

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

Held on September 26, 2022

Directors Present: Michael Martello, Michael Esparza, Jodie Lawston, Betty Potalivo & Roland Skumawitz
Also Present: Residents: Charles Matthews, Bill Collier, Darlene Shiley, Linda Shoaff; Others Present:
Tom, Rinca, Roar, Sharon Meredith Morrison, DV, Jeff Pape of Dudek, Paul Kaymark of
Nigro & Nigro, Cathy with Best Best & Krieger, Vice President of RPMWC Steve Wehr,
Treasurer of RPMWC Bruce Knox, Secretary of RPMWC Laurie Kariya, General
Manager Bobby Graziano, Office Manager Amber Watkins, and Administrative
Assistant Marissa Fehling

- 9.1 Call to Order: Regular Meeting was called to order at 10:55 a.m. by President Martello.
- 9.2 Roll Call: Fehling verified that a quorum was present.
- 9.3 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.
- b. In the interest of public health and safety this meeting will be held as hybrid (in-person and virtually). Please note, individuals have a limit of three (3) minutes to make comments and will have the opportunity when called upon by the presiding officer – Knox distributed a letter from Jeremy Jungreis of Rutan and Tucker, General Counsel of Yuima Municipal Water District (YMWD). Knox informed the PVCSD Board of Directors that Martello sent a letter to YMWD that stated Wehr and Knox acted unlawfully. Knox informed that Martello’s letter also suggests that Knox has been receiving special water rates. Knox noted that he assumes this is not the PVCSD Board running up legal fees for YMWD. Knox asked Martello what he thinks Knox and Wehr did? Martello stated that at the last Rancho Pauma Mutual Water Company (RPMWC) meeting, he heard Wehr ask Mathews why he was asking for public records. Martello informed that he alone submitted a public records request and informed that he has the right to do so. Mathews reported that last Saturday morning, an individual was reported to Security for knocking on the back door of his home. This individual, when confronted at the back door of the home, was attempting to solicit money. Mathews noted that Security gamely approached the individual passively. Mathews also noted that securing the perimeter of the vacant land on Wiskon Way East or at a minimum installing security cameras could prevent this in the future. Mathews suggested that Security introduce a policy of taking a picture of individuals as situations arise. Mathews reported that Sheriffs were contacted as well. Martello informed that his home was burglarized over the weekend by forced entry and stated that Mathews had some good points. Shiley inquired about where Martello’s home was compared to Mathews’ home. Martello informed that they are next door neighbors. Martello noted that he also received a great response from Security on this matter. Esparza thanked Mathews for his recommendations and informed him that the Board will have some upcoming opportunities to discuss additional Security training.
- 9.4 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 July 25, 2022
- b. Minutes of the Special Board Meeting of September 6, 2022
- c. Minutes of the Special Board Meeting of September 12, 2022
- d. Review of BS, P&L as of July 31, 2022
- e. Review of BS, P&L as of August 31, 2022
- f. Accounts Receivable

- g. Notice of Violation Summary
- h. Daily Activity Report
- i. Conflict of Interest Code Update
- j. AB 361 – Hybrid Meetings

Lawston requested that item E be pulled for further discussion.

Esparza motioned to approve the consent calendar, minus item E, seconded by Skumawitz and upon a unanimous vote, was adopted.

Lawston noted that the P&L as of August 31, 2022, indicated over \$30k spent in legal expenses in just that month; Lawston also noted that the annual budget for this expense was set at \$25k. Potalivo asked what they should expect for the remainder of the year. Martello suggested bringing this topic up again at a future meeting.

