to

point fingers or escape any responsibility. I simply ask that you facilitate a reasonable solution, and recognize that the need to come up with a solution is in part because the District apparently did not follow generally accepted standards, and allowed work to occur and the new connection to be made before it had everything it felt it needed.

I have done everything in my power to meet all of the requirements that you have asked of me to allow the former easement to be abandoned, and the new easement deeded to the District. But, there are some issues that are out of my control due to the passage of time, which we could have been addressed at the time the work occurred had the District required it at that time.

At this point the District has requested, and I have either already complied with or am able to comply with each of the following:

1. Quitclaim Deed For Existing Easement – releasing the District's rights in the original 1966 easement alignment. We understand the District will prepare this, and arrange to have it recorded once everything else is complete. We will provide any signatures, consents or other documentation that may be needed to allow the recordation to occur.
2. Grant Deed For New Easement – conveying the new easement to the District for the relocated storm drain. This has been prepared, including with a legal description and plot map, prepared, signed, and stamped by a licensed Land Surveyor. I have attached a copy for your review in case you feel edits are needed, but am otherwise ready to sign and notarize it (and appreciate that the District apparently will provide for the notary and handle the recording.)
3. Document the Diameter of the new Storm Drain Pipe – Mike Gratzl who worked on the project has provided a letter to you dated 9/11/26 that includes plans and documents the diameter of the pipe.
4. Document the material used in the new Storm Drain Pipe – The letter from Mike Gratzl dated 9/11/26 includes this information.

In addition to the above, the District has asked that I provide as-built plans signed by a licensed engineer documenting the location, depth, angle, horizontal and vertical, with references to other fixtures that encroach on the storm drain. I contacted the following 7 engineers for this purpose: KARN Engineering; LG Land Surveying, Inc; Progressive Land Surveying, Inc; Spear & Associates, Inc; Styzl Engineering; Wynn Engineering; and ATC Design Group. They all either didn't reply to my request for a proposal to provide the requested work, or indicated that they did not want the project including because they felt it was infeasible. In an attempt to nevertheless determine the grade depth, alignment, slope through "pot holing" methods, I contacted two local PVCC Civil Engineers, Tom MacMurray and Craig Barry, who both stated that pot holing was not achievable.

In short, despite diligent and good faith efforts to provide what was requested, I simply am unable to do so. Had the District required this information at the time the work was occurring, and before the new storm drain pipe was connected, it could have been provided. Nine years later, what I can provide, in addition to the plans already provided by Mr. Gratzl, is a report by CPL. The CPL materials will be available, perhaps as early

as today, but in any event not later than early next week. The scope of work which CPL has indicated to me that it will provide is as follows:

> A detailed map and written report, documenting the plan and profile of the relocated storm drainpipe, with surveyed elevations showing the pipe's horizontal alignment, depth and grade: invert elevations at each end, at each change in direction, and at intervals sufficient to establish grade.
>
> CPL will accomplish this with the use of our CCTV Crawler. We can trace the path of the pipe, get depth at intervals, which in turn shows the grade, take elevation measurements at each end, then gather data for all and place on a map (which should cover the documented plan portion of the request).
>
> In addition, CPL, with the use of our CCTV Crawler, will evaluate and provide a written report on the integrity of the pipe's inner wall, paying close attention to any bulging or suspect areas that may be impacted by the retaining wall or its foundation.

Most recently the District has also asked me to have a licensed Civil Engineer provide a signed and stamped evaluation of the stem wall's effect on the relocated storm drain pipe and determine whether the installation, as constructed beneath the wall, is consistent with accepted practice. This is not something that was ever previously requested, and could easily have been requested at the time the work occurred. Alternatively, at the time the work occurred, it could have been made a condition of constructing improvements over the easement area. Yet, despite the Districts actual knowledge that improvements were built in the easement area, which occurred at the same time the storm drain was relocated, nothing was ever said about this issue until now. It is neither reasonable nor fair for me to have to address this issue 9 years later. Nevertheless, the CPL report will include a video verification of the integrity of Pipe's inner wall, looking for seams, bows, cracks, or breaks that may be caused by the retaining wall; and demonstrating either that there is no reason for concern after all this time, or that an issue exists for which we can discuss a reasonable solution. I ask that you deem this sufficient to address any concern you have.

In summary, I have made every effort to provide the information you have requested to resolve this matter, and we are now down to the above two issues. I think the information I am able to provide is reasonable, and should be sufficient to allow the District to accept the new easement and quit claim the old easement. Were in my power to provide what is now being requested I would; but, since that is not the case, I ask that you recognize in all fairness that both sides could have done a better job ensuring that any requirements the District might have had related to the work that occurred 9 years ago were met a that time. It is not fair or reasonable to place the entire burden on me, especially in as much as the information I can provide (combined with the evidence you have of the manner in which the relocated storm drain pipe has functioned over the last 9 years) should satisfy you that it has been constructed in an acceptable manner.

Sincerely,
Carol Fontane

RECORDING REQUESTED BY:
Carol Fontane

WHEN RECORDED MAIL TO:
Carol Fontane
32326 Cahuka Court
Pauma Valley, CA 92061

APN: 132-370-41

EASEMENT
GRANT DEED

☑ The undersigned declares that the documentary transfer tax is $ 0 (value & consideration is less than $100.00) and County tax is 0 and is

☐ computed on the full value of the interest or property conveyed, or is
☐ computed on the full value, less the value of liens or encumbrances remaining at time of sale. The land, tenements realty is located in County of San Diego and

FOR NO CONSIDERATION, receipt of which is hereby acknowledged.

CAROL S. FONTANE, or her successors, as TRUSTEE of THE RICHARD AND CAROL FONTANE JOINT TRUST dated January 7, 2008

Hereby GRANT(s) to:

Pauma Valley Community Services District

An easement over the following described real property in the County of San Diego, State of California.

SEE EXHIBIT "A" AND EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

_____ _____
Carol S. Fontane, Trustee Date

CORRUGATED PIPE REPAIR REQUEST FOR 32326 CAHUKA CT.

November 6, 2026

Palma Valley Community Services District
Attn: General Manager and Board of Directors

Subject: Repair of Pre-Existing (Not Relocated) Storm Drain located at 32326 Cahuka Court (APN 132-370-41)

Dear Eric and Board Members,

So as not to confuse issues, I am writing separately regarding repairs needed to the portion of the storm drain on my property that was not part of the relocation work that occurred in 2018.

As you are aware, in connection with the efforts to address the relocated portions of the storm drain, I contracted with CPL to prepare a report and video of the storm drain system at my property. On November 4th, as part of CPL's data collection I was verbally advised me that they discovered an 8"-10" corroded hole in the bottom of the corrugated storm drain pipe. This is located upstream of the coupling to the HDPV pipe (i.e., upstream of the location where the relocated portion of the storm drain is connected to the pre-existing storm drain).

CPL's belief is that this hole is what is causing the mud and debris on to flow onto my walkway during rain events. CPL also found that the end on the pipe, near the headwall, is partially blocked from mud and debris apparently entering the system as a result of the hole. It has advised me that this requires vactoring, and they recommended having this done from the golf course end. More details will be in the upcoming CPL report which I hope to provide to you today.

As part of your agenda, I am requesting that PVCSD perform the necessary maintenance to repair the hole in its pipe, and the suggested vactoring or similar work to ensure the storm drain is not clogged and operates properly.

In light of the predicted upcoming rains, and the significance of the hole CPL has detected, I would appreciate the above work occurring as soon as possible, and that you establish project plan and time table for the repairs to occur.

I would also ask that a review be done on the headwall as referred to in the KARN email to PVCSD on 04/17/26.

