

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD February 26, 2024

Directors Present: Chuck Bandy, Laurie Kariya, Bruce Knox, Linda Shoaff and Scott Shinner

Directors Absent: None

Also Present: Shareholders Charles Mathews, William Collier, Michael Esparza, Jo Casper, Jan Hammon, Joanne Clarey, Joanie Stuart, Jack Munro; CEO of Pacific Golf Management Larry Taylor; Paul Kaymark and Tyler Cook of Nigro & Nigro; Jeff Pape of Dudek; Administrative Manager Amber Watkins, and Office and Compliance Manager Kim Alvarado

1. **Call to Order:** Meeting was called to order at 2:29 p.m. by President Bandy. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** None.
5. **Draft Audit Report for 2022-2023:** Recognizing that Kaymark and Cook of Nigro and Nigro were present for much of the day, President Bandy asked to have agenda item 5 discussed at this time. As a follow up to the January 29, 2024, Board meeting, Kaymark discussed the revisions made to the Draft Audit Report. After some further discussion, a motion was made by Kariya, seconded by Knox and upon a unanimous vote the Draft Audit Report for 2022-2023 was approved as presented.
3. **Election of Officers:** Bandy opened the discussion for nominations of officers for 2024. The Board approved the officers as follows; Chuck Bandy to continue as President, Laurie Kariya to continue as Vice President, Bruce Knox to continue as Treasurer, Linda Shoaff to continue as Secretary and Scott Shinner to continue as a Director.
4. **Approval of Previous Minutes**
 - a. Minutes of January 29, 2024 - Regular Meeting: Upon a motion by Kariya, seconded by Shinner, the minutes of the Regular Meeting held on January 29, 2024, were approved as presented by unanimous vote.
 - b. Minutes of February 2, 2024 – Special Meeting: Upon a motion by Kariya, seconded by Shoaff, the minutes of the Special Meeting held on February 2, 2024, were approved as presented by unanimous vote.
6. **Administrative Manager's Report:** Watkins has conducted 3 separate interviews for the retirement plan financial custodian needs. Watkins reported that she is also collecting contacts for the record keeping and administrative service requirements as well. Watkins and Utility Supervisor Ferrara will be attending a free Lead and Copper Rule Revision workshop on March 26th in San Diego to assist staff with the upcoming Service Line Inventory Report due in October 2024. Watkins noted that the 2022-23 tax filings are complete. Watkins noted that per the Risk Management Plan requirements triennial chlorine training was completed by all 5 employees in February. Watkins also noted that the semi-annual lead and copper sampling has been completed with Utility Supervisor Ferrara receiving rave reviews. Watkins lastly thanked all Board members for completing the required sexual harassment prevention training and submitting their certificates of completion.
 - a. **Operations Report:** Watkins noted that the power has been restored to Well 38 and that a recent false alarm for the chlorine monitoring was noted. Well 38 and all of the chlorinated well sites will be added to the Supervisory Control and Data Acquisition system which allows all staff to monitor the chlorine more efficiently. Watkins noted that Well 36 has received the sand filters upgrade. Watkins also noted that Utility completed a water line repair at the Pauma Valley Country Club near the snack bar, the Utility team worked quickly to isolate the segment only needing to turn the water off for about one hour. Shinner complimented the Utility staff on a job well done and also thanked Watkins for the great communication throughout the process. Watkins lastly noted that Utility also completed a second water line repair on Womsi, Utility was able to complete the replacement segment of the lateral and restore water usage in an hour and a half.

b. Account Totals: Watkins presented the Board with the January Account Totals, with a total revenue of \$74,739. Watkins noted that 29,954 units were sold in January, the amount was considerably lower due to the rain received in January.

c. Water Report: Watkins presented the January slippage report noting the slippage total for January is minimal. Kariya questioned the negative level status for the December slippage. Watkins informed that this was likely due to usage from the reservoir tanks that did not trigger the wells to begin pumping.

7. Financials

a. B/S, R&E, 2-year Comparison as of January 31, 2024: Watkins presented the financial report for January for review, noting the payables due to PVCSD have been paid in full. Watkins reported a cash total of \$1,438,000 for January. Watkins noted the accounts receivable at \$106,128 and the accounts payable at \$44,986. Knox noted that the current cash balance reflects the consistency with the cash totals from last January ultimately proving the point that RPMWC has improved the cash position without the need of a prepayment. Watkins proceeded to review the revenue and expense report, noting the recent expenses associated with the well maintenance; the electrical component at well 38 and troubleshooting the SCADA needs at well 43. Watkins also noted the Administrative and Utility costs are higher due to three pay periods, the postage cost was higher due to the recent mailing of the annual meeting packets to all shareholders. Knox noted that the Yuima pass thru charge has decreased to \$3,100 from \$4,673. Watkins also noted that the January SGMA JPA costs have not yet been invoiced but the expense is captured to maintain the financial report as accurate as possible. Watkins noted the 2-year comparison was included in the Board meeting packet and asked if there were any questions or comments. Bandy noted the comparison figures were very encouraging. Upon a motion by Kariya, seconded by Knox and unanimous vote, the January financials were approved as presented.

8. RPMWC and PVCSD Update: Bandy noted that an appraiser has not been selected. Bandy also noted that a confidential settlement discussion recently was held, involving members of the Pauma Valley Community Services District Board and RPMWC Board.

9. Upper San Luis Rey Groundwater Management Authority Update (SGMA Update): Bandy stated that the State of California has approved the Groundwater Sustainability Plan. Bandy noted that the JPA has hired a rate setting contractor to complete a study on the cost associated with the groundwater extraction fees. Mathews questioned if the opportunity to reclaim the cost associated with the original formation of the JPA would be up for consideration. Bandy stated that the extraction fees can be used for the administrative and compliance needs.

10. Closed Session

a. Pursuant to California Corporations Code Section 14305(b)(2) – Potential Litigation, 1 case: The Board entered into Closed Session at 3:03 pm.

11. Open Session

a. Action Taken: Reconvened to Open Session at 3:30 pm. The Board would like to pursue the appraisal of the easterly portion of the office building.

12. Adjournment

a. Regular Meeting Date at 2:00 pm – Monday March 18, 2024. With the next meeting date set and no further business to discuss, Bandy motioned to adjourn the meeting, motion was seconded by Knox and upon unanimous vote the meeting adjourned at 3:34 pm.

Kim Alvarado

Kim Alvarado, Recording Secretary