

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

**Held on March 23<sup>rd</sup>, 2026**

**Directors Present:** Fred Nelson, Richard Collins, Michael Esparza, Lolo Levy, and Zan Villanueva  
**Staff Present:** General Manager Eric Steinlicht, Office Manager Marissa Fehling, and Administrative Assistant Maritza Chaloux  
**Also Present:** Residents Janet Scott, Michael Martello, Jim Fischer with Fischer Compliance, LLC, Rich Cunningham with Fischer Compliance, LLC, and Consultant Jeff Armstrong

1. Call to Order: The Regular Meeting was called to order at 10:00 a.m. by Fred Nelson
2. Pledge of Allegiance: The Pledge of Allegiance was led by Jeff Armstrong.
3. Roll Call: Office Manager Fehling conducted roll call and confirmed that a quorum was present.
4. Public Comment Period:  
No public comments were received.
5. Approval of Agenda:  
General Manager Steinlicht explained the Brown Act 72-hour rule regarding agenda items for Regular Meetings.

*The Board, by consensus, agreed to consider Item No. 24 (PVCCE HOA1 Proposals) out of order prior to other Action and Discussion Items.*

**– CONSENT ITEMS –**

Items 6-12 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.

6. Minutes of the Regular Board Meeting on January 26<sup>th</sup>, 2026
7. Minutes of the Special Board Meeting on March 6<sup>th</sup>, 2026
8. Review of Variance Report, Balance Sheet, Revenue and Expense Report
9. Accounts Receivable Report
10. Security Division Report
11. Professional Services Agreement with Carollo Engineering
12. Resolution Number One Hundred and Thirty-Six, Board Member Code of Ethics and Conduct Policy

A motion was made by Director Esparza to approve the Consent Calendar as presented, seconded by Director Collins.

**Motion:** Approve Consent Calendar Items 6-12

**Result:** Approved (Unanimous)

**Moved by:** Director Esparza

**Seconded by:** Director Collins

**– CLOSED SESSION –**

13. 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: Secretary Mike Esparza  
Employee: General Manager  
Authority: Government Code Section 54957.6

The Board entered closed session at 10:08 a.m.

The Board reconvened to open session at 10:15 a.m.

The following reportable action was taken in closed session:

The Board approved Amendment No. 3 to the General Manager's Employment Contract, increasing the base salary to \$162,904.

– ACTION ITEMS –

14. Amendment to the General Manager's Contract

The Board of Directors will consider the approval of an additional amendment to the General Manager's Employment Contract.

Staff Recommendation:

Discuss and take action as appropriate.

The Board approved Amendment #3 to the General Manager's Employment Contract, increasing base pay to \$162,904.

**Motion:** Approve Amendment #3 to the General Manager's Employment Contract.

**Result:** Approved

**Moved by:** Director Villanueva

**Seconded by:** Director Nelson

**Abstained by:** Director Collins

15. Strategic Plan Presentation and Approval

The Board of Directors will consider approving the newly created District Strategic Plan as presented.

Staff Recommendation:

1. Review and Approve the Strategic Plan.
2. Discuss and take other action as appropriate.

Consultant Jeff Armstrong presented the final draft of the District's first-ever strategic plan. The plan incorporates a revised mission statement, "SMART" guiding principles, and six strategic priorities. The "vital few" initiatives for the next 3-5 years include a long-range financial plan, a capital improvement/asset management plan, a KPI program, workforce development, and improved stakeholder communication. The General Manager's priority list has been integrated with the strategic plan to create a unified tracking system. The Board will formally review the strategic plan every three years and informally review progress at least annually.

**Motion:** To approve the newly developed District Strategic Plan as presented.

**Result:** Approved (Unanimous)

**Moved by:** Director Esparza

**Seconded by:** Director Villanueva

**– DISCUSSION ITEMS –**

16. Sewer System Management Plan (SSMP) Required Updated and Compliance Presentation  
General Manager Steinlicht and consultants highlighted the critical August deadline for a mandatory SSMP update. State regulations were updated in 2022, becoming more stringent. The district's current 350-page SSMP is considered unusable in an emergency, and the goal is a more concise 60-page document. The cost for an external firm to rewrite the SSMP is estimated at \$25,000 to \$40,000. The Board acknowledged the urgency and critical importance of the SSMP update before the August deadline.

