

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")  
MINUTES OF  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
HELD December 11, 2017

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Directors Present: Charles Mathews, Brad Smith, Chuck Bandy, Son Do and Laura Kariya  
Also Present: Shareholder Todd Nicol; Jeff Pape of Dudek; Administrator Mindy Houser and Office Manager Amber Watkins

1. **Call to Order:** Meeting was called to order at 10:00 a.m. by President Mathews. Upon request from staff and approval from the board, Item 5 of this agenda will be moved.

5. **Operation & Maintenance Report:**

**A. SCADA review:** Pape reviewed the SCADA data, noting that we are not importing water at this time and are able to keep up with demand with just three potable wells and Well 41 pumping. Pape reported that RPMWC was able to deliver all of the Tier III water requested from McMillan Farm Management in November. After some questions on the well levels information presented, Do suggested that a reference point might be helpful in identifying the water levels across the district.

Pape reported PVCC requested that the pond be lowered to allow storage capacity for water received from T-Y Nursery. Pape noted that this billing cycle, the golf course has not used any RPMWC water and has an allocation per share factor of 3 for December and January; staff believes that is to allow use for their other potable meters. Houser explained that PVCC did not use the entire Tier I and Tier II allocation for November; water received by PVCC from T-Y Nursery was used to fill the allocation which created no roll forward units for November. Bandy asked that staff maintain records in writing for any of these requests from PVCC; staff informed that records are maintained and that they will continue to do so moving forward. Pape explained that per the direction of the board, staff is delivering a daily average of water to T-Y Nursery based on the current allocation per share for December and monitored daily. Staff has tried to contact T-Y Nursery regarding the delivery and received no communication back.

**B. Ongoing well development:** Pape reported that Well 42 has received an approval for construction from SDG&E and electrical should be completed in January. Houser reported that PVCC board reviewed the draft easement for Well 7R but, via letter, stated that many questions need to be answered and they should have those questions to RPM within a week or two. Houser noted that the newly appointed President Bill Carlson was informed of the importance of this relocation prior to that board's meeting.

**C. TY allocation delivery:** This item was already discussed earlier in this meeting.

**D. Slippage:** Houser presented the report which indicated November had 4% slippage. Pape explained that it is not possible to determine if the loss is caused by leaks or faulty meters at this time. Pape did note that all of the well meters were changed 2-3 years ago and leak detection was performed on areas of concern. Pape suggested that we monitor the percentage of loss each month and then schedule to have leak detection performed again this coming year.

Pape presented the import water purchase report which shows we sold almost double our projected allocation with no Yuima water purchased in November. Smith reminded that in January the allocation per share factors are to be reviewed.

2. **Shareholder Comments:** Nicol asked for clarification on the water allotment for his property as he understood it to mean allocation was based on historical usage and he currently does not have any usage; Mathews noted that the board has no intention to go back to individuals' historical usage for determining water allocation as allocation is by amount of shares under the bylaws.
  
3. **Approval of Previous Minutes:**
  - A. November 20, 2017 meeting: Upon a motion by Kariya, second by Smith and unanimous vote, the minutes of the meeting held November 20, 2017 were adopted as presented.
  
4. **Administrative Report:**
  - A. November water sales: Houser reported that Tier III usage continues to be high much like November 2016. Houser reported that multiple calls have been taken by staff to verify leaks are not present and explain the current rate structure to Shareholders. Houser noted that 84 Allocation Penalties were recorded and each received a notice; some home owners were surprised and upset to find out their ranking among others with equivalent shares.  
  
  - B. Slifka/Knox Allocation Agreement: Houser explained that the draft agreement was sent to both parties but has not been received back. Houser noted that Knox had a discussion about this issue with newly hired Bobby Graziano. He abruptly left the office when presented with board minutes showing it was the board's request that his non-interference for a new well site easement be included in the agreement.  
  
  - C. Easement for new Well 7R site: This item was discussed earlier in the meeting.  
  
  - D. Rancho Estates MWC request for Service Agreement to share SCADA: Graziano submitted an amended request for RPMWC to allow REMWC to utilize the SCADA antenna and software for a fee of \$813 annually. Upon review, Bandy motioned to approve the request as presented, with motion seconded by Smith and unanimously approved.  
  
  - E. Tier III electrical costs: Houser stated deliveries of well water in November for the Tier III rates may not appropriately take into account an electrical component since they are based on cost of import water, and proposed that current Tier III rates be reduced by the \$0.23 per unit, the amount of electrical cost contained in the Yuima charge. Mathews explained that water purchased from Yuima will not be reduced but Tier III water pumped from our basin will be. Following a motion, second and unanimous vote, Staff was authorized to make this reduction to the Tier III rates beginning in November; adjustments will be made with December billing.  
  
  - F. 2018 Annual meeting date: The meeting has been set for February 12, 2018 at 10:00 a.m. at the District office. Houser noted that no election is needed until 2019.

**6. Financial Report**

**A. Accounts receivable:** Houser stated it is too early in the month to provide a full Financial Report. Watkins presented the A/R report noting that nine owners will receive door hangers later this month if payment is not received. Houser informed that \$200,000 was moved to Vanguard from checking. Smith would like to discuss the tank specifications sent out a few months back. Houser would like this item to be handled by her replacement as it will become his project. Mathews asked that this item be on the next agenda for discussion.

**7. SGMA Updates:** Mathews reported that the tribes have claimed that the formation of the MoU and GSA is invalid because it was not appropriately noticed for them to supply their input. The next meeting is scheduled for December 19th. Both County and State seem to be yielding to the Indians and they continue to push for legislation for a boundary adjustment.

**8. CLOSED Session:** The Board entered Closed Session at 11:28 a.m. to discuss a potential litigation.

**9. OPEN Session:** Reconvened to Open Session at 11:56 a.m. No reportable actions.

**10. Adjournment:** The next meeting date has been set for January 22, 2018 at 2:00 p.m.; with no further business to discuss, a motion to adjourn was made by Smith, seconded by Kariya and unanimously carried at 11:56 a.m.

*Amber Watkins*

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Amber Watkins, Recording Secretary