- 9.5 Conflict of Interest Code Update –
 - a. Consider approval of Resolution 111 to update the Conflict of Interest Code – Cathy explained the Conflict of Interest Code updates. Esparza confirmed that this was just updating the staff’s work titles and suggested this be done bi-annually. Lawston moved to approve and adopt Resolution 111 to update the Conflict of Interest Code as presented, seconded by Skumawitz and unanimously approved.
- 9.6 Draft Audit Report for Year Ending June 30, 2022
 - a. CPA Paul Kaymark with Nigro and Nigro will present the Draft Audit Report –Kaymark presented the draft audit report for fiscal year 2021-2022. Wehr inquired if there are any funds designated for Sustainable Groundwater Management Act (SGMA) expenses. Graziano explained that this draft is a review of last year’s financial reports and informed that PVCSD did not set aside funds for SGMA. Knox asked for a Cash Reserves update. Kaymark stated that it is a little low due to the CalPERS Unfunded Accrued Liability payoff; Kaymark commented that best practices are there should be sufficient reserves available to fund capital projects or any emergency scenarios. Potalivo stated that with the plan set out for contributing to reserves, in her opinion they are fine. Wehr inquired as to how PVCSD will continue to fund the pension costs without borrowing from RPMWC. Graziano informed that RPMWC makes an agreed upon contribution towards these costs. Upon a motion by Skumawitz, seconded by Lawston and a unanimous vote the Draft Audit Report for the Year Ending June 30, 2022 was accepted.
- 9.7 General Manager’s Report – GM Graziano – Graziano presented the report. Graziano explained that he believes it would be best to consider terminating the contract with Century Sun and Solar and engage with Solirvine to finish the project. Graziano then gave a brief history of the Solar Project and explained that Solirvine is willing to take over the project and what their recommendations were. Esparza asked if this would include the charging stations. Graziano informed that it would not include the charging stations. Potalivo inquired about what the new bids were. Graziano informed that the estimated bid was \$58k. Graziano mentioned that through his interactions with them for his personal property, he is very pleased with their work. Esparza thanked Graziano for his diligence in this and asked what needed to be done to get this project going. Graziano informed that Matt Green with Best Best and Krieger is familiar with this topic and will be prepared to get the project moving. Kariya asked if the current permits expire. Martello informed that this matter will be brought back to the Board in the near future.
- 9.8 Wastewater Treatment Plant Contract – GM Graziano
 - a. The Board will consider replacing Dudek, Inc. with Water Quality Specialist, Inc for management, operation, and regulatory responsibility of the wastewater treatment plant – Graziano explained that PVCSD’s charter includes Sewer Services, Security Services, and Gates Services. Graziano presented a map of the District. Graziano informed that PVCSD’s former Utility Supervisor who recently resigned

from PVCSD held the necessary wastewater certifications to handle the day to day needs of the treatment plant. Graziano explained his recent search process to replace him and how he came across Water Quality Specialist (WQS) during the process. Graziano explained they would take over the operations of our treatment plant. Graziano informed that the two current staff members in our Utility Department would still have plenty of tasks to do to keep them gainfully employed. Graziano noted that if the District were to go with his suggested option with WQS it would reduce the administrative staff hours by an estimated 7.5 hours a week. Potential alternatives were explained. Martello asked the Board for their input. Potalivo asked if outsourcing the operations for the treatment plant would be a cost-saving to the District. Graziano confirmed that it would be a cost-saving. Esparza inquired about who the two utility staff would be reporting to. Graziano informed they would report to the District's General Manager. Lawston asked whose position would the 7.5 hours be reduced from. Graziano explained that they would be taking over administrative functions and explained that he asked a staff member roughly how long these reports take to put together and from that information estimated it would reduce staff time by 7.5 hours a week. Esparza inquired if we decided to go with Graziano's suggested option, would the two utility staff members be working primarily for RPMWC and if so, would that increase RPMWC's salary contribution to their salary; Graziano informed them that they would still be responsible for the wastewater collections system and stormwater. Graziano noted that he believes they will have enough to do for PVCSD to keep the pay ratio the same and recommended re-analyzing the split after a year or so. Graziano informed that WQS would accept a month-to-month contract. Wehr asked what has changed with this company from when we terminated them in 2012. Bobby deferred Wehr's question to Mathews. Mathews explained that they were unable to provide some services that the President of PVCSD was looking for at that time. Lawston informed that she was interested in knowing why Dudek chose not to submit a proposal. Pape informed that he has been involved with both PVCSD and RPMWC for several years now and noted that they have always been joined as he believes they should be. Pape mentioned that he has been reading the minutes and anyone who reads the minutes would see there is chaos in the community; Dudek will not get involved in chaos. Pape informed that from a liability standpoint, Dudek does not accept liability. This was a requirement in the RFP sent by Bobby, Pape chose not to provide a bid. Lawston asked if WQS would be taking responsibility for any liability. Graziano informed that WQS would be taking responsibility for any fines incurred on decisions they make. Esparza inquired on what type of safety net there would be if WQS happens to fail us. Graziano deferred him to Best Best and Krieger for this answer. Graziano stated that he has always looked up to Dudek for their expertise and guidance and noted that they are great at what they do. Pape mentioned that he does believe that WQS will do a great job for the District. Pape cautioned that he believes it is important that PVCSD and RPMWC continue to work together. Graziano agreed with Pape. Martello asked the Board to consider WQS on a month-to-month agreement. Esparza made a motion to accept option A on a month-to-month agreement and review their work in 90 days and decide if we want to continue long-term with them. Graziano informed that once notice is given to Dudek we are still in contract with them for 4 months. Pape informed that if this is the direction the Board chooses to go, he suggests they provide a letter stating that we are terminating the contract effective December 1st. Pape noted he does not believe they would need an additional 4 months with them. Martello motioned to contract with the Water Quality Specialist's full option on a month-to-month agreement and re-evaluate in 90 days, seconded by Skumawitz, and upon a 4 to 1 vote the motion was approved. Lawston nay. Mathews mentioned that he supports this motion since the district has very few options at this point and the no certificate issues could cause a disaster. Mathews suggested that the Board have a backup plan in place in case they decide to terminate with WQS.

