

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

Held on January 23, 2023

Directors Present: Jodie Lawston, Michael Esparza, Richard Collins, Betty Potalivo & Roland Skumawitz  
Also Present: Residents: Ron Krohn, Charles Mathews; Tom, Steve Anderson with Best Best & Krieger; Jeff Pape of Dudek; General Manager of PVCC Scott Shinner; Nigro & Nigro CPA Paul Kaymark, Vice President of RPMWC Steve Wehr, Treasurer of RPMWC Bruce Knox, Secretary of RPMWC Laurie Kariya, General Manager Eric Steinlicht, Office Manager Amber Watkins, and Administrative Assistant Marissa Fehling

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1. Call to Order: Regular Meeting was called to order at 10:02 a.m. by Vice President Esparza.

2. Roll Call: Fehling verified that a quorum was present.

3. Public Comment Period:

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 – Esparza informed that he received a Public Comment Request Form from Mathews. Mathews questioned the \$150,000 that the District spent a year and a half ago on solar and questioned why it was not on the Agenda. Esparza informed that the General Manager is addressing the issue and it should be on the next agenda. Mathews requested that this item be placed on every agenda until addressed. Collins mentioned that he last understood that we were waiting for special electrical panels. Knox informed that PVCSD received a letter from Martello on information that was all second and third hand. Knox informed that the letter from Martello suggests serious matters against Wehr and stated that he hopes they all received the response letter from the General Manager of Yuima. Knox added that Bandy declined the statement that involved him was true. Knox asked for the PVCSD Board to speak to each of the employees and if any employee has been uncomfortable with him, he would resign. Knox also mentioned that a statement in Martello's letter regarding Yuima wanting to merge with PVCSD was not true.

**--CONSENT ITEMS--**

Items 4-12 appearing on the Consent Calendar may be voted on by 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.

4. Minutes of the Regular Board Meeting of November 28, 2022
5. Minutes of the Special Board Meeting of December 12, 2022
6. Minutes of the Special Board Meeting of December 19, 2022
7. Review of Balance Sheet, Profit and Loss for November 30, 2022, and December 31, 2022
8. Accounts Receivable Report for December 31, 2022
9. Notice of Violations Issued
10. PVCSD Security Report
11. Notice of Violations Received
12. Proposed District Calendar for 2023

Upon a motion by Director Skumawitz, seconded by Director Lawston, and unanimously approved, items 4-12 were approved as presented.

**--ACTION ITEMS--**

13. Election of Officers for Calendar Year 2023 –  
PVCSD Board of Directors to elect a President.

Staff Recommendation:

- i. Conduct Elections for the 2023 PVCSD Board President.  
Esparza informed that this item was to fill the remaining time of Martello's two-year term. Potalivo discussed why she felt either Lawston or Skumawitz would be best for this position on the Board. Collins inquired how much time was remaining in his term; Esparza informed him that it was one year. Skumawitz nominated Lawston as President of the PVCSD Board. Upon a motion by Director Skumawitz, seconded by Director Potalivo, and unanimously vote, Director Lawston was elected as President of the PVCSD Board of Directors.
- ii. Fill other positions as appropriate.  
Potalivo nominated herself to be the Board Secretary. Collins nominated himself to be the Board Treasurer.

14. Appoint a PVCSD Sustainable Groundwater Management Act (SGMA) Joint Powers Authority (JPA) Representative.  
As a member of the SGMA JPA, PVCSD is required to appoint a representative approved by the Board of Directors.

Staff Recommendation:

1. Consider and approve the appointment of the General Manager as the PVCSD representative to the SGMA JPA.  
Upon a motion by Director Potalivo, seconded by Director Skumawitz, and unanimously approved, General Manager Steinlicht was appointed as the PVDS representative to the SGMA JPA.
2. Consider and approve the appointment of an alternative representative as the PVCSD representative to the SGMA JPA.  
Anderson reminded that under the JPA agreement, an alternative should be appointed at this time. Upon a motion by Director Potalivo, seconded by Director Esparza, and unanimously voted for, Director Skumawitz was appointed as an alternative representative as the PVCSD representative to the SGMA JPA.
3. Discuss and take other action as appropriate. Nothing else to discuss.

15. Utility Worker Recruitment Effort – Any additional Full-Time-Equivalent (FTE) position requires approval from the PVCSD Board of Directors.

