

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

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

NOTICE OF REGULAR MEETING

DATE: Tuesday, May 26th, 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.”

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.**

-- CONSENT ITEMS --

Items 6-14 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 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.

6. Minutes of the Regular Board Meeting on March 23rd, 2026

These minutes are the official permanent record of the District Board of Directors Regular Meeting held on March 23rd, 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 2-6

Approve and file the March 23rd, 2026, Regular Meeting of the Board Minutes.

7. Minutes of the Special Board Meeting on March 24th, 2026

These minutes are the official permanent record of the District Board of Directors Special Meeting held on March 24th, 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGE 7

Approve and file the March 24th, 2026, Special Meeting of the Board Minutes.

8. Review of Variance Report, Balance Sheet, Revenue and Expense Report

These reports disclose the District's financial statements and variances for the month of April 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 8-15

Receive and file the Financial Statements for the month of April 2026.

9. Accounts Receivable Report

This report discloses the Accounts Receivable for the month of April 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 16-18

Receive and file the Accounts Receivable Report for the month of April 2026.

10. Security Division Report

This report discloses the Security Division activity for the months of March and April 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 19-33

Receive and file the Security Division Report.

11. Reinstatement of the Loan Agreement with Collective Sun for the Solar Project

This is the agreement between the District and the lender, Collective sun, for the remediation and completion of the Solar Project.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 34-59

Receive and file the Reinstatement of the Loan Agreement.

12. Resolution Number One Hundred and Thirty-Seven: Local Agency Formation Commission (LAFCO) Authorizing Parcel Annexations and Service Boundary Adjustments

Resolution Number One Hundred and Thirty-Seven was approved at the Regular Meeting of the Board on March 23rd, 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 60-61

Receive and file Resolution Number One Hundred and Thirty-Seven.

- 13. Resolution Number One Hundred and Thirty-Eight: Cost-of-Living Adjustment for Fiscal Year 2027**
Resolution Number One Hundred and Thirty-Eight was adopted at a Regular Meeting of the Board held on March 23rd, 2026.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 62-63

Receive and file Resolution Number One Hundred and Thirty-Eight.

- 14. Resolution Number One Hundred and Thirty-Nine: Formal Adoption of January 1st, 2026, Salary Schedule**

Resolution Number One Hundred and Thirty-Nine was adopted at a Regular Meeting of the Board held on November 17th, 2025.

Staff Recommendation:

SUPPLEMENTAL MATERIALS PAGES 64-65

Receive and file Resolution Number One Hundred and Thirty-Nine.

-- ACTION ITEMS --

- 15. Sewer System Management Plan (SSMP) Proposal Acceptance for Required Update**

The Board of Directors will consider approving a proposal associated with updating the District's SSMP satisfying a regulatory deadline and required elements that must be addressed in this specific update.

Staff Recommendation:

GENERAL MANAGER STEINLICHT, PAGE 7

1. Approve the Fisher Compliance LLC proposal for Fiscal Year 2027.
2. Discuss and take other action as appropriate.

-- DISCUSSION ITEMS --

- 16. Pauma Valley Country Club Equivalent Dwelling Unit (EDU) Assignment**

PRESIDENT NELSON

- 17. Chain of Command and Board Director Communication Protocols**

PRESIDENT NELSON

- 18. Long-Range Financial Plan Coordination and Strategic Plan Initiatives**

GENERAL MANAGER STEINLICHT

- 19. Radio Frequency Identification Device (RFID) Policy Implementation, Communication, and Schedule**

GENERAL MANAGER STEINLICHT, SUPPLEMENTAL MATERIALS PAGES 80-84

- 20. Homeowners Association One: Walkway Improvement, Administrative Support Request, and Direction to Staff**

DIRECTOR VILLANUEVA, SUPPLEMENTAL MATERIALS PAGES 85-86

- 21. Rancho Pauma Mutual Water Company Ad-Hoc Committee Update**

PRESIDENT NELSON

- 22. Security Division Ad-Hoc Committee Update**

PRESIDENT NELSON

- 23. Local Agency Formation Commission Annexation Efforts Status Update**

GENERAL MANAGER STEINLICHT

- 24. District Transparency Certificate of Excellence Status Update**

GENERAL MANAGER STEINLICHT

-- ACTION ITEMS --

25. Emergency Sewer Mainline Repair

The Board of Directors will consider the available proposals to repair a section of the sewer mainline resulting from chunks of asphalt illegally discharged into the system.

