

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")  
MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
HELD December 19, 2022

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Directors Present: Chuck Bandy, Bruce Knox, Laurie Kariya and Steve Wehr

Directors Absent: Larry Taylor

Also Present: Pauma Valley Community Services District (PVCSD) Board of Directors Michael Esparza and Betty Potalivo, Interim General Manager Jeff Armstrong, Office Manager Amber Watkins, and Water Quality Data Tech and Compliance Administrator Kim Alvarado.

1. **Call to Order:** Meeting was called to order at 2:00 p.m. by President Bandy. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** None.
3. **Approval of Previous Minutes**
  - a. Minutes of Nov 21, 2022- Regular Meeting: Upon a motion by Kariya, seconded by Wehr, the minutes of the Regular Meeting held on November 21, 2022, were approved as presented by unanimous vote.
4. **Reports**
  - a. Account Totals: Watkins presented the November totals. Watkins informed that the annual allocation for the agriculture users is back into tier 1 usage with the start of the new fiscal year. Bandy noted the usage for this time of the year is considered in a typical pattern.
  - b. Water Report: Presented for review. Watkins noted there are no major items to report and that the current production is in line with the production from November 2021. Bandy stated that the water sales are down and reminded all in attendance that the water noted in the report is strictly groundwater usage.
  - c. Operations Report: Watkins reported on the current operational status, noted the work performed at Well 14R has been completed and that Well 38 is currently offline awaiting a diagnosis. Watkins also followed up with the valve replacement project, noted that utility staff have completed 2 valve replacements and will continue the replacement process as outlined in the Valve Maintenance Program. Watkins reported that RPMWC Operations Manager Jake Oehlert was recently reinstated with PVCSD as the Utility Department Supervisor.
5. **Financials**
  - a. B/S, P&L, 2 yr Comparison as of November 30, 2022: Watkins presented the financial report for review. Knox inquired if the prepayment was received from a large customer, Watkins noted that the prepayment was received in early December allowing for a total cash balance of \$1,600,000 to date. Knox discussed the proper placement of the prepayment funds, noting that he and Watkins have conducted an interview with Cal Bank and Trust representatives to determine if RPMWC is receiving the most competitive rates, most current payment resources allowing for RPMWC to operate efficiently. Knox and Watkins will interview a few more financial institutions for comparison. Knox invited Potalivo to join in on the financial institution interviews. Watkins noted that the audit for the 2022 year end is underway. Knox questioned if the payment arrangement with a large customer is in current standing, Watkins noted the payment plan is in good standing. Upon a motion by Knox, seconded by Wehr and a unanimous vote, the financial report for November 2022 was approved as presented.

6. **SGMA JPA Update:** Wehr noted the SGMA JPA is currently at a standstill position. Wehr will attend the next SGMA JPA meeting on 12/20/2022 and report back to the board at the next regular meeting.
7. **Grant Funds:** Watkins provided a brief overview of the grant funding process for RPMWC. Watkins noting that the California Association of Mutual Water Companies (Cal Mutuals) was able to provide a vast amount of information pertaining to the needs of RPMWC. Watkins stating that the Cal Mutuals representative did note that RPMWC is listed as a non-disadvantaged community, making RPMWC less desirable to funding agencies. Aside from the grant funding conversation with the Cal Mutuals representative, Watkins was made aware of a letter mailed in 2021, regarding consolidation. Watkins learned that RPMWC has been identified as “good fit” by the County for consolidation with a nearby municipal water agency. Watkins asked Cal Mutuals to provide a copy of the letter for further investigation. Bandy asked Watkins to forward a copy of the letter for the board to review. Bandy suggested that staff investigate the possibility of an efficiency grant fund and or an agriculture usage grant fund.
8. **Adjournment**
  - a. Next Regular Meeting Date at 2 pm - Jan 17, 2023: No discussion on the item.
  - b. Annual Meeting Date at 10am – Mar 13, 2023
  - c. Organizational Meeting at 10:30am – Mar 13, 2023: With the next meeting date set and no further business to discuss, Wehr motioned to adjourn the meeting, motion was seconded by Kariya and upon a unanimous vote the meeting adjourned at 2:38 p.m.

*Kim Alvarado*

Kim Alvarado, Recording Secretary