

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

Held on July 22nd, 2024

Directors Present: Roland Skumawitz, Michael Esparza, Larry Curtis & Richard Collins
Also Present: Resident Fred Nelson, Jo Mackenzie of CSDA, Catherine Hansford of Hansford Economic Consulting LLC, General Manager Eric Steinlicht, and Office Manager Marissa Fehling

1. Call to Order: Regular Meeting was called to order at 10:01 a.m. by President Skumawitz.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Fehling.
3. Roll Call: Fehling verified that a quorum was present.
4. Public Comment Period:
Skumawitz introduced Jo Mackenzie, who was present to campaign for her candidacy for a seat on the California Special Districts Association (CSDA) Board. Ms. Mackenzie provided an overview of her qualifications and expressed her desire to continue serving on the CSDA Board. She highlighted her experience and contributions to the organization. Mackenzie also recognized Steinlicht for successfully completing recent CSDA courses and commended Fehling for signing up for the upcoming Board Clerk conference, noting its value. Esparza mentioned his positive experience with CSDA online webinars and expressed appreciation to Mackenzie for her ongoing advocacy of these resources.

--CLOSED SESSION--

5. 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)

The Board proceeded into closed session at 10:10 a.m.

6. Open Session
 - A. Reportable Actions

The meeting was resumed in open session at 10:24 a.m. with no reportable actions:

--CONSENT ITEMS--

Items 7-10 appearing on the Consent Calendar may be voted on by single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors, or the 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.

7. Minutes of the Special Board Meeting June 20th, 2024
8. Review of Balance Sheet, Revenue and Expense Report
9. Accounts Receivable Report
10. PVCSD Security Report

Upon a motion by Curtis, seconded by Esparza, and a unanimous vote, consent items 7-10 were approved as presented.

--DISCUSSION ITEM--

11. Storm Drainage Systems Updates – General Manager Steinlicht
Steinlicht provided an update on ongoing storm drainage matters. Collins reported on a recent meeting with Scott Shinner and subsequently made a motion to waive finance charges for Pauma Valley Country Club. Skumawitz expressed support for a one-time courtesy waiver of the finance charges and recommended that these decisions on such matters be at the discretion of the General Manager.
12. District Banking Relationship Discussions – General Manager Steinlicht
Steinlicht reported that he recently attended the GM Summit, where he met representatives from Five Star Bank, noting that the bank specializes in services for Special Districts. Cindy from Eide Bailly joined the meeting via Teams and provided a strong recommendation for the District to transition to Five Star Bank. Curtis inquired about the volume of cash transactions at the District office. Fehling explained that cash is primarily received from customers purchasing RFID transponders, with occasional cash payments for monthly dues.
13. Tax Roll Dues Collection via Neste, Brudin and Stone (NBS) Status Update
Steinlicht provided a brief update.
14. Rancho Pauma Mutual Water Company Outstanding Dues
Steinlicht provided an update on the outstanding dues from Rancho Pauma Mutual Water Company (RPMWC). Esparza recommended having legal send RPMWC a letter informing them of the outstanding dues.
15. CalPERS Unfunded Liability Amount and Financial Status of the District
Steinlicht informed the Board that Cindy from Eide Bailly joined the meeting via Teams to provide insight on the District's financial position. Cindy reviewed the District's current standing after paying off the CalPERS Unfunded Liability a few years ago and recommended that the District continue to make minimum payments at this time. Esparza noted that these considerations could be factored into the upcoming Cost-of-Service Analysis. Skumawitz inquired about Five Star Bank, questioning if it is more commercially focused. Cindy clarified that the bank is specifically designed to serve Special Districts and highlighted their superior software and competitive rates.

--ACTION ITEMS--

16. Cost of Service Analysis
The Board of Directors will consider authorizing the General Manager to approve a Cost-of-Service Analysis to reformulate rates based on an extensive analysis of the District's actual costs as it relates to service sustainability and asset rehabilitation or replacement.