Staff Recommendation:

PRESIDENT NELSON, PAGES 8-9

Discuss and take action as appropriate.

26. Annual Public Hearing for the Recruitment and Retention Efforts Report

The Board of Directors will conduct a Public Hearing pursuant to Assembly Bill Number 2561 to review the District's current employment vacancies and retention strategies.

Staff Recommendation:

PRESIDENT NELSON, PAGES 10-11

1. Conduct a Public Hearing.
2. Receive and file the report on Recruitment and Retention Efforts.
3. Discuss and take other action as appropriate.

27. Employee Handbook Policy Revisions

These updates include revisions to the "Meal" and "Rest Period" sections, new compensation language for administrative staff members that obtain and maintain their professional "Notary" license, and language that fairly compensates on-call Utility staff when managing wastewater operations remote via Supervisory Control and Data Acquisition (SCADA).

Staff Recommendation:

PRESIDENT NELSON, PAGES 12-13

1. Approve the Employee Handbook Policy Revisions.
2. Discuss and take other action as appropriate.

28. Preliminary Fiscal Year 2027 Draft Budget

The Board of Directors will consider the preliminary draft budget prior to its formal adoption in June of 2026.

Staff Recommendation:

PRESIDENT NELSON, PAGE 14

1. Receive and file the Preliminary Fiscal Year 2027 Draft Budget.
2. Provide alternative direction to staff, if any.
3. Discuss and take other action as appropriate.

29. General Manager's Job Description Amendment

The Board of Directors will consider approving an update to the General Manager's Job Description.

Staff Recommendation:

PRESIDENT NELSON, PAGE 15

Discuss and take action as appropriate.

30. Audit Firm Engagement for Fiscal Year 2026

The Board of Directors will consider approving the Audit Engagement Letter prepared by Nigro and Nigro to continue providing the District auditing services covering the Fiscal Year 2026.

Staff Recommendation:

PRESIDENT NELSON, PAGE 16

1. Approve the Nigro and Nigro Audit Engagement Letter.
2. Discuss and take other action as appropriate.

-- INFORMATIONAL ITEMS --

31. General Manager's Report

GENERAL MANAGER STEINLICHT, PAGES 17-18

32. Miscellaneous Items

- A. Requested items for future agendas (**Directors and Staff Only**)
 - a) Salary and Total Compensation Study (In Progress)
 - b) Critical Spare Part Inventory/Replacement Program and Computerized Maintenance Management System (CMMS) (In Progress)
 - c) Employee Satisfaction Survey (In Progress)
- B. **Next Regular Meeting of the Board:**
 - a) **Monday, June 22nd, 2026, at 10:00 AM**

-- CLOSED SESSION --

33. 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 REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8 Property: 33129 Cole Grade Road, Pauma Valley, CA 92061 (Former CHP Office) Agency Negotiators: President, Fred Nelson and Vice President Rich Collins Negotiating Parties: Rancho Pauma Mutual Water Company Negotiation: Price, terms of payment and/ or conditions

C. CONFERENCE WITH LEGAL COUNSEL

Potential/Threatened/Anticipated Litigation

Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b)
(Four (4) Matters)

34. Open Session

- A. Reportable Actions.

-- ACTION ITEMS --

35. Solar Project Completion, Final Acceptance, Followed by Ribbon-Cutting Ceremony

The Board of Directors will consider authorizing final acceptance of the District's Solar Project.

