

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")  
MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
HELD May 27, 2026

---

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

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 2:06 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 March 16, 2026 - Regular Meeting:** Upon a motion by Knox, seconded by Kariya, the minutes of the Regular Meeting held on March 16, 2026, were approved as presented by unanimous vote.
4. **Administrative Manager's Report:** Adams provided a completion report on the valve project at the four intersections along Luiseno Circle Drive noting each intersection had a new three-way valve installed by Draves Pipeline. Adams noted that Draves Pipeline did a great job completing both phases of the project. Adams also further noted that RPMWC was able to quickly and efficiently provide information regarding the repair to the affected property owners via email blast and when needed by phone call and door hangers for those property owners who do not use email. Adams noted the current vacancy in the Administrative Department for the part-time Administrative Assistant position. Adams stated that the staffing agencies have not been successful with sourcing for this position and have indicated that the pay was too low for a position this remote. Adams was pleased to note that she received an application through the RPMWC website, she and Alvarado will continue to interview potential candidates and are hopeful to fill the vacancy soon. Kariya questioned if Adams will place the ad on the Indeed website. Adams stated yes. Adams provided an update on the Small Claims Court case involving a shareholder seeking reimbursement for electrical charges that were passed through the RPMWC power meter to operate a private booster station that serves two properties along with the 1/3 cost for a backflow prevention device installation at the private booster station and punitive damages. Adams was happy to report that the Judge ruled in RPMWC's favor, not requiring RPMWC to pay the plaintiff/shareholder any portion of the \$12,500 suit that was filed. Adams noted that the semi-annual preventative maintenance was recently performed on the emergency stand by generators and the chlorine equipment allowing both systems to be kept in top operating performance during the upcoming peak demand. Adams lastly reported that a Tier 1 Nitrate Exceedance Notification was sent to all shareholders early last week as a requirement from our regulator due to one of the six drinking water wells exceeding the maximum contaminant level for Nitrate. Adams noted that the one well has been taken out of service with five additional potable wells to provide water to Shareholders. Adams stated the regulator will be providing further instructions as to how to proceed to bring the well back into service. Adams, Pape and Alvarado will meet with the regulator to discuss this matter further. Pape further discussed with the board the protocol staff will follow moving forward.
  - a. **Operations Report:** Adams reported that the valve project at the intersection of Pauma Valley Drive and Pauma Heights Road was completed in mid-April by Draves Pipeline with the project involving the addition of a fourth valve and replacing the three existing valves. Adams was pleased to note that all wells are operational. Adams provided an update for the small reservoir tank repair, noting that the small tank was brought back online at the end of March after receiving approval from the regulator. Adams lastly reported that the non-potable pipeline replacement at the Pauma Valley Country Club ("PVCC") Air Park is currently underway with an estimated completion by next week with the paving of the trench to follow. Bandy questioned if the Pauma Valley Pilots Association was notified of the repair. Adams stated that the PVCC was notified of the start date and estimated completion date once received from the contractor performing the work.

Pape provided the Board with an update on the Pauma Valley Trading Post and El Rey Restaurant fire hydrant requirement, noting there have been multiple meetings with the property owner, fire officials, San Diego County representatives, contactors and architects to discuss the required upgrades pertaining to the fire flow. Pape noted that the contractor working on behalf of the owner of Pauma Valley Trading Post and El Rey Restaurant hired an independent company to complete a fire flow test with the results indicating the need for the upgrade to have the proper fire flow on the north side of Highway 76.

Knox inquired if a utility staff member had recently obtained a certification. Adams stated yes, Water Distribution Grade 1 was recently obtained by utility staff member Bradley Megginson.

**b. Account Totals:** Adams noted the March Revenue of \$147,107 and the April Revenue of \$184,999 with the YTD total units of water sold roughly 7,000 units less than a year ago at this time.

**c. Water Report:** Adams stated the slippage report reflects the year-to-date total units lost percentage of 1.41%. Adams noted a large portion of the slippage was attributed to the flushing of wells for water quality testing at multiple wells.

**5. Financials:**

**a. B/S, R&E, 2-year Comparison as of March 31, 2026:** This topic was discussed in agenda item 5b.

**b. B/S, R&E, 2-year Comparison as of April 30, 2026:** Adams presented the financials for both March 31, 2026, and April 30, 2026, noting a cash total of \$1,503,581 for April. Adams noted the Accounts Receivable for April 30, 2026, of \$188,907. Adams referenced line-item number 117.7 – Construction in Process of \$253,868 that entails the new connection for the small reservoir tank, a new pump and motor for Well 37 and \$180,000. Bandy made note that part of the valves Capital Expenditure listed are from the 2024-2025 Capital Improvement Plan that was previously approved but due to scheduling they could not be completed until now. Adams referenced line item 603.55 – Main Pipeline Repair of \$47,424 for the multiple emergency repairs taking place in February and line item 603.65 – Asphalt Repairs of \$13,900 also for the multiple emergency repairs taking place in February. Adams noted the Revenue and Expense Report as of April 30<sup>th</sup> reflects a loss of \$184,000. Knox made note that the summer months are approaching and water sales will be positively impacted. Bandy suggested the scheduling of the mid-year review to take place after the June water sales have been confirmed.

Shinner entered the meeting at 2:45 p.m.

Adams provided the 2 Year Comparison Report for review referencing the increase in line-item 603 – Repair and Maintenance. Pape noted that this is a true trend. After further discussion, the Board asked Adams and Pape to develop a replacement schedule for the water laterals in need of repair. Bandy questioned the timeframe to allow for repair per lateral. Pape estimated a full day per repair. Adams and Pape will present the Board with their research. Upon a motion by Knox, seconded by Shinner and unanimous vote, the financial statements for March 31, 2026, and April 30, 2026, were both approved as presented.

**6. RPMWC and PVCSD Update:** Bandy reported that office lease negotiations with the Pauma Valley Community Services District are ongoing. The parties have narrowed the remaining issues to one outstanding topic, and Bandy expressed hope that an agreement will be reached soon.

**7. Upper San Luis Rey Groundwater Management Authority Update (SGMA Update):** Bandy reported that the JPA met last month and has hired a new administrator Lance Anderson who brings much experience to the table. Bandy also noted the upcoming annual reporting and the costly expense associated with the multiple reporting requirements.

**8. Closed Session**

**a. Pursuant to California Corporations Code Section 14305(b)(2) – Potential Litigation, 1 case:** Upon motion, second, and unanimous approval, the Board determined there was no need to move into closed session.

**9. Open Session**

**b. Reportable Actions:** None.

Shinner inquired on the recent Tier 1 Nitrate Exceedance Notification. Pape provided Shinner with the explanation previously noted in agenda item 4.

**10. Adjournment**

**a. Regular Meeting Date at 2:00 pm – Monday, June 15, 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 3:15 p.m.

*Kim Alvarado*

---

Kim Alvarado, Recording Secretary