Sincerely,
Carol Fontane

EMPLOYMENT AGREEMENT

General Manager

THIS AGREEMENT is made and entered into this 19th day of December 2022, by and between the PAUMA VALLEY COMMUNITY SERVICES DISTRICT ("PVCSD"), an independent community services district of the State of California, hereinafter referred to as "DISTRICT", and Eric Steinlicht, the GENERAL MANAGER OF THE PAUMA VALLEY COMMUNITY SERVICES DISTRICT, hereinafter referred to as "Employee", and both, hereinafter referred to as "Parties", whom understand as follows;

RECITALS

A) Pauma Valley Community Services District is duly organized and existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.
B) Employee desires to serve in the capacity of the PVCSD General Manager.
C) Employee understands, acknowledges, and agrees to serve at the will and pleasure of the PVCSD Board of Directors, and expressly agrees that the District Board is the appointing authority.
D) The District desires to have Employee serve in the position of General Manager.
E) The District and Employee mutually agree that this form of Agreement reflects the terms and conditions under which the Parties intend and desire to continue Employee' s employment, and that upon execution of this Agreement, any prior oral, written, or implied Employee Agreements shall have no force or effect.
F) The District and Employee mutually agree that this Agreement is the sole and exclusive basis for an employment relationship between General Manager and the District.

NOW, THEREFORE, it is mutually agreed by and between the undersigned Parties as follows:

SECTION 1: Duties and Authority

A) District agrees to employ Employee as General Manager to exercise the powers and authority and to perform the functions and duties specified by the District and all relevant resolutions, codes, rules, regulations, policies, procedures, applicable job description(s) and state codes, as they currently or may in the future exist. Employee shall exercise such power and authority and perform such other functions and duties, not inconsistent with this Agreement, as Employer, by its District Board, may legally assign.

SECTION 2: Term and Notice of Non -Renewal

A) This Agreement shall become effective on January 1st, 2023 ("Effective Date"), and, is subject to the District's right to terminate Employee's employment at any time as provided for in this Agreement. The term of this agreement is 1 year from the Effective Date of the Agreement.
B) Any modification of this Agreement will be effective only if it is in writing and signed by the District and Employee.
C) This Agreement shall automatically be extended for one additional 12-month period unless the District Board notifies Employee of its intent not to extend the Agreement at least ninety (90) days prior to expiration of the original Term.
D) The District's election not to extend this Agreement shall not entitle Employee to Severance pursuant to *Section 7* of this Agreement.

SECTION 3: Compensation and Performance Evaluation

A) The District agrees to pay Employee an annual base salary of $115,000 ("Base Salary") over twenty-six two week pay periods. The Base Salary shall be subject to deductions and withholdings of any and all sums required for federal or state income tax, pension contributions, and all other taxes, deductions or withholdings required by current state, federal or local law. District shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Section 4 of this Agreement.

B) Future base salary adjustment is solely determined by the District Board. In considering the level of increase of Employee base salary, the District Board shall consider; (1) Employee overall performance (including, but not limited to, the attainment of Board directed goals and objectives; interaction with the Board, District staff, public and private agencies, and members of the public; and timely completion of projects specified by the Board). (2) The District shall also consider the District's current and anticipated fiscal position and any other relevant criteria. (3) Additional benefits or incentive pay may be awarded by the District Board solely at the discretion of the District Board.

C) The District, by the Board, and Employee may set mutually agreed upon goals and objectives for each year under this Agreement. The District, by the Board, may elect to conduct an evaluation of Employee' s performance at any time or times during the period in which this Agreement remains in effect. The District, by the Board, may assign goals, objectives or initiatives to the employee within the duties and responsibilities of a General Manager and existing law.

SECTION 4: Employee Benefits

A) Employee Benefits. Unless otherwise specified below in this Section of the Agreement, Employee shall receive the same benefits as are available to full time general employees of the PVCSD. Benefits may be paid separately from payroll or distributed equally over twenty-six two week pay periods.

B) Vehicle Allowance. Employee shall be entitled to $300.00 per month.

C) Health Reimbursement Arrangements (HRA). Employee shall be entitled to an additional $100 per month HRA benefit from the rate paid to general employees.

D) Employee leave and benefit balances shall accrue under the terms of applicable District policies provided to general employees of the PVCSD.

SECTION 5: General Business Expenses

A) District encourages the professional growth and development of Employee. District agrees to budget and pay for professional dues and membership of Employee necessary to maintain membership in the California Special District Association (CSDA), San Diego subdivision of the CSDA and the California Association of Sanitation Agencies (CASA).
B) District agrees to budget and pay for Employee attendance at the annual CSDA conference or CSDA Leadership conference.
C) Subject to approval of District Board and budget constraints, District agrees to budget and pay for attendance by Employee to other professional conferences, conventions, seminars, and or

short courses related to Employees professional growth and or District mission, goals and objectives.

D) District recognizes that Employee may incur expenses of a non -personal, job-related nature that are reasonably necessary to Employee's service to the District. District agrees to either pay such expenses in advance or to reimburse the expenses, so long as the expenses are incurred and submitted according to District's normal expense reimbursement procedures, or such other procedure as may be designated by the District Board. To be eligible for reimbursement, all expenses must be supported by documentation.

SECTION 6: At-Will Employment Relationship

A) Employee is appointed by and serves at the pleasure of the PVCSD Board. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the District to terminate this Agreement and the employment of Employee at any time, with or without Cause (as defined below), and with or without notice. There is no express or implied promise made to Employee for any form of continued employment.

B) Employee understands, acknowledges and agrees that employment "At-Will" status cannot be changed except in a writing signed by the president of the PVCSD Board after majority approval of the PVCSD Board.

C) The District shall pay Employee for all services through the Effective Date of termination and Employee shall have no right to any additional compensation or payment except as provided in Section 7, entitled Severance and benefit Payoff at Termination and General Release.

D) Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign from District employment, subject to the Employee providing a minimum of forty-five (45) calendar days prior written notice to the District Board President of the effective date of Employee's resignation. The forty-five day notification may be waived if mutually agreed upon by both the District and the Employee.

E) Upon termination or resignation of employment, Employee forfeits all compensation and benefits owing for the remainder of the term of this Agreement, as well as any potential "Severance" pay per Section 7 of this Agreement.

SECTION 7: Severance and benefit Payoff at Termination and General Release

A) Termination Without Cause. If Employer terminates this Agreement (thereby terminating Employee's employment) Without Cause, prior to the expiration of the Terms of this Agreement, as determined by the affirmative votes of a majority of the members of the District Board at a Board meeting, and the Employee is willing and able to perform duties under this Agreement, Employee shall be entitled to a cash payment of compensation equal to six (6) months base salary or the number of months left in the Agreement whichever is less. . Employee shall also be entitled to continued medical insurance coverage for six (6) months or the number of months left in the Agreement whichever is less, but in no case shall the District's contribution for insurance exceed the contribution rate provided to the Employee prior to termination. The payment of any such severance benefit shall be conditioned upon Employee executing a general release agreement containing a general release of all claims Employee may have against Employer, in a form that is reasonably required by Employer's attorney. Such severance shall not be payable unless and until Employee executes such general release.

B) Employee shall be entitled to cash compensation for accrued vacation benefits of the District.

C) In accordance with Government Code Section 53260(a), in no event shall Employee receive a cash settlement that is greater than the monthly Base Salary of Employee multiplied by the number of months left on the unexpired term of the Agreement.

D) In the event of Employee is unable to perform the duties and functions consistent with the position of General Manager due to serious illness, injury, impairment, or physical or mental condition for a period of three (3) consecutive months, beyond Employees full use of any provided or earned leave, the Employee may be terminated due to incapacity. Upon termination due to incapacity, Employee shall be entitled to three (3) months base salary minus any District provided disability insurance proceeds received by the Employee.