**– DISCUSSION ITEMS –**

17. Radio Frequency Identification Device (RFID) Fee for the Pauma Valley Roadway Association (PVRA)  
The Board discussed and settled on a \$40 per month flat fee for the Pauma Valley Roadway Association for deactivating RFIDs of delinquent homeowners.
18. Security Division Ad-Hoc Committee Update and Radio Frequency Identification Device (RFID) Policy  
The Board clarified that the CSD's security team lacks legal authority to enforce traffic codes on the Roadway Association's private roads. This responsibility lies with the association. The CSD could only provide this service under a formal, fully-funded contract.
19. Rancho Pauma Mutual Water Company Ad-Hoc Committee Update  
President Nelson provided an update.
20. Dental and Vision Benefits Evaluation, Comparison, and Consideration  
Staff was directed to research costs for both a direct insurance plan and an equivalent HRA cash contribution and present the proposals at a future meeting.
21. District Transparency Certificate of Excellence  
An update was provided by Director Esparza. General Manager Steinlicht to coordinate with the third-party reviewer to complete the review process and submit the application.
22. Fiscal Year 2027 Annual Budget Preparation and Timeline  
Treasurer Levy informed that a draft budget would be provided at the next regular meeting.
23. Solar Project Update  
General Manager Steinlicht provided an update.

**– ACTION ITEMS –**

24. Pauma Valley Country Club Estates (PVCCE) Homeowners Association One (HOA1) Proposals  
The Board of Directors will consider two proposals submitted on behalf of HOA1 for storm drain walkway improvement and request to utilize District staff for HOA1 administrative functions.

Staff Recommendation:

Discuss and take other action as appropriate.

Martello informed that HOA1 proposed a partnership to improve a public walkway. After discussion on cost-sharing, liability, and installation methods, the Board deferred the decision until the following regular board

meeting. An ad hoc committee led by Director Levy and Villanueva was formed to approach the golf club for cost-sharing and report back at the next regular meeting. Staff was directed to provide HOA1 with an updated list of closed escrows. A motion was made for General Manager Steinlicht to begin providing the approved administrative support to HOA1 at the fully burdened rate.

**Motion:** To defer the walkway improvement project until April 2026 and approve providing administrative services to HOA1.

**Result:** Approved

**Moved by:** President Nelson

**Seconded by:** Director Levy

25. Local Agency Formation Commission (LAFCO) Resolution for Various Annexations

The Board of Directors will consider the attached Board letter, LAFCO Letter, and authorizing Resolution Number 136, which formally approves "Island" annexations as well as "Sphere of Influence" boundary expansions to complete the LAFCO process, thus ensuring that all parcels receiving service are now within the District's Sphere of Influence.

Staff Recommendation:

1. Adopt Resolution Number 137 authorizing various annexations into the District's service area.
2. Discuss and take other action as appropriate.

General Manager Steinlicht provided an update. The Board approved moving forward with the LAFCO process to formally annex areas receiving service. They agreed to absorb an unforeseen additional cost of \$3,000-\$8,000 rather than re-billing residents. General Manager Steinlicht to proceed with the application and pay the required fees as soon as possible.

**Motion:** Adopt Resolution Number 137 authorizing various annexations into the District's service area.

**Result:** Approved

**Moved by:** Director Esparza

**Seconded by:** Director Collins

26. Cost-of-Living Adjustment (COLA) for Fiscal Year 2027

The Board of Directors will consider approving a Cost-of-Living Adjustment (COLA) for Fiscal Year 2027

Staff Recommendation:

1. Adopt Resolution Number 138 authorizing a four percent (4%) Cost-of-Living Adjustment and updating the Salary Schedule as needed to reflect that same adjustment.
2. Discuss and take other action as appropriate.

**Motion:** Adopt Resolution Number 138 authorizing staff to implement the 4% COLA effective July 1, 2026.

**Result:** Approved

**Moved by:** President Nelson

**Seconded by:** Director Esparza

– INFORMATIONAL ITEMS –

27. General Manager's Report

General Manager Steinlicht provided his report.

28. Miscellaneous Items

- A. Requested items for future agendas (**Directors and Staff Only**)

- a) Salary and Total Compensation Study (Agendized)
  - b) Critical Spare Part Inventory/Replacement Program and Computerized Maintenance Management System (CMMS) (In Progress)
  - c) Employee Satisfaction Survey (Agendized)
- B. Board Comments- None  
C. Announcements- None  
D. Next Regular Meeting of the Board:  
d) Tuesday, May 26<sup>th</sup>, 2026 at 10:00 AM

– CLOSED SESSION –

29. The Board of Directors Will Meet in a Closed Session to Discuss:

- 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  
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 12:15 p.m.

30. Open Session

- A. Reportable Actions.

The Board reconvened to open session at 1:25 p.m. with no reportable actions.

31. Adjournment

With nothing further to discuss, the meeting adjourned at 1:25 p.m.

*Marissa Fehling*

Marissa Fehling, Recording Secretary