

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

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

NOTICE OF SPECIAL MEETING

DATE: Friday, October 16th, 2026
TIME: 2:00 P.M. – **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.”

AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Approval of the Agenda**

The Board of Directors may, by majority vote or by the President’s direction, reorder, remove, continue, or table items appearing on this posted agenda. Pursuant to Government Code §54954.2(a)(3), no action or discussion may be taken on any item not appearing on this posted agenda, except as authorized under Government Code §54954.2(b) (emergency situations, items requiring immediate action where the need arose after agenda posting and approved by two-thirds vote, or items continued from a meeting held within the prior five calendar days).

5. **Public Comment Period**

Any person may address the Board at this time upon any subject not identified on this Agenda, but within the jurisdiction of the District; however, State law precludes the Board of Directors from taking action on or engaging in extended deliberations concerning items of business which are not on the agenda. Any matter not on the agenda that requires action will be referred to staff for a report and action at a subsequent Board meeting. As to matters on the agenda, an opportunity will be given to address the Board when the matter is considered. **Individuals will have a limit of three (3) minutes to make public comments and will have the opportunity when called upon by the presiding officer.**

-- CLOSED SESSION --

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

A. CONFERENCE WITH LEGAL COUNSEL

Potential/Threatened/Anticipated Litigation

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)
(Two (2) Matters)

B. CONFERENCE WITH LEGAL COUNSEL

Initiate Litigation

Initiate Litigation Pursuant to Government Code Section 54956.(d)(4)
(One (1) Matter)

7. Open Session

A. Reportable Actions.

-- DISCUSSION ITEMS --

8. Storm Drain Easement Issue Regarding Assessor Parcel Number 132-370-41

PRESIDENT NELSON, PAGE 3

9. Adjournment

Pursuant to California Government Code Section 54954.2, this agenda is published on the District's website and at the designated meeting location listed above. This posting occurs no less than seventy-two (72) hours prior to the specified date and time of the meeting, except in the case of a Special Meeting where the posting period is no less than twenty-four (24) hours. All public records relating to each agenda item, including those distributed earlier than the above posting timeframes, will be made accessible at the office of the District Secretary, located at 33129 Cole Grade Road, Pauma Valley, CA.

To request a disability-related modification or accommodation regarding agendas or attendance, please contact the District office at CustomerService@PaumaValleyCSD.ca.gov at least forty-eight (48) hours in advance of the meeting.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 8

Date: October 14th, 2026

From: Eric Steinlicht, General Manager

Issue: Storm Drain Easement Issue Regarding Assessor Parcel Number 132-370-41

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Provide direction to staff via consensus as to what action, if any, should occur at a later meeting.

BACKGROUND

The Pauma Valley Community Services District (District) staff, General Counsel, District Civil Engineer, and President of the Board have been ongoingly working on an easement issue with the property owner located at Assessor Parcel Number (APN) 132-370-41. Communications go back as early as February 2026, specific to this issue that initially occurred in the year 2017. Three position letters were sent out reiterating the District's position, as well as several emails.

DISCUSSION

District staff have given direction to the property owner on what is required to move this forward via email and three position letters. Attached to this Board Letter are those position letters, as well as the most recent email chain clarifying the elements needed prior to this being brought forward to the Board of Directors for approval.

Over the last two months, September and October, conversations amongst the property owner representative, Bill Jacobs, and the General Manager, halted and transitioned directly to several individual Board Director meetings. Following this, a recent email from Mr. Jacobs indicated that post these conversations they now intend to meet only one of the four requirements set forth. Additionally, a "manhole removal" request was also specified by Mr. Jacobs, who stated that this initially came from District staff. After speaking with subordinate staff, no District staff are aware of any communication with Mr. Jacobs that would necessitate a "manhole removal" related to this item.

Staff seek direction from the Board of Directors on how to proceed for a future action item at a meeting of the Board.

FISCAL IMPACT

The fiscal impact varies based upon the Board of Director direction.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Provide direction to staff via consensus as to what action, if any, should occur at a later meeting.

