

Pauma Valley Community Services District
33129 Cole Grade Road * Pauma Valley, CA 92061
(760) 742-1909 * (760) 742-1588

NOTICE OF PUBLIC MEETING

DATE: Monday, October 25, 2021
TIME: OPEN Session - 10:00 a.m.
PLACE: <https://us02web.zoom.us/j/82297402340>
Phone: (669) 900-6833 Passcode: 822 9740 2340

AGENDA

1. Call to Order
2. Roll Call
3. Open for Public Comments
 - a. 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, 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.

In the interest of public health and safety this meeting will be held as a hybrid (in-person and virtually). Please note, individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer.
4. Resolution 107 - AB361 Resolution Approving District's Hybrid Meetings
 - a. The Board will consider adopting Resolution 107 to continue hybrid meetings
5. Audit Report for Year Ending June 30, 2021
 - a. The Board will consider accepting the audit report for Fiscal Year Ending June 30, 2021
6. Approval of Minutes
 - a. Minutes of the Regular Board Meeting of September 27, 2021
7. Financial Report
 - a. Review of BS, P&L as of 9/30/2021
 - b. Accounts Receivable

8. Security Report
 - a. Daily Activity Report
 - b. Gate Penalty Assessment Report
9. General Manager's Report
10. Purchasing Policy Update
 - a. Board will consider an update to the Purchasing Policy
11. Other Business
 - a. Requested items for next or future agendas (Directors and Staff Only)
 - b. Board comments
12. Adjournment
 - a. Regular Meeting on November 22, 2021 at 10:00 a.m.

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the District's Administrative office not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours the office of the District Secretary, 33129 Cole Grade Road, Pauma Valley, California.

To request a disability-related modification or accommodation regarding agendas or attendance, contact Amber Watkins, at AmberWatkinspvcSD@hotmail.com at least 48 hours before the meeting.



October 22, 2021

RESOLUTION NO. 107

A RESOLUTION OF THE BOARD OF DIRECTORS OF PAUMA COMMUNITY SERVICES DISTRICT AUTHORIZING VIRTUAL OR HYBRID BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361

WHEREAS, the Pauma Community Services District (“District”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Agency’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the District has been holding virtual or hybrid meetings during the pandemic in the interest of protecting the health and safety of the public, District staff and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, a state of emergency has been proclaimed related to COVID-19, state and local officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE PAUMA COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related

to COVID-19 is currently in effect; (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct teleconference, hybrid, virtual or other forms of remote meetings of the Board of Directors, including Committee meetings, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

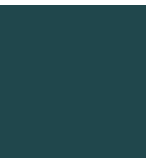

PASSED AND ADOPTED by the Board of Directors of the Pauma Community Services District this 25 day of October 2021, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Samuel Logan, President

ATTEST:

Robert Graziano, General Manager



**PAUMA VALLEY
COMMUNITY SERVICES DISTRICT
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2021**

NIGRO & NIGRO^{PC}

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

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Board of Directors
Pauma Valley Community Services District
Pauma Valley, California

We are pleased to present this report related to our audit of the financial statements of the Pauma Valley Community Services District (District) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro & Nigro, PC'. The signature is written in a cursive, flowing style.

Nigro & Nigro, PC
Murrieta, California
October 15, 2021

Required Communications

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2021

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices	Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. Management's Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments	Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries .
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2021

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	We applied certain limited procedures to the: <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

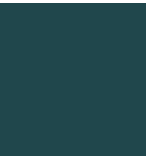

This information is intended solely for the information and use of Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Summary of Adjusting Journal Entries

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

*Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2021*

None Noted



**PAUMA VALLEY
COMMUNITY SERVICES DISTRICT
ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended
June 30, 2021 and 2020**

**NIGRO
& NIGRO^{PC}**

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
For the Fiscal Years Ended June 30, 2021 and 2020
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Pauma Valley Community Services District
Pauma Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Pauma Valley Community Services District, which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pauma Valley Community Services District, as of June 30, 2021 and 2020, and the results of its operations and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and schedules of proportionate share of the net pension liability and contributions to the pension plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated October 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
October 15, 2021

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Years Ended June 30, 2021 and 2020

Management's Discussion and Analysis (MD&A) offers readers of Pauma Valley Community Services District's financial statements a narrative overview of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2021, the District's net position decreased by \$22,371 or 0.8% from the prior year's net position of \$2,687,259 to \$2,664,888 as a result of the year's operations.
- In fiscal year 2020, the District's net position decreased by \$95,196 or 3.4% from the prior year's net position of \$2,782,455 to \$2,687,259 as a result of the year's operations.
- In fiscal year 2021, operating revenues decreased \$10,731 or 0.8% from \$1,418,660 to 1,407,929, from the prior year, primarily due to a \$13,591 decrease in other fees and services.
- In fiscal year 2020, operating revenues decreased \$25,146 or 1.7% from \$1,443,806 to \$1,418,660, from the prior year, primarily due to a \$39,200 decrease in patrol service fees and a \$22,380 increase in gate service fees.
- In fiscal year 2021, operating expenses decreased \$91,054 or 5.6% from \$1,635,350 to \$1,544,296, from the prior year, primarily due to a \$78,944 decrease in the overall costs related to patrol services.
- In fiscal year 2020, operating expenses increased \$193,362 or 13.4% from \$1,441,988 to \$1,635,350, from the prior year, primarily due to a \$114,375 increase in pension related costs related to the GASB No. 68 actuarial calculation along with a \$71,431 increase in repairs and maintenance expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the District's financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: (1) Balance Sheet; (2) Statement of Revenues, Expenses, and Changes in Net Position; (3) Statement of Cash Flows; and (4) Notes to the Financial Statements.

The financial statements accompanying this MD&A present the net position, results of operations, and changes in cash flow during the fiscal years ending June 30, 2021 and 2020. These financial statements have been prepared using the accrual basis of accounting, which is similar to the accounting basis used by for-profit entities. Each financial statement is identified and defined in this section, and analyzed in subsequent sections of this MD&A.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2021 and 2020

REQUIRED FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet presents information on the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, zoning, and new or changed legislation or regulations also need to be considered when establishing financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflow of resources, resulting in net positions of \$2,664,888 and \$2,687,259 as of June 30, 2021 and 2020, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present information showing how the District's net position changed during the fiscal year. All of the year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results for the District's operations for the year and can be used to determine if the District has successfully recovered all of its costs through user fees and other charges. Operating revenues and expenses are related to the District's core activities (providing sewer, patrol, and gate services). Non-operating revenues and expenses are not directly related to the core activities of the District (e.g. interest income, interest expense, property taxes, gain or loss on sale of assets). For the fiscal years ended June 30, 2021 and 2020, net position decreased \$22,371 and \$95,196, respectively.

Statement of Cash Flows

The Statement of Cash Flows presents information regarding the District's use of cash during the year. It reports cash receipts, cash payments, and net changes in cash resulting from operations, financing and investing activities. The Statement of Cash Flows provides answers to such questions as: Where did cash come from? What was cash used for? What was the change in the cash balance during the reporting period?

District cash flows for the year have been categorized into one of the following activities: operating, non-capital financing, capital and related financing, or investing. The total of these categories represents an increase in cash and cash equivalents of \$61,163 and \$188,006 for the fiscal years ending June 30, 2021 and 2020, respectively. Cash equivalents managed directly by the District consist of investments in the California Local Agency Investment Fund (LAIF).

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Balance Sheets

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2019</u>	<u>Change</u>
Assets:					
Current assets	\$ 1,276,729	\$ 1,244,280	\$ 32,449	\$ 1,064,928	\$ 179,352
Capital assets, net	2,738,128	2,689,045	49,083	2,828,040	(138,995)
Total assets	<u>4,014,857</u>	<u>3,933,325</u>	<u>81,532</u>	<u>3,892,968</u>	<u>40,357</u>
Deferred outflows of resources	<u>293,789</u>	<u>348,809</u>	<u>(55,020)</u>	<u>371,778</u>	<u>(22,969)</u>
Total assets and deferred outflows of resources	<u>\$ 4,308,646</u>	<u>\$ 4,282,134</u>	<u>\$ 26,512</u>	<u>\$ 4,264,746</u>	<u>\$ 17,388</u>
Liabilities:					
Current liabilities	\$ 108,857	\$ 87,773	\$ 21,084	\$ 63,978	\$ 23,795
Non-current liabilities	1,522,061	1,441,915	80,146	1,344,201	97,714
Total liabilities	<u>1,630,918</u>	<u>1,529,688</u>	<u>101,230</u>	<u>1,408,179</u>	<u>121,509</u>
Deferred inflows of resources	<u>12,840</u>	<u>65,187</u>	<u>(52,347)</u>	<u>74,112</u>	<u>(8,925)</u>
Net position:					
Net investment in capital assets	2,738,128	2,689,045	49,083	2,828,040	(138,995)
Unrestricted (Deficit)	(73,240)	(1,786)	(71,454)	(45,585)	43,799
Total net position	<u>2,664,888</u>	<u>2,687,259</u>	<u>(22,371)</u>	<u>2,782,455</u>	<u>(95,196)</u>
Total liabilities, deferred outflows of resources and net position	<u>\$ 4,308,646</u>	<u>\$ 4,282,134</u>	<u>\$ 26,512</u>	<u>\$ 4,264,746</u>	<u>\$ 17,388</u>

The condensed statement on the prior page presents a summary of the District's Balance Sheet.

- The District's net position as of June 30, 2021 totaled \$2,664,888 compared with \$2,687,259 as of June 30, 2020, a decrease of \$22,371 or 0.8%.
- The District's net position as of June 30, 2020 totaled \$2,687,259 compared with \$2,782,455 as of June 30, 2019, a decrease of \$95,196 or 3.4%.

Net position is accumulated from revenues, expenses, and contributed capital combined with the beginning balance of net position as presented in the Statement of Revenues, Expenses, and Changes in Net Position.

In accordance with generally accepted accounting principles, capital assets are recorded at historical cost.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2019</u>	<u>Change</u>
Operating revenues	\$ 1,407,929	\$ 1,418,660	\$ (10,731)	\$ 1,443,806	\$ (25,146)
Operating expenses	(1,544,296)	(1,635,350)	91,054	(1,441,988)	(193,362)
Operating income (loss)	(136,367)	(216,690)	80,323	1,818	(218,508)
Non-operating revenues(expenses), net	113,996	121,494	(7,498)	119,720	1,774
Change in net position	(22,371)	(95,196)	72,825	121,538	(216,734)
Net position:					
Beginning of year	2,687,259	2,782,455	(95,196)	2,660,917	121,538
End of year	<u>\$ 2,664,888</u>	<u>\$ 2,687,259</u>	<u>\$ (22,371)</u>	<u>\$ 2,782,455</u>	<u>\$ (95,196)</u>

While the Statement of Net Position shows the change in financial position, the Statements of Revenues, Expenses and Changes in Net Position, provides answers to the nature and source of these changes.

