

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

Held on February 22, 2021

Directors Present: Michael Esparza, Bill Jacobs, Laurie Kariya, and Jim Cipriano
Directors Absent: Sam Logan
Also Present: Residents Michael Martello, Jeff Ryan, Charles Mathews, Ron Krohn,
Larry Taylor of PVCC, Paul Kaymark of Nigro & Nigro, General Manager
Bobby Graziano, Office Manager Amber Watkins, Administrative
Assistant Marissa Fehling

- 2.1 Call to Order: Regular Meeting was called to order at 10:00 a.m. by Vice President Michael Esparza. Esparza 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.
- 2.2 Roll Call: Esparza took roll call.
- 2.3 Open for Public Comments: Esparza informed that anyone wishing to address any matter pertaining to District business may do so at this time. Larry Taylor reiterated that his proposal regarding the bridge for evacuation purposes was still on the table. Taylor reminded that in the future PVCC is always willing to help the community when in need.
- 2.4 Approval of Previous Minutes:
 - a. Regular Meeting January 25, 2021 – Cipriano made a motion to approve the Regular Meeting Minutes of January 25, 2021 seconded by Jacobs and unanimously adopted.
- 2.5 Financial Report:
 - a. Review of BS, P&L as of 01/31/2021 - Cash Assets reflect \$1,239,979, Accounts Receivable of \$28,003 and Accounts Payable of \$26,755. Watkins informed that in effort to keep the bank balance below FDIC limits, a \$75k transfer in LAIF was completed last week. Watkins noted that the P&L shows the 1% revenue in property taxes received from the County. Watkins informed that item 664 was lower than budget due to the removal of contract services. Watkins reported miscellaneous expense was higher than budget due to the board approved employee gift cards purchased. Watkins informed payroll taxes were higher than budget due to calendar year increases to State Disability Insurance, Employee Training Tax, and Unemployment Insurance. Watkins informed that Repairs and Maintenance included Roto-rooter jetting services for sewer mains, sludge removal, gate repairs, and gate service calls. Jacobs inquired on item 670; Watkins explained it was a refund on the 2019-2020 Workers Comp Policy. Jacobs inquired on the increase in Contract Services. Graziano explained that due to the discontinued contract between RPMWC and Dudek, the fees went up for PVCS D since we are no longer getting a discounted rate for having the two contracts. Watkins informed that the majority of delinquent accounts have been reported to the tax rolls. Esparza inquired on the age of accounts reported; Watkins informed any account in the 61-120 days column will be placed this year. Cipriano motioned to adopt the financial report as presented, seconded by Jacobs and unanimously adopted.
 - b. Accounts Receivable – Presented for review.
- 2.6 Security Report:
 - a. Daily Activity Report - Graziano presented the Security Report. Cipriano questioned whether the cameras were able to catch any license plates of the reported dirt bikes. Graziano explained that the dirt bikes reported are not street legal so do not have license plates. Kariya suggested

advising gates and patrol to prioritize incidents like the one that happened on January 19, 2021. Esparza informed that the back gate had been stuck open at the same time. Upon a motion by Cipriano, seconded by Jacobs and unanimous vote, the Daily Activity Report was accepted and ordered filed.

b. Gate Penalty Assessment Report - Presented for review.

2.7 Reserve Policy:

a. The Board will consider approving an update to the Reserve Policy – Cipriano thanked Paul Kaymark for joining the meeting and explained the five documents he was presenting. Cipriano proposed that the existing Reserve Fund Policy be stated to 1.) Add clarity and create an easily understood policy, 2.) Determine appropriate minimum levels of Board-designated reserves, 3.) Identify contingency reserve categories, and 4.) Become consistent with the Special District Reserve Guidelines of the California Special Districts Association (CSDA). Cipriano explained that Kaymark suggests doubling our replacement costs. Cipriano informed that in the auditor's opinion PVCSD is way under funded in our reserves and we have not included any contingency and suggested setting some aside. Cipriano suggested setting a reserve aside for a gate rebuild, and possible earthquake damages. Cipriano suggested having a plan on replenishing any future funds used. Cipriano explained his proposed revised Reserve Fund Policy and the Recommended Reserves for FY 2021. Jacobs applauded Cipriano's work and research and stated he would like to see an annual strategies on getting to where we should be. Kariya stated this was great information and that there is a lot of digging to figure out how to get there. Kaymark suggested for the Board to hold a workshop and put together a plan and dollar amount ranges. Esparza agreed with holding a workshop to get to where we feel we need to be and how much rates would need to be increased. Esparza suggested figuring out a timing scale to gradually increase rates to get to where we need. Mathews explained that the generational expense has a huge impact if you adopt a policy covered by debt vs fund through cash reserves. Esparza suggested not adopting a new Reserve Fund Policy until the Board discusses it in a workshop. Graziano expressed he believes the six categories Cipriano listed are very doable and agreed it would be worthwhile for the Board and staff to develop a communication plan and figure out dollar amounts. Staff was instructed to schedule a workshop to discuss further. Kaymark left the meeting at 10:50 am.