E) Termination With Cause. If the District terminates this Agreement (thereby terminating Employee' s employment) with Cause, as determined by the affirmative votes of a majority of the members of the District Board at a meeting of the PVCSD Board, Employee shall not be entitled to any additional compensation or payment, including Severance and any District contribution towards medical insurance. If the District Board intends to terminate with Cause, based on reason or reasons set forth below, the Board shall first, in good faith and effort, deliver to Employee a written Notice of Intent to Terminate, stating the reason or reasons for the proposed termination, and providing a thirty (30) day period for Employee to cure. If, in the Boards independent judgment, Employee cures the identified reason or reasons for Cause termination, Employee shall not be terminated. Therefore, as used in this Agreement, Cause shall only mean any of the following:

a. Conviction or plea of nolo contendre to of a felony;
b. Conviction or plea of nolo contendre of a misdemeanor arising out of Employee' s duties under this Agreement and involving a willful or intentional violation of law;
c. Conviction or plea of nolo contendre of any crime involving an "abuse of office or position," as that term is defined in Government Code Section 53243.4;
d. Actions of fraud, embezzlement, bribery, or other similar serious acts in connection with Employee's employment with Employer.
e. Conviction or plea of nolo contendre to any crime or offense which is likely to have a material adverse impact on the District, excepting minor traffic violations or minor infraction offenses;
f. Continued failure of Employee to observe or perform any duties and obligations of General Manager, if after notice by the District Board, that failure continues after receipt of notice by the District Board President specifying acts or omissions deemed to amount to that failure;
g. Willful abandonment of duties; including failure or inability to perform Employee's duties in a competent manner;
h. Abandonment of job; defined as Employee failing to report to work for three continuous work days without Employee making satisfactory arrangements and notification to the President of the District Board;
i. Repeated failure to carry out a directive or directives of the PVCSD Board of Directors as a body;
j. Any dishonest acts or grossly negligent action or inaction by Employee that materially and adversely: (a) impedes or disrupts the operations of Employer or its organizational units; (b) is detrimental to employees or public safety or (c) violates properly established policy, rules or procedures of Employer.

SECTION 8: Records

A) All books, files, records, charts, agreements, documents, emails and other written or electronic data, and any other similar items relating to the operations of the District, whether prepared by Employee or otherwise coming into Employee or District possession shall remain the property of the District.

B) In the event this Agreement is terminated, Employee agrees to immediately surrender to the District property of the District. Such items included but not limited to the items referenced above and all written or printed writings containing information relating to the conduct of District business prepared, owned, used or retained by Employee regardless of physical form or characteristics; and any and all passwords, equipment, tools, or other materials of whatever nature provided to Employee by the District.

SECTION 9: Employee's Obligations and Hours of Work

A) Employee shall devote Employee's full energies, interests, abilities and productive time to the performance of this Agreement and utilize Employee's best efforts to promote the District's interests. Employee' s duties may involve expenditures of time in excess of the regularly established workday or in excess of a forty (40) hour workweek and may also include time outside normal office hours, including attendance Board or Community meetings.

B) Employee' s Base Salary includes compensation for all hours worked and Employee shall be classified as an exempt employee for purposes of overtime and shall not be entitled to any form of compensation for overtime.

C) Employee is permitted to exercise a flexible work schedule. However, consistent with this flexibility and Employee' s participation in activities out of the office, Employee will generally be expected to keep office hours at District Office, Monday through Friday, during normal business hours, sufficient to fully discharge Employee's duties under this Agreement. Employee shall keep the Administration Office Staff aware of his office schedule.

D) Employee shall provide written notice to the District Board President when Employee anticipates an absence from the work office for two or more business days.

E) Employee may engage in outside employment, but only to the extent that such activities do not interfere with the Employee's duties set forth in this agreement. As determined by the District Board, Employee shall not engage in any employment, activity, consulting service or enterprise for compensation, or otherwise, which is, actually or potentially, inconsistent, incompatible, in conflict, inimical to or which materially interferes with Employee' s duties and responsibilities to District. (GOV § 1125 - 1129) In order to avoid perceived or actual conflicts of interest that may arise from outside employment, Employee must obtain written approval from the Board of Directors prior to undertaking any outside employment. Thereafter, Employee shall advise the Board annually during the month of January of any such continued previously approved employment. The District Board reserves the right to rescind such previously approved outside employment based on criteria set forth in this section of the Agreement.

SECTION 10: Other Terms and Conditions of Employment

A) District may fix other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or applicable law.

B) No Party's failure to enforce any provision or provisions of this agreement will be construed in any way as a waiver of any such provision or provisions, or prevent that party thereafter from enforcing each and every other provision of this agreement.

C) The District Board can exercise its own discretion in imposing discipline short of termination when, in the Boards sole discretion, deems it appropriate. Nothing in this provision is intended to change or alter Employee's at-will status.

SECTION 11: Indemnification

A) To the extent mandated by the California Government Code, the District shall defend, hold harmless, and indemnify Employee against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of employee' s services under this Agreement. This section shall not apply to any intentional tort or crime committed by Employee, to any action outside the course and scope of the services provided by employee under this Agreement, or any other intentional or malicious conduct or gross negligence of Employee. (GOV § 810, 825, 995, et. seq.)

B) Notwithstanding the foregoing, and consistent with Sections 53243 through 53243. 3 of the Government Code, Employee shall be required, if convicted of a crime involving an abuse of Employee' s office or position, to fully reimburse the District for: (1) any paid leave salary offered by the District to the Employee; (2) any funds provided for the legal criminal defense of the Employee; (3) any cash settlement related to the termination that Employee may receive; and (4) any other payments received by Employee from City that in any way relate to the foregoing

SECTION 12: Non-Discrimination

A) In the performance of Employee's functions and duties, Employee agrees to uphold State and Federal non-discrimination laws to prevent workplace discrimination.

SECTION 13: Code of Ethics

A) Employee agrees to create excellence in local governance by developing and fostering professional local government management. To further this goal, Employee agrees to the following code of ethics:

a. Support the District Board approved mission, vision, values, goals and objectives of the District.

b. Understand that professional management is essential to efficient and democratic local government by elected officials.

c. Demonstrate, by word and action, the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.

d. Serve the best interests of the people.

e. Submit work product and proposals, including but not limited to, resolutions, ordinances, codes, policies, procedures, quality improvement/initiative proposals, to Board members; provide the Board with facts, and technical and professional advice about policy options; and collaborate with the Board in setting goals for the community and organization.

f. Recognize that elected representatives are accountable to their community for the decisions they make; Employee is responsible for implementing those decisions.
g. Refrain from all political activities which undermine public confidence in Board members or professional administrators. Refrain from political activities that involve the campaigning for or against persons of the office of the PVCSD Board.
h. Keep the community informed on local government affairs; encourage communication between the citizens and all District Board members; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
i. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern Employee's decisions pertaining to appointments, pay adjustments, promotions, and discipline.
j. Public office is a public trust. Employee shall not leverage his or her position for personal gain or benefit.

SECTION 14: General Provisions

A) This Agreement shall constitute the exclusive entire agreement between the Employee and the District. Any prior discussions or representations by or between the Parties are rendered null and void. The Parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
B) The foregoing notwithstanding, Employee acknowledges that, except as expressly provided in this Agreement, Employee's employment is subject to District's generally applicable codes, ordinances, policies, and rules pertaining to employment matters, such as those addressing equal employment opportunity, sexual harassment and violence in the workplace, as they currently or may in the future exist, and Employee' s employment is, and will continue to be, at the will of the District Board of Directors.
C) This Agreement shall be binding on the District and the Employee as well as their heirs, assigns, executors, personal representatives, and successors in interest.
D) This Agreement shall be interpreted and construed pursuant to and in accordance with the laws of the State of California and all applicable District Codes, Ordinances, Policies and Resolutions.
E) If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates reflected below each signature.

