

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

**Held on January 26<sup>th</sup>, 2026**

**Directors Present:** Richard Collins, Michael Esparza, Zan Villanueva, and Lolo Levy  
**Directors Absent:** Fred Nelson  
**Staff Present:** General Manager Eric Steinlicht, Office Manager Marissa Fehling, and Administrative Assistant Maritza Chaloux  
**Also Present:** Jeff Armstrong

1. Call to Order: The Regular Meeting was called to order at 10:01 a.m. by Vice President Collins.
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.

**-- CONSENT ITEMS --**

Items 5-9 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 December 15<sup>th</sup>, 2025
6. Review of Variance Report, Balance Sheet, Revenue and Expense Report
7. Accounts Receivable Report
8. Security Division Report
9. Employee Benefits Summary Update

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

**Motion:** Approve Consent Calendar Items 5-9.

**Result:** Approved (Unanimous)

**Moved by:** Director Levy

**Seconded by:** Director Villanueva

**-- DISCUSSION ITEMS --**

10. Strategic Plan Workshop One  
Strategic planning consultant Jeff Armstrong facilitated the first workshop for development of the District's Strategic Plan, the first comprehensive strategic planning effort undertaken by the District in over five years. Mr. Armstrong reviewed the proposed timeline for completion of the plan, with a draft report for Board consideration and a final plan expected to be presented for adoption at a future Regular Board Meeting. The Board reviewed the District's mission and vision statements and discussed proposed Guiding Principles, with consensus to emphasize "Safety First" given the nature of District operations. Mr. Armstrong presented the results of a SWOT analysis developed from input provided by Board Members and staff. The analysis identified key strengths, operational challenges, potential opportunities for financial planning and infrastructure investment, and external risks related to aging infrastructure and financial pressures. Based on the discussion, Mr. Armstrong introduced six proposed strategic priorities to guide the District's future planning: Financial Strength, Community Engagement, Infrastructure, Staff Engagement, Effective Governance, and Stakeholder Engagement. The Board

provided feedback and direction to staff and the consultant to incorporate the discussion into the draft Strategic Plan.

11. **Rancho Pauma Mutual Water Company Ad-Hoc Committee Update and EDU Assignment**  
Director Collins reported that the District received a letter from President Chuck Bandy of Rancho Pauma Mutual Water Company and stated that the EDU assignment matter is currently under review by legal counsel. Director Collins advised that the matter would be further discussed during Closed Session.
12. **Local Agency Formation Commission (LAFCO) Update**  
General Manager Steinlicht provided an update regarding the District's ongoing matter with the San Diego Local Agency Formation Commission (LAFCO). Steinlicht reported that additional fees have been requested by LAFCO for surveying and meeting publication costs that were not included in the agency's initial estimates. The Board discussed the matter and directed Steinlicht to prepare and send a formal letter of protest to LAFCO leadership regarding the additional costs. The Board further indicated that, should the protest not resolve the issue, the District may proceed with payment of the requested fees in order to finalize the matter.
13. **Solar Project Update**  
General Manager Steinlicht provided an update regarding the District's Solar Project. The project remains on hold pending authorization from SDG&E to begin trenching work. Staff reported that the project is subject to an upcoming deadline in April and that coordination with SDG&E is ongoing.
14. **Transition to Quarterly Financials**  
General Manager Steinlicht presented a proposal to transition the District's full financial reporting from monthly to quarterly in order to improve administrative efficiency while maintaining appropriate financial oversight. The Board discussed the proposal and agreed to transition to quarterly full financial reports, with a cash flow analysis to be provided at each regular meeting to monitor the District's current financial position.
15. **Pauma Valley Investors Limited Liability Corporation Indemnification Agreement**  
The Board reviewed an indemnification agreement submitted by Pauma Valley Investors LLC in response to the District's request to place a lock on a gate to allow emergency access to the property owned by Darlene Shiley. Following discussion, the Board declined to enter into the indemnification agreement and directed the General Manager to send correspondence acknowledging the property owner's preference to rely on outside emergency services rather than provide the District with access through the gate.
16. **Pauma Valley Country Club Estates (PVCCE) Resident, Karen Keeley, Request for Board of Directors Consideration Concerning Ordinance Fifty-Five: Policies and Procedures for Gate Access within the PVCCE**  
The Board considered a request from PVCCE resident Karen Keeley regarding concerns related to noise and late-night deliveries within the community. The Board discussed the matter and noted that noise complaints fall under the jurisdiction of the County or the homeowners association, and are not within the authority of the District. The Board also discussed gate access policies and determined that restricting commercial deliveries or contractor access through the gates would not be practical for the community. The Board directed the General Manager to respond to the resident regarding the District's position.
17. **Form 700: Statement of Economic Interests, Reminder to File**  
Office Manager Fehling reminded Board Members of the requirement to file their Form 700: Statement of Economic Interests by the April 1, 2026, deadline.