Staff Recommendation:

VICE PRESIDENT COLLINS, PAGE 19

1. Authorize final acceptance.
2. Discuss and take other action as appropriate.

36. 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's Office Manager, Marissa Fehling, at Marissa.Fehling@PaumaValleyCSD.ca.gov at least forty-eight (48) hours in advance of the meeting.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 15

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: Sewer System Management Plan (SSMP) Proposal Acceptance for Required Update

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

- 1. Approve the Fisher Compliance LLC Proposal for Fiscal Year 2027.
- 2. Discuss and take other action as appropriate.

BACKGROUND

The Pauma Valley Community Services District is required by the State Water Resources Control Board, via the General Order, to maintain an up-to-date Sewer System Management Plan (SSMP). The SSMP is subject to scheduled audits, periodic updates, and the incorporation of newly issued regulatory elements.

DISCUSSION

The District's SSMP has a regulatory update deadline of August 2nd, 2026. To meet this deadline and satisfy all new regulatory requirements, District staff solicited two formal proposals: one from Carollo and one from Fisher Compliance LLC.

Both firms possess the specialized expertise required for SSMP development. Carollo offers a team of subject-matter experts who regularly deliver compliant work products specific to local government compliance. Fisher Compliance has a comparable background in SSMP development and has performed equivalent work for other California special districts.

The Fisher Compliance proposal includes an element that Carollo's does not: a full year of consulting and staff training tied to the newly drafted SSMP. This is significant. Regulatory compliance requires an up-to-date SSMP and that all personnel performing wastewater collection-system related-work are fully trained on its contents, particularly Sanitary Sewer Overflow (SSO) response.

Staff recommends approval of the Fisher Compliance proposal for Fiscal Year 2027 to ensure regulatory compliance and be provided with essential training following the updated SSMP adoption.

FISCAL IMPACT

Within Budget ✓

Carollo's proposal totals **\$34,400**. Fisher Compliance LLC's proposal totals **\$23,500**. Fisher Compliance includes one year of staff training and expert consultation. Immediate approval would not be feasible within the current budget; however, the cost can be (and has been) incorporated into the Preliminary Fiscal Year 2027 budget, thereby making this an in-budget item.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

- 1. Approve the Fisher Compliance LLC Proposal for Fiscal Year 2027.
- 2. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. Carollo Proposal	66-68
2. Fisher Compliance LLC Proposal	69-79

Prepared by: Eric Steinlicht, General Manager
 Reviewed by: Marissa Fehling, Office Manager
 Approved by: Eric Steinlicht, General Manager

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 19

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: Radio Frequency Identification Device (RFID) Policy Implementation, Communications, and Schedule

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

This item is for informational purposes only.

BACKGROUND

The Pauma Valley Community Services District (District) currently manages hundreds of active Radio Frequency Identification Devices (RFID) utilized for vehicular access into the gated Pauma Valley Country Club Estates community. Over time, RFID credentials have been issued to residents, family members, contractors, vendors, businesses, employees, and other authorized users. The District has not historically had a formal renewal process, expiration schedule, or standardized administrative RFID process.

DISCUSSION

The proposed Standard Operating Procedure (SOP) establishes a consistent process for RFID renewals, account verification, expiration tracking, and credential management utilizing the DwellingLIVE software system. This SOP also creates a phased implementation plan for transitioning existing RFID credentials into renewal cycles without charging any retroactive renewal fees.

Key components of the proposed SOP include:

- Collection and verification of contact information, including email and mailing addresses;
- Defined RFID status types for consistent tracking and administration;
- Staggered renewal schedules for existing RFID credentials;
- Anniversary-month renewal dates for new RFID credentials issued after July 1, 2026;
- Standardized delinquency and management review procedures; and
- Administrative tracking procedures via a master RFID tracker and DwellingLIVE notes.

The proposed SOP is intended to support long-term management of the District’s RFID access system and facilitate administrative cost recovery associated with the RFID system.