Attachments

Supplemental Materials Packet Page Number/s

- | | |
|------------------------------------|-------|
| 1. Last staff email | 4-6 |
| 2. Position Letters | 7-9 |
| 3. 05-30-2017 & 06-26-2017 Minutes | 10-15 |

Prepared by: Eric Steinlicht, General Manager

Reviewed by: Jeff Morris, General Counsel

Approved by: Eric Steinlicht, General Manager

Re: Fontane roadmap

From Eric Steinlicht <eric.steinlicht@paumavalleycsd.ca.gov>

Date Mon 10/5/2026 10:02 AM

To mwj49@mac.com <mwj49@mac.com>

Bill,

Thank you for laying this out and reviewing prior to committing any funds. Additionally, thank you for your patience as I conferred with the team to ensure accurate response.

To your question: the items you've listed, with the additions below, will constitute a complete submittal. The District's Civil Engineer and General Counsel will review it before it goes to the Board. That review may raise questions or corrections, but the scope of what is required is as stated here. My recommendation to the Board will follow the review.

KARN Exhibits A and B

These are the May 2026 versions. KARN described the centerline as a best fit to the flagged location, so **the Land Surveyor should confirm that CPL's alignment data falls within the described strip *before* they are finalized.**

Plan and Profile

CPL's crawler method is acceptable for gathering the data. The inlet and outlet inverts need to be surveyed to a datum, and the plan and profile signed and stamped by a licensed Land Surveyor using CPL's data. CPL's condition report on the segment beneath the retaining wall is critical and will feed directly into the engineering assessment.

Civil Engineering Assessment

This is ***missing*** from the roadmap and is the largest item. In addition to the retaining walls, there are concrete slabs, two propane tanks, and steep slopes over or adjacent to the pipe. The assessment should identify each, its effect on the pipe, and its effect on future maintenance and repair, signed and stamped by a licensed Civil Engineer. If it identifies anything requiring correction, your remediation step covers it.

Encroachment and Maintenance Agreement

The District is not seeking removal of these improvements. At the same time, the Board cannot reasonably accept the pipe without knowing what sits over it, or assume the cost of removing improvements built without District review. A recorded agreement, executed alongside the easement, resolves this for both sides: if future maintenance or repair requires removing, relocating, or restoring any of these improvements, that cost rests with the property owner, and the obligation runs with the property (the agreement will be tied to the property and also found via title report post recordation). The

engineering assessment serves as the record of existing conditions. The District will prepare the agreement with counsel.

Quitclaim and Recording

The District will prepare the quitclaim of the 1966 easement and District's counsel will record both documents following the Board's action.

Timing

The engineering and legal review, and the agreement, fall between submittal and the Board meeting. An October 21 submittal would not allow enough time for review prior to the October 26 meeting. I will confirm with you a Board date once the package is deemed complete and in hand.

Best Regards,

Eric Steinlicht

General Manager

Pauma Valley Community Services District

33129 Cole Grade Road, Pauma Valley, CA 92061

Office: (760) 742 - 1909

<https://www.paumavalleycsd.ca.gov>

From: mwj49@mac.com <mwj49@mac.com>

Sent: Saturday, September 26, 2026 7:30 AM

To: Eric Steinlicht <eric.steinlicht@paumavalleycsd.ca.gov>

Subject: Fontane roadmap

Eric,

Thank for your patience and guidance in helping me negotiate the path forward toward getting Carol Fontane's relocated storm drain pipe "in-maintenance" with PVCSD.

It's been a journey, but I think we're almost there and wanted to gain your perspective as we finalize our presentation to you and the Board.

I'm well aware that any response you may have to this email is "in no way" an acceptance or inclination of how a Board vote might go, but we're at a point where some significant dollars will need to be expended to move forward. I'm just looking your reassurance and agreement that, should we complete the 5 items listed below, and the outcome meets the requirements you've set forth, it will be sufficient for us to take to the Board where they would vote, along with considering your own recommendation to the Board, as CSD General Manager, on taking ownership of the maintenance of the relocated storm drain pipe.

