

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD July 17, 2017

Directors Present: Charles Mathews, Brad Smith, Chuck Bandy and Laura Kariya
Directors Absent: Son Do
Also Present: Shareholder Jim Cipriano; Bobby Graziano of Rancho Estates Mutual Water Company;
Roland Simpson of Yuima Municipal Water District; Jeff Pape of Dudek; Administrator
Mindy Houser and Office Manager Amber Watkins

1. **Call to Order:** Meeting was called to order at 2:00 p.m. by President Mathews.
2. **Shareholder Comments:** None
3. **Approval of Previous Minutes:**
 - A. June 19, 2017 meeting: Upon a motion by Bandy, second by Smith and unanimous vote, the minutes of the meeting held June 19, 2017 were adopted as presented.
4. **Subsequent Actions:**
 - A. HOA 2-B irrigation issue (6.5A): Currently the HOA irrigation meter has a tremendous amount of usage which indicates that some of their members may still be connected to the association meter. Houser reported that Smith will meet with the president of the association later this week to determine the best way to handle the irrigation issues.
 - B. Reservoir reserve (6.5C): Houser reported that the two Certificate of Deposits totaling \$250,000 will begin to fund the reservoir rehabilitation. Houser noted that a monthly accrual will be added to this amount through October 2018 to end with an additional \$50,000.
 - C. Encroachment permit (6.6A): Houser reported that the permit has been completed for Well 7R.
5. **Administrative Report:**
 - A. June water sales: Mathews noted that potable Tier 3 water usage has a huge number at 6,439 units; Smith noted that he tracks the usage every month and has seen almost the same percentage of decrease in residential use as in agriculture use from 2015. Mathews noted that the RPMWC water prices are substantially lower than surrounding districts and feels that the Shareholders should be made aware of this in the near future.
 - B. YTD graphs: Houser presented YTD graphs.
 - C. Yuima rate increases: Houser reported that staff attended the Yuima MWD Public Hearing on June 30, 2017 where the water rate increase was approved. Meter charges will increase by 15% and water costs will increase by 5-7.1% beginning July 1, 2017. Houser reported that no mention was made on the Fixed Charges and/or Capacity Charges as those are handled on a calendar year basis. Mathews asked staff to obtain the calculations for these charges as soon as available from Yuima.
 - D. Drought policy review: Smith made several suggestions to amend this policy and will work with staff to present these changes at the next meeting for discussion. Staff will begin including a reminder on the applicable drought stage with billing on a quarterly basis.
6. **Operations & Maintenance Report**

A. SCADA review: Pape presented collected data. Pape noted that one foot of recovery is seen at Well 38 from this time last year. Pape reported that the re-develop work is complete at Well 39; the water level has dropped so staff will try to slowly bring it back online. Pape informed that Well 7 has water, it is just at the bottom of the well depth. Mathews inquired what can be done to further enhance SCADA; Pape explained that a pressure sustaining control valve that will automate the valve for Yuima's water is a possibility but is very expensive.

B. Ongoing well development: Pape explained that the electrical work at Well 42 is complete with the panel set to arrive next week. Completion should be by the second week of August when water will be sent to the pond until the potable permitting process is done.

C. PVCC/ TY tie-in: Pape reported that no work has begun in the vicinity of the pond as of yet. The PVCC target tie-in date is still set for August 1, 2017. PVCC will allow a 4" meter to be installed on the line going into the pond to be read every day by staff. Pape reported that the operational meeting went well and was very helpful. Pape proposed re-drilling Well 7R at a different location while using the same equipment.

D. Delivery limitations / peak times: This item was not discussed.

7. Financial Report

A. BS, P&L as of 6/30/17: Watkins presented the financial report which reflects Cash Assets totaling \$492,551; Accounts Receivable of \$265,944; and, Accounts Payable of \$276,660. Watkins noted that PVCSD has paid in full. Watkins noted that 42% of Accounts Receivable has been collected as of today and that Accounts Payable includes Well 42 construction costs and Well 39 repair costs. Mathews asked staff to verify that Yuima's pass-through charges will in fact wash out at the end of the fiscal year. Mathews inquired on the statement of available cash requested last meeting; Houser is working on it and will present along with the upcoming budget calculations. A motion was made by Smith, seconded by Bandy and unanimously approved to adopt the financials as presented.

B. Account receivables: Watkins reported that one meter has been locked off and a lien has been recorded with the County for non-payment. Watkins also reported no accounts are scheduled for disconnect due to delinquency this month. After a brief discussion, Smith motioned that the board adopt the terms for late payments as follows: a 10% late fee if payment is not received by the due date; if payment is still outstanding at 60 days from date of invoice, water will be scheduled for shut off with a written notice provided 3 days prior to shut off. Motion was seconded by Bandy and unanimously approved.

8. Adjournment: With the next meeting date set for August 21, 2017 at 2:00 p.m. and no further business to discuss, a motion to adjourn was made by Kariya, seconded by Bandy and unanimously carried at 4:00 p.m.

Amber Watkins

Amber Watkins, Recording Secretary