FISCAL IMPACT

The fiscal impact associated with an RFID renewal process is projected to generate approximately \$22,000, annually.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

This item is for informational purposes only.

Attachments

1. Gate Access and RFID Transponder Policy
2. RFID Renewal SOP

Supplemental Materials Packet Page Number/s

80-81

82-84

Prepared by: Office Manager, Marissa Fehling

Reviewed by: General Manager, Eric Steinlicht

Approved by: General Manager, Eric Steinlicht

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 25

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: Emergency Sewer Mainline Repair

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Discuss and take action as appropriate.

BACKGROUND

During the week of May 11th through the 15th, a series of wastewater issues occurred. A majority of the issues began with a recent power outage, which appeared to have caused damage to our Supervisory Control and Data Acquisition (SCADA), Oak Tree lift station equipment, and during the remedial process, our Utility Worker identified a blockage. The blockage was tied to a maintenance hole in the street that was identified as an asphalt obstruction. The blockage was located in the sewer mainline that singularly serves the Pauma School. Shortly after, we discovered that the maintenance hole in the street, which needed to be accessed for remediation, was covered with approximately three inches of asphalt. Staff worked tirelessly to break open the asphalt by hand to obtain access to eliminate the blockage.

DISCUSSION

Staff contacted multiple teams to remedy the issue, however, two sources of remediation were not available. Ultimately, two teams attempted to resolve the blockage, and one was successful in doing so. However, the culprit, being identified as asphalt, was illegally discharged into the mainline that caused this blockage, and is still in that mainline. This will likely lead to another blockage unless the pipe is dug up, exposed, and replaced. I have worked to procure bids for remedy that included one of the teams that responded to the blockage (Sewer Stormers), Flow Right, C3 Civil, Downstream, and finally Patriot Pipeline.

With the need to repair the pipe being immediate, and the time at publishing the packet, proposals have not yet been received, and therefore, staff cannot provide a recommendation. We project a repair of this nature ranging anywhere from \$50,000 to more than \$100,000.





FISCAL IMPACT

NOT Within Budget ❌

The estimated fiscal impact of this item is expected to range from \$50,000 to more than \$100,000. The Preliminary Fiscal Year 2027 Budget states the current Operating Reserves are at \$200,000. Assuming the remedial proposal is approved and executed at \$75,000, the remaining Operating Reserves would be \$125,000.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Discuss and take action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. N/A	N/A
--------	-----

Prepared by: Eric Steinlicht, General Manager
Reviewed by: Marissa Fehling, Office Manager
Approved by: Eric Steinlicht, General Manager

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 26

Date: May 26th, 2026

From: General Manager, Eric Steinlicht

Issue: Annual Public Hearing for the Recruitment and Retention Efforts Report

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Conduct a Public Hearing.
2. Receive and file the Report on Recruitment and Retention Efforts.
3. Discuss and take other action as appropriate.

BACKGROUND

Assembly Bill 2561 (McKinnor), effective January 1st, 2025, requires all local public agencies, including special districts, to conduct an annual public hearing prior to budget adoption to present information regarding employee vacancies, recruitment efforts, and retention strategies. The law is intended to promote transparency and provide an opportunity for the public and the employee organization (if applicable) to provide input regarding workforce challenges and staffing.

DISCUSSION

Staffing Overview

As of May 2026, the District's workforce is as follows:

- Total Authorized Positions: 17
- Filled Positions: 15
- Vacant Positions: 2
- Vacancy Rate: 11.8%
- Average Time to Fill Positions: 60 days

Recruitment Efforts

The District utilizes multiple recruitment platforms to candidates, including:

- GovernmentJobs.com
- BCWaterJobs
- Indeed
- District website

These platforms are intended to broaden the applicant pool and target candidates with relevant experience in public service and wastewater operations.

