RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
HELD October 8, 2025

Directors Present:	Chuck Bandy, Laurie Kariya, Linda Shoaff and Scott Shinner via Zoom
Directors Absent:	None
Also Present:	Shareholders Bruce Knox and Charles Mathews via Zoom; Dudek Consultant Jeff Pape and Office and Compliance Manager Kim Alvarado

1. **Call to Order:** Meeting was called to order at 4:17 p.m. by President Bandy. This meeting was held in person and via Zoom.

2. **Shareholder Comments:** None.

3. **Board of Directors Vacancy**
a. The Board will consider filling the one (1) Board vacancy for the remainder of the 2025 term: Bandy asked the Board for their nominations to fill the current Board of Directors vacancy position for the remainder of the 2025 term. Shoaff motioned to nominate Bruce Knox, Kariya seconded the motion and upon a unanimous vote the motion was approved.

4. **2025 – 2026 Draft Budget**
a. The Board will review the draft budget as prepared by the Finance Committee and consider approval: Bandy began the discussion by noting the multiple meetings conducted to obtain and collect the crucial elements/needs for the 2025-2026 draft budget. Bandy further noted that after the recent budget committee meeting held last Wednesday, October 1st, the Board is asked to consider the following proposed options; the basin draw of 900,000 units, the Agriculture Tier 1 rate to reflect the actual cost of production, AT1 would increase by 10%, AT2 with an increase of 5% and an increase of 0.5% for AT3. Bandy stated the Domestic Agriculture Tier 1 rate would increase by 3%, the Domestic Agriculture Tier 2 would increase by 5% and the Domestic Agriculture Tier 3 with an increase of 8%. Bandy moved on to discuss the Potable Tier rates stating the Potable Tier 1 rate would remain the same, the Potable Tier 2 rate would increase by 3% and the Potable Tier 3 rate would increase by 3%. Bandy made note that all of the fixed charges would increase by 3.5%, as an inflationary adjustment. Bandy concluded his presentation by stating that the 2025-2026 Draft Budget model presented is a culmination of historical data, Capital Improvement Cost, and the Depreciation while also taking into account the items brought forth with Mathews model. Pape pointed out the 2025-2026 Draft Budget model also takes into account the cost of service; the allowance of more water for the Potable Tier 1without raising the Potable Tier 1 rate, while also trying to keep the Domestic Agriculture Tiers at a reasonable rate. Bandy asked for a motion to approve the 2025-2026 Draft Budget as outlined, Kariya motioned to approve, seconded by Shoaff and unanimous vote, the 2025-2026 Draft Budget was approved as presented. Bandy noted that a shareholder rate notification will be provided to all shareholders at the end of October.

5. **Closed Session**
a. Pursuant to California Corporations Code Section 14305(b)(2) – Potential Litigation, 1 case: The Board entered into Closed Session at 4:29 p.m.

6. **Open Session**
a. Reportable Actions: The Board reconvened to open session at 5:19 p.m. The Board has directed Bandy to continue negotiations with the Pauma Valley Community Services District and to provide any updates received.

7. **Adjournment**

a. **Regular Meeting Date at 2:00 pm – Monday, October 27, 2025:** With the next meeting date set and no further business to discuss, Bandy motioned to adjourn the meeting, and upon a unanimous vote the meeting adjourned at 5:23 p.m.

Kim Alvarado

Kim Alvarado, Recording Secretary