Staff Recommendation:

1. Consider and authorize the General Manager to begin recruitment efforts for addition of one FTE Utility Worker for the Utility Division.
2. Direct the General Manager to work with the Board of Directors President to determine funding source for the addition of one FTE.
3. Discuss and take other action as appropriate.

Steinlicht explained that he has been asked to look into an additional utility worker with certifications. Watkins explained a spreadsheet she put together to show how it would impact the District financially. Watkins reported what the fiscal impact would look like if they hired another FTE Utility Worker. Steinlicht mentioned that he believes the wages the district is offering for Utility Worker with the certifications desired is too low. Skumawitz inquired on whether our current employees are working on getting certifications. Steinlicht informed that they are working on getting certifications. Skumawitz informed that he would like to see data on the current workload for Utility. Steinlicht mentioned he is working on getting the Utility Department a workload chart. Steinlicht mentioned that he plans on hiring someone with conditional employment. Potalivo informed that she supports the idea of hiring another employee for Utility and mentioned that she understands that our Utility Supervisor works hard and is highly valued. Esparza mentioned that he thinks hiring an additional Utility employee would give Steinlicht time to work more one on one with the Utility Supervisor. Skumawitz informed that he supports putting out a notice to hire but would also like to see exactly what overworked means for the Utility Department. Pape explained what he pays his certified employees and informed them what certifications the District General Manager should have in order for the district to be in compliance. Pape recommended hiring someone with really good water Distribution & Treatment certifications for this complicated system. Pape mentioned that he believes PVCSD's sewer rates are too low and noted that there are about half a million dollars in improvements needed. Pape suggested just having our current employees continue working on their certifications. Pape suggested performing a Cost-of-Service Study rather than a SWOT analysis. Knox informed that the request to hire an additional Utility Employee did not come from the Utility Supervisor, but from the RPMWC Board. Steinlicht mentioned that he intends on getting all the certifications Pape suggested. Upon a motion by Director Collins, seconded by Director Potalivo, and unanimously approved, the General Manager was authorized to begin recruitment efforts for an additional FTE Utility Worker for the Utility Division.

16. Local Agency Investment Fund (LAIF) Authorization

The appropriate PVCSD position for LAIF transactions resides with the General Manager.

Staff Recommendation:

1. Authorize the General Manager as the primary contact and authorizing signing authority for LAIF transactions as per resolution number 113.
2. Discuss and take other action as appropriate.

Upon a motion by Director Esparza, seconded by Director Skumawitz, and unanimously approved, General Manager Steinlicht was authorized as the primary contact and signer for LAIF transactions as per resolution number 113.

**--DISCUSSION ITEMS--**

17. The Board will consider incorporating the Pledge of Allegiance into future Board meetings.

Steinlicht informed that he has been a part of many meetings that start off with the Pledge of Allegiance. Kaymark explained that usually, the Board President designates someone to start it at each meeting. The Board approved starting all future meetings with the Pledge of Allegiance.

18. Dudek Operational Report

Pape explained his operational report and informed that the treatment plant is running correctly. Pape informed that he would like to work with Steinlicht on future plans and give a list of recommended spares needed. Potalivo inquired with Pape about getting grants. Pape informed that this district would not qualify for grants for these things and explained it would need to be funded through rates.

19. Review Options for General Counsel in the event of a Conflict of Interest

Potalivo explained that there could be situations where PVCSD and RPMWC are in a disagreement and having separate counsels may be appropriate. Anderson explained the history he has with both entities and how he began taking them on as a couple. Esparza informed that he has high regard for BB&K. Esparza also explained why he believes it would be prudent to have separate counsel. Skumawitz suggested doing an RFP for a separate counsel. Esparza suggested for Steinlicht to look further into this option and report back to the Board. Anderson informed that an RFP is not necessary for this.

20. Discuss Strategic Planning Workshop and value of SWOT Analysis

Potalivo explained that it would probably be best to replace doing a SWOT analysis with a Cost of Service analysis. Skumawitz suggested planning a workshop since a majority of the Board members are fairly new. Esparza agreed with Skumawitz on getting together and doing some strategic planning. Esparza asked the Board if they think we should ask the General Manager to find a facilitator. Potalivo would like to know what the cost of a facilitator would roughly cost. Pape informed that \$25k would be pretty cheap for a facilitator. Lawston asked Steinlicht to report back with a cost analysis for a SWOT analysis/ Cost of Service analysis.

21. Review and Discuss a Plan to have Pauma Valley Country Club Women's Association Conduct an April 2023 "Garage Sale" in Hangar Vicinity

Potalivo explained the details of the garage sale that the Pauma Valley Country Club Women's Association will be conducting in April. Potalivo informed anyone in the community would be able to participate. Kariya suggested informing the Pilot's Association.