Any advice or comments you can provide at this juncture would assist us in our mutual goals.

Here's what's planned to be bundled and presented to you by October 21st for the Board Meeting on October 26th (see attachments):

1. A revised EASEMENT GRANT DEED, signed by Carol Fontane. (sample attached changing the date and removing Rich's name)

1. Recording to be done by PVCSD.
2. EXHIBIT A - signed and stamped by KARN ENGINEERING, a CA licensed land surveyor.
3. EXHIBIT B - signed and stamped by KARN ENGINEERING, a CA licensed land surveyor.
4. The KARN Engineering plan drawing, showing the relocated storm drain pipes routing.
5. A forthcoming report from CPL containing the following:
 1. CPL will provide a detailed map and written report, documenting the plan and profile of the relocated storm drain pipe, 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.

Photos of this analysis will be provided, as requested.

The final report shall also contain any recommendations for work requiring remediation.

Note: Based on CPL's report, if any remediation work is required, this work would be corrected and documented, prior to any Board presentation.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 Cole Grade Road ♦ Pauma Valley, California 92061

Telephone (760) 742-1909 ♦ Fax (760) 742-1588

www.paumavalleycsd.com

April 10th, 2026

Rich and Carol Fontane
32318 Cahuka Ct
Pauma Valley, CA, 92061

Mr. and Mrs. Fontane,

Fred Nelson

President

Rich Collins

Vice President

Lolo Levy

Treasurer

Mike Esparza

Secretary

Zan Villanueva

Director

Eric Steinlicht

General Manager

This letter provides formal notice regarding an unresolved obligation associated with the storm drain infrastructure located on your property. At the time of this property's lot line adjustment in 2017, the District's storm drain pipeline was physically rerouted by you, the homeowner, to accommodate newly proposed home reconstruction. However, the corresponding easement modification was never completed even though your contractor was hired to record the new easement. A recent title report confirms that the recorded easement does not reflect the pipeline's current alignment, or any asset details of any kind. No as-built drawings or updated maps have been provided to the District at this point in time, and this will be essential for you, the homeowner, to finalize this last step for the District to accept the new easement and vacate the old easement which currently runs under your house.

The Board's acceptance of the storm drain reroute was conditioned upon satisfactory completion of all required steps at the property owners' expense, including recordation of an updated easement. That condition remains unfulfilled.

Pursuant to your written permission granted via email on April 6th, 2026, the District will perform a one-time, provisional cleaning and inspection of the storm drainpipe. This accommodation does not constitute acceptance of ongoing maintenance responsibility and does not waive any District rights or requirements described herein. The District still needs to confirm the condition of the relocated pipeline and that it was constructed according to approved standards.

The responsibility for correcting the easement record rests with you, the property owner. You are required to retain a licensed engineer or surveyor to prepare an updated easement document accurately reflecting the pipeline's current alignment and asset details, as well as to record that document with the San Diego County Recorder's Office. The District will not perform routine or ongoing maintenance of the storm drain infrastructure until a corrected, recorded easement has been confirmed.

Please direct any questions regarding this matter or the required process to the District's General Manager at the contact information below.

Best Regards,



Eric Steinlicht

General Manager

Eric.Steinlicht@PaumaValleyCSD.ca.gov

(760) 742 - 1909

"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, stormwater drainage control, life safety assistance, security services, and exceptional customer care."

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 Cole Grade Road ♦ Pauma Valley, California 92061

Telephone (760) 742-1909 ♦ Fax (760) 742-1588

www.paumavalleycsd.com

September 4th, 2026

Bill Jacobs

32346 Katkat Ct

Pauma Valley, CA 92061

Sent via email only to mwj49@mac.com

RE: Fontane Storm Drain A.P.N. 132-370-41 District Position - September 3rd, 2026, Site Meeting

Dear Mr. Jacobs,

Thank you for organizing the September 3rd site meeting. Your assistance to Mrs. Fontane during a difficult time is recognized and appreciated by the District.