Hiring Challenges

The District has identified several factors impacting recruitment and retention:

- Compensation competitiveness relative to neighboring agencies and private sector opportunities
- Geographic limitations due to the District's rural location, reducing the available applicant pool
- Specialized skill and certification requirements for certain job classifications, limiting qualified candidates

Retention Efforts

The District supports employee retention through a combination of compensation, benefits, and work-life balance initiatives, including:

- Competitive benefits package
- Employer-sponsored health benefits
- Paid time off
- Flexible 9/80 work schedule (for eligible positions)
- Participation in the California Public Employees' Retirement System (CalPERS)
- Optional 457 Deferred Compensation Plan
- Health Reimbursement Account (HRA)
- Employee Assistance Program (EAP)
- Additional incentives such as on-call pay, Electric Vehicle charging, shift differential, and uniform reimbursements

These efforts are designed to enhance employee satisfaction and reduce turnover.

Future Strategies

To address these challenges, the District is evaluating the following strategies:

- Conducting a comprehensive compensation and classification study
- Expanding recruitment outreach efforts
- Enhancing training and professional development opportunities
- Evaluating additional incentives such as education reimbursement and wellness initiatives
- Assessing the feasibility of expanded flexible work schedules or remote work alternatives

PUBLIC HEARING

A public hearing will be conducted to:

- Present the District's workforce data and staffing challenges
- Receive public comment
- Allow input from employee organizations, if applicable

FISCAL IMPACT

There is no immediate fiscal impact associated with this item.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Conduct a Public Hearing.
2. Receive and file the Report on Recruitment and Retention Efforts.
3. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. Notice of Public Hearing

87

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 27

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: Employee Handbook Policy Revisions

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Approve the Employee Handbook Policy Revisions as presented.
2. Discuss and take other action as appropriate.

BACKGROUND

The Pauma Valley Community Services District (District) periodically reviews and updates its Employee Handbook to ensure it remains compliant with California law and is reflective of District administration and operations. The Employee Handbook serves as the primary source for employee policies and benefits, as well as Board of Directors and managerial workplace expectations.

DISCUSSION

Proposed revisions include the following:

<ul style="list-style-type: none">• Meal and rest period provisions• Administrative policy clarifications• Notary-related compensation language	<ul style="list-style-type: none">• Revisions to the on-call duty procedures associated with after-hours operational response<ul style="list-style-type: none">○ This includes Supervisory Control and Data Acquisition (SCADA) system monitoring and remote equipment activation responsibilities.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The proposed on-call revisions are intended to clarify expectations regarding routine monitoring activities, operational response procedures, and after-hours work performed during on-call assignments. This clarifies questions received by staff and ensures fair compensation to the on-call employee when wastewater issues arise that can be managed or monitored remotely. The fiscal impact is expected to be minor and align with typical overtime and on-call costs. A staff member that can spend 15 minutes to 30 minutes monitoring the SCADA is less expensive than the employee reporting on site with a two-hour minimum when a remotely managed solution exists, such as consistent monitoring of wet-well levels.

Additional administrative, operational, and formatting updates were incorporated throughout the handbook where appropriate to heighten consistency and clarity. Lastly, the Notary stipend lapses automatically upon expiration of the underlying commission, revocation of General Manager, or separation from District employment, and applies only to qualifying employees. Cost is partially offset by notarial fee revenue retained by the District pursuant to Government Code Sections 6100 and 8202.5.

FISCAL IMPACT

The Notary Service Stipend at seventy-five dollars (\$75.00) per month per qualifying employee results in an estimated annual fiscal impact of one thousand eight hundred dollars (**\$1,800**) at current staffing (two designated employees). The stipend is reportable to CalPERS as Special Compensation under California Code of Regulations Title 2, §571, "Notary Pay" category, and is consistent with documented practice at comparable California public agencies.

