

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")  
MINUTES OF THE  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
HELD September 30, 2024

---

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

Directors Absent: None

Also Present: Shareholder Charles Mathews; Pauma Band of Mission Indians Water Department Manager Ruben Bentancourt; 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 President Bandy. This meeting was held in person and via Zoom.
2. **Shareholder Comments:** None.
3. **Draft Budget for fiscal year 2024 - 2025**
  - a. Capital Improvement Plan: Bandy asked Watkins to present the 2024-2025 draft budget. Watkins began the discussion by noting the basin draw assumption used to determine the total cost per billing unit remains at 850,000 allowing the factors used for calculating the water available in tiers 1 and 2 to remain unchanged for all shareholders. Watkins discussed the water rate increases to agriculture tier 1 with a 15% increase, the domestic agriculture tier 1 rate with a 5% increase and the potable tier 1 rate with a 5% increase. Watkins stated that these increases were reviewed using historical water sales percentages, with the agricultural usage making up for 70% of the company's water sales and the remaining 30% is generated by potable users. Watkins noted that the fixed charges rate will have a 10% increase and will also include the creation of a billing meter size for the 1-1/2 inch meters. Bandy noted that the option to downsize a meter is available to all shareholders per the adequate flow rate requirements. Watkins noted the draft budget also includes the revenue from the interest on the investment accounts, water stock transfer fees, vacant lot charges and delinquent payment charges. Watkins noted the newly adopted Upper San Luis Rey Groundwater Management Authority (SGMA JPA) fees of \$300 per well annually and the groundwater extraction fee of \$24.59 per acre foot for water pumped from October 1, 2022 to September 30, 2023 have been included in the draft budget as a pass-through charge of \$0.056 per unit. Watkins further noted that if approved by the Board this fee will be noted as a separate line item on the monthly invoice. Watkins noted that the annual fixed charges from the Yuima Municipal Water District will increase in January 2025 from \$41,000 to \$59,000 encompassing the customer service charges, storage charge, supply reliability charge and the recently added transportation charge that are now using a seven-year rolling average with the readiness to serve charge remaining at a 10-year rolling average. Watkins stated if approved by the Board the fixed charge pass-through of \$0.07 per unit will be placed as a separate line item on the monthly invoicing. Watkins noted that the Direct Employee Costs will include the creation of a part time administrative assistant position for additional office support and will also include the addition of a fourth utility worker. Watkins also noted that the employee costs include a pay rate increase for utility to align with rates at surrounding agencies and to keep RPMWC pay rates competitive. Watkins also noted that an 8% pay increase for all employees (except for newly created positions) that may be spread between the Cost of Living Adjustments and the merit increases. Watkins stated that the draft budget assumes a two-year recovery of the prior year loss of \$164,000 from the fiscal year 2022-2023. Watkins noted the Capital Improvements and five-year forecast are included for consideration with the proposed amount of \$475,000 that addresses some of the aging infrastructure needs. Watkins also referenced the historical water rates

dating back to 2014 to provide additional information. Shinner questioned if a job description for the part time administrative position had been created. Watkins stated that she will be creating the description soon. Shinner further questioned the need for additional office staff. Bandy stated that both Watkins and Alvarado have been working long hour days to keep the company running smoothly and could use the additional support. Knox agreed that an administrative assistant is needed to assist both Watkins and Alvarado. Kariya stated that the addition of an administrative assistant is well warranted and would also benefit the company with a contingency plan for growth. Upon a motion by Knox, seconded by Shoaff and unanimous vote, the draft budget for fiscal year 2024-2025 was approved.

The Board will create an announcement letter to be provided to all shareholders. The letter will include the option to downsize the meter size for all shareholders.

Kariya motioned to establish the commitment of a mid-year budget review, motion was seconded by Shoaff.

Moving forward, Knox has requested that the balance sheet highlight the Capital Improvements costs allowing shareholders to see the breakdown in line-item costs as the projects are completed.

Bandy made note of the effort put forth in creating the budget, thanking Watkins, Pape and Alvarado.

4. **Adjournment**

a. Bandy noted that the originally scheduled Board meeting date set for Monday, October 21, 2024 will not be needed. The next scheduled Board meeting will take place in November with a date to be announced. With the next meeting date set to be announced and no further business to discuss, Bandy motioned to adjourn the meeting, motion was seconded by Shoaff and upon unanimous vote the meeting adjourned at 2:18 p.m.

*Kim Alvarado*

---

Kim Alvarado, Recording Secretary