I have since conferred with General Counsel and the Board President. This letter confirms the District's position and clarifies several points from your summary. A letter has been sent to Mrs. Fontane under separate cover.

1. **District's Role:** The District does not prepare or co-develop the submittal. What is technically sufficient is determined by the licensed professional who stamps the documents, subject to review by the District's Civil Engineer and General Counsel and final action by the Board. Your summary indicated you and I would develop a long-term plan; the District's role is limited to receiving, reviewing, and acting on a complete submittal.
2. **Required:** (a) A quitclaim deed (which the District can prepare) and an easement grant deed, each with legal description and plat; (b) a plan and profile of the pipe with surveyed elevations showing material, diameter, alignment, depth, and grade; and (c) a signed and stamped evaluation by a licensed Civil Engineer of the retaining wall constructed over the pipe after 2017, its effect on the pipe, and whether the installation beneath it is consistent with accepted practice. Item (c) is a condition not previously known to the District and must be resolved before the Board can consider acceptance.
3. **Who May Prepare:** To clarify a point from the meeting: items (a) and (b) may be prepared by a licensed Land Surveyor; a Civil Engineer is not required for those items. Item (c) requires a licensed Civil Engineer. A plat map alone is not sufficient, and the pipe data in (b) must be included.
4. **Communication:** Ms. Fontane has confirmed by email that the District may discuss this matter with you. Decisions and execution rest with her. Please direct the completed submittal to me.

Once more, the District appreciates your help in bringing this to a close. Please reach out to me with any questions

Best Regards,



Eric Steinlicht

General Manager

Email: Eric.Steinlicht@PaumaValleyCSD.ca.gov

Office: (760) 742 - 1909

CC: Fred Nelson, President of the PVCSD Board

frednelson31@gmail.com

Carol Fontane, Property Owner

carolfontane@gmail.com

"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, stormwater drainage control, life safety assistance, security services, and exceptional customer care."

Fred Nelson

President

Rich Collins

Vice President

Lolo Levy

Treasurer

Mike Esparza

Secretary

Zan Villanueva

Director

Eric Steinlicht

General Manager

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 Cole Grade Road ♦ Pauma Valley, California 92061

Telephone (760) 742-1909 ♦ Fax (760) 742-1588

www.paumavalleycsd.com

September 4th, 2026

Carol Fontane
32326 Cahuka Court
Pauma Valley, CA 92061

Sent via email only to carolfontane@gmail.com

RE: Storm Drain Easement A.P.N. 132-370-41 Follow-Up to District Letter of April 10th, 2026

Dear Mrs. Fontane,

The District extends its sincerest condolences on the passing of Mr. Fontane.

This letter follows the District's April 10th, 2026, letter and confirms the District's position after a site meeting on September 3rd, 2026, attended by Mr. Bill Jacobs on your behalf; Mike Gratzl, Gratzl Heavy Equipment Rental; Scott Shinner, Pauma Valley Country Club; Jason Bingham, Sewer Stormers; Todd Albert, and me on behalf of the Pauma Valley Community Services District (District).

The District's position remains unchanged. The Board's May 30th, 2017, approval was conditioned on the homeowner completing the relocation at the homeowner's expense, including recordation of the easement. That condition remains unfulfilled. The recorded easement still reflects the 1966 alignment beneath the residence, and the relocated pipe is not within any recorded easement. The District cannot accept a facility it has no recorded right to access.

The following must be submitted to the District:

1. A quitclaim deed for the 1966 easement (the District can prepare) and an easement grant deed for the relocated pipe, each with legal description and plat map, prepared, signed, and stamped by a licensed Land Surveyor.
2. A plan and profile of the relocated pipe, with surveyed elevations, showing (a) pipe material and diameter, (b) horizontal alignment, and (c) depth and grade: invert elevations at each end, at each change in direction, and at intervals sufficient to establish grade. This may be prepared by a licensed Land Surveyor.
3. The site meeting identified a retaining wall constructed over the pipe after the 2017 installation, a structural condition not previously known to the District. Before the Board can consider acceptance, a licensed Civil Engineer must evaluate the wall's effect on the pipe and whether the installation, as constructed beneath the wall, is consistent with accepted practice. This evaluation must be signed and stamped.

