

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

Held on November 28, 2022

Directors Present: Michael Martello, Michael Esparza, Jodie Lawston, Betty Potalivo & Roland Skumawitz
Also Present: Residents: Pam Luther, Richard Collins, Ron Krohn, Dave; Shauna Amon with Best Best & Krieger; Vice President of RPMWC Steve Wehr, Treasurer of RPMWC Bruce Knox, Secretary of RPMWC Laurie Kariya, Interim General Manager Jeffrey Armstrong, Office Manager Amber Watkins, and Administrative Assistant Marissa Fehling

Call to Order: Regular Meeting was called to order at 10:00 a.m. by President Martello. President Martello announced that this meeting is being recorded as part of a trial to begin transitioning the minutes to audio.

Roll Call: Fehling verified that a quorum was present.

11.1 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 – Martello informed that after speaking to Armstrong in regard to item 3a, it would be best to defer this item today and have Best Best & Krieger go over the Employee Handbook Revisions since a few items were raised in regards to Human Resources (HR). Skumawitz mentioned that he'd like to discuss the fact that when an employee makes a complaint, they are making a complaint to another employee at this time since we do not have an HR department and also thinks that the 90-day probational period is too short. Armstrong recommended submitting any additional suggestions to him since we are tabling this item today. Esparza recommended forming an Ad Hoc committee to further discuss the Employee Handbook and Human Resources issues. Skumawitz offered to be a part of the Ad Hoc committee. Potalivo mentioned that she would like it to be known that she believes that the 90-day probational period is sufficient. Esparza motioned to move item 3a from today's agenda to the next meeting, seconded by Skumawitz and upon a unanimous vote, was approved.

b. In the interest of public health and safety this meeting will be held as 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 –

Krohn congratulated the new Board member and stated that he would like to hear a commitment from the Board to serve their full terms and hopes they will all get along. Knox stated that he was speaking as a Rancho Pauma Mutual Water Company (RPMWC) Board Director and informed that a former PVCSD employee recently resigned from PVCSD due to the uncomfortableness felt with the previous General Manager and was hired to work under RPMWC only. Knox noted that the employee reported that the work load has remained unchanged. Knox informed that PVCSD is still using this employee for day to day needs. Knox informed that RPMWC will submit an invoice to PVCSD for their share of the employee costs.

11.2 Consent Calendar: All items appearing on the Consent Calendar may be voted on by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors, or the public, requests removal prior to a vote on a motion to approve the items. Such items removed will be considered separately for action by the Board.

- a. Minutes of the Special Board Meeting of September 26, 2022
- b. Minutes of the Regular Board Meeting of September 26, 2022
- c. Minutes of the Special Board Meeting of October 18, 2022
- d. Review of BS, P&L as of August 31, 2022
- e. Review of BS, P&L as of September 30, 2022
- f. Review of BS, P&L as of October 31, 2022
- g. Accounts Receivable
- h. Notice of Violation Summary
- i. Daily Activity Report
- j. AB361 – Hybrid Meetings

Skumawitz motioned to approve the consent calendar, seconded by Potalivo and upon a unanimous vote, was adopted.

11.3 Action Calendar –

a. Employee Handbook Revisions (presented by Shauna Amon of Best Best and Krieger) – Item was deferred.

b. Employee Service Recognition Pay (The Board will consider year-end bonuses for employees) – Armstrong informed that this is the time of the year when the Board gives employees a end-of-year bonus in appreciation. Armstrong made a recommendation to increase it from \$50 per worked month to \$75 per worked month given the nature of what they have been through this year and noted how dedicated they are to the District. Potalivo questioned whether the increase is within budget, and Armstrong confirmed that it is. Esparza explained his experience with the end-of-year bonus. Esparza motioned to approve Armstrong's recommendation to increase the end-of-the-year bonus to \$75 per month of employment, seconded by Lawston and upon a unanimous vote, was approved.