Table A-3: Comparative Statement of Revenues

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Operating revenues:					
Sewer service fees	\$ 443,267	\$ 441,975	\$ 1,292	\$ 441,443	\$ 532
Patrol service fees	537,949	536,381	1,568	575,581	(39,200)
Gate service fees	398,364	398,364	-	375,984	22,380
Other fees and charges	28,349	41,940	(13,591)	50,798	(8,858)
Total operating revenues	1,407,929	1,418,660	(10,731)	1,443,806	(25,146)
Non-operating:					
Property taxes	112,479	107,242	5,237	104,033	3,209
Investment earnings	1,517	14,252	(12,735)	17,543	(3,291)
Total non-operating	113,996	121,494	(7,498)	121,576	(82)
Total revenues	<u>\$ 1,521,925</u>	<u>\$ 1,540,154</u>	<u>\$ (18,229)</u>	<u>\$ 1,565,382</u>	<u>\$ (25,228)</u>

- In fiscal year 2021, operating revenues decreased \$10,731 or 0.8% from \$1,418,660 to 1,407,929, from the prior year, primarily due to a \$13,591 decrease in other fees and services.
- In fiscal year 2020, operating revenues decreased \$25,146 or 1.7% from \$1,443,806 to \$1,418,660, from the prior year, primarily due to a \$39,200 decrease in patrol service fees and a \$22,380 increase in gate service fees.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Table A-4: Comparative Statement of Expenses

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Operating expenses:					
Sewer system	411,171	414,309	(3,138)	332,693	81,616
Patrol services	441,355	520,299	(78,944)	471,981	48,318
Gate services	302,455	318,406	(15,951)	276,913	41,493
General and administrative	389,315	382,336	6,979	360,401	21,935
Total operating expenses	<u>1,544,296</u>	<u>1,635,350</u>	<u>(91,054)</u>	<u>1,441,988</u>	<u>193,362</u>
Non-operating expenses:					
Interest expense	-	-	-	1,856	(1,856)
Total non-operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,856</u>	<u>(1,856)</u>
Total expenses	<u>\$ 1,544,296</u>	<u>\$ 1,635,350</u>	<u>\$ (91,054)</u>	<u>\$ 1,443,844</u>	<u>\$ 191,506</u>

- In fiscal year 2021, operating expenses decreased \$91,054 or 5.6% from \$1,635,350 to \$1,544,296, from the prior year, primarily due to a \$78,944 decrease in the overall costs related to patrol services.
- In fiscal year 2020, operating expenses increased \$193,362 or 13.4% from \$1,441,988 to \$1,635,350, from the prior year, primarily due to a \$114,375 increase in pension related costs related to the GASB No. 68 actuarial calculation along with a \$71,431 increase in repairs and maintenance expense.

CAPITAL ASSETS

	<u>Balance June 30, 2021</u>	<u>Balance June 30, 2020</u>	<u>Balance June 30, 2019</u>
Capital assets:			
Non-depreciable assets	\$ 94,868	\$ 94,868	\$ 94,868
Depreciable assets	4,424,072	4,252,840	4,285,368
Accumulated depreciation	<u>(1,780,812)</u>	<u>(1,658,663)</u>	<u>(1,552,196)</u>
Total capital assets, net	<u>\$ 2,738,128</u>	<u>\$ 2,689,045</u>	<u>\$ 2,828,040</u>

In 2021, capital assets, net increased by \$49,083 from the prior year, contributing towards the ending balance of \$2,738,128. This overall net increase consisted of \$171,232 in additions and current year depreciation of \$122,149.

In 2020, capital assets, net decreased by \$138,995 from the prior year, contributing towards the ending balance of \$2,689,045. This overall net decrease consisted of current year depreciation of \$138,995.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Years Ended June 30, 2021 and 2020

CONDITIONS AFFECTING CURRENT FINANCIAL POSITION

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2021 and beyond. However, the potential impact to the District is unknown at this time.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our Board of Directors, citizens, customers, ratepayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and the stewardship of the facilities it owns and operates. If you have questions about this report or need additional information, please contact the District's General Manager, Pauma Valley Community Services District, 33129 Cole Grade Road, Pauma Valley, California 92061.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Balance Sheets

June 30, 2021 and 2020

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents (Note 2)	\$ 1,182,293	\$ 1,121,130
Accrued interest receivable	874	2,207
Accounts receivable (Note 3)	53,779	75,527
Property taxes receivable	771	989
Prepaid expenses	39,012	44,427
Total current assets	1,276,729	1,244,280
Non-current assets:		
Capital assets – not being depreciated (Note 4)	94,868	94,868
Capital assets – being depreciated, net (Note 4)	2,643,260	2,594,177
Total non-current assets	2,738,128	2,689,045
Total assets	4,014,857	3,933,325
Deferred outflows of resources:		
Deferred amounts related to net pension liability (Note 6)	293,789	348,809
Total deferred outflows of resources	293,789	348,809
Total assets and deferred outflows of resources	\$ 4,308,646	\$ 4,282,134
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 77,508	\$ 49,260
Customer unearned revenue for services	18,933	27,362
Long-term liabilities – due within one year:		
Compensated absences (Note 5)	12,416	11,151
Total current liabilities	108,857	87,773
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 5)	12,415	11,150
Net pension liability (Note 6)	1,509,646	1,430,765
Total non-current liabilities	1,522,061	1,441,915
Total liabilities	1,630,918	1,529,688
Deferred inflows of resources:		
Deferred amounts related to net pension liability (Note 6)	12,840	65,187
Total deferred inflows of resources	12,840	65,187
Net position:		
Investment in capital assets	2,738,128	2,689,045
Unrestricted (Deficit) (Note 7)	(73,240)	(1,786)
Total net position	2,664,888	2,687,259
Total liabilities, deferred inflows of resources and net position	\$ 4,308,646	\$ 4,282,134

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Sewer service fees	\$ 443,267	\$ 441,975
Patrol service fees	537,949	536,381
Gate service fees	398,364	398,364
Other fees and charges	28,349	41,940
Total operating revenues	<u>1,407,929</u>	<u>1,418,660</u>
Operating expenses:		
Sewer system	411,171	414,309
Patrol services	441,355	520,299
Gate services	302,455	318,406
General and administrative	389,315	382,336
Total operating expenses	<u>1,544,296</u>	<u>1,635,350</u>
Operating income (loss)	<u>(136,367)</u>	<u>(216,690)</u>
Non-operating revenues(expenses):		
Property taxes	112,479	107,242
Investment earnings	1,517	14,252
Total non-operating revenue(expense), net	<u>113,996</u>	<u>121,494</u>
Change in net position	(22,371)	(95,196)
Net position:		
Beginning of year	<u>2,687,259</u>	<u>2,782,455</u>
End of year	<u>\$ 2,664,888</u>	<u>\$ 2,687,259</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 1,421,248	\$ 1,435,492
Cash paid to employees for salaries and wages	(849,137)	(870,789)
Cash paid to vendors and suppliers for materials and services	(455,263)	(499,815)
Net cash provided by operating activities	<u>116,848</u>	<u>64,888</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	<u>112,697</u>	<u>107,324</u>
Net cash provided by non-capital financing activities	<u>112,697</u>	<u>107,324</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(171,232)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(171,232)</u>	<u>-</u>
Cash flows from investing activities:		
Investment earnings	<u>2,850</u>	<u>15,794</u>
Net cash provided by investing activities	<u>2,850</u>	<u>15,794</u>
Net increase in cash and cash equivalents	<u>61,163</u>	<u>188,006</u>
Cash and cash equivalents:		
Beginning of year	<u>1,121,130</u>	<u>933,124</u>
End of year	<u>\$ 1,182,293</u>	<u>\$ 1,121,130</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Statements of Cash Flows (continued)

For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income(loss)	\$ (136,367)	\$ (216,690)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:		
Depreciation	122,149	138,995
Change in assets - (increase)decrease:		
Accounts receivable, net	21,748	6,844
Prepaid expenses	5,415	186
Change in deferred outflows of resources - (increase)decrease		
Deferred amounts related to net pension liability	55,020	22,969
Change in liabilities - increase(decrease):		
Accounts payable and accrued expenses	28,248	15,347
Customer unearned revenue for services	(8,429)	9,988
Compensated absences	2,530	(3,081)
Net pension liability	78,881	99,255
Change in deferred inflows of resources - increase(decrease)		
Deferred amounts related to net pension liability	(52,347)	(8,925)
Total adjustments	<u>253,215</u>	<u>281,578</u>
Net cash provided by operating activities	<u>\$ 116,848</u>	<u>\$ 64,888</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Pauma Valley Community Services District (District) was organized in 1961 under the Community Services District Law (Division 2 of Title 6) to provide sanitary sewer and security services to its constituency. The District is governed by a Board of Directors consisting of five directors elected by the District's constituency. The principal source of revenues to the District is fees for sanitary sewer and security services.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity* (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

The Financial Statements (i.e., the balance sheet, the statement of revenues, expenses and change in net position, and statement of cash flows) report information on all of the activities of the primary government. The District accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Financial Statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as *operating income* in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Investments (continued)

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District’s own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

3. Allowance for Doubtful Accounts

The District’s accounts receivable consists of balances due from its customers, substantially all whom are residents in Pauma Valley Country Club Estates. The District has the right of lien and foreclosure on customer’s properties, and accordingly the risk of non-collection is low. However, when these remedies appear inadequate, the District provides for estimated losses based upon prior experience and management’s assessment of the collectability of existing specific accounts.

4. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District’s classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Fences	5-40 years
Machinery and Equipment	5-30 years
Sewer and lateral lines	10-50 years
Oak Tree Lift Station	5-15 years
Treatment Plan	40 years
Drains	100 years
Channels	10-50 years

6. Compensated Absences

The liability for compensated absences reported on the balance sheet consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

<u>CalPERS</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Valuation date	June 30, 2019	June 30, 2018
Measurement date	June 30, 2020	June 30, 2019
Measurement period	July 1, 2019 to June 30, 2020	July 1, 2018 to June 30, 2019

8. Net Position

Net position is classified into two components: net investment in capital assets and unrestricted. These classifications are defined as follows:

- **Investment in capital assets** - This component of net position consists of capital assets, net of accumulated depreciation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "investment in capital assets".

E. Property Taxes

Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to state law to the appropriate units of local government. Tax levies are limited to 1% of full market value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. The County of San Diego (County) bills and collects property taxes on behalf of the District. The County’s tax fiscal year is July 1, to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10, and April 10.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

NOTE 2 – CASH AND DEPOSITS

Cash and cash equivalents as of June 30 consisted of the following:

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Petty cash	\$ 421	\$ 249
Deposits held with financial institutions	111,747	523,434
Local Agency Investment Fund (LAIF)	1,070,125	597,447
Total cash and cash equivalents	\$ 1,182,293	\$ 1,121,130

The table below identifies the investment types that are authorized by the California Government Code and the District's investment policy. The table also identifies certain provisions of the District's investment policy that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5-years	None	None
District issued bonds	5-years	None	None
Government sponsored agency securities	5-years	None	None
Certificates-of-deposit	5-years	35%	None
Money-market funds	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Demand Deposits with Financial Institutions

At June 30, 2021 and 2020, the carrying amount of the District's demand deposits were \$111,747 and \$523,434, respectively, and the financial institution's balance were \$125,507 and \$526,008, respectively. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 2 – CASH AND DEPOSITS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2021, and 2020, the District held \$1,070,125 and \$597,447 in LAIF, respectively.