EMPLOYEE:

Eric Steinlicht Date: 12-19-2022

Eric Steinlicht

DISTRICT:

Michael Esparza Date: 12-19-22

Michael Esparza, Board Vice President

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

AMENDMENT 1

This Amendment is made and entered into this 27th day of November 2023, by and between the Pauma Valley Community Services District (District) and Eric Steinlicht (Employee) as per the contract dated December19, 2022 for at-will employment services, encompassing all terms and conditions contained therein, except as specifically modified herein.

The above-described contract shall be amended as follows:

1. Page 1, Section 2-A, Term and Notice of Non-Renewal
   A) This agreement shall become effective on January 1st, 2024 ("Effective Date"), and is subject to the District's right to terminate Employee's employment at any time as provided or in this Agreement. The term of this agreement is 3 years from the Effective Date of the Agreement.

2. Page 2, Section 3-A, Compensation and Performance Evaluation
   A) Effective January 1, 2024, the District agrees to pay Employee an annual base salary of $120,750 ("Base Salary") (to be voted on by the Board in public) over twenty-six two week pay periods. Employee shall receive any cost of living adjustments provided to all employees of the District during the term of this amendment. The Base Salary shall be subject to deductions and withholdings of any and all sums required for federal or state income tax, pension contributions, and all other taxes, deductions or withholdings required by current state, federal or local law. District shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Section 4 of this Agreement.

3. Page 2, section 4-B, Vehicle Allowance
   A) Effective January 1, 2024, the District agrees to increase the vehicle allowance to $450 per month.

4. Page 3, Section 7-A, Severance and Benefit Payoff at Termination and General Release

   A) Termination Without Cause. If Employer terminates this Agreement (thereby terminating Employee's employment) Without Cause, prior to the expiration of the Terms of this Agreement, as determined by the affirmative votes of a majority of the members of the District Board at a Board meeting, and the Employee is willing and able to perform duties under this Agreement, Employee shall be entitled to a cash

payment of compensation equal to six (6) months base salary or the number of months left in the Agreement whichever is less. Employee shall also be entitled to continued medical insurance coverage for six (6) months or the number of months left in the Agreement whichever is less, but in no case shall the District's contribution for insurance exceed the contribution rate provided to the Employee prior to termination. The payment of any such severance benefit shall be conditioned upon Employee executing a general release agreement containing a general release of all claims Employee may have against Employer, in a form that is reasonably required by Employer's attorney. Such severance shall not be payable unless and until Employee executes such general release. The Employee shall not be removed during the ninety (90) days following any election for membership on the Board of Directors, or during the 90-day period following any change in membership of the Board of Directors.

Except as specifically modified herein, all of the terms and conditions of Eric Steinlicht's employee agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the day and year first written above.

By: _____

Jodie Lawston, President of the Board of Directors

By: _____

Eric Steinlicht

APPROVED AS TO FORM:

By: _____

Jeffery Morris, General Counsel

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

AMENDMENT 2

This Amendment is made and entered into this 28th day of April 2025, by and between the Pauma Valley Community Services District (District) and Eric Steinlicht (Employee) as per the contract dated December19, 2022 for at-will employment services, encompassing all terms and conditions contained therein as well as Amendment 1 adopted on November 27, 2023, except as specifically modified and additional terms herein herein.

The above-described contract shall be amended as follows:

1. Page 1, Section 2-A, Term and Notice of Non-Renewal
   A) This agreement shall become effective on June 1st, 2025 ("Effective Date"), and is subject to the District's right to terminate Employee's employment at any time as provided for in this Agreement. The term of this agreement will expire December 31, 2029
2. Page 2, Section 3-A, Compensation and Performance Evaluation
   1. Effective June 1, 2025, the District agrees to pay Employee an annual base salary of $142,282.00 ("Base Salary") (to be voted on by the Board in public) over twenty-six two week pay periods. Employee shall receive any cost of living adjustments provided to all employees of the District during the term of this amendment. The Base Salary shall be subject to deductions and withholdings of any and all sums required for federal or state income tax, pension contributions, and all other taxes, deductions or withholdings required by current state, federal or local law. District shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Section 4 of this Agreement.
3. Page 2, Section 3-D, **One Time Moving Allowance (New)**

   D) Effective June 1, 2025, the District agrees to pay Employee a Onetime moving allowance as follows:

   a. Employee currently lives 24.4 miles away (46 min. drive)
   b. Eligibility ends on January 1, 2027. If move does not occur within that timeframe the moving allowance expires, and employee cannot obtain.
   c. $5,000 to have primary residence 16 driving miles or less to office.
   d. $10,000 to have primary residence 10 driving miles or less to office.
   e. $12,000 to have primary residence 5 driving miles or less to office.
   f. Should Employee voluntarily leave employment prior to contract expiration of 2029, Employee must pay back the allowance.

g. If Employee moves outside of the 16 or 10 mile driving criteria at any time during the term of the contract, the one-time moving allowance is to be repaid to Employer.

4. Page 2, section 3-E, **Longevity Pay (New)**
   a. Effective January 1, 2026 - $100 month ($1200 Annually)
   b. Effective January 1, 2027 - $200 month ($2400 Annually)
   c. Effective January 1, 2028 – $300 month ($3600 Annually)
   d. Effective January 1, 2029 - $400 month ($4800 Annually)
   e. Must maintain an overall "Satisfactory" or higher performance evaluation each year.
   f. Employee has the option to put longevity pay in District sponsored deferred compensation 457 plan.
5. Page 2, Section 3-F, S **Certification Pay Scale Increase *Effective July 1, 2026* (New)**
   a. Obtain and maintain California Wastewater Level II/ Level III Certification
      i. One time 1% pay scale bump for Level II
      ii. Additional One time 1% pay scale bump for Level III
      iii. Eligible for 2% pay one time scale bump should Employee skip level II and certify at level III
   b. Obtain and maintain California Collections Level III/ Level IV Certification
      i. One time 1% pay scale bump for Level III
      ii. Additional One time 1% pay scale bump for Level IV
   c. Obtain and maintain CSDA General Manager Certification
      i. One time 1% pay scale bump.

Except as specifically modified herein, all of the terms and conditions of Eric Steinlicht's employee agreement from December 19, 2022, and Amendment 1, from November 27, 2023, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have entered into this Amendment 2 as of the day and year first written above, April 28, 2025.

By: _____ for Fred Nelson Fred Nelson

Fred Nelson, President of the Board of Directors
Rich Collins, Vice President of the Board of Directors

By: Eric Steinlicht

Eric Steinlicht

APPROVED AS TO FORM:

By: _____

Jeffery Morris, General Counsel

Docusign Envelope ID: A1D0D7F4-8647-4180-81F2-EF7464275495

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

AMENDMENT 3

This Amendment is made and entered into this 23rd day of March 2026, by and between the Pauma Valley Community Services District (District) and Eric Steinlicht (Employee) as per the contract dated December 19, 2022 for at-will employment services, encompassing all terms and conditions contained therein as well as Amendment 1 adopted on November 27, 2023, and Amendment 2 adopted on April 28, 2025, except as specifically modified and additional terms herein.

