

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD October 27, 2025

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

Also Present: Shareholder Charles Mathews; Dudek Consultant Jeff Pape; Administrative Manager
Amber Watkins and Office and Compliance Manager Kim Alvarado

1. **Call to Order:** Meeting was called to order at 2:01 p.m. by Vice President / Treasurer Kariya. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** None.
3. **Approval of Previous Minutes**
 - a. **Minutes of September 22, 2025 - Regular Meeting:** Upon a motion by Knox, seconded by Shoaff, the minutes of the Regular Meeting held on September 22, 2025, were approved as presented by unanimous vote.
 - b. **Minutes of October 8, 2025 – Special Meeting:** Upon a motion by Knox, seconded by Shoaff, the minutes of the Special Meeting held on October 8, 2025, were approved as presented by unanimous vote.
4. **Administrative Manager’s Report:** Watkins noted that all 20 semiannual lead and copper sample results that took place in September have been distributed to the homeowners. Watkins further noted that RPMWC will be reaching out to the State Water Resources Control Board – Division of Drinking Water (“SWRCB – DDW”) to obtain the testing frequency moving forward. Watkins informed of the current administrative position vacancy, stating she has been in contact with three temporary staffing agencies and is currently reviewing the service agreements. Watkins stated that the staffing agency option allows the position to be filled quickly and provides relief to the administrative staff workload. Watkins further discussed the costs and the interview process. Knox questioned if a full-time position should be considered. Watkins stated she is looking to fill a temporary full-time administrative position through the holiday season. Watkins moved on to discuss the invitation received for the upcoming Pauma Valley Community Services District (“PVCSD”) Safety Fair and the Pauma Valley Pilot’s Association Open House taking place on Saturday, November 1st from 10 a.m. to 2 p.m. The Board discussed participating in the Safety Fair and decided that Kariya and Shoaff will attend on behalf of RPMWC. Watkins was happy to report that the newest utility staff member has received approval from the SWRCB – DDW to take the Distribution certification test. Watkins lastly thanked Alvarado for all her efforts in keeping RPMWC running smoothly and efficiently.
 - a. **Operations Report:** Watkins noted that the utility staff alerted to an operating issue at Well 43, Stehly has been contacted to investigate further. Stehly replaced some fuses to get the well up and running but noted that a new fuse block is needed. Kariya questioned if the recent unplanned power outage could be the cause. Watkins noted that the unplanned power outages are very hard on the equipment, but it is unclear if that is the root cause. Watkins stated the fuse block is on order and will be installed by Stehly once received. Watkins moved on to note that the utility staff received a motor fail warning via the Supervisory Control and Data Acquisition (“SCADA”) system for Well 32. Watkins had Hydrocurrent pull the submersible pump and motor and requested a video log of the well. Watkins and Pape will review the video and quote for repair once provided. Knox made note that the Capital Expenditures budget has a segregated amount set aside for these unplanned occurrences. Kariya questioned if there have been any issues noted on the SCADA system since the PVCSD had segregated to their own SCADA system. Watkins stated no issues have arisen thus far. Watkins noted RPMWC recorded ½” of rain on October 14th. Watkins lastly discussed the unplanned power outage that occurred on Tuesday, September 30th. Watkins noted that the on-call utility staff arrived in the evening hours to confirm that all equipment was functioning properly. Watkins also noted that staff were in communication with the large agriculture users’ staff to confirm everyone was aware of the outage. Knox made note of a neighbor who recently had an irrigation leak on their property past the RPMWC meter and asked to confirm the protocol a property owner should be aware of when needing to shut the water off to

complete a repair. Watkins explained that in the event a property should need their water service shut off, RPMWC should be notified by either calling the office phone number during business hours or the after-hours duty phone to allow an RPMWC utility staff member to properly shut the service off.

b. Account Totals: Watkins presented the September Revenue of \$224,737 with 84,125 units of water sold noting that is roughly 20,000 units lower to the month prior. Watkins noted the total units sold thus far are 816,965, which is roughly 116,000 more units sold from the same period in 2023-2024.

c. Water Report: Watkins stated that the slippage report reflects the total water sold as of September 30th at 817,245 units with the total water produced at 811,438. Watkins noted that the negative overall units lost are likely attributed to the faulty well meter that was recently repaired and placed back into service.

5. Financials:

a. B/S, R&E, 2-year Comparison as of September 30, 2025: Watkins presented the financials for September 30, 2025, noting a cash total of \$1,721,448. Watkins noted that she has been working to establish a new money market account to reduce the balance to the Federal Deposit Insurance Corporation limit for line-item number 102.5 - CB&T Checking. Watkins noted the Accounts Receivable of \$ 236,707 includes all invoiced amounts owed to RPMWC through September 30th. Watkins also referenced the shared expenses cost in line-item number 150 – Due from PVCSD noting a minimal cost due. Watkins stated the Accounts Payable of \$ 88,393, stating that all invoices received are continually paid in a timely manner. Watkins noted the Revenue and Expense report reflects a year-to-date total revenue of \$1,648,713, taking into account the Pass-Through account deductions. Watkins referenced line-item number 571.5 – USLRGMA Charges, noting the charges collected as of the September 30th invoicing are in line with the initial charge allowing the October billing to reflect a zero-dollar charge on shareholder invoices. Watkins also referenced line-item number 571 – Yuima MWD Fixed Charges, noting the current fiscal years rate carries through December 2025 and the upcoming 2026 rate has not yet been provided. Watkins also referenced line item number 607.6 – Direct Employee Costs, that is tracking on budget for the 2024 -2025 employee costs. Watkins made note of the net income total of \$419,411 as of September 30, 2025. Knox pointed out the net income has taken into account the deduction of the depreciation. Watkins provided the 2-Year Comparison for the Board to review. Upon a motion by Shinner, seconded by Knox and unanimous vote, the financial statements of September 30, 2025, were approved as presented.

6. RPMWC and PVCSD Update: No update provided.

7. Upper San Luis Rey Groundwater Management Authority Update (SGMA Update): No update provided.

8. Closed Session

a. Pursuant to California Corporations Code Section 14305(b)(2)-Potential Litigation, 1 case: The Board entered into Closed Session at 2:25 pm.

9. Open Session

a. Reportable Actions: No reportable action.

10. Adjournment

a. Regular Meeting Date at 2:00 pm – Monday, November 17, 2025: With the next meeting dates set and no further business to discuss, Kariya motioned to adjourn the meeting and upon unanimous vote the meeting adjourned at 3:27 p.m.

Kim Alvarado

Kim Alvarado, Recording Secretary