NOTE 3 – ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable as of June 30 consisted of the following:

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Accounts receivable – customers	\$ 24,853	\$ 39,546
Due from Rancho Pauma Mutual Water Company	28,926	35,981
Total accounts receivable, net	<u>\$ 53,779</u>	<u>\$ 75,527</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2021 and 2020

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for fiscal year 2021 were as follows:

Description	Balance July 1, 2020	Additions	Deletions/ Transfers	Balance June 30, 2021
Non-depreciable assets:				
Land	\$ 94,768	\$ -	\$ -	\$ 94,768
Easements	100	-	-	100
Total non-depreciable assets	94,868	-	-	94,868
Depreciable assets:				
Sewer system	3,543,935	42,835	-	3,586,770
Buildings and improvements	295,723	34,444	-	330,167
Patrol and gate	413,182	93,953	-	507,135
Total depreciable assets	4,252,840	171,232	-	4,424,072
Accumulated depreciation:				
Sewer system	(1,311,342)	(84,164)	-	(1,395,506)
Buildings and improvements	(134,171)	(9,544)	-	(143,715)
Patrol and gate	(213,150)	(28,441)	-	(241,591)
Total accumulated depreciation	(1,658,663)	(122,149)	-	(1,780,812)
Total depreciable assets, net	2,594,177	49,083	-	2,643,260
Total capital assets, net	\$ 2,689,045	\$ 49,083	\$ -	\$ 2,738,128

Changes in capital assets for fiscal year 2020 were as follows:

Description	Balance July 1, 2019	Additions	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets:				
Land	\$ 94,768	\$ -	\$ -	\$ 94,768
Easements	100	-	-	100
Total non-depreciable assets	94,868	-	-	94,868
Depreciable assets:				
Sewer system	3,543,935	-	-	3,543,935
Buildings and improvements	295,723	-	-	295,723
Patrol and gate	445,710	-	(32,528)	413,182
Total depreciable assets	4,285,368	-	(32,528)	4,252,840
Accumulated depreciation:				
Sewer system	(1,226,119)	(85,223)	-	(1,311,342)
Buildings and improvements	(124,749)	(9,422)	-	(134,171)
Patrol and gate	(201,328)	(44,350)	32,528	(213,150)
Total accumulated depreciation	(1,552,196)	(138,995)	32,528	(1,658,663)
Total depreciable assets, net	2,733,172	(138,995)	-	2,594,177
Total capital assets, net	\$ 2,828,040	\$ (138,995)	\$ -	\$ 2,689,045

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION (continued)

Depreciation expense as of June 30 was allocated to the following services:

<u>Services Allocation</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Sewer system	\$ 84,164	\$ 85,223
Patrol	18,110	34,019
Gate	10,331	10,331
Administration	9,544	9,422
Total depreciation expense	\$ 122,149	\$ 138,995

NOTE 5 – COMPENSATED ABSENCES

Changes to compensated absences for fiscal year 2021, were as follows:

<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 22,301	\$ 30,603	\$ (28,073)	\$ 24,831	\$ 12,416	\$ 12,415

Changes to compensated absences for fiscal year 2020, were as follows:

<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 25,382	\$ 34,137	\$ (37,218)	\$ 22,301	\$ 11,151	\$ 11,150

NOTE 6 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Pension related deferred outflows	\$ 293,789	\$ 348,809
Net pension liability	1,509,646	1,430,765
Pension related deferred inflows	12,840	65,187

The net pension liability balances have a Measurement Date of June 30, 2020 and June 30, 2019, respectively, which are rolled-forward for the District's fiscal years ended June 30, 2021 and 2020.

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required member contribution rates	8.000%	6.750%
Required employer contribution rates – FY 2020	14.398%	6.985%
Required employer contribution rates – FY 2019	13.439%	6.842%

A. General Information about the Pension Plan

Plan Description, Benefits Provided and Employees Covered

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Plan’s June 30, 2019 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website.

At June 30, 2021, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	3	15	18
Transferred and terminated members	12	16	28
Retired members and beneficiaries	13	-	13
Total plan members	28	31	59

At June 30, 2020, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	4	13	17
Transferred and terminated members	13	12	25
Retired members and beneficiaries	13	-	13
Total plan members	30	25	55

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Contributions for the year ended June 30, 2021, (Measurement Date June 30, 2020) were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 108,560	\$ 51,676	\$ 160,236
Contributions – members	7,863	43,635	51,498
Total contributions	\$ 116,423	\$ 95,311	\$ 211,734

Contributions for the year ended June 30, 2020, (Measurement Date June 30, 2019) were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 123,801	\$ 43,016	\$ 166,817
Contributions – members	14,461	40,192	54,653
Total contributions	\$ 138,262	\$ 83,208	\$ 221,470

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

Changes in the net pension liability for the year ended June 30, 2021, were as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2019 (Measurement Date)	\$ 4,956,442	\$ 3,525,677	\$ 1,430,765
Balance as of June 30, 2020 (Measurement Date)	\$ 5,169,064	\$ 3,659,418	\$ 1,509,646
Change in Plan Net Pension Liability	<u>\$ 212,622</u>	<u>\$ 133,741</u>	<u>\$ 78,881</u>

Changes in the net pension liability for the year ended June 30, 2020, were as follows:

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2018 (Measurement Date)	\$ 4,685,606	\$ 3,354,096	\$ 1,331,510
Balance as of June 30, 2019 (Measurement Date)	\$ 4,956,442	\$ 3,525,677	\$ 1,430,765
Change in Plan Net Pension Liability	<u>\$ 270,836</u>	<u>\$ 171,581</u>	<u>\$ 99,255</u>

For the year ended June 30, 2021 and 2020 pension expense was \$241,790 and \$280,116, respectively.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

As of June 30, 2021 and 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$1,509,646 and \$1,430,765, respectively.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020 and 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 and 2018 rolled forward to June 30, 2020 and 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the June 30, 2021, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Percentage of Risk Pool Net Pension Liability	0.035790%	0.035729%	0.000061%
Percentage of Plan (PERF C) Net Pension Liability	0.013875%	0.013963%	-0.000088%

The District's proportionate share of the net pension liability for the June 30, 2020, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	
Measurement Date	June 30, 2019	June 30, 2018	
Percentage of Risk Pool Net Pension Liability	0.035729%	0.035331%	0.000398%
Percentage of Plan (PERF C) Net Pension Liability	0.013963%	0.013818%	0.000145%

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

The total amount of \$160,236 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 160,236	\$ -
Difference between actual and proportionate share of employer contributions	2,955	(7)
Adjustment due to differences in proportions	7,955	(2,065)
Differences between expected and actual experience	77,797	-
Differences between projected and actual earnings on pension plan investments	44,846	-
Changes in assumptions	-	(10,767)
Total Deferred Outflows/(Inflows) of Resources	\$ 293,789	\$ (12,839)

The total amount of \$166,817 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ended June 30, 2020. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 166,817	\$ -
Difference between actual and proportionate share of employer contributions	1,152	(3,641)
Adjustment due to differences in proportions	13,242	(4,647)
Differences between expected and actual experience	99,373	(7,699)
Differences between projected and actual earnings on pension plan investments	-	(25,014)
Changes in assumptions	68,225	(24,185)
Total Deferred Outflows/(Inflows) of Resources	\$ 348,809	\$ (65,186)

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the year ended June 30, 2021, will be amortized to pension expense in future periods as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ 20,627
2023	44,890
2024	33,687
2025	21,510
Total	<u>\$ 120,714</u>

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the year ended June 30, 2020, will be amortized to pension expense in future periods as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2021	\$ 107,039
2022	(9,756)
2023	14,468
2024	5,055
Total	<u>\$ 116,806</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 and 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 and 2018, total pension liability. The June 30, 2021 and 2020, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<u>Asset Class</u> ¹	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10</u> ²	<u>Real Return Years 11+</u> ³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ In the Plan's Financials, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation rate-of-return of 2.00% is used for this period.

³ An expected inflation rate-of-return of 2.92% is used for this period.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Changes in the discount rate for the year ended June 30, 2021, was as follows:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>Rate 7.15%</u>	<u>8.15%</u>
CalPERS – Miscellaneous Plan	<u>2,197,522</u>	<u>\$ 1,509,646</u>	<u>\$ 941,275</u>

Changes in the discount rate for the year ended June 30, 2020, was as follows:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1%</u>	<u>Current Discount</u>	<u>Discount Rate + 1%</u>
	<u>6.15%</u>	<u>Rate 7.15%</u>	<u>8.15%</u>
CalPERS – Miscellaneous Plan	<u>2,097,422</u>	<u>\$ 1,430,765</u>	<u>\$ 880,487</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2021 and 2020, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2021 and 2020.

NOTE 7 – UNRESTRICTED (DEFICIT)

As of June 30, 2021 and 2020, the District has an unrestricted net position deficit of (\$73,238) and (\$1,786). Due to the nature of the deficit from the implementation of GASB Statement No. 68 in the past fiscal years, the District will continue to make its actuarial determined contributions to CalPERS and annually review its outstanding net pension obligations funding requirements for future periods to reduce its deficit position.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 8 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance products to guard against the various risks of loss noted above.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2021, 2020, and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2021, 2020, and 2019.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Rancho Pauma Mutual Water Company

The District's employees conduct the operations and administration for the Rancho Pauma Mutual Water Company (Company). The Company has agreed to provide funding for a fixed-percentage amount of the District's unfunded net pension liability as well as continuing operations and administration payroll-related pension contributions. The Company provided \$35,236 toward the funding of the unfunded net pension liability for the fiscal year ended June 30, 2021.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 11 – CURRENT AND SUBSEQUENT EVENTS

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2021 and beyond. However, the potential impact to the District is unknown at this time.

Required Supplementary Information

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Years Ended June 30, 2021 and 2020

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.01306%	\$ 812,404	\$ 453,952	178.96%	81.15%
June 30, 2015	0.01325%	909,327	663,904	136.97%	79.38%
June 30, 2016	0.01351%	1,169,025	689,424	169.57%	75.20%
June 30, 2017	0.01358%	1,346,418	789,228	170.60%	74.09%
June 30, 2018	0.01382%	1,331,510	695,116	191.55%	71.58%
June 30, 2019	0.01396%	1,430,765	687,100	208.23%	71.13%
June 30, 2020	0.01388%	1,509,646	795,000	189.89%	70.79%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Schedule of Contributions

For the Fiscal Year Ended June 30, 2021 and 2020

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 86,506	\$ (86,506)	\$ -	663,904	13.03%
June 30, 2016	110,177	(110,177)	-	689,424	15.98%
June 30, 2017	128,402	(128,402)	-	789,228	16.27%
June 30, 2018	109,709	(109,709)	-	695,116	15.78%
June 30, 2019	146,075	(146,075)	-	687,100	21.26%
June 30, 2020	166,817	(166,817)	-	795,000	20.98%
June 30, 2021	160,236	(160,236)	-	849,137	18.87%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (3%@60), 52 years (2%@62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first implementation year; therefore, only seven years are shown.

Other Independent Auditors' Report



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pauma Valley Community Services District
Pauma Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pauma Valley Community Services District as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Pauma Valley Community Services District's basic financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pauma Valley Community Services District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pauma Valley Community Services District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pauma Valley Community Services District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pauma Valley Community Services District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Murrieta, California
October 15, 2021

Minutes of a Regular Meeting of the Board of Directors of the
PAUMA VALLEY COMMUNITY SERVICES DISTRICT (PVCSD)

Held on September 27, 2021

Directors Present: Sam Logan, Michael Esparza, Bill Jacobs, Bill Schultz, and Jim Cipriano
Also Present: Residents Charles Mathews, Michael Martello, Paul Kaymark of Nigro
and Nigro, General Manager Bobby Graziano, and Office Manager Amber
Watkins

- 9.1 Call to Order: Regular Meeting was called to order at 10:12 a.m. by Vice President Esparza.
- 9.2 Roll Call: Esparza requested a Roll Call. Watkins verified that all directors with the exception of President Logan were present at that time.
- 9.3 Open for Public Comments:
a. Anyone wishing to address any matter pertaining to District business may do so at this time. If a comment pertains to an item on the agenda the comment will be heard during that agenda item. The public comment period is limited to three (3) minutes per person – Martello thanked the Board for authorizing the California Special District Association (CSDA) membership, noting that it is a great benefit for staff and board members to have access to.
- 9.4 Draft Audit Report for Year Ending June 30, 2021:
a. CPA Paul Kaymark with Nigro and Nigro will present the Draft Audit Report – Kaymark presented the draft report. Kaymark noted that all statements are very consistent when compared to the prior period audit. Logan joined the meeting at 10:25 a.m. Logan apologized for the technical difficulties he was having. Kaymark noted that any questions regarding the draft can be sent via email. Kaymark exited the meeting at 10:26 a.m. Esparza stepped down as meeting chair so that President Logan can chair the meeting from this point forward.
- 9.5 Approval of Previous Minutes:
a. Regular Meeting August 23, 2021 – Reviewed, no comments. Cipriano motioned to adopt the Regular Meeting Minutes of August 23, 2021 as presented, seconded by Schultz and upon a unanimous vote were adopted.
- 9.6 Financial Report:
a. Review of BS, P&L as of 08/31/2021 – Cash Assets reflect \$1,228,244, Accounts Receivable of \$21,089 and Accounts Payable of \$32,944. Watkins informed that Rancho Pauma Mutual Water Company (RPMWC) dues for services provided in August have been paid in full. Watkins noted that account 664 includes the \$27,000 Hillside Fire Settlement payment as well as \$4,000 in rebates for the Teslas. Watkins noted that account 701 is for the Pauma Valley Country Club Agreement to maintain and clean the ditch at hole number eight. Jacobs inquired on account 815, Watkins explained this is where the CSDA dues are shown. Graziano noted a job well done by Director Cipriano as he negotiated with CSDA to honor the pricing provided for 16 months instead of the proposed three months. Jacobs noted the electrical was higher than normal, Graziano noted this is due to the temperature being hot and the air conditioning running more as well as the Teslas charging at the building. Cipriano asked if it safe to assume that the property tax revenue will increase due to the property values and tax increases; Graziano noted that this was account for during the budget creation. Cipriano motioned to adopt the financial report as presented, seconded by Logan, and upon a vote was unanimously adopted.
- b. Accounts Receivable – Presented for review. Mathews reported that an account in the District has a legal settlement on file from some years ago. Mathews asked why the District is not enforcing the legal agreement. Graziano thanked him for the information and will review the file.