The above-described contract shall be amended as follows:

1. Page 2, Section 3-A, Compensation and Performance Evaluation

   A. Retroactive to January 1, 2026, the District agrees to pay Employee in an annual base salary of **$162,904 (Base Salary),** payable over twenty-six two week pay periods, at the same time as salary is paid to other District employees. This base pay represents employees merit adjustment and a cost-of-living adjustment (COLA) for 2026. Effective January 1, 2027, employee shall receive COLA's at a rate and effective date consistent with that provided to other district employees. The Base Salary of Employee shall be subject to deduction and withholdings of any and all sums required for federal or state income tax, pension contributions, and all other taxes, deductions or withholdings required by State, federal or local law. The District shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Section 4 of this Agreement. The Board agrees to annually evaluate the compensation of the Employee, taking into consideration the Employees performance, and other economic and responsibility matters relevant for Employees compensation, and, in its sole discretion, make adjustments in accordance with such annual evaluation.

   B. Effective the first pay-period after this Amendment is approved and adopted by the Board at a public meeting, the Employee shall receive a one-time performance compensation in a lump sum in the amount of $15,000. The District and Employee agree this shall not be considered regular or special compensation and therefore shall not be reportable to CALPERS as such and will not be part of the calculation of the Employee's retirement allowance.

2. Page 1, Section 1: Duties and Authority (New)

   B. The District and Employee agree, subject to IRS provisions for an Exempt Administrative Employee, the position of General Manager, the Employee will be expected to participate in managing, leading, assisting or providing field work duties when it is in the best interest to provide timely and effective services to the community.

3. Page 2, Section 3-F, Certification Pay Scale Increase (New)

   d. Obtain and maintain the State of California basic "Guard Card" Certification
      i. One-time $1,500 bonus

Docusign Envelope ID: A1D0D7F4-8647-4180-81F2-EF7464275495

4. Section 4: Employee Benefits

   e. Effective July 1, 2026, Employee will be eligible to receive the district sponsored Vision and Dental insurances with the District paying 80% of the premium for individual and eligible family members of employee.

   f. Effective July 1, 2026, Employee will receive matching contributions up to $100 monthly into the Districts Deferred Compensation (457) Plan. The matching contribution will increase annually in July up to the limit of $400 monthly on July 1, 2029. Employee must maintain a "Satisfactory" work performance rating to maintain the matching contributions.

   g. At the Discretion of the District Board, Employee may be provided a District Cellular Phone to conduct District business in leu of the standard monthly cell phone allowance provided to District employees.

IN WITNESS WHEREOF, the parties have entered into this Amendment 3 as of the day and year first written above, March 23, 2026.

By: _____
Fred Nelson, President of the Board of Directors

By: _____
Michael Esparza, Secretary of the Board of Directors

By: _____
Eric Steinlicht, General Manager

APPROVED AS TO FORM:

DocuSigned by:

By: _____
AA97938105 9C496...
Jeffery Morris, General Counsel

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 18

Date: October 26th, 2026

From: Eric Steinlicht, General Manager

Issue: General Manager's Report

BACKGROUND

The purpose of the General Manager's Report is to provide an executive-level overview of operations, administrative activities, challenges, and improvements that have occurred as of the last Regular Meeting of the Pauma Valley Community Services District (District) Board of Directors.

DISCUSSION

Administrative Operational Report

Ongoing recruitment efforts continue for the Administrative Services Supervisor. Meetings have been scheduled and interview panels will be set up upon my return from vacation. Extensive field work was completed for the San Diego Local Agency Formation Commission (LAFCO) annexation process. Current goal is to correct the application so that the project moves forward now that all other items have been completed. QuickBooks Online is still an ongoing process of staff familiarizing themselves with it and creating new custom reports so that financials and tools for staff work seamlessly.

Sanitation Operational Report

Staff continues El Niño preparedness work across the collection, treatment, and storm drain systems. Recent rain has hit the system, and the system has handled it. Ragging continues, and we are working with our consultants to identify how we could improve headworks to prevent issues at the wastewater treatment plant (WWTP). As of now, our current priority is replacing a solenoid at one of the compressors at the plant that currently has an air leak. We plan to coordinate a meeting with our contract operator Chief Plant Operator on preparing for potential new development and rehabilitating the dormant side of WWTP train.

Security Operational Report

We have been staffing the back gate during the recent communication issues. Overtime has been high; however, this is critical to ensure monitoring at this gate. The back gate off Cole Grade Road gets nearly as much ingress and egress traffic as the front gate and is an entry point that must be monitored. We have also utilized the Cybersecurity Grant to enhance security. We now have multiple cameras installed at our two main lift stations, as well as at the office. These cameras are 4k and allow for "Patrol" mode, where it actively scans the environment and can respond to noise and motion triggers. At our current deployment, storage capacity will last sixty days, and at full capacity we will still have thirty days' worth of archived video surveillance. All paid for by the grant.

Supervisory Control and Data Acquisition (SCADA) and Information Technology (IT) Report

As mentioned in the Security Operational Report, SCADA has been functioning as expected for the most part. There has been an electrical issue with a recent circuit relocation at the office. This issue led to a node going down, but thankfully the program worked through a redundancy plan implemented by the SCADA technician. It worked as expected in restoring SCADA without staff even noticing; however, until this is remedied, the office camera is offline.

Attachments		*Supportive Materials Packet Page Number/s*
1.	IT Cybersecurity Awareness Executive Report (VC3)	**45**

Prepared by: Eric Steinlicht, General Manager
Reviewed by: Maritza Chaloux, Administrative Assistant
Approved by: Eric Steinlicht, General Manager

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Minutes of a Special Meeting of the Board of Directors

Held on October 26th, 2026

Directors Present: Richard Collins, Lolo Levy, Zan Villanueva, and Michael Esparza
Directors Absent: Fred Nelson
Staff Present: General Manager Eric Steinlicht, Administrative Assistant Maritza Chaloux
Also Present: None

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

2. Pledge of Allegiance: The Pledge of Allegiance was led by Director Villanueva.

3. Roll Call: Administrative Assistant Maritza Chaloux conducted roll call and confirmed that a quorum was present.

4. Approval of the Agenda: The Board reviewed the agenda. No changes were requested, and the meeting proceeded with the agenda as presented.

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

– CONSENT ITEMS –

Items 6-10 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 July 27th, 2026
7. Rancho Pauma Mutual Water Company Settlement Agreement and General Release of All Claims
8. Security Division Report
9. Professional Services Agreements with Carollo Engineers, Incorporated, New Development
10. Professional Services Agreement with Carollo Engineers, Incorporated, As Needed

Motion: Approve and file Consent Calendar Items 6-10
Moved by: Director Esparza
Seconded by: Director Collins
Ayes: Directors Collins, Levy, Villanueva and Esparza
Noes: None
Abstentions: None
Absent: Director Nelson
Result: Motion carried, 4-0

– DISCUSSION ITEMS –

11. Security Division Ad-Hoc Committee Update and the Pauma Valley Roadway Association Gate Damages

    The Board received an update regarding recovery of approximately $3,000 in gate repair costs. General Counsel sent a letter to the Pauma Valley Roadway Association requesting payment and advising that its contractor's gate access would be restricted effective October 16 until the matter was resolved. The Association's attorney, Craig Combs, responded requesting background information. The Board discussed responsibility for the damages and concerns regarding the access restriction, clarifying that payment was being sought from the Association, which could pursue reimbursement from its contractor.

12. Community Safety and Wellness Fair Ad-Hoc Committee Update

    The Board received an update on preparations for the Community Safety and Wellness Fair and Airport Open House. Portable restroom arrangements were confirmed. Director Levy reported that her two sisters would assist during her absence. The committee discussed transitioning primary event coordination and setup responsibilities to General Manager Steinlicht and General Services Supervisor Todd Albert with continued Board support. One additional committee meeting was planned before the event.

