

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD March 16, 2026

Directors Present: Chuck Bandy, Linda Shoaff, Scott Shinner, via Zoom Laurie Kariya and Bruce Knox
Directors Absent: None

Also Present: Dudek Consultant Jeff Pape; Administrative Manager Amber Adams and Office and Compliance Manager 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 February 23, 2026 - Annual Meeting:** Upon a motion by Shinner, seconded by Shoaff, the minutes of the Annual Meeting held on February 23, 2026, were approved as presented by unanimous vote.
 - b. **Minutes of February 23, 2026 – Organizational and Regular Meeting:** Upon a motion by Kariya, seconded by Shoaff, the minutes of the Organizational and Regular Meeting held on February 23, 2026, were approved as presented by unanimous vote.
4. **Administrative Manager’s Report:** Adams provided the Board with pictures of the two recently replaced valves project that took place on March 5th along the Luiseno Circle Drive. Adams reminded that a total of four valve replacements have been awarded to Draves Pipeline as planned Capital Improvements Projects. Adams noted that Draves Pipeline did a great job, were very professional, kept the office and Utility Supervisor up to date with the project progress, the work areas were kept clean, traffic control was handled and they brought multiple crews to restore the water as quickly as possible. Adams further noted that Draves Pipeline has started to expose the other two valves previously approved for replacement located near Luiseno Circle Drive and El Tae today. Adams stated that once the identified parts are confirmed the office will notify the affected shareholders of the estimated repair date and window of time they will be without water. Kariya shared a positive comment received by a shareholder regarding the door hanger received to inform them of the upcoming shut off. Knox made note that Draves Pipeline conducted themselves in a very professional manner throughout the entire process. Adams gave a follow up to the various leaks that occurred during the Presidents’ Day week. Adams noted the paving of the asphalt for four emergency leaks are scheduled to be completed by Peter’s Paving on Wednesday, March 18th. Adams gave a follow up report concerning the Ag line at the Pauma Valley Air Park. Adams stated that a bid to replace the segment of pipeline has been awarded to Draves Pipeline and the paving bid was awarded to Santa Fe Paving with the project total cost not to exceed the Board approved limit of \$80,000. Adams noted the anticipated project work date is set for mid-May. Adams further noted that the existing trench will be paved on Wednesday of this week to minimize the debris for the pilots. Adams reported that the entire RPMWC staff were recently provided with a free on-site chlorine training class from our chlorine vendor JCI Jones Chemicals who has supplied RPMWC’s chlorine for many years. Adams stated that the training also included an on-site inspection complete with a hands-on demonstration. Adams wanted to express her gratitude to the vendor for not only providing the free training but to also highlight the education and training provided to various fire departments and emergency responders.
 - a. **Operations Report:** Adams reported that Well 40 recently had a motor fail alarm at the Variable Frequency Drive. Adams stated that Stehly investigated the issue and was able to determine that issue was within the Supervisory Control and Data Acquisition (“SCADA”) system with the well able to run on manual if needed. Adams has reached out to the SCADA consultant to further investigate. Adams made note that all the remaining wells are operational and in service. Bandy requested an update on the small reservoir tank disinfection process. Adams stated that the small reservoir tank has been cleaned and disinfected by Superior Tank and the water quality samples will be collected starting tomorrow. Adams noted once the test results have been approved by the regulator the tank will be placed into the system. Adams wanted to note that the

utility staff completed a service line repair on Wiskon Way West last Thursday, March 12th. Adams noted the repair was completed and water restored prior to the estimated repair window and one of the shareholders affected by the service line repair reached out to the office to complement the utility department for not only doing a great job on the repair, but they also were very impressed with the cleanup of the area.

b. Account Totals: Adams noted the February Revenue of \$125,186 with 46,022 units of water sold. Adams noted the total units of water sold year to date are roughly 53,000 less units of water sold from the same time period last fiscal year. Bandy noted the current warm weather pattern will be reflective in the upcoming water sales.

c. Water Report: Adams stated the slippage report reflects the year-to-date total units lost percentage of 1.45%. Adams noted a portion of the slippage was attributed to the flushing of wells for water quality testing at multiple wells and the five Presidents' Day Week Leaks.

5. Financials:

a. B/S, R&E, 2-year Comparison as of February 28, 2026: Adams presented the financials for February 28, 2026, noting a cash total of \$1,698,415 which decreased by roughly \$150,000 from January. Adams confirmed the current cash total of \$1,637,000. Adams referenced line item 117.7 – Construction in Progress of \$69,825, with \$33,000 for a new pump and motor at Well 37 and the small reservoir tank connection project of \$29,000. Adams stated the Accounts Receivable of \$131,200. Adams noted the Accounts Payable of \$31,952. Shinner questioned if the amount stated in line item 150 – Due From PVCSD was received. Adams noted the payment was received today. Adams took a moment to note that PVCSD has not yet invoiced for the February dues, so the financials as presented do not include any reimbursement expenses at this time. Adams presented the Revenue and Expense report referencing line item 603 – Repair & Maintenance – Other of \$60,667 with \$47,000 attributed to the cost of repairing the Presidents' Day Week Leaks. Adams also pointed out line item 618 – Legal noting the recently issued invoice for \$18,464 covers invoicing dating back to July 2025. Adams confirmed that moving forward all invoices will be billed to RPMWC monthly. Adams made note that the Net Ordinary Income reflects an operating loss of \$121,000 due to the lack of water sales and higher overall expenses. Adams provided the 2 Year Comparison for review. Shinner questioned the invoiced amount received from legal. Adams noted the invoice does not reflect any late fees or finance charges. Upon a motion by Shinner, seconded by Shoaff and unanimous vote, the financial statements for February 28, 2026, were approved as presented.

6. RPMWC and PVCSD Update: Bandy reported that he is hopeful a signed lease agreement will be finalized soon. Knox stated he would like to see the agreement finalized prior to the end of March. Bandy agreed.

7. Upper San Luis Rey Groundwater Management Authority Update (SGMA Update): Bandy reported that the JPA meeting will take place tomorrow to discuss / vote to approve a new JPA Administrator. Bandy also noted the finalized groundwater monitoring results indicate a minimal loss of water confirming the basin is in great shape. Bandy stated the finalized groundwater monitoring results were used to complete the required annual basin update due by the end of March.

8. Adjournment

a. Regular Meeting Date at 2:00 pm – Monday, May 18, 2026: With the next meeting date set and no further business to discuss, Bandy motioned to adjourn the meeting and upon unanimous vote the meeting adjourned at 2:28 p.m.

Kim Alvarado

Kim Alvarado, Recording Secretary