

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
HELD September 30, 2022

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

Also Present: Shareholder Larry Luther; CEO of Steele Canyon Larry Taylor; Office Manager Amber Watkins

1. **Call to Order:** Meeting was called to order at 3:04 p.m. by President Bandy. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** Taylor took a brief moment to ask to be reconsidered to fill the board vacancy. Kariya asked what the difference is with now versus waiting for upcoming election; Taylor noted that with GM Graziano's exit Taylor would like to be involved. Knox noted this is a closed session item.
3. **Budget for fiscal year 2022-2023**
 - a. The board will consider approving the budget for fiscal year 2022-2023 – Bandy reviewed the budget notes again which outline all of the assumptions used in the creation of this model. Bandy noted that the budget will be reviewed again in the Spring. Knox noted that review will be to discuss import water purchasing if needed and dependent on rainfall recharge. This model assumes the relationship with PVCSD remains unchanged. Taylor reported that a mainline broke recently at Pauma Valley Country Club (PVCC) and noted how helpful Jake was to the PVCC Superintendent Michael to resolve this quickly; Taylor continued to thank Jake for springing into action, that is exactly what PVCC needs. Mathews noted that the 850,000 units is down roughly 5% and inquired as to how that reduction will be achieved. Bandy informed that McMillan Farm Management will remove roughly 8% of the trees; PVCC has done some turf removal which will reduce the water usage. Taylor noted that 58 citrus trees have been planted thanks to McMillan Farm Management. Knox added that PVCC staff have learned how to operate the new irrigation system as well. Taylor noted that smart watering usage should reduce usage by 5-10%. Mathews inquired on the reassignment of water in years past. Bandy noted that if the request is submitted to RPMWC they will review and consider approval. Taylor also noted that PVCC is very thankful to Jake for his help in setting up the generator power at the well site that PVCC contributed \$100,000 towards. In the event of a power outage the golf course will still have water due to this upgrade. Knox motioned to approve the budget for fiscal year 2022-2023 as presented, seconded by Wehr and upon a unanimous vote was approved. Bandy will draft a letter to shareholders next week.
4. **Closed Session**
 - a. Pursuant to California Corporations Code Section 14305(b)(2) – Potential Litigation, 1 case: The board entered into Closed Session at 3:18 pm. All exited the meeting except for Taylor and Watkins. Mathews asked why Taylor was staying; was informed due to the potential litigation.
5. **Open Session**
 - a. Reportable Actions: Reconvened to Open Session at 4:49 p.m. Conference with legal counsel, ~~no~~ reportable actions at this time approval to authorize payment to former General Manager.
6. **Adjournment**
 - a. Next Regular Meeting Date at 2 pm - Oct 17, 2022: With the next meeting date set and no further business to discuss, Knox motioned to adjourn the meeting, motion was seconded by Wehr and upon a unanimous vote the meeting adjourned at 4:50 p.m.

Amber Watkins

Amber Watkins, Recording Secretary