13. Rancho Pauma Mutual Water Company Ad-Hoc Committee Update

    The Board received an update that all documents had been signed, but the final court filing remained pending. General Counsel confirmed that the documents had not yet been filed and would follow up to ensure the process was completed.

14. Long-Range Financial Plan and Capital Improvement Plan

    The Board received an update that work on the Long-Range Financial Plan and Capital Improvement Plan had been postponed until next year due to staffing limitations. Lolo Levy offered to volunteer with the planning process and review of financial statements and bank reconciliations, without serving as Treasurer. Board members expressed support, noting that the incoming Board would also need to consider her involvement.

15. Solar Project Billing Update

    General Manager Steinlicht reported that the utility had confirmed resolution of the meter aggregation issue, allowing solar credits to be distributed among the wastewater treatment plant, air park, and office accounts. However, an updated bill reflecting the correction had not yet been received, and the utility had not provided a date for the billing adjustment. Staff anticipated the adjustment would appear on the next bill. The Board requested that staff follow up with the utility to confirm when the corrected billing would be issued.

16. San Diego Local Agency Formation Commission (LAFCO) Annexations Update

    The Board received an update that annexation matters had been divided into three categories to facilitate processing. LAFCO's review was estimated to take nine to twelve months, followed by a public meeting at which affected property owners could participate. The Board discussed exploring a sphere of influence and potential future service opportunities north of the District. General Manager Steinlicht also provided an update on the proposed Oak Tree development. The developer had paid its deposit, and professional services agreements were in place to begin technical review. Preliminary plans proposed replacing the existing lift station with one larger, enclosed facility offering improved access and odor control, subject to District review. Additional information was anticipated at the next meeting.

17. Board of Directors Term Details

General Manager Steinlicht reported that General Counsel confirmed a resignation and subsequent appointment would not extend a seat's existing term. Anticipated vacancies would leave the Board without a quorum, requiring coordination with the County Board of Supervisors regarding appointments. Director Collins expressed willingness to continue serving. The Board discussed ongoing recruitment efforts, potential short-term service by an outgoing member, and publicizing the vacancies through the newsletter or a community email blast. Members emphasized the importance of restoring a quorum and maintaining local control.

-- INFORMATIONAL ITEMS –

18. General Manager's Report

General Manager Steinlicht provided updates on Administrative Supervisor recruitment, with résumé review and interview scheduling planned following the November 16 Board meeting. Staff and consultants continued assisting with administrative duties. The annual audit was anticipated for presentation in January, and corrections to QuickBooks Online reports remained underway. Storm preparation continued, including drain cleaning and photographic documentation. The Board discussed identifying storm drain maintenance responsibilities and incorporating infrastructure into a proposed maintenance management and GIS system. New District maps would be displayed at the office and posted on the website. Grant-funded security camera improvements were also reviewed. Wastewater discussions addressed debris-related pump problems, cleaning and inspection practices, and potential screening improvements. Required grease interceptor upgrades for the El Rey project would remain the applicant's responsibility. A replacement compressor solenoid had been obtained, and staff would purchase a spare. Staff continued evaluating rehabilitation of the dormant treatment train to accommodate anticipated development. General Manager Steinlicht would consult with technical advisors regarding necessary repairs and General Counsel regarding potential developer contributions.

19. Miscellaneous Items

A. Requested Items for future agendas **(Directors and Staff Only)**
   a) Critical Spare Part Inventory/Replacement Program and Computerized Maintenance Management System (CMMS) (In Progress)
   b) Employee and Community Survey (Agendized)
   c) Capital Improvement Plan and Long-Range Financial Plan (In Progress by Treasurer Levy)

B. Next Regular Meeting of the Board:
   a) Monday, November 16th, 2026, at 10:00 a.m.

– CLOSED SESSION –

20. The Board of Directors will meet in a Closed Session to discuss:

    A. PUBLIC EMPLOYMENT PERFORMANCE EVALUATION
    Title: General Manager
    Authority: Government Code section 54957

    B. PUBLIC EMPLOYEE APPOINTMENT
    Title: General Manager Authority
    Government Code Section 54957
    Conference with Labor Negotiator
    District Representative: Board Secretary, Mike Esparza
    Employee: General Manager
    Authority: Government Code Section 54957.6

    C. CONFERENCE WITH LEGAL COUNSEL
    Initiate Litigation
    Initiate Litigation Pursuant to Government Code Section 54956. (d)(4)
    (One(1) Matter)

    D. CONFERENCE WITH LEGAL COUNSEL
    Potential/Threatened/Anticipated Litigation
    Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)
    (Four (4) Matters)

    The Board entered closed session at 11:06 a.m.

21. Open Session

    A. Reportable Actions.

    The Board reconvened to open session at 12:55 p.m. with no reportable actions.

22. Adjournment

    With nothing further to discuss, the meeting adjourned at 12:57 p.m.

Maritza Chaloux
Maritza Chaloux, Recording Secretary

Pauma Valley Community Service District
Balance Sheet (Unaudited)
As of September 30, 2026

	ASSETS	
	Cash/Investment	
1	California Bank & Trust- Checking	146,654
2	Five Star Bank- Checking	189,453
3	Cash	336,107
4	LAIF	698
5	Petty Cash	368
6	LAIF Fair Market Value	(1)
	Total Cash/Investments	**337,172**
	Accounts Receivable	
7	Dues Receivable	21,087
8	Accounts Receivable	2,528
	Total Accounts Receivable	**23,614**
	Other Current Assets	
9	Due from RPMWC	3,075
10	Prepaid Insurance	19,674
11	Prepaid Solar Rooftop Lease	20,250
	Total Other Current Assets	**42,999**
	Fixed Assets	
	Fixed Assets, Net	**2,557,274**
	Other Assets	
12	Investment in USLRGMA	(2)
13	Deferred Outflows - Contributions	79,996
14	Pension Related	390,954
15	**Total Other Assets**	**470,948**
	TOTAL ASSETS	**$ 3,432,007**
	LIABILITIES	
16	**Current Liabilities**	
17	Accounts Payable	14,526
18	Health Payable	16,817
18	Compensated Absences	55,327
20	LAFCO Annex Fees Pass-Through	11,868
21	Current Portion - Solar Loan	4,655
	Total Current Liabilities	**103,193**
	Long Term Liabilities	
22	Net Pension	235,038
23	Deferred Inflows - Pensions	605,358
24	Solar Loan Payable - Collective	132,235
	Total Long Term Liabilities	**972,631**
	TOTAL LIABILITIES	**1,075,825**
	Fund Balance	
25	Retained Earnings	2,312,477
26	Net Income	43,706
	Total Fund Balance	**2,356,182**
	TOTAL LIABLITIES & FUND BALANCE	**$ 3,432,007**

Pauma Valley Community Service District
Statement of Revenues and Expenses (Unaudited)
As of September 30, 2026