Staff Recommendation:

1. Authorize the General Manager to approve Hansford Economic Consulting LLC.
2. Discuss and take other action as appropriate.

Steinlicht discussed several critical projects facing the District, noting their significant cost and expressing concern that the current rates may make it difficult to address these needs. He reported that NBS showed little interest in submitting a proposal for a Cost-of-Service Analysis. However, Hansford Economic Consulting LLC provided a proposal for \$38,000, and Steinlicht explained the financial impact this project would have on the District's budget. He also noted that other General Managers from districts gave

positive reviews of Hansford Economic Consulting LLC. Steinlicht then introduced Ms. Hansford from Hansford Economic Consulting LLC, who provided an overview of her background and the company's services. Ms. Hansford proceeded to explain the proposal in detail, outlining the necessary steps for the analysis. Esparza moved to authorize the General Manager to approve the proposal from Hansford Economic Consulting LLC, which was seconded by Curtis and unanimously approved.

17. Placement of Delinquent Accounts onto the County Tax Roll for Collections

The Board of Directors schedules a Public Hearing prior to authorizing staff to place delinquent accounts onto the county tax roll for collections.

Staff Recommendation:

1. Conduct a Public Hearing.
2. Authorize staff to place delinquent accounts onto the tax roll via Resolution 123.
3. Discuss and take other action as appropriate.

Curtis moved to authorize staff to place delinquent accounts onto the tax roll via Resolution 123, seconded by Collins and unanimously approved.

18. Radio Frequency Identification (RFID) Transponder Issuance and Replacement Policy

District has identified the need for a policy governing the issuance and replacement of RFID stickers for residents. This new policy will eliminate any confusion regarding the issuance and replacement of RFID stickers.

Staff Recommendation:

1. Approve the new RFID administrative policy.
2. Discuss and take other action as appropriate.

Collins raised the idea of revoking Pauma Valley Country Club's administration of RFID issuance due to concerns over the management of the process. Esparza recommended a renewal period of every two years, noting that other communities renew RFID transponders annually. Skumawitz requested that staff gather data on RFID administration practices from other gated communities. Esparza moved to adopt the presented RFID Policy, with the understanding that the General Manager would present the gathered data at a future meeting. The motion was seconded by Collins and unanimously approved.

19. District Surveillance Initiative

The Board of Directors will consider authorizing the General Manager to execute a District Surveillance Initiative that will consist of remote camera installation at the Wastewater Treatment Plant, Oak Tree Lift Station and District Administrative offices to monitor and protect public assets.

Staff Recommendation:

1. Authorize the General Manager to approve the surveillance proposal.
2. Discuss and take other action as appropriate.

Steinlicht presented the surveillance proposal to the Board, explaining the recommendation in light of recent incidents. Skumawitz suggested continuing to seek better pricing options. Esparza inquired about exploring internet options through cellular providers. The item was tabled for further discussion.

--INFORMATIONAL ITEMS--

20. General Manager's Report
Steinlicht provided the General Manager's Report.
21. Upcoming Election Report
Steinlicht provided information regarding the upcoming General Elections.
22. Miscellaneous Items
 - A. Requested items for future agendas (**Directors and Staff Only**)
 - a) Cost of Service Analysis
 - b) Salary and Total Compensation Study
 - c) Updates on the District Policy Handbook (ongoing)
 - d) Critical Spare Part Inventory Replacement Program (CMMS)
 - B. Board Comments- None
 - C. Announcements
 - a) New Website and Service Request System now Live
 - D. **Next Regular Meeting of the Board:**
 - a) Monday, September 23rd, 2024, at 10 AM
23. Adjournment
With nothing further to discuss, a motion was made by Curtis to adjourn at 12:00 pm, seconded by Esparza, and unanimously approved.

Marissa Fehling

Marissa Fehling, Recording Secretary