

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

**Held on October 27, 2025**

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

1. Call to Order: Regular Meeting was called to order at 10:00 a.m. by President Nelson.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Maritza Chaloux
3. Roll Call: Maritza Chaloux conducted roll call and confirmed that a quorum was present.
4. Public Comment Period:  
Mr. Lyall addressed the Board regarding the Pauma Building sewer EDU assessment. He described his family's long history in Pauma Valley and ownership of the building since 2018. Mr. Lyalls requested a re-evaluation of the property's assigned 4.75 EDUs, arguing that based on the ordinance definition, fixture counts, and water usage data, and provided a range suggestion of EDUs he felt would be more accurate. The Board thanked him for his input and noted that the matter would be discussed under the related action item. Additional comments included praise from Board Members for the District's recent Public Workshop, and the quality of staff reports.

**-- CONSENT ITEMS --**

Items 5-8 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.

5. Minutes of the Regular Board Meeting on September 22<sup>nd</sup>, 2025
6. Review of Variance Report, Balance Sheet, Revenue and Expense Report
7. Accounts Receivable Report
8. PVCSD Security Report

Director Levy requested to have item 6 be pulled for further discussion. Director Levy directed staff to add a footnote to the variance report and financial statements to provide context for the bottom-line figure. The Board highlighted an incident noted in the Security Report involving a Class 3 sewer spill near the bocce court and pool area. General Manager Steinlicht provided details, confirming that proper reporting procedures were followed and preventative maintenance measures were implemented to address root intrusion and reduce future risk.

**Motion:** Director Esparza moved to approve and file Consent Calendar items 5-8, as presented. The motion was seconded by Director Collins, and the motion was carried by the following roll call vote:

**Result:** Approved (Unanimous)

**Moved by:** Director Esparza

**Seconded by:** Director Collins

**Ayes:** Director Nelson, Director Esparza, Director Levy, Director Collins, Director Villanueva

-- DISCUSSION ITEMS --

9. Comprehensive Cost-of-Service (COSA) and Local Agency Formation Commission (LAFCO) Workshop Follow-up  
General Manager Steinlicht and the Board discussed feedback from the recent COSA and LAFCO community workshop. The session was described as well-attended and positively received, with participants engaging in thoughtful questions and dialogue. Board members noted that the workshop format, which did not require a quorum, allowed for open discussion and extended Q&A. Attendees reportedly left with a better understanding of the District's financial and service challenges, and additional positive comments were received from community members following the event. Further discussion addressed community concerns regarding proposed rate adjustments and the historical underfunding of infrastructure. It was acknowledged that prior reluctance to increase rates has contributed to deferred maintenance and financial strain. The Board reiterated the need to balance fiscal responsibility with sensitivity to ratepayer impacts when considering future cost-of-service changes.
10. El Rey Restaurant Equivalent Dwelling Unit Assignment and COSA  
The Board reviewed the status of the El Rey property, where a restaurant structure was lost to fire. In late 2023, the General Manager had previously approved a temporary reduction in EDU allocation to support the owner's rebuilding efforts. General Manager Steinlicht noted that the property currently has no active structure or sewer use, resulting in lost revenue to the District. The Board discussed the need to revisit the EDU adjustment and clarify the owner's plans and timeline for reconstruction. Staff intends to meet with the property owner and invite him to the next meeting for further discussion. Consultant Catherine advised that, from an infrastructure standpoint, maintaining a prolonged fee reduction may not be appropriate since service capacity remains available, but consider infrastructure charges at the minimum.]
11. Solar Project Update  
General Manager Steinlicht reported that the solar project is progressing with a substantially reduced cost estimate from SDG&E. The utility, through a proposal prepared by Eric Sattler, revised its initial estimate for electrical upgrades from over \$100,000 to approximately \$23,000. Including the contractor's work to rewire the connection to the new transformer, the total project cost is now projected at roughly \$55,000. Legal counsel confirmed that the costs outlined in SDG&E's correspondence represent the utility's direct charges. The District is working to explore financing options for the project. Upgrades will include the installation of a new transformer and wiring improvements to meet current safety standards. A final SDG&E payment of \$17,000 remains pending until all project and financing details are confirmed.
12. Local Agency Formation Commission (LAFCO) Update  
The Board discussed the status of LAFCO annexations and community responses following the recent letter sent to property owners regarding sewer and security service requirements. Feedback from the recent workshop was positive, with improved understanding of the annexation process and the District's legal obligations. Staff reported that twelve properties are affected, with several owners having submitted paperwork ahead of the November 3rd deadline. Some property owners initially objected but have since agreed to comply. The Board clarified that annexation is required by law and that any legal challenges would be directed to the governing agency, not the District.
13. Rancho Pauma Mutual Water Company Ad-Hoc Committee Update  
Director Nelson reported that the District rejected the last offer from Rancho Pauma Water District, stating it was insufficient and exceeded the District's deadline.
14. Community Safety and Wellness Fair Ad-Hoc Committee Update  
Director Levy provided an update on planning for the upcoming Community Safety and Wellness Fair, which will feature booths, helicopters, and planes. Coordination with "the club" has improved, and rental arrangements have been secured for tables and chairs. The same vendor will also serve the airport. The Board discussed logistics

and safety considerations, including potential golf cart crossings near Temet. Staff will confirm whether personnel will be available to manage crossings.

