

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

Held on May 28, 2019

Directors Present: Samuel Logan, William Schultz, Clarence Winn, and Bill Jacobs
Directors Absent: Heidi Person
Also Present: Customers Thomas Baer, Jim Cipriano, Charles Mathews and Julie Kimball of the Oak Tree HOA; General Manager Bobby Graziano, Office Manager Amber Watkins, and Administrative Assistant Marissa Fehling

- 5.1 Call to Order: Regular meeting was called to order at 10:00 a.m. by President Logan.
- 5.2 Open for Public Comments: Cipriano inquired if a rate increase was to be proposed for the new budget; Graziano informed that the budget is being discussed later in this meeting. Cipriano reminded the Board that when the gate entry system was implemented and the need for a gate attendant at the Back Gate was removed, the residents were told that they would realize the cost savings over a three year period; Logan commented that they would keep that in mind.
- 5.3 Approval of Previous Minutes:
a. Regular Meeting on April 29, 2019 - Winn mentioned that he would like to take the new Board Members to tour Paauwe and Tukwut drains. Winn noted that no mention was made of his request, as a response to the letter from Gomez Trial Attorneys, for PVCSD to be removed from the lawsuit. Winn noted that a name was misspelled and corrected it to Julie. Winn motioned to adopt the minutes of the Regular Meeting held on April 29, 2019 pending the changes requested herein, seconded by Jacobs and upon a unanimous vote were approved.
b. Special Meeting on May 13, 2019- This item was discussed later in the meeting.
- 5.4 Security Report:
a. Daily Activity Report- Graziano presented the report and informed the board that if they have any questions regarding the report, he would answer them or make sure to get the answers to them. Graziano noted that he is in the process of selling one unused security vehicle to reduce the fleet to two units. Graziano mentioned that he would like to construct a new fenced area around the agility course to improve the quality of life for the K-9's; Graziano will provide proposal at the next meeting. Winn noted that he agrees with the proposal for a new fenced yard. Although there is NO initiative by PVCSD to reduce security services or the tools the officers have, the subject of "dogs" seems to come up occasionally. Winn noted that he has fought for keeping the K-9's for the security patrol officers. Years ago, he did a study on the benefits of keeping the K-9's, for the district and to the staff. Winn asked that patrol note when they are assisted by their K-9's in the Security Reports. Winn stated that there are many dark areas, such as streets in Oak Tree Ranch and feels the K-9's are very helpful to patrol. Winn stated that he felt that a separate meeting should be held to further discuss decisions regarding K-9's and other security issues.

On the subject of Captain Ortiz's departure from PVCSD, Winn questioned why the Board had not been called in on this. Logan informed all that decisions were made on the advice of legal counsel and noted that a Confidentiality Agreement has been entered into between both parties. Jacobs stated that he feels transparency between the Board members should be increased but trusts the decisions recently made by the President of the Board and General Manager with legal advice and stated that some decisions must be made expeditiously. Jacobs mentioned that he felt a Security Management role needs to be filled with at least a supervisor position, noting, with respect, that Graziano doesn't have direct security management experience and running a Patrol and Gate crew requires significant

attention. Jacobs hopes this position will be filled soon. Graziano reported that he has appointed Todd Albert as Acting Supervisor of the Security Department, having 20 years of experience. Graziano informed the Board that as the GM, he intends on overseeing and managing the Security Department to be more involved and connected to Security as he is with Admin and Utility. Mathews stated that one key thing in this community is the security and recent changes have brought up many concerns to the community. Mathews advised that any change in level of security should be voted on by the community. Once again, NO changes are planned. Jacobs stated that it is all of the Board's responsibility to curtail rumors that float around the community. Logan explained his understanding of a concerning incident that happened on April 24th, 2019 in a resident's home with a security patrol officer. Jacobs explained a situation that was also very concerning in his home with the same security officer. Logan reported that the security officer later showed up at his home and he then suspended him on the spot for his recent inappropriate actions. Graziano explained that from his interactions with this security officer, he believes his intentions were never to be a threat to the community but realizes that these actions were absolutely inappropriate. The Board all agreed to terminate the employment of the security officer immediately. Mathews questioned what the replacement plan will be for the Security Captain position. Jacobs recommends putting together an organizational chart for security with job titles and responsibilities. Jacobs recommends having a meeting to further discuss putting the organizational chart together. Graziano recommends proceeding without filling the Security Captain position to allow time to determine if these departments can function successfully without one; Graziano advised that he will give an update in 6-12 months on this to see if he later feels hiring a captain would be necessary.