9.9 Halloween Policy

a. The Board will consider establishing a policy for Halloween trick-or-treaters and the access granted to the PVCCE community – Graziano informed this was an opportunity to set an access policy in place for Halloween. Graziano noted that he thought it was a real positive to have kids come in and trick or treat. Esparza suggested that maybe PVCC could host a trunk or treat. Potalivo mentioned that she thinks

it is a good statement of goodwill to the community to offer this to the kids. Cerruti mentioned that he sees this as a security issue and thinks that if someone wants to come into the community to trick or treat they should be given a guest pass by someone they know within PVCCE. Shiley informed that she has been here for many years and feels this is a safety matter for our community. Shiley suggested asking the elementary school to use their grounds to host something for the kids and noted that she would be willing to fund this. Skumawitz noted that this would also be shifting the security issues to the school who is less equipped to handle security issues. Skumawitz mentioned that he has a hard time doing anything that rejects kids. Martello explained what was done last year near the Mendoza's home. Martello suggested restricting trick-or-treating guests' access to the community and just having them enter through the Front Gate and make a U-turn at the first median on Pauma Valley Drive. Martello asked if Potalivo would reach out to the Mendoza's to see if they would be interested in assisting again this year and suggested setting up tables. Esparza suggested having two Patrolmen on duty that day. Watkins inquired about what time the event will be held and end. Martello informed that the event would be from 6 pm to 8 pm. Shiley suggested having a guard at the Back Gate. Esparza informed this could be a budget discussion in the future. Wehr questioned what our Security would have the ability to do if they were on the scene during the burglary that took place at Martello's home. Esparza informed that once they are fully trained, they have the ability to do a citizen's arrest and they are to observe and report.

9.10 Resolution No. 112 – A Resolution of the Board of Directors of Pauma Valley Community Services District Appointing an Interim General Manager

a. The Board will consider Resolution No. 112 – Martello informed that an interview of an interim GM took place during today's Special Meeting and informed what the tasks ahead would be. Martello noted that the candidate for the interim GM position has over 20 years of experience. Martello informed that the Board plans to have a Special Meeting next week to disclose his resume and informed that the interim GM has agreed to come in on Monday. Kariya asked Martello if the Board received the letter Bandy recently sent and informed them that RPMWC would like to have some input on this topic. Martello stated that the GM position is hired by PVCSD. Martello informed that when it comes to hiring a permanent GM, they will allow RPMWC to be a part of that decision making process. Shiley mentioned that if everyone gets to have a say in the permanent GM's hiring process things will be calmer. Wehr questioned what the interim GM would do since PVCSD is hiring WQS. Martello informed that he will be evaluating how things are running and making suggestions. Martello informed that PVCSD will always work through a GM. Knox requested for PVCSD to appoint two board members and RPMWC will appoint two board members before making a final decision on the interim GM. Esparza stated that we are in challenging times with a lot of accomplished people with strong opinions. Esparza informed that after listening to the interview of the interim GM, he is confident that he will want to meet and get to know RPMWC and see how he can help make solutions. Knox clarified that the interim GM is just coming in as a temporary consultant until a permanent GM is found. Martello confirmed that was correct. Knox withdrew his request. Martello confirmed that there were no other comments from the public. Skumawitz moved to approve and adopt Resolution 112, seconded by Esparza and unanimously approved.

9.11 Pauma Valley Community Services District Agreement for Interim General Manager Position

b. The Board will consider the agreement for the Interim General Manager Position – Martello explained that this document was created by Counsel. Martello moved to approve and accept the agreement for the Interim General Manager Position, seconded by Esparza and unanimously approved.

- 9.12 Items for a Future Board Meeting
 - a. Employee Handbook Revisions
 - b. Meetings of the Board Policy
 - c. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis
 - d. Rancho Pauma Service Agreement Discussion

Discussion regarding manning the back gate was requested.

- 9.13 Other Business –
 - c. Requested items for next or future agendas (Directors and Staff Only)
 - d. Board Comments – None
- 9.14 Announcements/Adjournment –
 - a. Regular Meeting on November 28, 2022, at 10:00 a.m. – The next meeting date is scheduled for November 28, 2022, at 10:00 a.m. The Board thanked Graziano for all his good work with PVCSD. With nothing further to discuss, a motion was made to adjourn at 1:18 p.m. and unanimously approved.

Marissa Fehling

Marissa Fehling, Recording Secretary