Upon receipt of a complete submittal, the District's Civil Engineer and General Counsel will review it and, if acceptable, the Board will act by Resolution at a public meeting, followed by recordation. This position has been confirmed with General Counsel and the Board President.

You have confirmed by email that the District may discuss this matter with Mr. Jacobs, and the District will continue to do so. Decisions regarding the property, and execution of the documents, rest with you.

Until a corrected easement is recorded, the storm drain remains privately owned and maintained, and the District cannot perform work on it until all conditions specified above are met.

Best Regards,



Eric Steinlicht
General Manager

Email: Eric.Steinlicht@PaumaValleyCSD.ca.gov

Office: (760) 742 - 1909

CC: Fred Nelson, President of the PVCSD Board
frednelson31@gmail.com

"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, stormwater drainage control, life safety assistance, security services, and exceptional customer care."

Fred Nelson

President

Rich Collins

Vice President

Lolo Levy

Treasurer

Mike Esparza

Secretary

Zan Villanueva

Director

Eric Steinlicht

General Manager

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

Held on May 30, 2017

Directors Present: Richard Nolan, Samuel Logan, William Schultz and Clarence Winn
Directors Absent: Heidi Person
Also Present: Residents Jim Cipriano, Son Do and Charles Mathews; PVCC GM Paul Devine; Steve Anderson of Best Best and Krieger; Administrator Mindy Houser, Security Captain Ray Ortiz and Office Manager Amber Watkins

- 5.1 Call to Order: Regular meeting was called to order at 10:00 a.m. by President Nolan.
- 5.2 Open for Public Comments: Cipriano asked to comment on agenda item 11 later in the meeting; he also reviewed the road work schedule, noting that it was mailed to all residents inside of the gates and work is set to begin on May 31st.
- 5.3 Approval of Previous Minutes:
A. Nolan asked that a description of the notice mentioned in Item 4.4 A be added and that Item 4.4 F be revised to state 'implied' rather than 'applied'. Winn asked Item 4.5 A be restated to reflect Winn explained that many residents etc. Winn moved to adopt the minutes of the board meeting held on April 24, 2017 pending the changes requested herein; motion was seconded by Schultz and unanimously adopted.
- 5.4 Public Hearing to Consider Adoption of Memorandum of Understanding for Development of GSP with San Diego County, Yuima MWD and Upper San Luis Rey RCD:
A. Adoption of Resolution No. 96 – President Nolan opened the Public Hearing at 10:09 a.m. and noted that the Public Notice ran for two consecutive weeks in the Valley Center Roadrunner. Nolan explained that the Groundwater Sustainability Plan is still 4+ years away from completion but this is a crucial step towards creating that plan with an Executive Team, formed by 6 public agencies – three of which are listed on the MOU - that will work with the County. Mathews noted that RPMWC is concerned about the opposition to its being involved in this process as the law states mutual water companies can be invited to join. Nolan explained that his intent is to allow RPMWC to assign an alternate, while maintaining veto power over the selection. Cost recovery is a concern of Logan's; Anderson noted that issue will be separate from the GSP. Nolan closed the Public Hearing at 10:37 a.m., noted that no written protests were received. Logan motioned to adopt Resolution No. 96 as presented with an exemption for CEQA; motion was seconded by Winn and unanimously approved. Nolan executed the document.
- 5.5 Other Business:
A. SGMA Update – Nolan reported that there may be an opportunity to obtain insurance for SGMA through membership with JPIA; more information will be provided once available. Nolan reported that the Indian tribes had a meeting with the State scheduled but cancelled due to a ruling made by the State. Their involvement and/or objections are not yet known.