Item 3b was discussed at this time. Winn requested that the sentence in section 5.2 regarding Graziano being the supervisor, be corrected to Graziano being the "temporary" supervisor going forward. Logan corrected a statement he made regarding the dog program. Winn requested that his statement regarding the K-9's being tools to the patrol be added to minutes. Winn motioned to adopt the minutes of the Special Meeting held on May 13, 2019 pending the changes requested herein, seconded by Logan and upon a unanimous vote were approved.

b. Gate Penalty Assessment Report- The report was presented for review.

5.5 Financial Report:

a. Review of BS, P&L as of 4/30/19 - Cash Assets reflect \$997,643, Accounts Receivable of \$50,943 and Accounts Payable of \$31,019. Watkins reported that the Money Market Account was closed and funds were transferred into the Checking Account; upon a recommendation from the CPA to increase the amount in LAIF which is currently earning 2.55% in interest. Watkins reported that the property taxes payment was received and that all accounts reported to the County for placement on the Tax Rolls have paid the amount in full for last year. Watkins informed that depreciation is being reviewed by the CPA.

b. Accounts Receivable- Cipriano questioned if the accounts that are late get finance charged. Watkins informed him that they do. Upon a motion by Winn and second by Schultz the financial report was adopted as presented after a unanimous vote to approve.

5.6 Operations and Discussion Items:

a. Draft Budget- Graziano presented the draft budget and explained that it includes a fourth utility worker and a 3% increase in employee compensation. Graziano reported that no fee increase is being proposed and these amounts include the reduction in security charges for commercial customers. Jacobs questioned the sewer treatment plant payoff date. Graziano informed him that the final payment will be paid in June 2019. Winn recommended adjusting the interest revenue to be in line with current year performance. Schultz mentioned some issues with the back gate scanner that he was made aware of recently. Staff was asked to look into the scanner issue. Logan asked for the

budget for legal fees to be increased to \$50,000. Graziano informed that the budget does not include the contribution to the GSA because that is scheduled to be paid this current fiscal year.

Logan mentioned that this includes a \$300 per pay period car allowance for the GM. Mathews explained that an analysis must be done to ensure each cost center [Sewer, Security, Gates] operates at a break even or positive cash flow. Mathews stated that the budget as presented does not ensure this. Winn requested for Graziano to do an analysis and present it at the next meeting. Motion was made by Logan to approve the draft budget pending the changes discussed herein, seconded Jacobs and upon unanimous vote it was approved.

b. Ordinance 50 Update - Graziano explained the update on Ordinance 50 is for customers to clear out sewer lines on a semi-annual basis, for facilities that do not have a grease interceptor. This will include the Pauma Valley Country Club and El Rey Restaurant. Upon a motion from Winn, second by Schultz and unanimous vote, the updated version of Ordinance 50 was adopted.

5.7 Adjournment:

a. Public Hearing on Budget June 24, 2019- Scheduled for 9:30 a.m.

b. Regular Meeting on June 24, 2019- The next meeting date is scheduled for June 24, 2019 at 10:00 a.m. Upon a motion from Winn, second by Logan and unanimous vote, the meeting adjourned at 12:10 p.m.

Marissa Fehling

Marissa Fehling, Recording Secretary