		July - Sept 2026	YTD	Budget	$ (Over)/Under Budget	25% of Budget
	Operating Revenue					
1	Sewer Charges	$ 197,248	$ 197,248	$ 790,620	$ 593,372	25%
2	Security Patrol Charges	207,710	207,710	830,840	623,130	25%
3	Security Gate Charge	148,961	148,961	595,850	446,889	25%
4	Property Tax	6,607	6,607	144,870	138,263	5%
5	RPMWC Lease	4,500	4,500	18,000	13,500	25%
6	Admin Services	211	211	-	(211)	0%
7	Grant Revenue	44,092	44,092	38,000	(6,092)	116%
8	Other Revenue	4,555	4,555	23,020	18,465	20%
9	**Total Operating Revenue**	613,885	613,885	2,441,200	1,827,315	
	Expense					
	Salaries and Benefits					
10	Salaries	245,286	245,286	1,179,200	933,914	21%
11	Health Insurance	26,941	26,941	122,100	95,159	22%
12	Payroll Taxes	18,459	18,459	85,900	67,441	21%
13	PERS	28,631	28,631	136,500	107,869	21%
14	Uniforms	744	744	2,500	1,756	30%
15	Workers' Comp. Ins	6,278	6,278	26,500	20,222	24%
	Total Salaries & Benefits	326,340	326,340	1,552,700	1,226,360	
	Operations & Administrative Expenses					
16	Dwelling Live	2,612	2,612	21,100	18,488	12%
17	Electricity	27,898	27,898	44,300	16,402	63%
18	Liability Insurance	6,112	6,112	71,800	65,688	9%
19	Miscellaneous	37	37	2,500	2,463	1%
20	Telephones	2,528	2,528	6,900	4,372	37%
21	Postage	2,126	2,126	4,900	2,774	43%
22	Operator Contract Services	26,100	26,100	104,400	78,300	25%
23	Oak Tree Repair & Maint.	1,050	1,050	15,000	13,950	7%
24	Sewer line maintenance	2,124	2,124	63,500	61,376	3%
25	Sludge Removal	-	-	15,000	15,000	0%
26	SCADA Maintenance	17,185	17,185	8,000	(9,185)	215%
27	Solar System Maintenance	-	-	1,000	1,000	0%
28	Plant Repairs & Maintenance - Other	21,458	21,458	50,000	28,542	43%
29	Building Repairs & Maintenance	432	432	26,000	25,568	2%
30	Gate Repairs & Maintenance	12,416	12,416	33,000	20,584	38%
31	Repairs & Maintenance - Other	-	-	8,000	8,000	0%
32	Office Supplies	13,428	13,428	31,500	18,072	43%
33	Utility Shop Supplies	1,341	1,341	1,500	159	89%
34	Security Supplies	409	409	5,000	4,591	8%
35	Gate Supplies	802	802	5,000	4,198	16%
36	Vehicles	5,135	5,135	52,900	47,765	10%
37	Drainage	333	333	30,000	29,667	1%
38	State Maint. Fee	-	-	34,000	34,000	0%
39	Water Tests & Analysis	840	840	7,000	6,160	12%
40	Fees	2,526	2,526	16,000	13,474	16%
41	Engineering	-	-	30,000	30,000	0%

Pauma Valley Community Service District
Statement of Revenues and Expenses (Unaudited)
As of September 30, 2026

42	Professional Services	47,334	47,334	49,500	2,166	96%
43	Pre-employment Gates	514	514	300	(214)	171%
44	Schools & Meetings	4,363	4,363	15,000	10,637	29%
45	Audit	5,500	5,500	11,200	5,700	49%
46	Accounting	30,338	30,338	70,000	39,662	43%
47	Legal	6,055	6,055	35,000	28,945	17%
48	Solar Loan Debt Service	2,845	2,845	15,000	12,155	19%
	Total Operations & Administrative Expenses	243,839	243,839	**884,300**	640,461	
Net Revenue / (Expense)		43,706	43,706	**4,200**	(39,506)	

RESOLUTION NO. 143

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAUMA VALLEY COMMUNITY SERVICES DISTRICT ADOPTING A SALARY SCHEDULE AND APPROVING A COST-OF-LIVING ADJUSTMENT FOR DISTRICT EMPLOYEES

WHEREAS, the Public Employees' Retirement Law ("PERL"), the Public Employees' Pension Reform Act of 2013 ("PEPRA"), and Title 2 of the California Code of Regulations ("CCR"), Section 570.5, require that employee pay rates be established and maintained pursuant to a publicly available pay schedule approved by the governing body; and

WHEREAS, Government Code Section 20636 defines compensation earnable for "Classic" members and Government Code Section 7522.34 defines pensionable compensation for "New" PEPRA members; and

WHEREAS, the Board of Directors desires to maintain a salary schedule that complies with applicable laws and regulations and accurately reflects compensation paid to District employees; and

WHEREAS, the Board of Directors has reviewed the District's current compensation structure and desires to implement a cost-of-living adjustment in order to maintain competitive and equitable compensation; and

WHEREAS, the Board of Directors has determined that a four point seven percent (4.7%) cost-of-living adjustment is appropriate and in the best interest of the District and its employees;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Pauma Valley Community Services District, as follows:

1. **Adoption of Salary Schedule**
   The Salary Schedule attached hereto as Exhibit A and incorporated herein by this reference is hereby approved and adopted as the official pay schedule for all District employees in accordance with CCR Section 570.5.
2. **Cost-of-Living Adjustment**
   The Salary Schedule reflects a four point seven percent (4.7%) cost-of-living adjustment applied to all positions.
3. **Effective Date**
   The Salary Schedule shall become effective July 1st, 2027, and shall remain in effect until amended or superseded by subsequent action of the Board of Directors.
4. **Supersession**
   This Salary Schedule supersedes and replaces all previously adopted salary schedules of the District.

PASSED AND ADOPTED by the Board of Directors of the Pauma Valley Community Services District, County of San Diego, State of California, on the 16th day of November 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Richard Collins, Vice President

ATTEST:

_____
Michael Esparza
Board Secretary

Exhibit A
Salary Schedule

Pauma Valley Community Services District

Pay Range Salary Schedule - Effective July 1, 2027

Job Title	hourly min	hourly max		annual min	annual max
General Manager (FLSA Exempt)	-	-		$128,977.84	$221,587.08
Administrative Services Supervisor	$28.04	$48.95		$58,320.41	$101,810.28
General Services Supervisor	$39.74	$48.18		$82,668	$100,221
Administrative Assistant	$26.96	$36.53		$56,078	$75,986
Office Clerk (Part-Time -18 hrs/week max)	$20.97	$28.93		$19,629	$27,074
Utility Worker II	$27.41	$37.37		$57,007	$77,730
Utility Worker I	$23.63	$33.67		$49,147	$70,030
Security Services Lead	$28.86	$35.12		$60,019	$73,042
Patrol Officer	$23.44	$30.30		$48,763	$63,031
Gate Attendant II	$21.51	$27.58		$44,731	$57,369
Gate Attendant I	$19.75	$25.82		$41,062	$53,700

RESOLUTION NO. 143

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAUMA VALLEY COMMUNITY SERVICES DISTRICT ADOPTING A SALARY SCHEDULE AND APPROVING A COST-OF-LIVING ADJUSTMENT FOR DISTRICT EMPLOYEES

WHEREAS, the Public Employees' Retirement Law ("PERL"), the Public Employees' Pension Reform Act of 2013 ("PEPRA"), and Title 2 of the California Code of Regulations ("CCR"), Section 570.5, require that employee pay rates be established and maintained pursuant to a publicly available pay schedule approved by the governing body; and

WHEREAS, Government Code Section 20636 defines compensation earnable for "Classic" members and Government Code Section 7522.34 defines pensionable compensation for "New" PEPRA members; and

WHEREAS, the Board of Directors desires to maintain a salary schedule that complies with applicable laws and regulations and accurately reflects compensation paid to District employees; and

WHEREAS, the Board of Directors has reviewed the District's current compensation structure and desires to implement a cost-of-living adjustment in order to maintain competitive and equitable compensation; and

WHEREAS, the Board of Directors has determined that a three point two percent (3.2%) cost-of-living adjustment is appropriate and in the best interest of the District and its employees;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Pauma Valley Community Services District, as follows:

1. **Adoption of Salary Schedule**
   The Salary Schedule attached hereto as Exhibit A and incorporated herein by this reference is hereby approved and adopted as the official pay schedule for all District employees in accordance with CCR Section 570.5.
2. **Cost-of-Living Adjustment**
   The Salary Schedule reflects a three point two percent (3.2%) cost-of-living adjustment applied to all positions.
3. **Effective Date**
   The Salary Schedule shall become effective July 1st, 2027, and shall remain in effect until amended or superseded by subsequent action of the Board of Directors.
4. **Supersession**
   This Salary Schedule supersedes and replaces all previously adopted salary schedules of the District.