B. Basin plan study proposal for GSP Involvement – Do presented a checklist for developing a basin plan study that would be a great tool for SGMA. Do suggested putting together a technical committee that he is happy to participate in, to focus on our piece of the GSP. Nolan thanked Do for the information and would like to revisit this at a later date when the timing is right.
- 5.6 Subsequent Actions:
A. Access for Uber type drivers (4.2) – Houser noted that a meeting has not yet been scheduled for Ortiz and Devine to discuss this item.

B. Keeley letter (4.4C) – Houser reported that she spoke to Karen Keeley on Friday and payment is on the way for the gate damages penalty assessment. RFID transponder for her guest will be reactivated upon receipt of funds.

C. PERS actuarial education (4.8A) – Houser informed that she is currently awaiting a call back from PERS Actuarial Services in Sacramento; Nolan noted that this is a very important topic.

Winn asked if any work has been done to correct the broken drainage culvert on the land owned by Pala Indians; Houser reported that no work has been done yet. The last communication was them stating they were waiting for a permit to travel on the private roads from the County.

5.7 Security Report:

A. Daily Activity Report – Capt. Ortiz provided a detailed report with a brief summary of the highlights. Ortiz noted that there has been a rise in speeding on Pauma Valley Drive but he has received positive feedback regarding the newly installed speedbumps at the STOP signs. Ortiz noted that many unlocked doors were uncovered at the school; Ortiz credited Officer Scialoia for speaking with school staff to determine that a new interim janitor was responsible. School principal asked Officer Scialoia to speak with the janitor. Ortiz also noted an increase in the number of “gate runners” who are arriving at the back gate and if a car with an RFID tag is directly behind them, they are gaining unauthorized access. It was suggested that an adjustment in the parameters of the reader might solve that problem. Winn motioned to adopt the Security Report as presented; seconded by Schultz and unanimously adopted.

B. Gate Damages Report – Staff presented the report; Houser noted that there are currently 3 assessment penalties outstanding.

C. Back gate scanner – Capt. Ortiz reported that the scanner is not working again; California Gates has been notified and is expected to come troubleshoot it this week.

D. Progress on SOPs creation – Ortiz reported that he is currently working on updating the SOPs, which according to his records were last updated 6 years ago.

E. K-9 program update – Officer Albert has been assigned as K-9 Coordinator and Officers Carra and Scialoia have been assigned as handlers, undergoing training. The dog trainers have advised that both Carra and Scialoia are cleared to use the K-9s more often.

Staff was instructed to move the sign indicating one vehicle at a time, from the passenger side to the driver’s side of the Member Lane at the Front Gate.

5.8 Administration Report:

A. PVRA roadwork update – Cipriano discussed this item earlier in the meeting.

B. Asphalt work– Airport, parking lot – After receiving the bid for the airport paving project, Houser contacted Eagle Paving to confirm the square footage as it intersects with the CSD easement area; PVCSD’s proportional cost will be \$8850. Houser will also coordinate the sealcoating of the office parking lots at this time. Winn motioned to authorize staff to move forward with the seal coating of the office parking lot using Houser’s knowledge of fair pricing, seconded by Schultz and approved with Logan abstaining from the vote.

C. Updated timeline for public hearings – Houser presented a revised timeline which includes the GSA/MOU dates.

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.

E. Administrator retirement – Houser officially announced that she will retire February 2, 2018. She created a job description to begin searching for her replacement. Houser will post the vacancy and begin the interview process, then pass possible candidates' information to both PVCSD and RPMWC Presidents for consideration.

5.9 Utility Report:

A. Plant operations – In Pape's absence, Houser reported that the plant is running great.

5.10 Financial Report:

A. The financial report as of 4/30/17 reflects \$734,489 in Cash Assets, Accounts Receivable of \$24,880 and Accounts Payable of \$167. Watkins explained that RPMWC has not yet paid for April dues. Watkins noted the highlights on the Financial Summary. Nolan and Winn would like to be notified upon the arrival of the steel storage building which is set to be delivered the week of July 2nd. Logan is concerned about the cost of legal; Nolan informed that legal expense is anticipated to decrease now that the MOU is complete. Motion was made by Logan to adopt the financial statements as presented, seconded by Winn and unanimously adopted.