The Notary Stipend was not calculated into the Preliminary Budget presented today but will be implemented into the formal budget adoption in June 2026.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Approve the Employee Handbook Policy Revisions as presented.
2. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. Employee Handbook with Tracked Changes	88-130
2. Formerly Approved Employee Handbook	131-171
3. On Duty Meal Breal Form	172-173
4. Employee 2 nd Meal Break Waiver Form	174

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 28

Date: May 26th, 2026

From: General Manager, Eric Steinlicht

Issue: Preliminary Fiscal Year 2027 Draft Budget

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Receive and file the Preliminary Fiscal Year 2027 Draft Budget.
2. Provide alternative direction to staff, if any.
3. Discuss and take other action as appropriate.

BACKGROUND

The Pauma Valley Community Services District (District) is required via California Government Code § 61110 (for Community Services Districts) to approve a Preliminary Budget on or before June 30th each Calendar Year.

DISCUSSION

The Board of Directors will consider the approval of the Preliminary Fiscal Year 2026-2027 Budget. Assuming the Preliminary Budget is approved, staff will present the formal Fiscal Year Budget 2026-2027 for adoption at the Regular Meeting on June 22nd. This budget has been developed by Treasurer, Lolo Levy, District financial consultant, Office Manager, and General Manager.

Staff recommends that the Board of Directors approve this Preliminary Budget, provide alternative direction if any, and reconvene for formal adoption via Public Hearing at the next Regular Meeting of the Board scheduled for June 22nd, 2026.

FISCAL IMPACT

The fiscal impact of the Preliminary Budget is balanced with no loss; however, what is proposed shows no reserve replenishment at this time. Staff plans to revisit the budget in September of 2026 to monitor performance and propose revisions, if any.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Receive and file the Preliminary Fiscal Year 2027 Draft Budget.
2. Provide alternative direction to staff, if any.
3. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. Proposed Preliminary FY 2027 Budget
2. FY 2027 Budget Narrative

175
176-180

Prepared by: General Manager, Eric Steinlicht
Reviewed by: Office Manager, Marissa Fehling
Approved by: General Manager, Eric Steinlicht

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 29

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: General Manager’s Job Description Amendment

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Discuss and take action as appropriate.

BACKGROUND

The Pauma Valley Community Services District (District) is the proper and authoritative body to amend or otherwise modify the General Manager’s job description.

DISCUSSION

Secretary of the Board, Mr. Mike Esparza, requested that this item be placed on the agenda based on an identified need for material revisions to the General Manager’s job description, and requested that the full Board consider and approve the proposed changes. Staff has prepared four revisions:

- Overall format update to the job description
- Added a new “Desirable” certification:
 - “CWEA Collection System Maintenance Grade IV”
- Added the “CSDA” prefix to “Certified Special District Manager” to identify the issuing authority (California Special Districts Association)
- Added a new “Duties” bullet:
 - “Responsible for executive oversight of District functions, with the ability to perform on-call and occasional operational duties as necessary to ensure continuity of services.”

The above constitutes the only changes. The updated job description and the former job description are attached for Board reference.

FISCAL IMPACT

No Impact 

There is no fiscal impact associated with this item.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

Discuss and take action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1.	Current General Manager’s Job Description	181-185
2.	Amended General Manager’s Job Description	186-189

Prepared by: Eric Steinlicht, General Manager
Reviewed by: Marissa Fehling, Office Manager
Approved by: Eric Steinlicht, General Manager

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 30

Date: May 26th, 2026

From: General Manager, Eric Steinlicht

Issue: Audit Firm Engagement for Fiscal Year 2026

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Approve the Nigro and Nigro Audit Engagement Letter.
2. Discuss and take other action as appropriate.

BACKGROUND

The Pauma Valley Community Services District (District) Board of Directors is required under California Government Code §§ 61118 and 26909 to conduct an annual financial audit for each fiscal year (July 1 through June 30).

