

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD November 17, 2025

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

Also Present: Shareholder Charles Mathews; Pauma Valley Community Services District Board Secretary Michael Esparza; 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 2:00 p.m. by President Bandy. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** Mathews provided the Board with a prepared spreadsheet/presentation that outlined the electrical cost over the past few years. Mathews made note that his research as depicted in his spreadsheet indicated a 30% rise in production cost. Mathews discussed the possibility of limiting the electrical pumping usage to the off-peak hours. Kariya questioned if the SDG&E rate increases were taken into consideration. After further Board discussion, the Board has asked Watkins and Pape to investigate the well-run times considering the seasonal requirements.

Esparza joined the meeting at 2:06 p.m.

3. **Approval of Previous Minutes**
 - a. **Minutes of October 27, 2025 - Regular Meeting:** Upon a motion by Knox, seconded by Shoaff, the minutes of the Regular Meeting held on October 27, 2025, were approved as presented by unanimous vote.
4. **Administrative Manager's Report:** Watkins noted the recent completion of the annual maintenance of the chlorine equipment in accordance with the Risk Management Plan to ensure that all components are working as designed. Watkins also noted the completion of the annual preventative maintenance of the generators to ensure all emergency standby engines are in proper working order in accordance with the San Diego Air Pollution Control District requirements. Kariya questioned if the generators were started by the utility staff monthly. Watkins informed that the utility staff complete the start-up and load transfer for all generators on a bi-weekly basis. Watkins lastly noted that the annual shareholder notice was sent with October invoices to all shareholders. The notice outlined the 2025 – 2026 rates effective November 1, 2025.
 - a. **Operations Report:** Watkins provided an update for Well 43, noting the fuse block installation was completed in early November by Stehly and the well is back in service. Watkins noted that the utility staff received a motor fail warning via the Supervisory Control and Data Acquisition ("SCADA") system for Well 32. Watkins further noted that Hydrocurrent has rehabbed the well and replaced the pump and motor. Knox questioned the cost associated with the work completed at Well 32. Watkins noted the cost is roughly \$49,000. Watkins also provided the rainfall totals for November 2025, noting a total recorded of 1.57 inches. Bandy inquired about the schedule for the upcoming valve replacements. Watkins stated she and Pape will meet with the contractor to discuss and finalize the project and will have a tentative date scheduled at that point. Knox questioned the cost involved for the valve replacement project. Watkins noted a cost of \$34,000 per valve replaced.

- b. **Account Totals:** Watkins presented the October Revenue of \$204,360 with 85,919 units of water sold. Watkins noted the total units sold year to date of 903,223, which is roughly 87,000 more units sold from the same period in 2023-2024. After further Board discussion, Bandy stated that weather plays an important role with the budgeting process.

c. Water Report: Watkins stated that the slippage report reflects the year-to-date total units lost percentage of -0.67%. Watkins noted a portion of the slippage was caused by a faulty well meter that was recently repaired and placed back into service. Mathews questioned if RPMWC was able to track the potable water sold to non-potable shareholders. After a brief discussion the Board has asked Watkins and Pape to further review.

5. Financials:

a. B/S, R&E, 2-year Comparison as of October 31, 2025: Watkins presented the draft unaudited financial report for October 31, 2025, noting the audit will take place in early December. Watkins noted a cash total of \$1,805,498 and that a new Certificate of Deposit ("CD") account will be established soon. Knox made note that an established CD account will soon reach its maturity and to reach out to the financial institution. Watkins stated the Accounts Receivable of \$218,749, noting the amount due in line-item number 150 – Due from PVCSD has not been settled with Pauma Valley Community Services District. Watkins referenced line-item number 117.7 – Construction in Progress outlining the various capital improvement projects that were included in that total. Mathews questioned if the depreciation of equipment is initiated prior to the equipment being placed into service. After a brief discussion Mathews asked the Board to consider the implementation of the depreciation schedule discussed. Watkins stated the Accounts Payable of \$46,599. Watkins noted the Revenue and Expense unaudited year end report total revenue of \$1,817,020, pointing out the various line items. Bandy suggested to the Board that the future budgeting process should possibly include the fixed charge costs to cover a broader base to allow for a more minimal water rate increase. Knox made note he was very pleased with the finance committee's help throughout the budgeting process and also made note that the cash projection was spot on. Bandy lastly noted that the mid-year review is extremely beneficial, allowing a pivot if needed. Upon a motion by Kariya, seconded by Knox and unanimous vote, the financial statements as of October 31, 2025, were approved as presented.

6. RPMWC and PVCSD Update: None.

7. Upper San Luis Rey Groundwater Management Authority Update (SGMA Update): Bandy made note that they have not had a recent meeting as the meetings are now being held on a quarterly basis with the previous meeting discussion involving the redistributing of grant funds.

8. Closed Session

a. Pursuant to California Corporations Code Section 14305(b)(2)-Potential Litigation, 1 case: The Board entered into Closed Session at 2:36 pm.

9. Open Session

a. Reportable Actions: The Board reconvened to Open Session at 3:07 p.m. The Board has directed Watkins and Pape to prepare a response to a notice received.

10. Adjournment

a. Regular Meeting Date at 2:00 pm – Monday, January 26, 2026: With the next meeting dates set and no further business to discuss, Bandy motioned to adjourn the meeting and upon unanimous vote the meeting adjourned at 3:10 p.m.

Kim Alvarado

Kim Alvarado, Recording Secretary