B. Accounts Receivables – Watkins presented the report for review.

C. Cash Flow Statement – Watkins presented a simplified Cash Flow Statement for review.

5.11 2017-18 Draft Budget:

A. Projected Rate Increase – Houser presented the preliminary budget which includes the \$5 increase to Patrol services. Houser reminded that the survey sent out in 2015 asking residents if they agreed with the patrol cost increase was approved for a \$5 per month increase for each of the following three years. This would be the second year increase. Houser also noted that this budget includes a 3% increase in employee wages, the first increase since December 2014. Also included is the anticipated salary of her replacement. Houser noted the unfunded liability for CalPERS included for 2017-2018 total is \$70,000. The 2018-2019 projection is \$84,000. Nolan preliminarily approved the budget proposal as presented.

Cipriano asked that a cost recovery analysis be performed to determine if the projected 12-18 months for the new gate entry system has been achieved. Nolan asked staff to prepare for the June meeting.

5.12 Adjournment:

A. The next meeting date is scheduled for June 26, 2017 at 10:00 a.m. Capt. Ortiz informed that the next dog training has been scheduled for 9:30 a.m. that morning if anyone would like to watch. Upon a motion by Logan, seconded by Winn and unanimous vote, the meeting adjourned at 11:56 a.m.

Amber Watkins

Amber Watkins, Recording Secretary

Attest:

Mindy Houser
Administrator

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

Held on June 26, 2017

Directors Present: Richard Nolan, Samuel Logan, Heidi Person and William Schultz
Directors Absent: Clarence Winn
Also Present: Residents Jim Cipriano and Son Do; PVCC GM Paul Devine; Administrator Mindy Houser, Security Captain Ray Ortiz, Jeff Pape of Dudek and Office Manager Amber Watkins

- 6.1 Call to Order: Regular meeting was called to order at 10:08 a.m. by President Nolan.
- 6.2 Open for Public Comments: Nolan informed that Director Winn has dedicated over 100 hours of his time to assisting the community with tree spraying against the borer beetle; Winn has helped with over 500 trees throughout the community.
- 6.3 Public Hearing on 2017-18 Budget: President Nolan opened the Public Hearing at 10:12 a.m.
A. Public comments – Cipriano noted that a surplus of roughly \$90,000 is noted on the YTD P&L and finds it challenging to understand why the security rate will increase; Nolan explained that we are in the 2nd year of a 3-year agreed to increase the rate for Patrol services by \$5. Nolan also noted that the CalPERS unfunded liability and the reserves account are large amounts of money that currently need addressing. Nolan motioned to authorize staff to send a note next year of upcoming events and a copy of the proposed budget as well; seconded by Person and unanimously approved.

B. Consider Approval – With no opposition from the public, Logan motioned to approve the 2017-18 Budget as presented, seconded by Nolan and unanimously approved.

President Nolan closed the Public Hearing at 10:25 a.m. noting that no written protests were received and that the notice ran for 2 consecutive weeks in the Valley Roadrunner. At this time Director Schultz exited the meeting due to illness.
- 6.4 Approval of Previous Minutes:
A. Nolan moved to adopt the minutes of the board meeting held on May 30, 2017 as presented; motion was seconded by Logan and unanimously adopted.
- 6.5 Subsequent Actions:
A. Access for Uber drivers (5.6A) – Ortiz informed that PVCC will send out an email blast to members informing them that their guests are not authorized to call in these types of drivers; members are required to notify the gate attendant.

B. PERS Actuarial (5.6C) – Houser reported that a webinar was held last week explaining there is no control over the increasing costs charged by PERS for unfunded liability. Houser has contacted Bartel and Associates for an actuarial on the district's information to compare against PERS figures; Houser feels we may be able to negotiate if it turns out to be lower, or we can research a 115 Revocable Trust.