DISCUSSION

The District has engaged “Nigro and Nigro” to perform its annual financial audit since 2015. Industry best practice and applicable law require public agencies to solicit competitive bids for audit services every five years. Staff recommends remaining with Nigro & Nigro for the Fiscal Year 2026 audit based on the following considerations:

- The firm's fee structure has remained stable and competitive against the District's limited financial position.
- The District can maintain Nigro & Nigro past the five-year mark, provided the managing partner overseeing our audit changes.
- District staff and the firm maintain a productive working relationship, supporting audit efficiency and minimizing District labor burden.
- Prior to her retirement, the District’s former senior financial consultant independently confirmed Nigro & Nigro as a frequently retained, cost-effective firm and recommended retaining them given the District’s financial position and ease of working with the firm.

FISCAL IMPACT

The fiscal impact associated with the audit of the Fiscal Year ending June 30th, 2026, is **\$10,500**.

STAFF RECOMMENDS THE BOARD OF DIRECTORS:

1. Approve the Nigro and Nigro Audit Engagement Letter.
2. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

1. Nigro and Nigro Engagement Letter

190-201

Prepared by: General Manager, Eric Steinlicht
Reviewed by: Office Manager, Marissa Fehling
Approved by: General Manager, Eric Steinlicht

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 31

Date: May 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

Administrative operations continue on plan, with budget development driving the current workload. The District received approval for a Grant Reimbursement in the amount of **\$63,874**, primarily covering the cost of the SCADA implementation. Approvals throughout this process have been difficult to obtain, further complicated by the federal government shutdown and the presidential administration's pause on all federally funded grants pending "manual verification." A reimbursement of this size represents a **significant win**. The check has not yet been received; however, approval was issued recently.

The Utility Worker I/II job descriptions have been fully updated for both titles and were utilized for active recruitment, which is now closed. Interviews will be scheduled and commenced shortly.

The Solar Project has reached effective completion. All 200 panels have been cleaned, and a recent issue affecting several inverters, where each is tied to multiple panels and therefore a meaningful loss of power savings when offline, has been fully resolved. All inverters are now operational, and remote monitoring has been established to ensure uptime and performance. Following this report, staff will move forward with final acceptance of the project. A ribbon-cutting event has been arranged in advance by staff to mark this milestone.

Office Manager Fehling has been in direct contact with the HOA 1 bookkeeper to understand the assistance requested and identify how the District may be able to support.

Budget development has been a significant focus of the administrative staff. I attended a certification training class last week; however, utility issues required my response and prevented me from remaining in class. Concurrent administrative efforts include continued progress on the Request for Proposal for the new Capital Improvement Plan and ongoing communication with General Counsel on several outstanding items.

The District continues to move forward successfully: operating with a Strategic Plan, Cost-of-Service Study, Critical Failure Plan, significant grant reimbursement, a completed solar project, a regular newsletter, innovative cost savings, and continued adoption of modern technology to improve services delivered to the community (including ACH bill pay and credit card acceptance at the office for any District dues).



Sanitation Operational Report

The recent area-wide power outage caused a burnt fuse at the Oak Tree Lift Station, effectively taking the station out of service. SCADA thankfully alarmed correctly (ongoing bugs we are working out), staff responded on-site in the middle of the night, and the issue was remedied. No service interruption to the collection system resulted.



Security Operational Report

Security operations continue with minimal disruption. A message Board was placed at the back gate during recent Pauma Valley Roadway Association (PVRA) work. The President of the PVRA recently took a ride-along with the General Services Supervisor for recommendations and context, having 25 years here at the District in the Security Division. Gates continue to operate within normal parameters. Staff is planning for an additional meeting with the PVRA to assist with recommendations for the PVRA.

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

The recent power outage also impacted SCADA. Staff believe the event affected the communication devices, though the precise source has not yet been determined. The issue has been remedied, and the system is now communicating properly.

SCADA has otherwise been operating within normal parameters. Outstanding bugs continue to be worked through, and the team has implemented a note-taking function within the software to ensure updates are logged and implemented systematically. The preliminary budget includes a remedial work allowance in the event that further system issues arise.