15. Radio Frequency Identification Devices (RFID'S) Policy Direction and Security Policy Update

Director Esparza reported that RFID access fees will transition from a calendar year to a fiscal year cycle to simplify administration. The change requires no formal policy update, and new users joining before July 1st will receive extended access before the next billing. The Board agreed that the District will not verify insurance but will require users to sign a waiver affirming coverage, placing responsibility on the individual. Operational challenges with the current RFID software were noted, including limited control over renewals and restricted access management. Staff will explore software improvements and clean up the database. A formal agreement will be developed to clarify terms with a third party, including billing, notice requirements, and a proposed fee structure allowing two free RFIDs per entity.

16. Federal Government Shutdown and Grant Direction

General Manager Steinlicht reported that the ongoing federal government shutdown has temporarily halted the District's ability to draw down grant funds for the SCADA project, which is administered through Cal OES and funded by FEMA. The Board discussed whether to proceed with the project during the shutdown and considered options for addressing the tower hazard, including repairing the existing structure or replacing it entirely. The Board gave direction to staff to hold off on advancing with the SCADA project until the government shutdown has ended.

-- ACTION ITEMS --

17. Ordinance 50: Sewer Rules & Regulations Waiver Request

The Board of Directors will consider a request for a waiver of Ordinance 50, which would modify the Equivalent Dwelling Units (EDUs) assigned to the "Pauma Building" located at 16160 CA-76, Pauma Valley, CA 92061.

Staff Recommendation:

1. Discuss and provide direction to the General Manager.

**Motion:** To reject the Ordinance 50 waiver request and maintain the Cost-of-Service Analyst's recommended assignment of 7.0 EDUs to the "Pauma Building."

**Result:** Approved

**Moved by:** Director Collins

**Seconded by:** Director Esparza

**Ayes:** Unanimous

**Noes:** N/A

18. Schedule of Regular Board Meetings for Calendar Year 2026

The Board of Directors will consider schedules of Regular Meetings of the Board for the upcoming Calendar Year 2026.

Staff Recommendation:

1. Approve the Calendar Year 2026, Exhibit A.
2. Discuss and take other action as appropriate.

Staff presented two options for the 2026 meeting calendar: Option A (bimonthly meetings) and Option B (monthly meetings). Staff recommended Option A to reduce the workload associated with preparing monthly agenda packets, noting that special meetings may still be called for urgent matters. The Board discussed meeting frequency, staff workload, timing of key business such as budget adoption and evaluations, and the need to identify appropriate "dark months. June and July were noted as important meeting months, and December was identified as a suitable dark month. The Board agreed that targeting eight regular meetings per year would balance operational needs with staff capacity.

**Motion:** By consensus, the Board directed staff to prepare a 2026 meeting schedule with eight regular meetings, with specific months to be finalized by staff.

**Result:** Approved (Unanimous)

**Moved by:** President Nelson

**Seconded by:** Director Villanueva

**Ayes:** Director Nelson, Director Levy, Director Villanueva, Director Collins

**Noes:** Director Esparza

19. Rescind Internal “Administrative Procedures and Rules” Gate Access Policy

The Board of Directors will consider rescinding the Gate Access Policy that is no longer relevant, given the updated Ordinance 55 adopted in May of 2024, in addition to the most recent Radio Frequency Identification Device policy.

Staff Recommendation:

1. Rescind the Gate Access Policy.
2. Discuss and take other action as appropriate.

**Motion:** Director Esparza moved to rescind the Internal “Administrative Procedures and Rules” Gate Access Policy. The motion was seconded by Director Collins and carried unanimously.

**Result:** Approved (Unanimous)

**Moved by:** Director Esparza

**Seconded by:** Director Collins

**Ayes:** Director Nelson, Director Levy, Director Villanueva, Director Collins, Director Esparza

**Noes:** None

-- INFORMATIONAL ITEMS --

20. General Manager’s Report

General Manager Steinlicht provided the General Manager’s Report.

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 Computerized Maintenance Management System (CMMS)
- c) Employee Satisfaction Survey

B. Board Comments- None

C. Announcements

D. Next Regular Meeting of the Board:

- a) Monday, November 17<sup>th</sup>, 2025, at 10:00 AM

-- CLOSED SESSION --

22. **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)

**B. CONFERENCE WITH LEGAL COUNSEL**

**Potential/Threatened/ Anticipated Litigation**

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)  
(three (3) Matters)

The Board entered closed session at 11:35 a.m.

23. Open Session

A. Reportable Actions-

The Board reconvened to open session at 1:45 p.m. with no reportable actions.

24. Adjournment

With nothing further to discuss, the meeting adjourned at 1:52 p.m.

**Motion:** Director Collins moved to adjourn the meeting. The motion was seconded by Director Villanueva and carried unanimously.

**Result:** Approved (Unanimous)

**Moved by:** Director Collins

**Seconded by:** Director Villanueva

**Ayes:** Director Levy, Director Esparza, Director Villanueva, Director Collins

**Noes:** None

*Maritza Chaloux*

Maritza Chaloux, Recording Secretary