C. Back Gate Scanner (5.7C) – Ortiz reported that the back-gate scanner has been over-heating which causes it to shut off. Staff was instructed to monitor the kiosk every other day and inform California Gates that this problem has been going on for way too long. Nolan motioned that staff is to contact California Gates with a deadline to conform all equipment to an operable state and monitor the kiosk regularly with a printed pass; user interface issues associated with the software needs to be communicated to the community as well; motion was seconded by Person and unanimously approved.

D. Relocate Barrier Arm sign (5.7E) – Ortiz informed that a drill is needed to move the barrier arm sign as the stop sign frame is metal; per Houser's instruction, he will contact Utility for assistance; Nolan noted that this is very important and needs to get done.

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.

6.6 Security Report:

A. Daily Activity Report – Before the meeting today Capt. Ortiz arranged for dog trainers to be on-site to demonstrate and answer questions related to the K-9 program. Ortiz provided a detailed report with a brief summary of the highlights. Ortiz discussed a pool party incident in more detail; Ortiz noted that next time the sheriffs will be notified and patrol will knock on the door of the property causing the afterhours noise, not merely make a phone call.

B. Gate Damages Report – Staff presented the report; Houser reported that an irate resident has called to defend his housekeeper who recently struck the barrier arm. Since then, a promise to pay has been received. A Pauma Heights resident has struck the barrier arm and refuses to pay; staff will de-activate the RFID tag once a notification period date is complete. Nolan noted that moving the sign at the front gate may help with the damages.

C. Written SOPs update – Capt. Ortiz is gathering information to begin drafting the SOPs. Person will assist in drafting; a draft will be submitted no later than August with a final copy presented at the September meeting.

6.7 Administration Report:

A. Cost Recovery Analysis for Gates – Houser presented the analysis as requested at the last meeting. Houser noted that \$21,632 is the remaining cost recovery which is just over a 2 year recapture period.

B. Reserve Policy update – Houser explained that every year staff reviews the policy for accuracy, and presented the recommended changes for depreciation and depletion of assets. Person motioned to amend the Reserve Fund Policy as presented, seconded by Logan and unanimously adopted.

C. Gate Access Policy update – Houser presented a draft of the current wording as well as the new proposed wording. Upon review staff was asked to create another section for the Electronic Gate Issues rather than include them with Barrier Arm Issues. Nolan motioned to approve the updated version pending the changes requested herein, seconded by Person and unanimously adopted.

6.8 Utility Report:

A. Plant operations –Pape reported that the plant is running great. Pape has asked our SCADA provider to look into placing a transducer at Oak Tree lift station to help with the constant clogging. Pape also reported that all sludge was removed from the digester in June which will cause costs to be higher.

B. SCADA Update – Pape presented data collected on SCADA.

6.9 Financial Report:

A. The financial report as of 5/31/17 reflects \$639,102 in Cash Assets, Accounts Receivable of \$27,960 and Accounts Payable of \$66,626. Watkins explained that RPMWC has not yet paid. Watkins noted the highlights on the Financial Summary. Motion was made by Logan to adopt the financial statements as presented, seconded by Person and unanimously adopted.

B. Accounts Receivables – Watkins presented the report for review.

C. Cash Flow Statement – Watkins presented a simplified Cash Flow Statement for review.

6.10 Other Business:

A. SGMA update – Nolan reported that the MOU has been finalized by the Board of Supervisors. County will schedule a meeting with the tribes to begin working on the GSP. Yuima MWD is currently gathering information on the GSP Liability Insurance previously mentioned.

6.11 Adjournment:

A. The next meeting date is scheduled for July 24, 2017 at 10:00 a.m. Upon a motion by Person, seconded by Logan and unanimous vote, the meeting adjourned at 12:07 p.m.

Attest:

Mindy Houser

Administrator

Amber Watkins

Amber Watkins, Recording Secretary