9.7 Security Report:

a. Daily Activity Report - Graziano presented the report. Jacobs inquired on the mileage reported, Graziano noted that is the current odometer reading. Graziano also reported that the service needed for the vehicles will be coordinated by the Security Supervisor moving forward. A question was raised as to if the Teslas are able to jump start vehicles, Graziano informed that Security staff carry portable jump starters as they are not able to use the Teslas for this service due to the voltage different between EV's and other vehicles. Esparza reported that he was made aware of an issue with the radios for staff. Graziano reported that internet connectivity at the Front Gate Guardhouse was temporarily remedied but will be looking into correcting this permanently. Jacobs suggested that a communication block diagram be created for his review. Schultz inquired on the traffic collision on September 3, 2021 as traffic was redirected through Pauma Valley Country Club Estates (PVCCE). Graziano informed that Security guided groups of vehicles through the PVCCE community to avoid traffic build up on Highway 76. Both Esparza and Logan agreed with the decision made by staff and so noted. Upon a motion by Cipriano, second by Schultz and unanimous vote, the Daily Activity Report was accepted and ordered filed.

b. Gate Penalty Assessment Report - Presented for review.

9.8 General Manager's Report: Graziano presented the report. Graziano provided a recommendation to the Board for a complete video and clean of all sewer lines within the District be performed by Downstream Services. Logan noted this will help identify weak areas in the sewer system. Graziano explained that cash reserves will be used to fund this unbudgeted but required by regulation expense. Graziano presented the cash projection model for review. Graziano also reminded that PVCC has verbally committed to prepay \$100,000 at anytime that the District requests it. Jacobs noted that the model of solar invertors changed. Graziano noted that Century Sun and Solar will be providing 10 invertors rather than the originally planned 1. Graziano informed that the \$25,000 lease payment for the solar system has been paid to PVCC. Graziano also noted that the EV Charging Stations are just waiting for SDG&E to authorize then that project will be complete. Graziano suggested outsourcing the sewer equivalent dwelling unit (EDU) audit requested by resident Mathews. Mathews noted that this is very important to have a basis for assessing these fees. Motion was made by Cipriano to authorize staff to outsource the sewer EDU audit, seconded by Logan and upon unanimous vote was approved. Graziano presented the recommendation for the board to adopt a motion to authorize staff to collect the funds from RPMWC and combine with its portion and send to CalPERS to pay off the UAL. Motion was made by Cipriano to agree to payoff the CalPERS Unfunded Accrued Liability as presented using cash reserves in the timeframe suggested by staff, seconded by Logan and upon a vote was unanimously approved. Cipriano noted that it is the intent of the Board to replenish the cash reserves, so noted. The cash model as presented shows the cash reserves being replenished to \$1,000,000 in three years.

9.9 District Wide Sewer System Cleaning:

a. Board will consider authorizing the expenditure - Cipriano asked when this project is financially feasible, Graziano informed that this project, when complete, will put PVCSD into compliance with the Sewer System Management Plan (SSMP). Graziano will provide the cash model at each meeting moving forward to allow the Board to track the rebuilding of cash reserves. Esparza noted that this is a regulation which is an easy justification for rate setting purposes. Esparza motioned to approve the District Wide Sewer System Cleaning quote provided by Downstream Services, motion was seconded by Logan and upon a unanimous vote was authorized.

- 9.10 CalPERS Unfunded Liability Payoff Initiative:
a. The Board will consider approving the use of cash reserves to jointly payoff the unfunded CalPERS liability – This item was discussed and approved during item eight of this meeting. Jacobs asked for an update on SGMA, Graziano informed that GeoScience has been doing a great job at creating the Groundwater Sustainability Plan (GSP) and has held several public outreach meetings. The GSP is on track for submittal by January 31, 2022. Graziano noted that RPMWC is in a good position with this as there should not be any change to their ability to pump groundwater.
- 9.11 Closed Session – Public Employee Performance Evaluation:
a. In accordance with Government Code Sections 54954.5 (e), and 54957 the Board will discuss the performance of the General Manager - Entered into Closed Session at 11:22 a.m.
- 9.12 Open Session:
a. Report any actions from Closed Session – Reconvened to open session at 12:31 p.m. Nothing to report as the Board was provided a status report on the General Manager’s Goals and Initiatives.
- 9.13 Other Business:
a. Requested items for next or future agendas (Directors and Staff Only)- Jacobs requested that the Purchasing Policy update and revisions be included on the next agenda.

b. Board comments – None.
- 9.14 Adjournment:
a. Next Regular Meeting on October 25, 2021, at 10:00 a.m. – The next meeting date is scheduled for October 25, 2021, at 10:00 a.m. With noting further to discuss and upon a motion from Cipriano, second by Schultz and unanimous vote, the meeting adjourned at 12:32 p.m.

Amber Watkins

Amber Watkins, Recording Secretary

PV COMMUNITY SERVICES DISTRICT

Balance Sheet

As of September 30, 2021

Accrual Basis

	Sep 30, 21
ASSETS	
Current Assets	
Checking/Savings	
Cash	
100 □ Petty Cash	421
102 □ Checking	261,534
110 □ ResFunds/L.A.I.F.	945,910
Total Cash	1,207,865
111 □ LAIF Fair Market Value	89
Total Checking/Savings	1,207,954
Accounts Receivable	
120 □ Accounts Receivable	17,563
Total Accounts Receivable	17,563
Other Current Assets	
125 □ Due from RPMWC	42,215
140 □ Prepaid Insurance	23,449
140.6 □ PrePaid Wkrs Comp Ins	17,287
Total Other Current Assets	82,950
Total Current Assets	1,308,467
Fixed Assets	2,786,315
Other Assets	293,789
TOTAL ASSETS	4,388,570
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201 □ Accounts Payable	47,323
Total Accounts Payable	47,323
Other Current Liabilities	
201.6 □ Pre-Paid Customer Fees	30,847
205 □ Accrued State Payroll Taxes	-0
Total Other Current Liabilities	30,847
Total Current Liabilities	78,169
Long Term Liabilities	1,547,317
Total Liabilities	1,625,486
Equity	
460 □ Retained Earnings	2,664,888
Net Income	98,195
Total Equity	2,763,084
TOTAL LIABILITIES & EQUITY	4,388,570

PV COMMUNITY SERVICES DISTRICT
Profit & Loss Budget Performance

September 2021

	Sep 21	Budget	Jul - Sep 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
661 ☐ Sewer Charges	37,373	37,373	112,120	112,120	448,481
661.5 ☐ Security Patrol Charges	44,829	44,829	134,487	134,487	537,949
662 ☐ Property Tax	0	9,583	2,359	28,750	115,000
662.1 ☐ Connection Fees	0	0	0	0	0
663 ☐ Interest	3	417	7	1,250	5,000
663.1 ☐ LAIF Fair Market Value Revenue	0	0	0	0	0
664 ☐ Other	593	451	138,156	1,353	5,413
665 ☐ Security Gate Charge	35,062	35,062	105,186	105,186	420,744
666.5 ☐ RFID Tags	1,050	583	2,700	1,750	7,000
667 ☐ Delinquent Charges	201	0	201	0	0
668 ☐ Vacant Lot/Sewer Availability	396	396	1,188	1,188	4,752
670 ☐ Reimbursement Revenue	0		4,063		
Total Income	119,507	128,695	500,467	386,085	1,544,339
Gross Profit	119,507	128,695	500,467	386,085	1,544,339
Expense					
Depreciation	10,092	10,091	30,276	30,274	121,095
Dwelling Live	675	683	2,025	2,050	8,200
Electrical Utilities	4,785	3,181	12,697	9,543	22,189
Equipment Rentals	0	42	0	125	500
Group Health Ins.	3,679	7,049	18,195	21,147	84,590
Liability Insurance	3,908	3,753	11,724	11,260	45,040
Miscellaneous Expense	1,056	1,100	2,181	3,299	13,197
Office Expense	1,746	2,169	6,249	6,506	26,022
Operator Contract Services	5,500	5,500	16,500	16,500	66,000
Payroll Taxes	5,888	5,033	11,826	15,098	60,390
PERS Retirement	5,301	4,555	79,822	84,002	124,997
Repairs & Maintenance	14,398	9,724	22,003	29,170	116,682
Salaries	73,242	52,946	144,168	158,838	635,350
Security Expense	909	453	2,369	1,357	5,430
Uniforms	606	267	1,321	800	3,200
Vehicles	1,175	756	3,234	2,269	9,076
Workers' Comp. Insurance	1,328	1,577	4,480	4,730	18,920
6560 ☐ Payroll Expenses	0		0		
701 ☐ Drainage	300	833	2,100	2,500	10,000
712.1 ☐ State Maint. Fee	0	0	0	0	24,420
730 ☐ Water Tests & Analysis	663	720	2,531	2,160	8,640
815 ☐ Fees	0	222	4,765	666	2,666
816 ☐ Engineering	4,300	542	4,300	1,625	6,500
818 ☐ Schools & Meetings	172	575	1,518	1,725	6,900
819 ☐ Accounting	4,500	10,000	10,500	10,000	10,000
820 ☐ Legal	1,453	2,500	7,484	7,500	30,000
821.2 ☐ SGMA Technical Study	0	0	0	0	50,000
921 ☐ Guard Houses / Roadway Lease	0	0	2	2	2
Total Expense	145,677	124,269	402,271	423,146	1,510,006
Net Ordinary Income	-26,170	4,426	98,195	-37,061	34,333
Net Income	-26,170	4,426	98,195	-37,061	34,333