-- ACTION ITEMS --

18. Election of Officers for Calendar Year 2026  
The Board of Directors will consider and subsequently vote on any Board officer positions for the year 2026.

Staff Recommendation:

Discuss and take other action as appropriate.

The Board officers will remain as follows:

President: Fred Nelson

Vice President: Richard Collins

Secretary: Michael Esparza

Treasurer: Lolo Levy

Director: Zan Villanueva

**Motion:** Maintain the current Board officer assignments for 2026.

**Result:** Approved (Unanimous)

**Moved by:** Director Esparza

**Seconded by:** Director Villanueva

19. Year-End Service Recognition Pay  
The Board of Directors will consider adopting a resolution approving a position-based end-of-year Service Recognition Pay, classified as reportable compensation under the California Public Employees' Retirement Law.

Staff Recommendation:

1. Approve resolution 137 authorizing Year-End Service Recognition Pay.
2. Discuss and take other action as appropriate.

The Board considered Resolution No. 137, which proposed establishing a monthly Service Recognition Pay benefit for District employees. Following discussion, a motion was made to approve Resolution No. 137 authorizing Service Recognition Pay.

**Motion:** Approve Resolution No. 137 authorizing Year-End Service Recognition Pay.

**Moved by:** Director Esparza

The motion failed due to the lack of a second. The Board discussed the possibility of considering a discretionary year-end bonus based on the District's financial performance and agreed to revisit the topic in November.

20. District Employee Handbook Policy Revisions  
The Board of Directors will consider approving a series of updates to the District's Employee Handbook that primarily include schedule changes pertinent to District Staff.

Staff Recommendation:

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

The Board considered proposed revisions to the District Employee Handbook, including implementation of a 9/80 work schedule for administrative staff and clarifications related to holiday pay calculations for 24/7 personnel.

**Motion:** Approve the revised District Employee Handbook.

**Result:** Approved (Unanimous)

**Moved by:** Director Levy

**Seconded by:** Director Collins

21. Mid-Year Fiscal Year 2026 Budget Revision

The Board of Directors will consider approving a revised budget that considers new revenue generated via new rate increase resulting from the comprehensive Cost-of-Service Analysis which has been vetted by the District's Board Treasurer.

Staff Recommendation:

1. Approve the Mid-Year Fiscal Year 2026 Budget Revision.
2. Discuss and take other action as appropriate.

Director Levy presented the proposed mid-year budget revision reflecting updated revenues and adjustments to appropriations.

**Motion:** Approve the Mid-Year Fiscal Year 2026 Budget Revision.

**Result:** Approved (Unanimous)

**Moved by:** Director Levy

**Seconded by:** Director Esparza

-- INFORMATIONAL ITEMS --

22. **General Manager's Report**

General Manager Steinlicht provided updates on several District projects and operational matters.

23. **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:**
  - a) **Monday, March 23<sup>rd</sup>, 2026, at 10:00 AM**

-- CLOSED SESSION --

24. **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**

**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 12:34 p.m.

25. Open Session

A. Reportable Actions-

The Board reconvened to open session at 1:35 p.m. with no reportable actions.

26. Adjournment

With nothing further to discuss, the meeting adjourned at 1:35 p.m.

*Marissa Fehling*

Marissa Fehling, Recording Secretary