

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

Held on May 24, 2021

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

- 5.1 Call to Order: Regular Meeting was called to order at 10:01 a.m. by President Sam Logan.
- 5.2 Roll Call: Graziano took roll call.
- 5.3 Open for Public Comments: Jacobs acknowledged and thanked resident Ron Krohn for the letter received.
- 5.4 Update on Pauma Valley Roadway Association (PVRA) and Pauma Valley CSD Agreement:
- a. Termination of Pauma Valley Roadway Association (PVRA) Agreement from 2009 -
 - i. The Board will consider terminating the Dec 2009 Agreement with Pauma Valley Roadway Association - Mathews suggested making the termination date of the agreement the same as the effective date of Ordinance 55. Jacobs informed that the termination date is set for May 24, 2021. Cipriano moved to approve the termination of the 2009 agreement with Pauma Valley Roadway Association, seconded by Logan and unanimously approved.
 - b. Ordinance 55 for Gate Access and Road Usage Within Pauma Valley Country Club Estates:
 - i. The Board will consider adopting Ordinance 55: Gate Access and Road Usage Within Pauma Valley Country Club Estates - Jacobs gave a brief clarification of Ordinance 55. Cipriano moved to adopt Ordinance 55, seconded by Logan and unanimously adopted. Cipriano noted that the PVCSD website will need some updates to reflect this change.
- 5.5 Approval of Previous Minutes:
- a. Regular Meeting April 26, 2021 – Mathews made a correction to the wording to one of his statements in the minutes. Mathews suggested adding some of the CalPERS discussion to the minutes. Esparza made a motion to approve the Regular Meeting Minutes of April 26, 2021, with the changes requested herein, seconded by Jacobs and unanimously adopted.
- 5.6 Financial Report:
- a. Review of BS, P&L as of 04/30/2021 - Cash Assets reflect \$1,233,738, Accounts Receivable of \$29,849 and Accounts Payable of \$17,524. Watkins informed that the P&L includes the 5 year Sewer System Management Plan update under engineering. Esparza clarified that the legal expense is \$17k over budget for the year, Logan confirmed. Cipriano motioned to adopt the financial report as presented, seconded by Logan, and unanimously adopted.

Cipriano informed that he has had several conversations with the auditors with regards to CalPERS exposure. Cipriano reminded that at the March 8, 2021 meeting the board agreed to gather and discuss this matter. Cipriano requested a five year projection to begin financial planning. Jacobs suggested a discussion among the board before amending the Reserve Policy to include a CalPERS unfunded liability component. Cipriano mentioned the idea of moving all new hires to something other than CalPERS. Mathews explained the cost impact current, past, and future employees have on CalPERS and mentioned that he believes all employees must be on CalPERS or none at all. Cipriano suggested that PVCSD have more transparency of their relationship with RPMWC on the website. Cipriano reminded that there are two agreements with RPMWC from 1988 and 2011 clearly stating that RPMWC agrees to reimburse for fully loaded employee costs and states that RPMWC apparently never reimbursed PVCSD from 2016-2019 for

their portion of the Unfunded Accrued Liability. Graziano explained that RPMWC did not historically reimburse for a portion of the UAL and that he and Logan identified the oversight in 2019 and addressed it. Cipriano inquired on whether PVCSD should discuss retro reimbursements for the oversights years. Mathews explained that RPMWC and PVCSD mutually agreed on a lump payment and moved forward, RPMWC paid the agreed amount. Esparza suggested this was an administrative item and should be handled by Graziano and report back to the board.

b. Accounts Receivable – Presented for review.

5.7 Security Report:

a. Daily Activity Report - Graziano presented the Security Report. Upon a motion by Cipriano, seconded by Logan and unanimous vote, the Daily Activity Report was accepted and ordered filed.

b. Gate Penalty Assessment Report - Presented for review. Esparza inquired on the definition of the term Gate Runner vs Gate Damage. Watkins explained that the difference is contact with the gate equipment or not. Kariya inquired on whether landscapers have RFID tags on their vehicles. Jacobs informed that some do and explained the restrictions for those RFID tags.

5.8 General Manager's Report: Graziano presented the report. Cipriano inquired on how much PVCSD has paid out to BB&K for the Mediacom case; Graziano informed that Watkins will get him the cost. After Graziano explained the cost of personalized domain email addresses for the Board of Directors and staff, Esparza informed he was in favor of going forward with them due to the security level and professionalism. Graziano explained what staff currently uses for emails. Esparza suggested looking into ca.gov for government email options. Jacobs added he did not see any downside to this idea. Graziano informed staff would further investigate this and report back. Cipriano suggested incorporating roof repairs in the agreement for the solar panels. Graziano explained that getting a sign off by an engineer is part of the cost. Cipriano inquired on what the \$250k cost of solar would include. Mathews suggested learning more about Assembly Bill 1139; Graziano noted. Martello informed that AB 1139 is quite far from passing and there may be many changes to it prior to it passing. Graziano explained that time is not on our side and if we delay on this decision, it is only delaying the electrical cost savings and informed that he was not opposed to studying other factors at this point. Esparza moved to have Graziano obtain official bids for this project and report back, seconded by Cipriano and unanimously approved.

5.9 Resolution 104 – Pauma Valley Community Services District Salary Schedule for Fiscal Year 2021-2022:

a. The Board will consider for adoption Resolution 104 establishing the salary schedule for Fiscal Year 2021-2022 – Upon a motion made by Esparza, seconded by Cipriano and a unanimous vote Resolution 104 was adopted as presented.

5.10 Draft 2021-2022 Budget -

a. The Board will review the draft 2021-2022 budget presented by the General Manager - Graziano presented the proposed budget. Esparza inquired on the process for terminating RFID's when a resident moves out of the district; Fehling explained. Cipriano advised that the proposed budget should reflect the salary increases. Graziano stated it does. Jacobs further explained the salary budget. Graziano reported the issues with filling the vacant Gate Attendant positions given the high demand for workers, very few resumes are being received. Esparza expressed his thoughts on employee cost and raising the fees for sewer and security to help with the Unfunded Accrued Liability costs. Cipriano suggested increasing fees for all three cost centers. Mathews inquired as to what the board's intentions are with the revenue that would be generated if all cost centers are increased. Cipriano explained it would help fund capex projects, new patrol vehicles,

and gate enhancements. Esparza informed that by the next meeting they would outline where the cashflow will be applied and informed that the Unfunded Accrued Liability would be a priority. Esparza requested that Graziano show where the funds would be applied if an increase gets approved.

5.11 Other Business:

a. Requested items for next or future agendas (Directors and Staff Only)- Esparza asked that a plan be developed to reduce expenses and explore options for paying Unfunded Accrued Liability now vs using a debt service. Cipriano requested a discussion of the clean up of lease agreements with other entities. Esparza would like to further discuss the membership to CSDA on the budget and noted that a 20% discount is currently being offered on the membership costs.

b. Board comments- None

5.12 Adjournment:

a. Regular Meeting scheduled on June 28, 2021, at 10 a.m. - The next meeting date is scheduled for June 28, 2021, at 10:00 am. Upon a motion from Cipriano, second by Logan and unanimous vote, the meeting adjourned at 12:08 pm.

Marissa Fehling

Marissa Fehling, Recording Secretary