2.8 General Manager's 2021 Goals & Initiatives:

a. The General Manager will provide an update on the 2021 Goals & Initiatives- Graziano gave an update on his progress for his 2021 Goals and Initiatives. Esparza inquired on whether security trains quarterly. Graziano explained that at their monthly meetings they discuss different scenarios and Supervisor Albert advises on how to improve the handling of them. Esparza suggested having Security do mock trainings in the future when COVID improves. Graziano explained the salary analysis he is working on. Jacobs informed that this objective is a continuation of a preliminary analysis he did last year to get a sense for what other districts provide for compensation and whether pay needs to be adjusted for budget. Graziano informed that his mission is to establish salary ranges by job title and adopt a resolution of salaries. Esparza informed he would like Graziano to present the top 5 to 7 comparisons that most represent us and use that as a baseline for the salary budget. Esparza inquired on how the SCADA system is secured from employees who leave the district. Graziano informed that their access is removed right away.

2.9 General Manager's Report- Graziano reported that letters to patrol officers regarding COVID vaccines were created and distributed. Graziano informed that staff added information about the COVID vaccine to the website and mailed out a flyer to the community. Graziano gave an explanation regarding the historical costs of sewer jetting with Roto-Rooter. Graziano informed that electrical and SCADA work continues for the Oak Tree Lift Stations. Graziano informed that

regarding the SSMP, to keep cost down related to this effort V.W. Housen & Associates were contracted rather than Dudek. He informed that the cost for this update is \$16,500. He added that for 2020 there is a significant amount of content requiring update and the current plan is located on the district website. Graziano informed that staff is exploring options for jetting equipment which will be extremely valuable in handling emergencies as well as ongoing preventive maintenance. He informed that a demo was scheduled with US Jetting on February 11, 2021 but was canceled since the sales rep contracted COVID. Graziano informed that all Stormwater Management Systems infrastructure is in good condition and utility staff cleared brow ditches of tree and leaf litter from recent wind events. Graziano informed that all departments are fully staffed. Graziano informed that the last meeting with Security was held on February 9, 2021 and they discussed the vaccination letter that was provided to them, the PVCC locker room incident, plans for when the river runs related to signage, and chlorine training. Esparza asked if the ditch at the end of Wiskon Way West is PVCSD's responsibility. Graziano informed he would look into this and get back to him. Cipriano asked whether the recently revised mission statement was added to the district letterhead and monthly invoices. Graziano informed that was taken care of. Graziano informed that the fleet of Ford Interceptors are aging, and repair costs will continue to increase as the vehicles are nearing the end of their useful lives as reliable security vehicles. Graziano suggested pursuing the replacement of the Ford Interceptors with electric vehicles and gave a comparison on cost and models.

2.10 Capital Equipment Plan:

a. The Capital Equipment Plan is being presented for the Board's review – Graziano explained the Capital Equipment Expense Plan. Upon a motion by Esparza, seconded by Cipriano and unanimous vote, the Board accepted the Capital Expenditure Plan.

2.11 Roadway Report:

a. Director Cipriano will provide an update on discussions with PVRA related to the restatement of Rules of the Road – Cipriano informed that his intent is to have a draft "Rules of the Road" and present it to Fred Nelson and PVCSD at the next meeting for adoption. He informed that he wants to make sure there are no LAFCO restrictions on handling the "Rules of the Road" for PVCSD. Jacobs suggested making sure it is clearly indicated what the collection method is for NOV fees and which entity collects them. Krohn informed that the Board needs to look at the fact that PVRA is an HOA and they are only responsible to their members.

2.12 Administrative Policies and Procedures:

a. Updates to the following policies will be considered for approval: Public Complaints Policy; Disaster Response Plan; Acceptable Mail Attachment Policy; Receipt of Packages Policy – Graziano explained the updates on the policies presented. Upon a motion by Cipriano, seconded by Esparza and unanimous vote the updates were adopted with corrections made herein.

Jacobs inquired on whether someone from PVCSD should respond to a public complaint made on the Next-door page in regard to speeding in the community. Graziano informed that he asked Supervisor Albert to consult with them regarding this matter but would also reach out and respond to them.

2.13 Closed Session with Labor Negotiator:

a. In accordance with Government Code Sections 54954.5, and 54957.6. Graziano left the room and the Board entered closed session at 12:18 pm.

b. Agency Designated Representative: Bill Jacobs

c. Unrepresented Employee: General Manager

2.14 Open Session:

a. Reportable actions from Closed Session- The meeting reconvened at 12:24 pm. Graziano returned to the board room. Esparza informed the public that Bill Jacobs was assigned the Labor Negotiator and given the task to meet with Graziano to discuss compensation. Upon a motion by Cipriano, seconded by Esparza Jacobs was appointed the Agency Designated Representative.

2.15 Other Business:

a. Requested items for next or future agendas (Directors and Staff Only)- Cipriano gave a list of items for the next meeting; Rules of the Road Revisions, 5-year financial plan, and process on pursuing CalPERS exposure. Esparza inquired on holding off on this discussion until they hold a workshop. Jacobs stated it should be addressed to get an outline started. Upon a motion by Esparza, seconded by Kariya, Jacobs and Cipriano were appointed to take the lead on establishing a financial committee to discuss pursuing CalPERS exposure.

b. Board comments- None

2.16 Adjournment:

a. Regular Meeting scheduled on March 22, 2021 at 10 a.m. - The next meeting date is scheduled for March 22, 2021 at 10:00 am. Upon a motion from Esparza, second by Cipriano and unanimous vote, the meeting adjourned at 12:35 pm.

Marissa Fehling

Marissa Fehling, Recording Secretary