

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

Held on March 29, 2021

Directors Present: Sam Logan, Michael Esparza, Bill Jacobs, and Jim Cipriano
Also Present: Residents Michael Martello, Jeff Ryan, Charles Mathews, Ron Krohn,
Laurie Kariya, Bill Schultz, Steve Anderson of Best, Best and Krieger,
General Manager Bobby Graziano, Office Manager Amber Watkins,
Administrative Assistant Marissa Fehling

- 3.1 Call to Order: Regular Meeting was called to order at 10:04 a.m. by President Sam Logan. Logan informed that pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom in response to the COVID-19 pandemic and in an effort to prevent the spread of the virus, Pauma Valley CSD will hold its board meeting via teleconference. This meeting is open to the public via virtual interface and can be accessed by clicking on the link provided.
- 3.2 Roll Call: Graziano took roll call.
- 3.3 Open for Public Comments: Kariya thanked the Board for her time on the board. Mathews informed he would like to comment on the salary ranges later in the meeting.
- 3.4 Board Appointment:
 - a. The Board will review qualified applicants for the open position and make an appointment to fill the vacant seat: Logan informed that there were two applicants interested in the vacant seat on the Board; Bill Schultz and Charles Mathews. Cipriano inquired with Schultz on the values he would bring to the Board if appointed. Schultz gave a brief background of himself and explained his reasoning for wanting to be on the PVCSD Board. Esparza asked the applicants what their future views are. Schultz informed he would only be finishing out the current term available and would like to assist with the current projects being worked on. Mathews informed he would like to assist in the 5-year financial plan and believes he has the background, education, knowledge, and experience in financial planning. Logan made a motion appoint Bill Schultz, seconded by Jacobs and upon a vote with three in favor of the appointment, Cipriano abstained. Motion was carried.
- 3.5 Oath of Office:
 - a. Staff will swear in appointed Board Member - Fehling administered the Oath of Office to Schultz.
- 3.6 Appointment of Board Secretary:
 - a. The Board will appoint the Board Secretary - Schultz volunteered to be the Board Secretary. Logan motioned, seconded by Jacobs and upon unanimous vote Schultz was appointed Secretary.
- 3.7 Approval of Previous Minutes:
 - a. Regular Meeting February 22, 2021 – Jacobs inquired on a statement made on the February 22, 2021 minutes stating that PVRA is an HOA. Cipriano informed that PVRA reported that they checked with their attorney and they are not a CID and they have never applied for it, therefore they are not an HOA. Esparza made a correction in section 2.6 accepting and filing the Security Report rather than adopting it. Cipriano made a motion to approve the Regular Meeting Minutes of February 22, 2021, with the corrections mentioned herein, seconded by Logan and unanimously adopted.
 - b. Special Meeting March 8, 2021 – Esparza made a correction to his statement in section 3.3 and informed that the corrected statement has been emailed to staff. Logan made a motion to approve

the Special Meeting Minutes of March 8, 2021, with the corrections mentioned herein, seconded by Cipriano and unanimously adopted.

3.8 Financial Report:

a. Review of BS, P&L as of 02/28/2021 - Cash Assets reflect \$1,264,498, Accounts Receivable of \$39,082 and Accounts Payable of \$21,535. Watkins informed that in effort to keep the bank balance below FDIC limits, a \$100k transfer in LAIF will be completed this week. Watkins noted that Account 662 shows the 1% revenue from San Diego County Property Taxes received this period. Watkins informed that Repairs and Maintenance Account 712 includes sludge removal costs for hauling and discharging, Vehicles includes the emergency brake repair costs for Unit 1, and Account 820 Legal includes 50% of SGMA costs and additional charges for Mediacom. Jacobs inquired on the Operator Contract Services expense. Watkins informed it is an ongoing monthly fee. Esparza inquired why the Payroll expenses were at zero on the P&L; Watkins informed it is there as a placeholder and is reconciled at the end of each month. Logan motioned to adopt the financial report as presented, seconded by Cipriano and unanimously adopted.

b. Accounts Receivable – Presented for review.

3.9 Security Report:

a. Daily Activity Report - Graziano presented the Security Report. Cipriano inquired on what can be done to help with the common issues like speeding and after hour landscaping issues in the community. Graziano informed that Security has increased their monitoring of speeding and landscapers to help with this issue. Cipriano informed that the incident on March 13th was not an HOA issue; Krohn explained why he disagreed. Jacobs suggested adding a contractor and landscaper field for guest passes in DwellingLive. Cipriano inquired on whether Notice of Violations (NOV's) are being tracked. Fehling informed that we do keep a report with all NOV's issued and explained that since it is a PVRA document it is not included in the PVCSD meeting materials. Cipriano suggested sending out a notice to the community regarding the pellet gun issue mentioned in the Security Report. Jacobs informed that he witnessed the individuals shooting pellet guns on the golf club but not into the trees. Logan informed that these individuals were given permission from the club to do so. Esparza inquired on the gate crasher information from the March 13th; Fehling informed that there was no video footage available for this incident, and patrol was not able to track down the vehicle. Esparza inquired on what the current guidelines are for pulling over speeding violators; Graziano explained. Krohn explained that PVCSD is a government agency and the streets within the gates are private property and owned by PVRA and PVCSD has no jurisdiction. Logan explained patrol issues NOV's, not actual tickets. Cipriano inquired on the gate access issues. Graziano informed that California Gate Systems is here today to fix the video footage issues. Upon a motion by Esparza, seconded by Cipriano and unanimous vote, the Daily Activity Report was accepted and ordered filed.

b. Gate Penalty Assessment Report - Presented for review.

