

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

Held on May 16, 2022

Directors Present: Michael Martello, Michael Esparza, Jodie Lawston, Betty Potalivo, and Roland Skumawitz  
Also Present: Residents Charles Mathews, and Ronald Krohn, General Manager Bobby Graziano, Office Manager Amber Watkins, and Administrative Assistant Marissa Fehling

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- 5.1 Call to Order: Special Meeting was called to order at 10:00 a.m. by President Martello.
- 5.2 Roll Call: Martello requested a Roll Call. Fehling verified that all directors were present at that time, to constitute a quorum.
- 5.3 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– None.
- 5.4 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 Regular Board Meeting of March 28, 2022-  
b. Minutes of the Special Board Meeting of April 18, 2022-  
c. Review of BS, P&L as of Mar 31, 2022  
d. Review of BS, P&L as of Apr 30, 2022  
e. Accounts Receivable  
f. Notice of Violation Summary  
g. Daily Activity Report  
h. AB 361 – Hybrid Meetings  
i. District Calendar
- Skumawitz motioned to approve the consent calendar, seconded by Esparza and upon a unanimous vote was adopted.
- 5.5 Resolution 109 – Pauma Valley Community Services District Salary Schedule for Fiscal Year 2022-2023  
a. The Board will consider for adoption Resolution 109 establishing the salary schedule for Fiscal Year 2022-2023 – Graziano presented the proposed salary schedule for 2022-2023. Esparza inquired on the wastewater 1&2 pay as they did not change. Graziano explained that all workers are within the range, so no change was needed. Esparza requested that staff highlight the differences in the future. Lawston moved to approve and adopt Resolution 109, seconded by Potalivo and unanimously approved.
- 5.6 Discussion on Revising our Policy on Life Insurance – Graziano explained that during a previous meeting Esparza requested for staff to explore greater Life Insurance options to offer employees. Graziano presented some options that were found. Graziano suggested that rather than

increasing the Life Insurance benefits increase each employee's Health Reimbursement Accounts (HRA) benefits and observing two additional Holidays. Graziano noted he feels it would be much more meaningful to our employees. Esparza explained why he felt an increase in life insurance would be beneficial for families. Skumawitz agreed that most employees would rather have an increase in benefits that they can use. Esparza stated he was not opposed to discuss these other options as well. Potalivo asked for an explanation on the current HRA payout and how it works; Graziano explained. Graziano informed that at one point it used to be higher and was decreased over time. Mathews informed that the HRA was decreased about 6 years ago due to a significant increase in healthcare premiums and rather than increasing the employees cost for healthcare the Board reduced the HRA benefits. Skumawitz suggested that staff bring this item back to a future meeting with the cost analysis for all options presented. Graziano informed that this budget could actually afford to do all of these upgrades and informed that he would integrate these items for the next meeting. Martello gave a recap of directions for staff to integrate the discussed changes into the budget for consideration of adoption; adding 2 holidays, an increase in life insurance benefits, and an HRA increase.

- 5.7 General Manager's Report – GM Graziano- Graziano presented the report. Mathews stated that with how much work has not been completed on the solar project it is possible that the permit cost could be higher. Graziano informed that Century Sun & Solar would have to cover any additional costs since we have a fixed cost contract with them. Graziano reviewed the remainder of the report.
- 5.8 Capital Expenditure Plan –
  - a. The Board will review a draft capital expenditure plan – Graziano presented the draft capital expenditure plan and draft 2022-2023 budget. Graziano informed that the capital expenditure plan does not include any gate related expenditures. Esparza inquired on treatment plant related, and if there is enough to cover costs. Graziano informed that the treatment plant is new and that \$20k is budgeted as a place holder in the event it is needed for the lift pump and air compressor type of replacement issues.
- 5.9 Draft 2022 – 2023 Budget –
  - a. The Board will review the draft 2022-2023 budget presented by the General Manager – Graziano presented the 2022-2023 Draft Budget. Graziano explained the timeline of reserves. Martello asked Graziano if it is his intention to bring these as goals. Graziano informed that he would like feedback from the Board on the timeline of these items. Graziano gave a recap of the cash flow graph and informed that any operating surplus goes to reserves. Graziano informed that prior to 2021 we had over a million dollars in reserves until the Board decided to pay off the CalPERS liability. Martello asked what we are telling the community we are keeping these reserves for. Graziano explained that the CapEx is not folded into the operating budget. Mathews noted that there seems to be a big confusion with cash flow and reserves. Mathews noted that when considering reserves, you must also consider the accumulation of depreciation. Mathews added that he thinks 10 years to build your reserves is an extensive amount of time. Esparza suggested that we look to CSDA for guidelines. Graziano informed that Cipriano lead this reserve policy with the CSDA guidelines. Skumawitz informed that in his experience reserves are for a rainy day and agrees with Potalivo on cleaning it all up for clarity and bringing it back to the Board. Graziano explained the proposed increases. The budget committee will meet again to break this down further prior to the next meeting.

- 5.10 Discussion on Meetings of the Board Policy –
  - a. The Board will discuss the Meetings of the Board Policy – Esparza stated that regarding the suggested changes on the monthly meeting changes, he wanted to point out that the current calendar shows a Board meeting every other month. Graziano informed that the calendar was adopted in consent earlier in this meeting and explained the calendar.
  
- 5.11 Other Business –
  - a. Requested items for next or future agendas (Directors and Staff Only) – Graziano informed that the item he has for the next agenda would include the 2022-2023 Budget.
  - b. Board comments – None.
  
- 5.12 Announcements/Adjournment –
  - a. Regular Meeting on June 27, 2022, at 10:00 a.m. will include a Public Hearing on Budget – The next meeting date is scheduled for June 27, 2022, at 10:00 a.m. With nothing further to discuss, motion was made by Skumawitz to adjourn at 11:08 a.m., seconded by Martello and unanimously approved.

*Marissa Fehling*

Marissa Fehling, Recording Secretary