

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

Held on March 31, 2025

Directors Present: Richard Collins, Michael Esparza, Zan Villanueva, and Lolo Levy
Directors Absent: Fred Nelson
Also Present: Resident Jeff Bair, Jim Clark, Lydia Jacobs, Bill Jacobs, Charles Mathews, Bruce Knox of RPMWC, Paul Kaymark with Nigro & Nigro, General Manager Eric Steinlicht, Office Manager Marissa Fehling, and Office Clerk Maritza Chaloux

1. Call to Order: Special Meeting was called to order at 10:03 AM by Collins.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Villanueva.
3. Roll Call: Fehling verified that a quorum was present.
4. Public Comment Period:
Knox informed that he is replacing a gate on his property and will provide updated keys to District Patrol. Esparza recommended that Cal Fire also be notified to ensure their access records are updated.

-- ACTION ITEMS --

5. Financial Audit Report for the Fiscal Year Ending in June of 2024
The Board of Directors will consider accepting the financial audit report and presentation prepared by Mr. Paul Kaymark of Nigro and Nigro for the fiscal year ending in June of 2024

Staff Recommendation:

1. Accept the financial audit report for the fiscal year ending June of 2024.
2. Discuss and take other action as appropriate.

Steinlicht introduced Paul Kaymark of Nigro & Nigro who conducted the District's financial audit for the fiscal year ending June 30, 2024. Kaymark provided a presentation outlining the audit findings and discussed the scope of work performed. Kaymark highlighted the key financial items impacting the District's change in cash position and provided best practice recommendations. These included consideration of CalCLASS (California Cooperative Liquid Assets Securities System) as a prudent investment option to improve earnings on available funds. Levy inquired whether depreciation should be reported on a monthly or annual basis. Kaymark recommended annual depreciation reporting, noting that this aligns with standard governmental accounting practices. He also explained that the District's budget should be on a cash basis, as it ensures transparency in operational spending.

Motion: Esparza moved to approve and adopt the Financial Audit Report for the fiscal year ending June 30, 2024.

The motion was seconded by Levy, and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Levy

Ayes: Villanueva, Esparza, Levy, Collins

--CONSENT ITEMS--

Items 6-11 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 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 February 24th, 2024
7. Review of Balance Sheet, Revenue and Expense Report
8. Accounts Receivable Report
9. PVCSD Security Report
10. Resolution Number One Hundred and Twenty-Seven, Cyber Grant Authorization
11. Professional Services Agreement with Platinum Strategies Incorporated

Mathews requested that item 6 be pulled from the consent calendar for amendment, noting that Director Nelson was incorrectly listed as present when in fact he was absent. Mathews also expressed concern that the minutes lack sufficient detail to ensure transparency for the public. A discussion followed regarding the appropriate level of detail for meeting minutes, including differing views on verbatim transcription versus condensed summary-style minutes. Board members and staff exchanged perspectives on each approach.

Motion: Levy moved to approve Consent Calendar Items 6 through 11, with the correction to Item 6 as noted. The motion was seconded by Esparza, and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Levy

Seconded by: Esparza

Ayes: Villanueva, Esparza, Levy, Collins

--DISCUSSION ITEMS--

12. Vacant Lot Readily Available Sewer Connection Monthly Fee Correction-
Levy reported that she had contacted all owners of vacant lots subject to the sewer availability fee. Based on their collective feedback, the preference was to maintain a flat fee structure, and Levy proposed adopting a revised flat rate of \$14.50 per month. Mrs. Jacobs provided comments opposing the recent fee increase and referenced past Board discussions that supported her position. Mr. Jacobs requested a detailed breakdown of the sewer lateral connection fee. Mr. Clark stated that he believes he is being incorrectly invoiced for a property. Collins requested that staff further investigate the matter, including the billing discrepancies and the basis of the current rate structure, and return to the Board with recommendations for resolution and any necessary corrections. Esparza directed General Manager Steinlicht to temporarily suspend the fee increase, reinstate the prior monthly charge of \$12.00, and issue credits to affected customers as appropriate. Staff were further tasked with preparing recommendations for Board review at a future meeting.
13. Cost-of-Service Analysis Update-
Steinlicht provided an update on the Cost-of-Service Analysis.
14. Local Agency Formation Commission (LAFCO) Parcel Annexation-
Steinlicht reported that he had contacted LAFCO to inquire about the annexation process for properties currently receiving District services but that fall outside the District's official service boundary.
15. Solar Project Update-
Collins provided an update regarding a challenge the District's solar contractor is currently experiencing in coordination with SDG&E. Steinlicht reported that SDG&E had indicated they may assign an engineer to visit the site and provide the District with technical recommendations related to the issue. Steinlicht stated that he anticipates receiving further information and potential solutions sometime in May.