3.10 General Manager's Report: Graziano presented the report. Jacobs complimented Graziano and Utility Staff on the increased maintenance of the burned hillside and brow ditches. Esparza expressed that he believes radios vs cell phones would be a better option for security. Jacobs informed that he also believes having radios has much greater benefits when it comes to point to point signals vs having to deal with the possibility of cell phone towers going down. Esparza expressed that he likes the idea of switching to electric vehicles for patrol and believes the district should move forward with the idea. Graziano suggested the district go with Teslas since they are clearly the frontrunner in the EV market and are the most widely used and have the longest track record. Graziano also modified the recommendation in his report from Model Y's to Model 3's. Graziano highlighted that the Model 3 is the mid \$30K range, while the Model Y is in the mid

\$50K range. Graziano showed the proposed charging stations on an aerial map. Esparza suggested inquiring on “piggy backing” on a previous buyer for a better rate or inquiring on government pricing. Graziano presented the Salary Analysis Report showing nine districts and their associated salaries. Steve Anderson with Best Best & Krieger joined the meeting at 11:55 am. Jacobs complimented Graziano on the report and informed he would like to see the current salary rates vs proposed rates. Graziano informed he would like to adopt a salary schedule at the April meeting so the 2021-2022 budget projections and 5 year proforma that will be prepared in May is the most accurate. Graziano suggested having a special meeting or creating a committee to further discuss this. Martello informed he was very impressed with this project and informed that when a company has employees who multitask, losing them is a big deal. Graziano commented that the staff at hand is worth keeping for the long run.

3.11 Capital Equipment Plan:

a. The Capital Equipment Plan is being presented for the Board’s review – Graziano presented the Capital Equipment Expense Plan including \$50,000 allocated for upgrading the electrical panel to a 400amp service and adding charging stations for the security vehicles and staff, \$1,500 for a generator for the Oak Tree Lift Station, \$120,000 for two security vehicles, and \$5,000 for office improvements. Graziano informed that the expenditure for the security vehicles could be dropped to \$50k vs \$60k given the cost of the Tesla Model 3 compared to the Model Y. Esparza suggested leaving the proposed cost at \$60k to include the light bar, graphics, and anything else needed to equip the vehicles. A motion was made by Esparza to approve the Capital Plan as proposed, and seconded by Schultz. Cipriano asked for further discussion to address the price budgeted for the two security vehicles. Cipriano made a motion to change the proposed vehicle expenditure from \$60k to \$50k, seconded by Logan and upon a vote with four in favor of the reduction, Esparza voted no. Motion was carried. Esparza suggested looking into battery pack-ups for the solar system in case the grid ever goes down.

3.12 Closed Session – Conference with Legal Counsel:

a. Significant exposure to litigation pursuant to Government Code Section 54956 (d)(2) - The Board entered closed session at 12:17 pm.

b. Existing Litigation (Government Code Section 54956.9 (d)(1))

i. Pauma Valley CSD v Mediacom LLC, San Diego Superior Court Case No. 37-2021-00001175

3.13 Open Session:

a. Reportable actions from Closed Session- The meeting reconvened at 1:15 pm with no reportable actions.

3.14 Joint Exercise of Powers Agreement Establishing the Upper San Luis Rey Groundwater Management Authority (USLRGMA) :

a. The Board will consider adopting Resolution 104 approving the Joint Exercise of Powers Agreement Establishing the Upper San Luis Rey Groundwater Management Authority (USLRGMA) – Graziano suggested the item be tabled for one more month since no official word was received from Yuima regarding their board adoption of the JPA.

3.15 Pauma Valley Roadway Association (PVRA) Report:

a. Director Cipriano and Jacobs will provide an update on PVRA and PVCSD - Cipriano informed that PVRA has mentioned that they wish to do away with everything but road work. Cipriano informed that he has drafted a replacement Rules of the Road and has sent it to the Board for review and consideration of adoption. Graziano inquired with Steve Anderson of Best Best & Krieger whether PVCSD can have its own roadway policy. Anderson informed that PVCSD can adopt a policy and have sections of it delegated to certain areas of the district. Mathews

questioned if they adopt the policy how PVCSD would differ from California Vehicle Code rules. Esparza informed they would enforce their own rules. Logan informed that Security only gives out notice of violations for speeding and stop sign violations. Krohn informed that PVCSD does not have authority to write and execute rules on private property. Anderson informed that special districts have authority to adopt and set policy in their district and that CSD's are extensions of the State legislature. Esparza read a statement from the LAFCO website from PVCSD's profile stating Security Services involve guard and patrol services, alarm system monitoring, and vehicle traffic control. Logan asked Krohn to obtain his own attorney for this matter. Anderson left the meeting at 1:35 pm.

3.16 General Manager's Compensation Update:

a. The Board will consider and act on an adjustment to the General Manager's compensation- Jacobs informed that the board is moving forward with the General Manager's compensation package previously discussed and it will be retro effective to January 1, 2021. Graziano asked that the minutes reflect a 3% increase in salary as well as an additional \$1,200 in health reimbursement.

3.17 Other Business:

a. Requested items for next or future agendas (Directors and Staff Only)- Graziano informed of the items he has for the next agenda are the SSMP, answering Esparza question about a discharge permit, completing the Roadway/CSD updates, and presenting a solar project package for the board to approve.

b. Board comments- None

3.18 Adjournment:

a. Regular Meeting scheduled on April 26, 2021 at 10 a.m. - The next meeting date is scheduled for April 26, 2021 at 10:00 am. Upon a motion from Logan, second by Schultz and unanimous vote, the meeting adjourned at 1:37 pm.

Marissa Fehling

Marissa Fehling, Recording Secretary