A/R Aging Summary

As of October 20, 2021

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-001	0.00	-592.00	-2,664.00	0.00	0.00	-3,256.00
CSD-002	0.00	-2,637.00	0.00	0.00	0.00	-2,637.00
CSD-003	0.00	-1,775.00	0.00	0.00	-238.00	-2,013.00
CSD-004	0.00	-888.00	0.00	0.00	0.00	-888.00
CSD-005	0.00	-883.00	0.00	0.00	0.00	-883.00
CSD-006	0.00	0.00	0.00	0.00	-875.00	-875.00
CSD-007	0.00	-578.00	-207.00	0.00	0.00	-785.00
CSD-008	0.00	0.00	-402.00	-352.00	0.00	-754.00
CSD-009	0.00	-704.00	0.00	0.00	0.00	-704.00
CSD-010	0.00	-568.00	-121.00	0.00	0.00	-689.00
CSD-011	0.00	0.00	-616.00	0.00	0.00	-616.00
CSD-012	0.00	-592.00	0.00	0.00	0.00	-592.00
CSD-013	0.00	-592.00	0.00	0.00	0.00	-592.00
CSD-014	0.00	-592.00	0.00	0.00	0.00	-592.00
CSD-015	0.00	-592.00	0.00	0.00	0.00	-592.00
CSD-016	0.00	-578.00	0.00	0.00	0.00	-578.00
CSD-017	0.00	-578.00	0.00	0.00	0.00	-578.00
CSD-018	0.00	-550.00	0.00	0.00	0.00	-550.00
CSD-019	25.00	0.00	0.00	-549.23	0.00	-524.23
CSD-020	0.00	-396.00	0.00	0.00	0.00	-396.00
CSD-021	0.00	0.00	0.00	0.00	-324.00	-324.00
CSD-022	0.00	-303.00	0.00	0.00	0.00	-303.00
CSD-023	0.00	-298.54	0.00	0.00	0.00	-298.54
CSD-024	0.00	-296.00	0.00	0.00	0.00	-296.00
CSD-025	-296.00	0.00	0.00	0.00	0.00	-296.00
CSD-026	0.00	-296.00	0.00	0.00	0.00	-296.00
CSD-027	-296.00	0.00	0.00	0.00	0.00	-296.00
CSD-028	0.00	-296.00	0.00	0.00	0.00	-296.00
CSD-029	0.00	-296.00	0.00	0.00	0.00	-296.00
CSD-030	0.00	-296.00	0.00	0.00	0.00	-296.00
CSD-031	-289.00	0.00	0.00	0.00	0.00	-289.00
CSD-032	0.00	-289.00	0.00	0.00	0.00	-289.00
CSD-033	0.00	-282.00	0.00	0.00	0.00	-282.00
CSD-034	0.00	-281.00	0.00	0.00	0.00	-281.00
CSD-035	0.00	0.00	0.00	0.00	-224.00	-224.00
CSD-036	-202.00	-10.00	0.00	0.00	0.00	-212.00
CSD-037	0.00	-202.00	0.00	0.00	0.00	-202.00
CSD-038	0.00	-202.00	0.00	0.00	0.00	-202.00
CSD-039	0.00	-200.00	0.00	0.00	0.00	-200.00
CSD-040	0.00	-81.00	0.00	0.00	0.00	-81.00
CSD-041	0.00	-52.86	0.00	0.00	0.00	-52.86
CSD-042	-12.00	0.00	0.00	0.00	0.00	-12.00
CSD-043	0.00	-12.00	0.00	0.00	0.00	-12.00
CSD-044	0.00	-8.00	0.00	0.00	0.00	-8.00
CSD-045	0.00	-7.00	0.00	0.00	0.00	-7.00

A/R Aging Summary

As of October 20, 2021

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-046	0.00	-7.00	0.00	0.00	0.00	-7.00
CSD-047	1.00	0.00	0.00	0.00	0.00	1.00
CSD-048	4.00	0.00	0.00	0.00	0.00	4.00
CSD-049	0.00	5.00	0.00	0.00	0.00	5.00
CSD-050	7.00	0.00	0.00	0.00	0.00	7.00
CSD-051	7.00	0.00	0.00	0.00	0.00	7.00
CSD-052	7.00	0.00	0.00	0.00	0.00	7.00
CSD-053	8.00	0.00	0.00	0.00	0.00	8.00
CSD-054	12.00	0.00	0.00	0.00	0.00	12.00
CSD-055	14.00	0.00	0.00	0.00	0.00	14.00
CSD-056	14.00	0.00	0.00	0.00	0.00	14.00
CSD-057	12.00	12.00	0.00	0.00	0.00	24.00
CSD-058	90.00	0.00	0.00	0.00	0.00	90.00
CSD-059	178.00	0.00	0.00	0.00	0.00	178.00
CSD-060	200.00	0.00	0.00	0.00	0.00	200.00
CSD-061	202.00	0.00	0.00	0.00	0.00	202.00
CSD-062	202.00	0.00	0.00	0.00	0.00	202.00
CSD-063	202.00	0.00	0.00	0.00	0.00	202.00
CSD-064	202.00	0.00	0.00	0.00	0.00	202.00
CSD-065	202.00	0.00	0.00	0.00	0.00	202.00
CSD-066	202.00	0.00	0.00	0.00	0.00	202.00
CSD-067	202.00	0.00	0.00	0.00	0.00	202.00
CSD-068	202.00	0.00	0.00	0.00	0.00	202.00
CSD-069	202.00	0.00	0.00	0.00	0.00	202.00
CSD-070	202.00	2.00	0.00	0.00	0.00	204.00
CSD-071	202.00	2.00	0.00	0.00	0.00	204.00
CSD-072	206.00	0.00	0.00	0.00	0.00	206.00
CSD-073	224.00	0.00	0.00	0.00	0.00	224.00
CSD-074	242.00	0.00	0.00	0.00	0.00	242.00
CSD-075	296.00	0.00	0.00	0.00	0.00	296.00
CSD-076	296.00	0.00	0.00	0.00	0.00	296.00
CSD-077	296.00	0.00	0.00	0.00	0.00	296.00
CSD-078	296.00	0.00	0.00	0.00	0.00	296.00
CSD-079	296.00	0.00	0.00	0.00	0.00	296.00
CSD-080	296.00	0.00	0.00	0.00	0.00	296.00
CSD-081	296.00	0.00	0.00	0.00	0.00	296.00
CSD-082	296.00	0.00	0.00	0.00	0.00	296.00
CSD-083	296.00	0.00	0.00	0.00	0.00	296.00
CSD-084	296.00	0.00	0.00	0.00	0.00	296.00
CSD-085	296.00	0.00	0.00	0.00	0.00	296.00
CSD-086	296.00	0.00	0.00	0.00	0.00	296.00
CSD-087	296.00	0.00	0.00	0.00	0.00	296.00
CSD-088	296.00	0.00	0.00	0.00	0.00	296.00
CSD-089	296.00	0.00	0.00	0.00	0.00	296.00
CSD-090	296.00	0.00	0.00	0.00	0.00	296.00

A/R Aging Summary

As of October 20, 2021

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-091	296.00	0.00	0.00	0.00	0.00	296.00
CSD-092	296.00	0.00	0.00	0.00	0.00	296.00
CSD-093	296.00	0.00	0.00	0.00	0.00	296.00
CSD-094	296.00	0.00	0.00	0.00	0.00	296.00
CSD-095	296.00	0.00	0.00	0.00	0.00	296.00
CSD-096	296.00	0.00	0.00	0.00	0.00	296.00
CSD-097	296.00	0.00	0.00	0.00	0.00	296.00
CSD-098	296.00	0.00	0.00	0.00	0.00	296.00
CSD-099	296.00	0.00	0.00	0.00	0.00	296.00
CSD-100	296.00	0.00	0.00	0.00	0.00	296.00
CSD-101	296.00	0.00	0.00	0.00	0.00	296.00
CSD-102	296.00	0.00	0.00	0.00	0.00	296.00
CSD-103	296.00	0.00	0.00	0.00	0.00	296.00
CSD-104	296.00	0.00	0.00	0.00	0.00	296.00
CSD-105	296.00	0.00	0.00	0.00	0.00	296.00
CSD-106	296.00	0.00	0.00	0.00	0.00	296.00
CSD-107	296.00	0.00	0.00	0.00	0.00	296.00
CSD-108	296.00	0.00	0.00	0.00	0.00	296.00
CSD-109	296.00	0.00	0.00	0.00	0.00	296.00
CSD-110	296.00	0.00	0.00	0.00	0.00	296.00
CSD-111	296.00	0.00	0.00	0.00	0.00	296.00
CSD-112	296.00	0.00	0.00	0.00	0.00	296.00
CSD-113	296.00	0.00	0.00	0.00	0.00	296.00
CSD-114	296.00	0.00	0.00	0.00	0.00	296.00
CSD-115	296.00	0.00	0.00	0.00	0.00	296.00
CSD-116	296.00	0.00	0.00	0.00	0.00	296.00
CSD-117	296.00	0.00	0.00	0.00	0.00	296.00
CSD-118	296.00	0.00	0.00	0.00	0.00	296.00
CSD-119	296.00	0.00	0.00	0.00	0.00	296.00
CSD-120	296.00	0.00	0.00	0.00	0.00	296.00
CSD-121	296.00	0.00	0.00	0.00	0.00	296.00
CSD-122	296.00	0.00	0.00	0.00	0.00	296.00
CSD-123	296.00	0.00	0.00	0.00	0.00	296.00
CSD-124	296.00	0.00	0.00	0.00	0.00	296.00
CSD-125	296.00	0.00	0.00	0.00	0.00	296.00
CSD-126	296.00	0.00	0.00	0.00	0.00	296.00
CSD-127	296.00	0.00	0.00	0.00	0.00	296.00
CSD-128	296.00	0.00	0.00	0.00	0.00	296.00
CSD-129	296.00	0.00	0.00	0.00	0.00	296.00
CSD-130	296.00	0.00	0.00	0.00	0.00	296.00
CSD-131	296.00	0.00	0.00	0.00	0.00	296.00
CSD-132	296.00	0.00	0.00	0.00	0.00	296.00
CSD-133	296.00	0.00	0.00	0.00	0.00	296.00
CSD-134	296.00	0.00	0.00	0.00	0.00	296.00
CSD-135	296.00	0.00	0.00	0.00	0.00	296.00

A/R Aging Summary

As of October 20, 2021

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-136	296.00	0.00	0.00	0.00	0.00	296.00
CSD-137	296.00	0.00	0.00	0.00	0.00	296.00
CSD-138	296.00	0.00	0.00	0.00	0.00	296.00
CSD-139	296.00	0.00	0.00	0.00	0.00	296.00
CSD-140	296.00	0.00	0.00	0.00	0.00	296.00
CSD-141	296.00	0.00	0.00	0.00	0.00	296.00
CSD-142	296.00	0.00	0.00	0.00	0.00	296.00
CSD-143	296.00	0.00	0.00	0.00	0.00	296.00
CSD-144	296.00	0.00	0.00	0.00	0.00	296.00
CSD-145	296.00	0.00	0.00	0.00	0.00	296.00
CSD-146	296.00	0.00	0.00	0.00	0.00	296.00
CSD-147	296.00	0.00	0.00	0.00	0.00	296.00
CSD-148	296.00	0.00	0.00	0.00	0.00	296.00
CSD-149	296.00	0.00	0.00	0.00	0.00	296.00
CSD-150	296.00	0.00	0.00	0.00	0.00	296.00
CSD-151	296.00	0.00	0.00	0.00	0.00	296.00
CSD-152	296.00	0.00	0.00	0.00	0.00	296.00
CSD-153	296.00	0.00	0.00	0.00	0.00	296.00
CSD-154	296.00	0.00	0.00	0.00	0.00	296.00
CSD-155	296.00	0.00	0.00	0.00	0.00	296.00
CSD-156	296.00	0.00	0.00	0.00	0.00	296.00
CSD-157	296.00	0.00	0.00	0.00	0.00	296.00
CSD-158	296.00	0.00	0.00	0.00	0.00	296.00
CSD-159	296.00	0.00	0.00	0.00	0.00	296.00
CSD-160	296.00	0.00	0.00	0.00	0.00	296.00
CSD-161	296.00	0.00	0.00	0.00	0.00	296.00
CSD-162	296.00	0.00	0.00	0.00	0.00	296.00
CSD-163	296.00	0.00	0.00	0.00	0.00	296.00
CSD-164	296.00	0.00	0.00	0.00	0.00	296.00
CSD-165	296.00	0.00	0.00	0.00	0.00	296.00
CSD-166	296.00	0.00	0.00	0.00	0.00	296.00
CSD-167	296.00	0.00	0.00	0.00	0.00	296.00
CSD-168	296.00	0.00	0.00	0.00	0.00	296.00
CSD-169	296.00	0.00	0.00	0.00	0.00	296.00
CSD-170	296.00	0.00	0.00	0.00	0.00	296.00
CSD-171	296.00	0.00	0.00	0.00	0.00	296.00
CSD-172	296.00	0.00	0.00	0.00	0.00	296.00
CSD-173	296.00	0.00	0.00	0.00	0.00	296.00
CSD-174	296.00	0.00	0.00	0.00	0.00	296.00
CSD-175	296.00	7.00	0.00	0.00	0.00	303.00
CSD-176	296.00	7.00	0.00	0.00	0.00	303.00
CSD-177	296.00	7.00	0.00	0.00	0.00	303.00
CSD-178	308.00	0.00	0.00	0.00	0.00	308.00
CSD-179	296.00	21.00	0.00	0.00	0.00	317.00
CSD-180	296.00	21.00	0.00	0.00	0.00	317.00

