

RANCHO PAUMA MUTUAL WATER COMPANY  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 23, 2017

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Directors Present: Charles Mathews, Brad Smith, Chuck Bandy, Laura Kariya and Chris Reeber

Also Present: Shareholders Tom Cerruti, Jim Cipriano, Karen Keeley, Todd Nicol, and Paul Devine GM for PVCC, Jeff Pape of Dudek, Administrator Mindy Houser and Office Manager Amber Watkins

1. **Call to Order:** Meeting was called to order at 2:01 p.m. by President Mathews.
2. **Shareholder Comments:** Keeley inquired should the rains continue throughout the season, will the rate structure pricing be considered for adjustment. Keeley would like to install a water tank on her property and was not sure if she needed any permission from the board. Keeley was informed that she does need water board approval to import water from outside the service area; it was also suggested that she would HOA board regarding compliance with its CC&Rs.  
  
Cerruti was concerned that he was not able to locate the agenda for this meeting on the PVCSD/RPMWC website and asked that staff have it posted at least 5 days in advance. Cerruti noted that the By-Laws were changed in 2015 and asked that shareholders be made aware when these changes occur. Cerruti suggests that the election terms are too long and would like the board to reconsider the term length. Mathews noted that this item will be added to the next meeting agenda. Devine asked that staff be reminded not to drive across the runway of the airport which Houser will do.
3. **Approval of Previous Minutes:**
  - A. December 5, 2016: Upon a motion by Reeber, seconded by Smith and unanimous vote, the minutes of the regular meeting held on December 5, 2016 were approved as written. Mathews inquired on the clay valve proposal mentioned in these minutes and Pape reported that other methods are currently being researched. Mathews also followed up on the alternative investment strategies requested at the previous meeting; staff was asked to have the research available at the next meeting.
4. **Administrative Report:**
  - A. December water sales: Houser reported that of the 18,709 units billed in December, an additional 2,226 units were purchased from Yuima MWD to help offset the basin overdraw in November. Smith asked that the Compared Totals for the last two years be adjusted to reflect just the current month's data.
  - B. YTD graphs: Houser presented YTD graphs. Smith would like to use this data to continue to educate shareholders. Both Smith and Bandy feel that ongoing education should be offered to gardeners as well. Mathews explained that in order for allocation to increase, a decrease in Tier III usage must occur. A few suggestions were received from the shareholders present and will be considered. Smith suggested that shareholders with huge amounts of overuse ~~should~~ could be required to install a secondary meter for their irrigation which would allow irrigation restrictions without disrupting domestic water. Mathews asked staff to research Smith's idea for discussion at the next meeting.

**C. Valve exercising results:** Houser reported all valves were exercised and is still awaiting the final report from the vender. Houser will present the report once available.

**D. Upcoming Projects:** Houser reported that divers are coming the beginning of February to clean, video and inspect the larger reservoir tank. Houser hopes to extend the life of the tank and will present the findings at the next meeting.

Houser reports that a storage facility is badly needed for archived files as well as a structure to keep all equipment out of the elements. PVCSD has a capital expenditure on its books for this fiscal year (ends 6/30/17) and would like RPMWC's financial assistance. Houser anticipates the costs to be around \$60,000 for a 30'x50' steel building with three roll-up doors and a second story landing for housing paper files. Mathews was present at the PVCSD meeting earlier this morning and stated that RPMWC will only consider this project on some sort of a rental basis rather than dispensing its own needed capital.

Houser will gather estimates to present at the next meeting. Houser will also obtain bids to have the reservoir lot cleared of all debris and the cargo bin emptied as items stored inside have been destroyed by moisture.

## **5. Financial Report**

**A. BS, P&L as of 12/31/16:** Watkins presented the financial report which reflects Cash Assets totaling \$757,896; Accounts Receivable of \$111,676; and Accounts Payable of \$6,165. Watkins explained that annual chlorine maintenance was performed at each site in November and that a new account was created for SCADA Maintenance as the one year warranty has now ended and an annual maintenance contract has been signed. Smith requested that Capital Improvement Projects report be provided on a regular basis.

**B. Account receivables:** Watkins reported that one meter has been locked off and a lien has been recorded on the property title for non-payment. Another account is scheduled for disconnect if payment is not received by Wednesday. Upon a motion from Smith, seconded by Kariya and unanimous vote, the financial report was adopted as presented.

**C. Audit Report:** Mathews presented the draft audit report noting that the report looks good, and contains no management letter.

## **6. Operations & Maintenance Report**

**A. SCADA review:** Pape presented collected data. Pape feels that the soonest staff will be able to identify how much recovery occurred during the most recent rain storms is March. Smith noted that this season so far, he has recorded 12 inches of rainfall which is equal to the total from all of last year. Pape was asked by Rancho Estates MWC if their wells can be tied into RPMWC's SCADA system. Pape explained that REMWC lacks the capital to create their own, and feels it will be beneficial to grasp a bigger picture of how the basin is recovering. Pape explained that a separate log-in can be created which will restrict access to RPMWC & PVCSD data. Staff was instructed to move ahead so long as there is no confidentiality issue.

**B. New well development:** Pape reported that non-potable Well 43 drilling is complete at 230 feet in depth. Fain began drilling potable Well 42 right before the rain storm but will resume later this week, weather permitting. Well 42 will be the replacement for Well 31R which will allow for a Category 2 exemption CEQA filing

C. Delivery limitations / peak times: Staff reminded that Yuima MWD informed of capacity limitations which restrict import water to 650 gpm during peak times. YMWD discussed increasing capacity but decided not to. Mathews asked that staff obtain in writing explanation of capacity limitations. Staff was asked to provide a copy of the current Wholesale Agreement to board members. Cerruti asked to receive a copy as well. This item will be discussed further at an upcoming meeting.

**7. Other Business:**

A. SGMA updates: The next Public Meeting is scheduled for January 25, 2017 at 10 a.m. at the Community Center. Mathews reported that the Working Group is currently drafting an MOU to designate the County as the GSA of Pauma Basin and the County is working to determine if they can fund the GSP preparation. Mathews has key points that remain outstanding and feels that PVCSD should not execute the MOU until those points have been addressed; this board agreed. Mathews will report back to PVCSD as requested by President Nolan before tomorrow's 10 a.m. meeting with this board's concerns.

B. Annual meeting info: Houser reminded that the Annual meeting is scheduled for February 13, 2017 at 1 p.m. in the PVCC Pauma Room. Houser was appointed as Inspector of Elections and was authorized to select two additional individuals to assist with the proxy count verification.

With Rutan and Tucker no longer able to represent RPMWC after March, Reeber reminded that he would like a copy of any legal opinions given to RPMWC and a year's worth of any anticipated legal issues.

**8. Adjournment:**

A. Next Regular meeting date: With the Annual meeting date set and the organizational meeting to directly follow adjournment of that meeting, and with no further business to discuss, a motion to adjourn was made by Smith, seconded by Kariya and unanimously carried at 4:20 p.m.

*Amber Watkins*

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Amber Watkins, Recording Secretary