-- ACTION ITEMS --

16. Supervisory Control and Data Acquisition (SCADA) Proposal Acceptance

The Board of Directors will consider authorizing the General Manager to approve the Freedom Automation Incorporated (FAI) SCADA proposal to upgrade the current SCADA system.

Staff Recommendation:

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

Steinlicht provided background information on the SCADA system upgrade needs and discussed cost discrepancies among competing proposals. He explained that, after evaluating both pricing and technical qualifications, it was his recommendation to proceed with FAI's proposal.

Motion: Levy moved to authorize the General Manager to approve the Freedom Automation Incorporated proposal. The motion was seconded by Esparza, and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Levy

Seconded by: Esparza

Ayes: Villanueva, Esparza, Levy, Collins

17. Newly Updated Strategic Plan Proposal

The Board of Directors will consider reauthorizing the execution of the updated Strategic Plan Proposal facilitated by Mr. Jeff Armstrong as part of the new fiscal year 2026 budget.

Staff Recommendation:

1. Authorize the General Manager to approve the updated Strategic Plan Proposal for the fiscal year 2025 through 2026.
2. Discuss and take other action as appropriate.

Steinlicht recommended approval and initiation of the Strategic Plan execution process beginning with the start of the next fiscal year. He noted that implementation timing would align well with the completion of the District's Cost-of-Service Analysis, which is expected by October 2025. Levy inquired about the anticipated timeline for completing the Strategic Plan; Steinlicht responded that the schedule would depend on the Board's availability. Esparza emphasized that the Strategic Plan is intended to serve as a guiding document, providing direction and suggested priorities. Esparza also shared background on Mr. Jeff Armstrong's prior facilitation experience with the District and his qualifications to lead the process.

Motion: Esparza moved to authorize the General Manager to approve the updated Strategic Plan Proposal for the fiscal year 2025 through 2026. The motion was seconded by Villanueva, and the motion was carried by the following roll call vote:

Result: Approved (Unanimous)

Moved by: Esparza

Seconded by: Villanueva

Ayes: Villanueva, Esparza, Levy, Collins

-- CLOSED SESSION --

18. 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: Vice President Rich Collins

Employee: General Manager

Authority: Government Code Section 54957.6

C. 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)

D. CONFERENCE WITH LEGAL COUNSEL

Existing Litigation

Pursuant to Government Code Section 54956.9(a)

San Luis Rey Indian Water Authority v. Pauma Valley Groundwater Sustainability Agency,
et.al., (SDSC No.37-2022-00029027-CU-WM-NC)

E. CONFERENCE WITH LEGAL COUNSEL

Potential/ Threatened/ Anticipated Litigation

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

The Board entered closed session at 11:45 AM.

19. Open Session

A. Reportable Actions.

The Board reconvened to Open Session at 1:41 PM with no reportable actions.

20. General Manager's Report-

Steinlicht presented his report to the Board, providing an overview of key operational highlights and District updates. He also informed new contractors recently engaged by the District and outlined how they've been positively contributing to the District's operations.

21. Miscellaneous Items

A. Requested Items for future agendas (Directors and Staff Only)

- a) Salary and Total Compensation Study
- b) Critical Spare Part Inventory/ Replacement Program and CMMS
- c) LAFCO Service Area Annexation

Collins requested the following items be placed on future Board meeting agendas for discussion and/or action:

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1. Cleanup of RFID records within the DwellingLIVE security access system.
 2. Consideration of sending a letter to residents encouraging them to verify contractor credentials before hiring individuals for work.
 3. Follow-up discussion on Storm Drain #8.
 4. Discussion regarding the fuel tank island.
- B. Board Comments- Levy requested to be copied on email communications, particularly in cases where staff are experiencing difficulty resolving issues. She expressed her willingness to assist in addressing and resolving such matters as needed. Collins asked Steinlicht to ensure his name is not listed on any permits that are unrelated to District operations.
- C. Announcements- None
- D. Next Regular Meeting of the Board-
- a) Monday, April 28th, 2025, at 10:00 AM
22. Adjournment
- With nothing further to discuss, the meeting adjourned at 2:05 PM.

Marissa Fehling

Marissa Fehling, Recording Secretary