PASSED AND ADOPTED by the Board of Directors of the Pauma Valley Community Services District, County of San Diego, State of California, on the 16th day of November 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Richard Collins, Vice President

ATTEST:

_____
Michael Esparza
Board Secretary

Exhibit A
Salary Schedule

Pauma Valley Community Services District

Pay Range Salary Schedule - Effective July 1, 2027

Job Title	hourly min	hourly max		annual min	annual max
General Manager (FLSA Exempt)	-	-		$127,130.02	$218,412.48
Administrative Services Supervisor	$27.64	$48.25		$57,484.88	$100,351.68
General Services Supervisor	$39.17	$47.49		$81,484	$98,785
Administrative Assistant	$26.57	$36.01		$55,275	$74,897
Office Clerk (Part-Time -18 hrs/week max)	$20.67	$28.51		$19,348	$26,686
Utility Worker II	$27.02	$36.83		$56,190	$76,617
Utility Worker I	$23.29	$33.19		$48,443	$69,026
Security Services Lead	$28.44	$34.61		$59,159	$71,995
Patrol Officer	$23.11	$29.87		$48,064	$62,128
Gate Attendant II	$21.20	$27.18		$44,090	$56,547
Gate Attendant I	$19.46	$25.45		$40,474	$52,930

RESOLUTION NO. 143

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PAUMA VALLEY COMMUNITY SERVICES DISTRICT ADOPTING A SALARY SCHEDULE AND APPROVING A COST-OF-LIVING ADJUSTMENT FOR DISTRICT EMPLOYEES

WHEREAS, the Public Employees' Retirement Law ("PERL"), the Public Employees' Pension Reform Act of 2013 ("PEPRA"), and Title 2 of the California Code of Regulations ("CCR"), Section 570.5, require that employee pay rates be established and maintained pursuant to a publicly available pay schedule approved by the governing body; and

WHEREAS, Government Code Section 20636 defines compensation earnable for "Classic" members and Government Code Section 7522.34 defines pensionable compensation for "New" PEPRA members; and

WHEREAS, the Board of Directors desires to maintain a salary schedule that complies with applicable laws and regulations and accurately reflects compensation paid to District employees; and

WHEREAS, the Board of Directors has reviewed the District's current compensation structure and desires to implement a cost-of-living adjustment in order to maintain competitive and equitable compensation; and

WHEREAS, the Board of Directors has determined that a two percent (2%) cost-of-living adjustment is appropriate and in the best interest of the District and its employees;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Pauma Valley Community Services District, as follows:

1. **Adoption of Salary Schedule**
   The Salary Schedule attached hereto as Exhibit A and incorporated herein by this reference is hereby approved and adopted as the official pay schedule for all District employees in accordance with CCR Section 570.5.
2. **Cost-of-Living Adjustment**
   The Salary Schedule reflects a two percent (2%) cost-of-living adjustment applied to all positions.
3. **Effective Date**
   The Salary Schedule shall become effective July 1st, 2027, and shall remain in effect until amended or superseded by subsequent action of the Board of Directors.
4. **Supersession**
   This Salary Schedule supersedes and replaces all previously adopted salary schedules of the District.

PASSED AND ADOPTED by the Board of Directors of the Pauma Valley Community Services District, County of San Diego, State of California, on the 16th day of November 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Richard Collins, Vice President

ATTEST:

_____
Michael Esparza
Board Secretary

Exhibit A
Salary Schedule

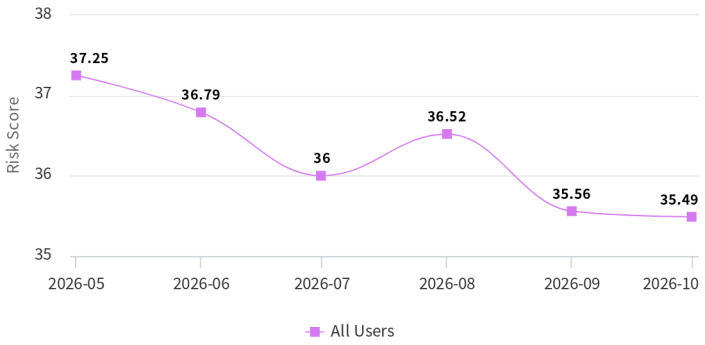
Pauma Valley Community Services District

Pay Range Salary Schedule - Effective July 1, 2027

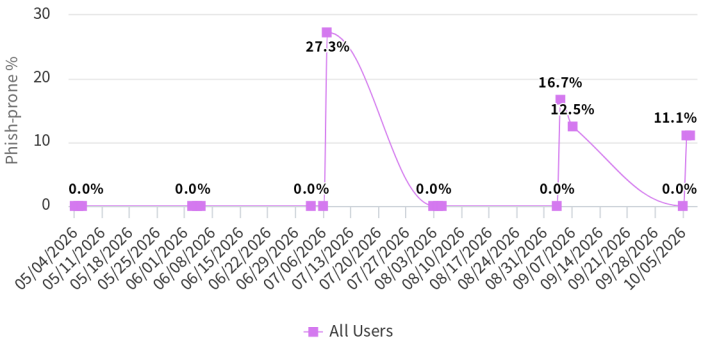
Job Title	hourly min	hourly max		annual min	annual max
General Manager (FLSA Exempt)	-	-		$125,651.76	$215,872.80
Administrative Services Supervisor	$27.32	$47.69		$56,816.45	$99,184.80
General Services Supervisor	$38.72	$46.94		$80,536	$97,636
Administrative Assistant	$26.27	$35.59		$54,632	$74,027
Office Clerk (Part-Time -18 hrs/week max)	$20.43	$28.18		$19,123	$26,376
Utility Worker II	$26.70	$36.40		$55,537	$75,726
Utility Worker I	$23.02	$32.80		$47,880	$68,224
Security Services Lead	$28.11	$34.21		$58,472	$71,158
Patrol Officer	$22.84	$29.52		$47,505	$61,406
Gate Attendant II	$20.95	$26.87		$43,577	$55,890
Gate Attendant I	$19.24	$25.15		$40,003	$52,315

Pauma Valley Community Services District
Cyber Aware Complete

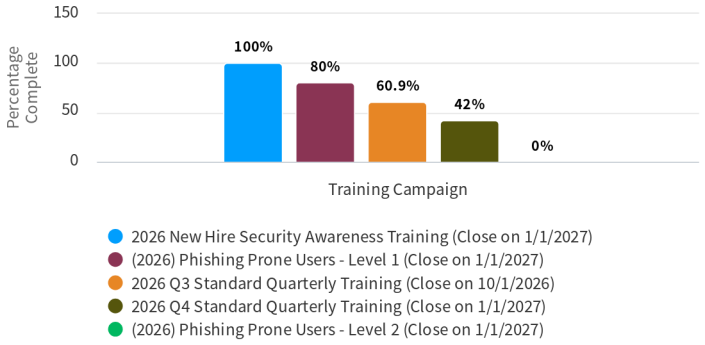
Risk Score Trend (Company average over the last 6 months)



Phish-prone % (Company percent from last 6 months)



Training Completion (Company percentages from last month)



Phishing Test Results (Company totals from last month)