c. Wastewater Treatment Plant Operations (Staff will provide an update on this service provider) – Armstrong went over the history of PVCSD's contract with Dudek and informed that the previous General Manager brought forth Water Quality Specialist (WQS) in an attempt to save money and for efficiency. Armstrong noted that although he believes it was a good effort and idea, he does not believe this organization will perform the level of services this district would need and believes they will eventually do harm to our treatment plant. Armstrong recommended that the Board give him, the Interim General Manager the authority to give WQS a 7-day notice to terminate their contract and stick with Dudek. Skumawitz inquired on if Dudek changed their mind about continuing to provide their services to us. Armstrong informed that they have agreed to stay by our side. Wehr inquired about where they see the current Utility Supervisor working into all this. Armstrong informed that there will be an open position for a Utility Supervisor posted and we will wait to see who applies for the position. Skumawitz motioned to give the Interim General Manager the authorization to send WQS a 7-day notice of termination, seconded by Martello and upon a unanimous vote was approved.

11.4 Information Items

a. Website transparency best practices (Staff will provide a report of website compliance) – Watkins explained that a number of the items on the transparency requirements were able to be taken care of in-house by Fehling using the current Wix platform. Watkins informed that ADA compliance is being explored further. Watkins explained the differences staff found between our current platform and the Streamline option and mentioned the cost difference. Armstrong stated that something does need to be done to get us fully compliant. Potalivo stated she is in favor of

getting several bids on a more robust platform which may be helpful to staff in the long run. Esparza suggested looking at other CSD's for ideas.

b. Update on Hangar Rooftop Solar Project (Staff will provide an update on this project) – Armstrong gave a recap of the history with Century Sun & Solar and the three open projects with PVCSD. Armstrong informed that none of the projects have been completed. Armstrong informed that a Notice of Termination was given to them in November. Armstrong reported that Jansing has reached out with additional information. Jansing is to provide documents as to where the projects stand. Jansing notified that they are waiting for the upgraded panel and expects it to be delivered in January or so. Armstrong informed that he did reach out to the previous General Manager and was provided with email communications from Jansing that he still has to go through. Martello explained his experience with the Solar project. Martello informed that Best Best & Krieger did work on a term letter and explained the terms.

c. Cash Forecast for 2022-2023 (Staff will provide a report on 2022-2023 Cash) – Watkins explained the cash forecast for 2022-2023 which includes all of the known SGMA costs and informed the projected fiscal year-end amount would be \$290,000. Watkins informed that there was a dip in cash between August and September relating to legal fees and former employee costs. Armstrong noted that the projected \$290,000 would realistically probably be less. Armstrong informed that the important thing about the presented graph is that reserves are slowly building and that is something that the future general manager should keep an eye on. Potalivo inquired on the projected year-end amount vs prior years. Armstrong explained. Esparza explained that the Board's intention when paying off the CalPERS liability was to save money and build up the reserve accounts. Armstrong mentioned that he believes it was a very prudent and fiscally wise decision to pay off CalPERS Unfunded Accrued Liability. Knox asked if there was a capital expenditures budget available. Armstrong informed that the capital expenditures budget is built into this forecast.

d. Review of Year-to-Date legal fees (Staff will provide a report on YTD legal fees) – Armstrong informed that over the last few years legal expenses have been averaging about \$40k per year and budgeting between \$25-\$50k per year and explained that this year's legal expense was quite a bit over noting that a lot of it was employee related. Armstrong suggested increasing the legal budget in the future.

e. General Manager Recruitment Committee Update (Committee will provide an update) – Armstrong informed that there has been a couple of Ad Hoc committee meetings that have been very productive and informed which sites the General Manager's job posting was posted to and informed that it has had good visibility. Armstrong notified that 4 RFPs were sent out to 4 different executive search firms and received two responses. Armstrong informed that the Ad Hoc committee suggested interviewing from the current candidate pool they have now. Armstrong informed that the interviews would be performed by the PVCSD Board and himself only. Potalivo asked Armstrong to explain why RPMWC Board would not be included in the interview process, Armstrong explained that the General Manager employee position belongs to PVCSD. Skumawitz inquired whether there is a job description that could be matched up with applicants' resumes with basic requirements. Armstrong informed that they are in the job description. Potalivo informed that it was discussed in the Ad Hoc committee that if we have Dudek responsible for certain responsibilities that the prior General Manager did, certain job requirements may be different. Skumawitz stated that from an HR perspective when you have a job description altered based on candidates, it exposes you to other candidates issuing concerns on fairness. Knox informed that he is aware that RPMWC will not be included in the interview

process but suggested asking for RPMWC's opinion when making a final decision. Armstrong mentioned where the decision on the interview process stands from a legal standpoint. Knox asked if it would be okay if he followed up with legal on this matter. Armstrong informed that would be no problem at all. Martello explained his experience with hiring panels in the past.