A/R Aging Summary

As of October 20, 2021

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-181	321.00	0.00	0.00	0.00	0.00	321.00
CSD-182	332.00	0.00	0.00	0.00	0.00	332.00
CSD-183	0.00	342.00	0.00	0.00	0.00	342.00
CSD-184	202.00	202.00	0.00	0.00	0.00	404.00
CSD-185	206.00	206.00	0.00	0.00	0.00	412.00
CSD-186	502.00	0.00	0.00	0.00	0.00	502.00
CSD-187	296.00	286.00	0.00	0.00	0.00	582.00
CSD-188	296.00	286.00	0.00	0.00	0.00	582.00
CSD-189	296.00	296.00	0.00	0.00	0.00	592.00
CSD-190	296.00	296.00	0.00	0.00	0.00	592.00
CSD-191	296.00	296.00	0.00	0.00	0.00	592.00
CSD-192	592.00	0.00	0.00	0.00	0.00	592.00
CSD-193	296.00	296.00	0.00	0.00	0.00	592.00
CSD-194	296.00	296.00	0.00	0.00	0.00	592.00
CSD-195	592.00	0.00	0.00	0.00	0.00	592.00
CSD-196	308.00	308.00	0.00	0.00	0.00	616.00
CSD-197	296.00	326.99	0.00	0.00	0.00	622.99
CSD-198	202.00	427.23	202.00	0.00	0.00	831.23
CSD-199	296.00	585.00	0.00	0.00	0.00	881.00
CSD-200	202.00	427.73	302.00	0.00	0.00	931.73
CSD-201	966.00	0.00	0.00	0.00	0.00	966.00
CSD-202	296.00	626.03	296.00	0.00	0.00	1,218.03
CSD-203	296.00	627.49	585.00	0.00	0.00	1,508.49
CSD-204	112.00	242.48	224.00	224.00	784.07	1,586.55
CSD-205	202.00	437.23	402.00	400.00	1,399.99	2,841.22
CSD-206	9,224.00	50.00	0.00	0.00	0.00	9,274.00
TOTAL	<u>50,985.00</u>	<u>-9,866.22</u>	<u>-1,999.00</u>	<u>-277.23</u>	<u>523.06</u>	<u>39,365.61</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

SECURITY REPORT

September 15 2021 – October 15 2021

Pauma Valley CSD Security Department Personnel		
Name	Call Sign	Billet
Officer Todd Albert	1L2	Patrolman / Department Supervisor
Officer Nick Florez	1L3	Patrolman
Officer Bryan Chau	1L4	Patrolman
Officer German Colin	1L5	Patrolman
Officer Dale Easter	1L6	Patrolman / Gate Attendant
Matthew Carson	C1	Gate Attendant Supervisor
Hector Figueroa	C1	Gate Attendant
Gerardo Segura	C1	Gate Attendant
Kenneth Thielke	C1	Gate Attendant
Samuel Larimore	C1	Gate Attendant

Vehicle Maintenance Report

No maintenance was required this month, but Unit 2 was sent back to Tesla for warranty work for interior trims coming loose and the window seal causing a wind noise when driving.

- Tesla 01 (5,706) – Passed all inspection this month.
- Tesla 02 (4,933) – Passed all inspection this month.

German Colin, Vehicle Maintenance Officer

Gate Report

Cleaning and sanitary supplies continue to be coordinated and received from the District Office. We plan to keep the guardhouse stocked with available masks due to the volume of strangers that come into close contact with gate attendants. Patrol continues actively watching and listening for any service or gardening noise violations during the restricted hours of Saturday and Sunday. Gate Attendants will continue to work on advising all potential violators of these rules.

Matthew Carson, Gate Supervisor

HIGHLIGHTS

- **September 17th 2021 at 1905 – Resident Concern.** Officer Chau and Officer Easter responded to a call for a golf cart possibly abandoned on the corner of Pauma Valley Drive and Luiseno Circle Drive. The resident was concerned someone was in the bathroom for hours and wanted patrol to check on them. Both units patrolled the area and the Country Club bathrooms but saw no abandoned golf carts.
- **September 18th 2021 at 2002 – Resident Concern.** Officer Colin responded to call from a resident seeing smoke in the area of Wiskon Way East. Officer Colin patrolled the area and checked the app but saw no signs of a fire.
- **September 19th 2021 at 0225 – Traffic Collision.** Officer Colin responded to a traffic collision on Highway 76 near the Front Gate. Officer Colin attempted to make contact with the driver who was intoxicated and was unaware of the collision. Paramedics were on scene but the driver declined any medical attention. California Highway Patrol performed a sobriety test, which the driver failed and was then arrested. The vehicle was moved out of the roadway to the Pauma Village Parking Lot.
- **September 19th 2021 at 1805 – Traffic Collision.** Officer Florez responded to a traffic collision on Highway 76 near the Front Gate. Officer Florez checked on the driver and passenger to see if they were okay and noticed they were both intoxicated. California Highway Patrol took custody of the driver, while the passenger waited for a ride at the Pauma Building.
- **September 20th 2021 at 1029 – Medical.** Officer Florez responded to a medical call on El Tae Road. The resident was having high blood sugar and was shaking in bed. Paramedics performed a couple tests before transporting the resident to the hospital.
- **September 21st 2021 at 0145 – Notice Of Violation.** Officer Albert issued an NOV on Womsi Road for street parking with no pass displayed.
- **September 21st 2021 at 1749 – Noise Complaint.** Officer Chau responded to a call on Sukat Trail for service workers causing a lot of noise. Control One informed the concerned resident that service workers were allowed in the community until 1800 and noise complaints aren't issued until 2200. Officer Chau patrolled the area shortly after 1800 and saw no signs of any service workers.
- **September 22nd 2021 at 1520 – Public Assist.** Officer Chau responded to a guest inside the community needing direction to the Casitas. Officer Chau successfully directed the guest to their room.
- **September 22nd 2021 at 1639 – Suspicious Activity.** Officer Chau responded to a call from the owner of El Rey's Restaurant for an RV Trailer parked on the dirt path alongside the Pauma Village. Officer Chau made contact with the driver and informed him he was blocking a path that vehicles need access to. The driver stated he was just in the market and stopped to eat some ice cream but complied and moved his RV out of the way.
- **September 25th 2021 at 1500 – Other.** During routine patrol, Officer Easter and Officer Florez noticed a couple service workers on Womsi Road. Both officers made contact with the homeowner and informed them about the service worker hours within the community. The homeowner complied and had the service workers pack up and leave.
- **September 27th 2021 at 1421 – Suspicious Activity.** Officer Florez responded to a call for a suspicious individual looking into backyards on Pauma Valley Drive. Officer Florez found the individual down the street and was told they were looking for a lost cat. Individual's identity was confirmed.

- **September 29th 2021 at 0205 – Notice Of Violation.** Officer Albert issued an NOV on Womsi Road for street parking with no pass displayed.
- **September 29th 2021 at 1036 – Suspicious Activity.** During routine patrol, Officer Chau noticed a vehicle parked in front of the Gravel Yard Gate on Highway 76. Officer Chau made contact with the driver who stated they ran out of gas and pulled over. Officer Chau gave them a gallon of gas to have them move away from a path that vehicles need access to. They complied and left the area shortly after.
- **September 30th 2021 at 0815 – Suspicious Activity.** Officer Albert responded to a call for missing equipment from the gazebo construction site on Pauma Valley Drive. The contractor borrowed some equipment from the Country Club and it was now missing. The contractor dismissed an employee earlier in the day and hoped that it was not related. Officer Albert informed them any terminated employees should be reported to patrol so access can be restricted. Officer Albert will go through the camera footage and attempt to see if that individual was involved. Camera footage was given to the contractor.
- **September 30th 2021 at 2139 – Suspicious Activity.** Officer Albert responded to a call for a suspicious vehicle in front of Pauma Village, with a possibly sleeping individual. As Officer Albert approached the vehicle, they drove off onto Highway 76. Officer Albert followed them out of the district and logged their vehicle information.
- **October 2nd 2021 at 0951 – Noise Complaint.** Officer Easter and Officer Florez responded to a call for a noise complaint on Paauwe Drive. The resident stated their neighbor was playing really loud music. Both officers informed the resident noise curfew is not until 2200 but will talk to the neighbor. The neighbor complied and lowered the volume.
- **October 2nd 2021 at 1245 – Traffic Collision.** During routine patrol, Officer Easter and Officer Florez noticed a traffic collision on Highway 76 near the Front Gate. A truck had ran into the back of an SUV and flipped. Both officers checked on both vehicles and bandaged wounds. Paramedics and California Highway Patrol were on scene, but no one was transported.
- **October 3rd 2021 at 0912 – Resident Concern.** Officer Florez responded to a call on Sukat Court. A resident was reporting that their neighbors were threatening them. This resident has a history of mental illness. Officer Florez made contact with the resident's mother who informed that no threats were made. A friend of the resident picked them up and took them out of the area.
- **October 4th 2021 at 1320 – Suspicious Activity.** During routine patrol, Officer Florez noticed a couple of individuals cutting trees at Saint Francis Church. Control One made contact with the owner of the church and confirmed they were not supposed to be there. Officer Florez asked the individuals to leave, and they complied.
- **October 5th 2021 at 1939 - Lift Assist.** Officer Chau responded to a lift assist on Pauma Valley Drive. The resident had weak knees and was unable to lift themselves back up. Officer Chau successfully lifted the resident back to standing position. No medical attention or injuries occurred.
- **October 6th 2021 at 0900 – Other.** Officer Albert followed up with the resident's parents on Sukat Court regarding the incident on October 3rd. The father informed that a new medication was introduced and asked Patrol not to call Sheriffs nor Paramedics for any calls received.
- **October 6th 2021 at 2006 – Resident Concern.** Officer Chau and Officer Easter responded to a call from a guest staying at a resident's house on Womsi Road for an unknown vehicle parked in the driveway. Control One ran the vehicle information which came back to another resident across the street. Both officers made contact with the owner of the vehicle and stated the homeowner gave them permission to park there due to

the roadwork on Womsi Road. The guest said it was fine for them to park there but was just unaware since the homeowner did not pass the message along.