22. The Board will Discuss the Meetings of the Board Policy

Esparza informed that this policy lays out the process of the Board Meetings on the responsibilities of the Board President. Esparza added that he believes this policy is out of date and it should spell out how appointments should be handled. Esparza suggested giving the General Manager authorization to see if we could find an affordable policy product for an updated policy version. Skumawitz agreed with the idea of going through CSDA for help on this.

23. RFID Policy Regarding the Country Club and the Roadway Association

Collins informed that he receives a lot of complaints about Pauma Valley Roadway Association ("PVRA") members not paying their dues and asked if PVCSD could assist in this matter by turning off the RFID's of those who are not in good standing with PVRA. Shinner informed that PVRA does have authority to lien properties. Skumawitz noted that PVCSD does not invoice PVRA dues and is not sure PVCSD has legal authorization to turn off RFID's for a

PVRA financial issue. Esparza stated that he does not think PVCSD has legal authorization to do so either. Collins asked Steinlicht to speak to counsel regarding this matter.

#### 24. Liability Insurance Coverage

Steinlicht informed that Watkins put together a staff report to explain the current liability insurance coverage. Watkins presented the report.

#### 25. Mid-Year Budget Review – Budget Allocation Report

Steinlicht introduced Paul Kaymark with Nigro and Nigro. Kaymark presented the report. Potalivo inquired about the SGMA contract between PVCSD and RPMWC. She noted that she read that RPMWC needed PVCSD because we are a government agency. Esparza informed that PVCSD is tied in for sewer issues. Anderson informed that under the SMGA law there is a possibility for the JPA to impose well pumping charges. Kaymark inquired on discharge fees. Pape explained the history of PVCSD's wastewater discharge requirements.

#### 26. Capital Expenditure Plan

Steinlicht informed that Watkins put together a staff report to show the Capital Expenditure Plan. Watkins presented the five-year plan that was approved during the 2022-2023 budget adoption process.

#### 27. General Manager's Report

Steinlicht presented the General Manager Report. Potalivo asked Steinlicht to find comparisons of other like districts' pay wages. Pape informed that CSDA does a study on wages. Esparza gave an explanation on the history of how the current pay ranges came about. Collins inquired about doing a cost comparison on hiring our security department in-house vs outsourcing. Esparza explained that some of PVCSD's previous Board Members had gathered information on outsourcing the Security and Gates employees and added that the information is outdated. Steinlicht thanked the Board for their patience with him. Esparza thanked Steinlicht for all of his efforts.

#### 28. Miscellaneous Items

##### A. Requested items for future agendas (Directors and Staff Only)

- i. Email List
- ii. Website Transparency Update
- iii. Employee Expense Reimbursements
- iv. Cost of Living Adjustment for 2023
- v. Employee Handbook Revisions
- vi. Legislative updates regarding board meetings

Skumawitz asked for an explanation of the lead and copper testing. Steinlicht informed that the levels of copper are high enough to where testing is needed. Watkins explained that the lead and copper testing for RPMWC is being conducted under the direction of the Division of Drinking Water with the State Water Resource Control Board. Watkins explained that due to a copper exceedance of the maximum contaminant level additional testing is being required. Pape explained the levels and why testing is needed. Potalivo asked for Strategic

Planning to be an added item on a future agenda. Potalivo asked for the following action items to be added to a future agenda; RPMWC contract for services review, SMGA agreement with RPMWC review, and looking into hiring a separate counsel if needed.

- B. Board Comments- None
- C. Announcements - None
- D. Regular Meeting on February 27<sup>th</sup>, 2023, at 10 am.

**--CLOSED SESSION--**

29. The Board of Directors will meet in Closed Session to discuss:
- A. Conference with Legal Counsel – Anticipated Litigation (CA Gov. Code:54956.9 Section D, paragraph 2): one case
  - B. Conference with Legal Counsel – Anticipated (CA Gov. Code: 54956.9 Section D, paragraph 4): one case
- The Board entered into closed session at 12:13 p.m.

The meeting was reconvened to open session at 12:55 p.m. with no reportable actions.

30. Adjournment-
- With nothing further to discuss, a motion was made by Director Skumawitz to adjourn at 12:55 p.m., seconded by Director Potalivo unanimously approved.

*Marissa Fehling*

Marissa Fehling, Recording Secretary