11.5 General Manager's Report

a. SGMA JPA Update (Discussion on the current state of the JPA) – Armstrong gave an update on SGMA. Explained he was very impressed with how well the JPA works together.

b. Email list (Customer contact information update sheet will be sent December 2022) – Armstrong presented a customer contact form and informed it would be sent out to the community with PVCSD's December invoices in hopes to get our customer's contact information up to date and have the option to communicate with our community via email.

c. Board Retreat (Strategic Planning, SWOT) – Armstrong suggested considering setting up a Board retreat in the future to discuss future technology and strategic planning.

d. Utility Supervisor – Armstrong explained that the Utility Supervisor position would be posted on BC water jobs website this week and is hoping to have this position filled as soon as possible since we are going back to working with Dudek. Wehr inquired on what this position oversees. Armstrong explained. Knox questioned whether Jake Oehlert is currently doing this now, Armstrong confirmed he is doing half of the job description. Esparza questioned whether it would be a good idea to modernize the Utility Supervisor job description. Armstrong informed that as of now it includes everything needed for the position. Armstrong provided one last comment in the General Manager Report to Martello noting that after working here for almost 2 months he has been a great President to work for and has enjoyed working with him.

11.6 Other Business –

a. Requested items for next or future agendas (Directors and Staff Only)

- i. SWOT
- ii. Pledge of Allegiance
- iii. Update LAIF Account Signers
- iv. Meetings of the Board Policy
- v. Report on Employee Expense Reimbursements

Armstrong explained this was an inventory list of items that have been asked to be discussed at a future meeting and informed that this list was made so we don't lose track of these items. Potalivo asked if the SWOT analysis would include a financial section. Armstrong informed that it would include everything. Esparza suggested having different divisions for these items. Armstrong mentioned that training is also a great opportunity for continuing education.

b. Board comments – Esparza informed that there was a public comment made that the PVCSD Board didn't want to hire our former Utility Supervisor and wanted it to be known that the Board did not make that decision. Esparza thanked the General Manager Ad Hoc Committee for their work. Krohn commented that when the Board talks about hiring employees and the hiring decision, whether or not input equals influence if so, is influenced in the hiring decision acceptable? Armstrong noted that right now input equals input and trust is a part of this.

c. Announcements – None

- 11.7 Conference with Legal Counsel – Existing Litigation – Closed Session
a. San Luis Rey Indian Water Authority v. Pauma Valley Groundwater Sustainability Agency, et al., San Diego County Case no. 37-2022-00029027

The Board entered closed session at 11:15 am. All public exited the meeting at this time.

- 11.8 Open Session –
a. Reportable Actions – (if any) – The meeting reconvened to Open Session at 12:04 p.m. No reportable actions were reported.
- 11.9 Announcements/Adjournment –
a. Regular Meeting on January 23, 2023, at 10:00 a.m. – The next meeting date is scheduled for January 23, 2023 at 10:00 a.m. Skumawitz mentioned that he has been reflecting a lot on what has gone on in the last 6 months and informed that he has served on many Boards and different organizations and has never experienced the kind of behavior he has witnessed in this community and feels it is counterproductive. Skumawitz informed he would like to further discuss this in a future meeting. Skumawitz handed out a document titled “The Rules of Civility” and informed that he feels respect and courtesy have been missing recently within our community. Skumawitz encouraged all to be cognitive of the Brown act, courteous, and respectful. Martello thanked all for serving with him on the Board. With nothing further to discuss, a motion was made by Skumawitz to adjourn at 12:10 p.m., seconded by Esparza and unanimously approved.

Marissa Fehling

Marissa Fehling, Recording Secretary