- **October 7th 2021 at 0816 – Medical.** Officer Chau responded to CalFire and Paramedics entering through the Front Gate with nothing over the scanner. Officer Chau made contact with the medical call on Sukat Court. The resident was on new medication for a mental illness and wanted to go to the hospital. Paramedics transported the resident to the hospital.
- **October 12th 2021 at 1635 – Resident Concern.** Officer Chau responded to a call from a resident stating there was a box in the middle of the road of Highway 76 between the Front Gate and Saint Francis Church. Officer Chau drove down Highway 76 and saw the box had already been pushed to the side, out of the roadway.
- **October 12th 2021 at 2245 – Jump Start.** During routine patrol, Officer Chau noticed an individual working on a vehicle in front of Pauma Village. The driver asked for a jump start and was able to drive about twenty feet onto Highway 76 before stalling out again. The driver stated they will be leaving the vehicle on the side of the highway until the next morning.
- **October 13th 2021 at 0626 – Traffic Collision.** During routine patrol, Officer Albert noticed the traffic sign on Highway 76 had been hit and was scattered onto the roadway. Officer Albert moved the pieces out of the roadway. No vehicles were seen around the area.
- **October 13th 2021 at 1038 – Public Assist.** Officer Chau responded to a call for California Highway Patrol needing assistance on the side of Highway 76 near the Front Gate. The officer needed someone to watch his back as he searches an abandoned vehicle. Officer Chau was on scene until Pauma Police and the tow truck arrived.
- **October 14th 2021 at 0235 – Suspicious Activity.** Officer Albert responded to a call for a suspicious person at Pauma Village. The individual was seen walking around the lot on their phone. Officer Albert found the individual walking westbound on Highway 76 and staged until they were out of the area.
- **October 14th 2021 at 1003 – Resident Concern.** Officer Chau responded to a call on Sukat Trail for a resident seeing suspicious activity through their cameras. The resident stated it was possibly someone jogging through the neighborhood. Officer Chau patrolled the residence and checked every window but saw nothing unusual.
- **October 14th 2021 at 1438 – Suspicious Activity.** Officer Chau responded to a call for two suspicious kids walking through the Back Gate Exit. Officer Chau made contact with the two kids at the corner of Pauma Valley Drive and Pauma View. The kids stated they live on Pauma View and they are normally driven in. Officer Chau informed them to get a pass at the Front Gate to avoid any further incidents when walking in, in the future.
- **October 15th 2021 at 2334 – Other.** During routine patrol, Officer Colin came across a large tree branch in the middle of the road of Womsi Road and Pauma Valley Drive. Officer Colin put out cones and informed Control One to contact Green's Maintenance in the morning.

RFID Entries					
Front Gate		Center Gate		Back Gate	
6,331		538		3,576	
Dispatch By Location					
Inside PVCCE	Oak Tree	School	Business Dist.	PVCC	HWY 76
19	0	0	5	0	7
Highlights by Shift Periods					
A: 2200-0600		B: 0600-1400		C: 1400-2200	
5		14		13	

PVCSD Patrol – Building Checks				
Location	Unsecured Door	Fire Alarm	Burglary Alarm	Officer Check
			459A	1153
Country Club(CC)				2
Greens Maintenance(GM)				
Community Church(CO)	10			43
Gravel Yard(GY)	1			11
Saint Francis(SF)				74
Pauma School(PS)	3			18
Pauma Building(PB)				25
Airport Hangars(AH)	1			1
Treatment Plant(TP)				18
Pauma Village(PV)				27
Residential Houses/Other				

Patrol Activity				Gate Activity	
Medicals	2	Resident Concern	6	Activity/Malfunctions	Totals
Welfare Checks	1	Suspicious Activity	9	Unresponsive	1
Lift Assist	1	Noise Complaint	2	Will Not Close	2
Domestic Dispute		Process Server		False Read	1
Traffic Collisions	4	911 Hang up Call		Loss of Controls	
Gate Runner/ Gate Crashers		Loose Dogs		Video Loss	5
Public Assists	2	Snake Call		Device Entries	10,445
Jump Start	1	Trespassing		Passes Issued	2,124
Notice of Violation	2	Other	3	Pass Entries	3,785

Acronym Legend			
Acronym	Definition	Acronym	Description
459	Burglary penal code	AFA	Asian Female Adult
AMA	Against Medical Advise	AMA	Asian Male Adult
BOLO	Be on the Lookout	AFJ	Asian Female Juvenile
CHP	California Highway Patrol	AMJ	Asian Male Juvenile
DOB	Date of Birth	BFA	Black Female Adult
DL	Driver License	BMA	Black Male Adult
DV	Domestic Violence	BFJ	Black Female Juvenile
EB	East Bound	BMJ	Black Male Juvenile
FU	Follow Up	HFA	Hispanic Female Adult
IVO	In Vicinity Of	HMA	Hispanic Male Adult
LP	License Plate	HFJ	Hispanic Female Juvenile
LCD	Luiseno Circle Drive	HMJ	Hispanic Male Juvenile
NB	North Bound	MFA	Mexican Female Adult
NLT	No Later Than	MMA	Mexican Male Adult
PERT	Psychiatric Emergency Response Team	MFJ	Mexican Female Juvenile
PT	Patient	MMJ	Mexican Male Juvenile
PVD	Pauma Valley Drive	NAFA	Native American Female Adult
PVRA	Pauma Valley Roadway Association	NAMA	Native American Male Adult
ROTR	Rules of the Road	NAFJ	Native American Female Juvenile
RP	Reporting Party	NAMJ	Native American Male Juvenile
SB	South Bound	WFA	White Female Adult
S/O	Sheriff's Office	WMA	White Male Adult
SR 76	State Route 76/ Highway 76	WFJ	White Female Juvenile
TC	Traffic Collision	WMJ	White Male Juvenile
UTL	Unable to Locate		
WB	West Bound		
WWE	Wiskon Way East		
WWW	Wiskon Way West		
YOA	Years of Age		
Unresponsive	the gate does not open for an RFID		
Will Not Close	the gate does not close when it is supposed to		
False Signal	the alarm goes off in the Front Gate for no discernable reason		
Loss of Controls	gate attendant cannot open the gates remotely		
Video Loss	occurs when the gate attendant cannot see the feeds from the Center or Back Gates		

Gate Damages

Key:	New	Payments	Disputing
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Date of incident:	Time:	Location:	Name:	1st (warning)	2nd Offense:	3rd Offense:	Paid:	Bal. Due:
1/3/2020	11:45 AM	Rear	Wanda Bye	X				\$0.00
1/3/2020	3:43 PM	Rear	Dan MacMurray	X				\$0.00
2/20/2020	2:28 PM	Rear	Sergio Resa	X				\$0.00
2/29/2020	2:56 PM	Rear	Julio Camarena	X				\$0.00
3/17/2020	9:55 AM	Rear	Cesar E. Tunchez	X				\$0.00
5/12/2020	11:53 AM	Rear	Miguel H. Guerrero	X				\$0.00
5/18/2020	10:47 AM	Rear	Zachary V. Noonan	X				\$0.00
6/5/2020	12:53 PM	Front	Charles Sale	X				\$0.00
6/19/2020	10:10 AM	Front	Julia Lovern	X				\$0.00
7/28/2020	3:59 PM	Rear	Ronald W. Miller	X				\$0.00
8/4/2020	8:45 AM	Rear	Martin Becerra	X				\$0.00
8/21/2020	3:15 PM	Rear	Felix Olmeda	X				\$0.00
8/21/2020	5:13 PM	Rear	Patricia Lockhart	X				\$0.00
8/25/2020	8:45 AM	Rear	Edgar Hernandez	X				\$0.00
8/27/2020	8:05 AM	Rear	Dominick Panameno	X				\$0.00
9/29/2020	8:30 AM	Rear	Henri Josue Merinocara	X				\$0.00
10/24/2020	12:26 PM	Front	Howard Morrow	X				\$0.00
11/23/2020	9:16 AM	Front	Mario Orozco	X				\$0.00
2/9/2021	2:35 PM	Front	James R. Price	X				\$0.00
3/2/2021	7:43 AM	Rear	Salvador Pantoja (Sunny Slope Trees)	X				\$0.00
3/22/2021	9:12 AM	Rear	Joel E. Hernandez-Centeno	X				\$0.00
3/23/2021	11:03 AM	Front	Teresa Prestwood	X				\$0.00
3/26/2021	1:35 PM	Rear	Robert E. Dorsey	X				\$0.00
3/31/2021	12:33 PM	Rear	James Sullivan	X				\$0.00
5/10/2021	2:45 PM	Front	Kent Heyl	X				\$0.00
5/25/2021	9:25 AM	Front	Eric Gibson	X				\$0.00
6/10/2021	10:19 AM	Rear	Honey Do Service Truck	X				\$0.00
6/15/2021	12:54 PM	Rear	Steve Appel	X				\$0.00
8/19/2021	6:05 PM	Front	White Saturn Sedan- 4U0D632					\$0.00

Gate Runners

Key:	New	Payments	Disputing
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Date of incident:	Time:	Location:	Name:	1st (warning)	2nd Offense:	3rd Offense:	Paid:	Bal. Due:
3/15/2020	8:17 AM	Front	Erik Michael Gloff	X				\$0.00
8/10/2020	9:22 AM	Front	Julia Ann Menas	X				\$0.00
2/20/2021		Rear	Blk Tyta RAV 4- 3WLV158					\$0.00

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

General Manager's Report

October 25, 2021

Bobby Graziano, General Manager

CalPERS Unfunded Accrued Liability Payoff Initiative

The CalPERS UAL has been paid off.

Cash Contingency Plan

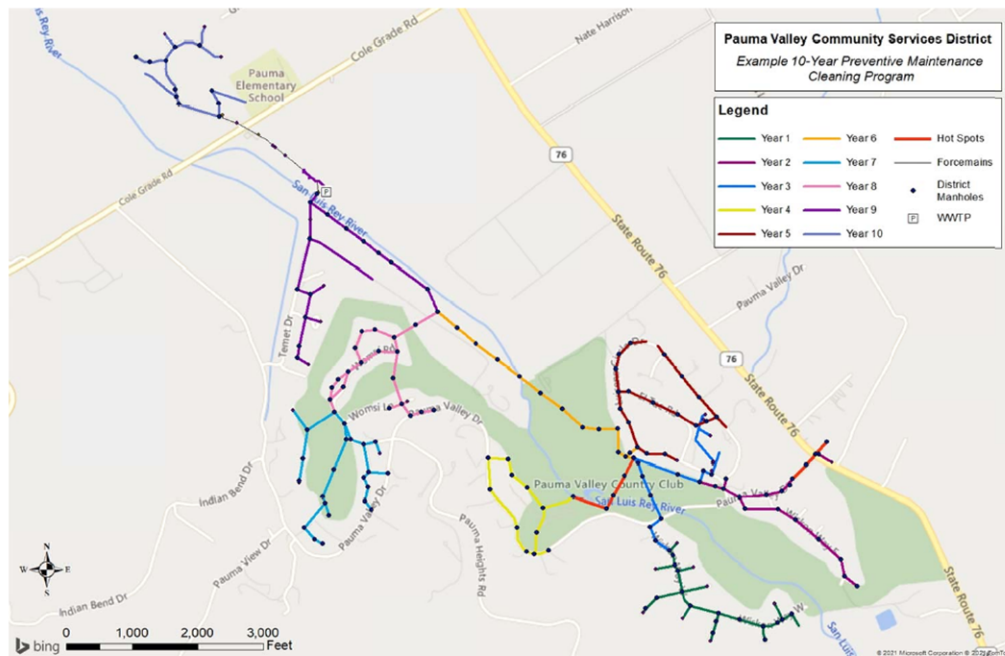
At the last board meeting Director Cipriano inquired if the District had a cash contingency plan. The question arose after review of the multi-year cash model. In the event the District experiences a greatly reduced cash position the following represent a list of possible actions that can be taken.

- Seek financing (examples: Revenue Bond, Lease Purchase Financing) through CSDA Finance Corporation
- Pursue a pre-pay from the District's largest customers
- Develop payment terms with suppliers

Sewer System

Last month the Board authorized the cleaning and videoing of the entire sewer system to comply with the Sewer System Management Plan. Staff met with Downstream, Inc to do a site walk and authorize their contract. Notification was sent to community regarding the project start date of November 8th.