On the IT side, staff are regularly tested with simulated phishing emails to verify recognition of malicious messaging. Selecting a test message automatically enrolls that staff member in training. No issues have been identified on the IT end, and IT has been working diligently with the team to ensure SCADA and IT systems integrate cleanly.

Attachments

1. IT Cybersecurity Awareness Report (VC3)

Supportive Materials Packet Page Number/s

202

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 35

Date: May 26th, 2026

From: Eric Steinlicht, General Manager

Issue: Solar Project Completion, Final Acceptance, Followed by a Ribbon-Cutting Ceremony

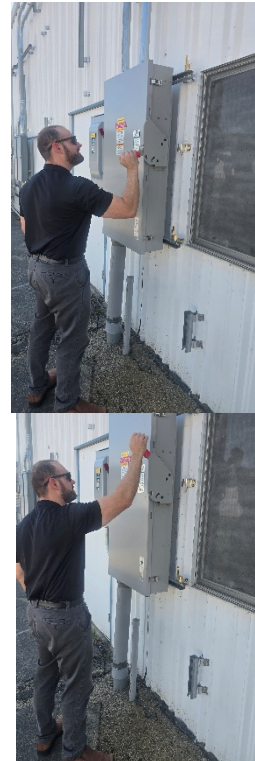
STAFF RECOMMENDS THE BOARD OF DIRECTORS:

- 1. Authorize final acceptance.
- 2. Discuss and take other action as appropriate.

BACKGROUND

The Pauma Valley Community Services District (District) initiated a commercial-scale solar array in 2021. Completion was delayed by multiple factors: initial contractor non-performance, system design and equipment deficiencies, SDGE infrastructure incompatibility, site constraints, inventory delays, required schematic revisions, and lender procurement due to limited cash reserves. Upon appointment in 2023, the General Manager had approximately four months to grandfather the District into Net Metering 2.0, which was completed on schedule. Failure would have reduced Return on Investment (ROI) by nearly half.

Remedial proposals initially ranged from \$220,000 to over \$350,000. The District remediated the project for under \$80,000 via a loan at 4.99%. Upon SDGE's determination that its infrastructure could not accept back-feed, an additional \$100,000+ in utility-side costs was projected. Per Board direction, the General Manager dispatched a letter to the San Diego County Board of Supervisors. SDGE subsequently completed its scope for just over \$23,000, with a corresponding Phase II remedial contractor scope of \$29,800. The combined Phase II cost was \$53,255. This represents approximately half of the conservative SDGE-only estimate and is inclusive of remedial work that the estimate did not include.



DISCUSSION

Staff requests Board authorization for final acceptance of the solar project. SDGE has issued Permission to Operate, all 200 panels have been cleaned and inspected, and the project is complete pending Board acceptance. This represents a major milestone and District victory given the project's history.

FISCAL IMPACT

Within Budget ✓

Projected power savings are \$3,523 per month, or \$42,277 annually. The project was funded via a loan at 4.99% with a monthly repayment of \$948.35, yielding net optimal savings of \$2,574.65 per month. Recent cleaning of all 200 panels was completed for just under \$1,000; a minimum of two additional cleanings per year is anticipated to maintain optimal generation. Adjusted for cleanings, projected net savings are \$3,273.08 per month, or \$39,277 annually. This does not include unanticipated equipment maintenance or repair, particularly during the first year of live operation.

THEREFORE, STAFF RECOMMENDS THE BOARD OF DIRECTORS:

- 1. Authorize final acceptance.
- 2. Discuss and take other action as appropriate.

Attachments

Supplemental Materials Packet Page Number/s

- | | |
|-------------------------------------|-----|
| 1. SDGE Permission to Operate (PTO) | 203 |
|-------------------------------------|-----|

Prepared and Approved by: Eric Steinlicht, General Manager | Reviewed by: Marissa Fehling, Office Manager