Staff has been preparing for this project by verifying the location of all manholes.



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	AVERAGE	TOTAL
TOTAL FOOTAGE	2,515	2,008	2,056	2,014	2,470	1,946	2,644	2,451	3,031	2,201	2,334	23,336
TOTAL IDF	17,552	15,935	14,717	15,540	16,007	15,765	19,090	18,934	23,580	14,396	17,152	171,515
# OF PIPES	34	24	26	20	29	23	32	31	36	24	27.9	279

EDU Audit

Resident Andy Mathews suggested the District perform an sewer EDU audit to determine if the amount assigned to each commercial operation is still accurate. The board agreed and authorized staff to contract with Housen & Associates for \$2,000. There will be 4 commercial properties and 1 school audited during this initiative. Letters were sent to each entity. See example attached.

Work should be completed by the end of January.

Human Resources

Patrol: Fully staffed with 5, 1 patrol officer gave notice and will leave district March 2022

Gates: Fully staffed with 5, vacancy for temp worker

Utility: Fully staffed with 3

Admin: Fully staffed with 4

Solar Project

Minimal activity has taken place. Century is waiting for approval from SDG&E.

Once approval is received from SDG&E the permits will be obtained from the County.

Date	Milestone	Amount	Check No
8/17/2021	Down payment per Proposal	\$1,000	38168
8/17/2021	20% Upon Commencement per Proposal	\$44,600	38168
	Due upon delivery of equipment	\$111,500	
	Due at installation commencement	\$44,600	
	Due upon completion	\$21,300	
		\$223,000	

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 Cole Grade Road ♦ Pauma Valley, California 92061

Telephone (760) 742-1909 ♦ Fax (760) 742-1588

www.paumavalleycsd.com

October 13, 2021

Pauma Valley Country Club
Attn: Larry Taylor & Scott Shiner
15835 Pauma Valley Drive
Pauma Valley, CA 92061

Sam Logan
President

Michael Esparza
Vice President

Jim Cipriano
Treasurer

Bill Jacobs
Director

Bill Schultz
Secretary

Bobby Graziano
General Manager

To Property Manager or Designee:

The Pauma Valley Community Services District provides wastewater collection services to approximately 400 residential properties, four commercial properties, and one school. The Board of Directors have directed me to engage an independent consultant to conduct an audit of the current non-residential rates and fees, including the fees that are currently assessed to your property. Our rate and fee structure is described in the District's Ordinance No. 50, which is accessible through the District website under the tab labeled, "Transparency."

Ordinance No. 50 regulates, among other items, the nature of connections that are allowed to the wastewater collection system, materials that can be discharged to the system, and fees required for connection to the system. The District's consultant will provide a report of findings and recommendations, but will not have authority to advise the property owner or enforce any variances from Ordinance No. 50.

We are planning to complete an in-person audit with the appropriate member(s) of your staff on Monday, November 15, 2021. Our consultant will require access to all areas of your facility that include plumbing, including but not limited to indoor and outdoor restrooms and shower areas, and food preparation facilities.

To help to prepare us both for this interview, we have included a questionnaire for you to complete in advance.

Please complete and return the attached questionnaire to my attention at the email below by MONDAY, NOVEMBER 8, 2021.

GM.PVCSD@gmail.com

We look forward to working with you on the upcoming audit. Feel free to contact me at the email above if you have questions or would like additional information.

Sincerely,

Bobby Graziano
General Manager

"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, stormwater drainage control, life safety assistance, security services, and exceptional customer care."

2021 PVCSD NON-RESIDENTIAL AUDIT
QUESTIONNAIRE

The Pauma Valley Community Services District will be conducting an audit of your property on Monday, November 15, 2021 as related to District Ordinance No. 50 (Wastewater Collection and Treatment). To assist us in this process, please complete the following to the best of your knowledge.

Please complete and return the attached questionnaire to the email below by MONDAY, NOVEMBER 8, 2021.

GM.PVCSD@gmail.com

GENERAL

1. Name, email, and cell phone number of Contact Person during in-person audit. This person(s) must be available between 8:30 a.m. and 4:00 p.m. to provide access to and escort the District's consultant to your sewer-generating facilities.

Name and Title: _____

Mobile (include area code): _____

Email: _____

2. Preferred audit window on Monday, November 15, 2021 (we will do our best to accommodate this schedule):

_____ 8:30 a.m. to 10:00 a.m.

_____ 10:00 a.m. to 11:30 a.m.

_____ 1:00 p.m. to 2:30 p.m.

_____ 2:30 p.m. to 4:00 p.m.

DISCHARGE REQUIREMENTS

1. Please have your Industrial Discharge Permit on file and available during the audit.
2. Does your building sewer connect to the building at an elevation that is 1) above the basement floor and 2) above the street elevation?

Yes _____ No _____

If the answer to No. 2 above is "No", do you have a backflow prevention device OR pumping device at the building?

Yes _____ No _____ Describe _____

3. Are any drains, roof down spots, exterior foundation drains, or any other sources of surface runoff or groundwater connected either directly or indirectly to the sanitary sewer system?

Yes _____ No _____ Describe _____

4. If your sewer discharge is greater than 50,000 gallons per day, please be prepared to provide documentation on average flow volumes that are discharged to the sewer (winter water usage records are acceptable) and any testing results conducting on discharge characteristics within the past 5 years.
5. If your property has food preparation and/or food serving areas:
 - a. Seating Capacity _____
 - b. Is a grease interceptor installed? _____
If yes, please provide copies of inspection/servicing reports for the prior 3 inspections/service calls.
6. If your property has a self-service or full-service laundry facility:
 - a. Number of washers _____
7. If your property is a hotel, motel, or auto court:
 - a. Number of living rooms without Kitchen _____
 - b. Number of living rooms with kitchen _____
8. If your property is a church, theater or auditorium:
 - a. Seating Capacity _____
9. If your property is a service station:
 - a. Number of pumps _____
10. If your property is a mobile home, trailer, and/or RV park.
 - a. Number of spaces _____
11. If your property is a store, office or small business establishment not described above:
 - a. Number of offices/units _____
12. If your property is a school
 - a. Type of school (elementary, junior high, high school) _____
 - b. Number of students _____

Thank you in advance for completing and returning this survey. We will let you know by Friday, November 12 our expected arrival time and meeting duration. Please let us know if you have any questions prior to the audit.



Pauma Valley Community Services District
Administrative Procedures and Rules

04/28/09

PROCUREMENT & PURCHASING POLICY

Revision Date:
10/25/21

It is the policy of the District to procure required goods and services commensurate with acceptable quality, best value and at the lowest possible cost. Best value is determined by evaluating many factors including but not limited to price, delivery capabilities, quality, past performance, training, financial stability, service capabilities, warranty, ease of ordering payment, and the fulfillment of our specification(s). The District's Procurement and Purchasing Policy is intended to be consistent with the Generally Accepted Accounting Principles.

This Procurement and Purchasing Policy establishes practices and procedures for acquiring services, materials, equipment, supplies, and for public works projects, pursuant to California Government Code Section 54201 et seq. California Government Code Section 54202 requires every local agency to adopt policies and procedures, including bidding regulations, governing purchases of supplies, materials, and equipment.

1. Procurement and Purchasing Authorization
 - A. The General Manager has the signing authority and responsibility for all purchases made by employees of the District.
 - B. Procurement and purchasing must be made utilizing the current approved budget. Exceptions would require prior Board approval.
 - C. The General Manager may authorize his/her designee to purchase goods and services costing up to \$5,000.
 - D. The General Manager has the authority to purchase items or services costing up to \$25,000.
 - a. Procurement and purchases of five-thousand dollars (\$5,000) up to \$25,000 require two or more price comparisons or informal bids, based on estimated values for like products or services, prior to selecting a supplier or service.
 - a. These purchases will require two signatures consisting of the General Manager and either the President of the Board, or the Board Treasurer, or the Office Manager.
 - E. The General Manager has the authority to purchase items or services costing greater than \$25,000, with prior Board review and approval.
 - a. The General Manager will write a specification for goods and/or services.
 - a. Three or more formal written bid quotations, based on written specifications, will be solicited from reputable suppliers with good business reviews.

- b. The Board will review the written bids and the bid analysis at a public meeting before approving purchases greater than \$25,000.
 - c. These purchases will require two signatures, consisting of the General Manager and either the President of the Board, or the Board Treasurer.
 - d. A ten percent (10%) retention will be placed on the contracted amount and/or a Bond may be required until the General Manager is fully satisfied that the procurement has met specifications and, if appropriate, operational tests have been performed and all training has been completed.
- F. During temporary absences of the General Manager, the authority to implement the provisions of this policy may be transferred to a District staff member so authorized by the Board.

2. Sole Source and Bidding Exceptions

- a. Under Government Code §§4525 et seq., architectural, landscape architectural, engineering, environmental, land surveying and construction project management services may be procured without engaging in the bidding process. In such cases, the procurement shall be based upon the demonstrated competence and qualifications of the individual or firm for the services to be provided and the price of the services must be fair and reasonable to the District.
- b. District standardized items may be purchased without bids when the procurement is only available from one source, supplier, or original manufacturer.
- c. All "Sole Source" purchases over twenty-five thousand dollars (\$25,000) requires prior approval of the District Board.
- d. Price comparisons or informal bids for items twenty-five thousand (\$25,000) or less may be waived by the General Manager when in his/her judgment the District will be getting the "Best Value" for the District.
- e. Formal written bid quotations for items greater than twenty-five thousand (\$25,000) may be waived upon written recommendation from the General Manager and approval of the Board of Directors. Such determination shall be based on "Best Value" for the District.
- f. The District may participate in cooperative purchasing endeavors with other public agencies for any procurements and purchasing.

3. Vehicle Purchases

- A. Vehicles may be purchased with prior review and approval of the Board.
- B. The General Manager shall consider the State's Vehicle Procurement Program but may purchase vehicles from local sources on-line or utilizing cooperative purchasing endeavors of other public agencies.

4. Emergency or Exigent Purchasing, Repairs, Services, and/or Contracting

- A. For the purposes of this section, the term "Emergency" shall mean any event that immediately impacts the health and safety of the public or environment and that by delaying action will result in substantial harm or damage to individuals, property, or the environment.
- B. Nothing in the policy shall prevent the General Manager of the District from ordering any action necessary and appropriate to respond to sudden, unexpected occurrences that pose a clear and imminent danger requiring immediate action to prevent, or mitigate the loss or impairment of life, health, property, and essential public services.
- C. The authority to declare a local emergency, including but not limited to emergencies described in California Government Code 8558, and 54956.5 and Public Contract code 1102 resides with the Board of Directors.
- D. A four-fifths Board vote is required to declare an emergency.
- E. When urgent circumstances preclude taking the time for a regular or emergency Board meeting, the General Manager may declare the existence of an emergency subject to ratification of the Board at a future meeting. In such cases, the General Manager, at his/her discretion, may take any necessary and immediate actions required to mitigate the related crisis. (Public Contract Code 22035)
- F. Best practices shall be followed, but the bidding process, terms and conditions listed in items 1 and 2 above do not apply in an "Emergency". (Public Contract Code 22050)
- G. The Board shall retroactively review all financial actions taken in response to an emergency. (PCC 22050)
- H. By resolution, the Board shall determine and declare when the emergency declaration is over.

Summary:

\$0-\$5,000	GM/Office Mgr.	If in budget	No Bids/Best Value
>\$5,000-\$25,000	GM, Plus one	No Board review if in budget	2+ price comps/bids
>\$25,000	GM, Pres./Treas.	Board review/approval	3+formal bids w/ specs