

RANCHO PAUMA MUTUAL WATER COMPANY ("RPMWC")
MINUTES OF
REGULAR MEETING OF THE BOARD OF DIRECTORS
HELD January 22, 2018

Directors Present: Charles Mathews, Brad Smith, Chuck Bandy, Son Do and Laura Kariya
Also Present: Shareholders Tom Cerruti, Jim Cipriano, Hans Glaser and Todd Nicol; GM of PVCC Paul Devine, Linda Shoaff; Jeff Pape of Dudek; Administrator Mindy Houser; General Manager Bobby Graziano 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:** Cerruti asked that RPMWC ~~oppose~~-raise the issue of the rezoning project near the Rincon Fire Station. Smith noted that this item is still to be discussed by the Pala Pauma Sponsor Group and more information will be required to perform any analysis of the impacts. Mathews will draft a letter of opposition. Glaser asked that the board consider re-allocating the use per shares; Mathews cautioned that changing the allocation factors now will cause extremely high water bills in the summer when use is at its peak. The board will review the allocation at a future meeting to determine the best way to proceed.
3. **Approval of Previous Minutes:**
 - a. December 11, 2017 meeting: Upon a motion by Kariya, second by Bandy and unanimous vote, the minutes of the meeting held December 11, 2017 were adopted as presented.
4. **Operation & Discussion Items:**
 - a. December Water Sales: Graziano presented the report for review.
 - b. Allocation Penalties: Graziano presented that report; Mathews questioned one account which has a credit, Watkins explained that this shareholder had a major leak and as a one time courtesy the penalty was waived. Graziano added that these instances will be handled on a case by case basis. HOA #1 submitted a letter asking that RPMWC reconsider the base allocation per share as many of the properties within the Association have felt the financial impact of overuse and are now not irrigating at all or very minimally which the letter claims is causing yards to die. Mathews noted that the cost may seem high but they are substantially lower than the surrounding area. Bandy suggested that a best management practices checklist be created to help with the properties that are struggling. Staff was instructed to improve communication with shareholders through effective regular communication. Staff was asked to modify the allocation penalties notice to remove the ranking system and allow it to be a more generic form.
 - c. Allocation Discussion: This item was deferred until February.
 - d. Slifka/Knox Allocation Agreement: Nothing new to report.
 - e. Easement for new Well 7R Site: Graziano presented the letter sent to PVCC addressing their questions; no response has been received as of yet. Mathews asked that the next agenda include a discussion for a new easement or re-drilling of the well in the same location.
 - f. Water Connection Fees: Graziano noted that the connection fees have not been updated and the basis for the current charges are unknown. Mathews noted that a number of factors need to be considered to determine these costs and asked that staff prepare a proposal for the next meeting. Cerruti asked what the vacant lot charge is for; Pape explained that it is not for capacity but for water availability.

- g.** Yuima Groundwater Reporting: Graziano reported that every month production is reported to Yuima Municipal Water District; Graziano presented a report with the information gathered from Yuima for surrounding pumps.
- h.** Ongoing Well Development: Pape reported that Well 42 is scheduled for the start up on Friday.
- i.** 4" Yuima Meter Relocation: Mathews noted this is for longer term development and should be deferred.
- j.** SCADA: Pape reviewed SCADA noting that PVCC has not taken any water for the golf course for roughly 45 days. Mathews noted that Tier I and Tier II must be filled as per the agreement. Pape continues to manage TY's water on a weekly basis.
- k.** Well Field Yield & Water Level Graphs: Pape noted that a small amount of recovery can be noted one year ago, but as of now levels are not where they were at that time.
- l.** TY Allocation Delivery: This item was previously discussed.
- m.** Slippage: Smith noted that a formula is incorrect; this was just for review.
- n.** Retraction of Service Agreement with Rancho Estates MWC: Graziano reported that PVCSD has not approved the changes as of yet and hopes to revisit this item in the future.
- o.** Tank Specifications: Graziano and Pape are to review the specifications and [complete update the bid package](#).

5. **Financial Report**

- a.** BS, P&L as of 12/31/17 pre-audit: Watkins presented the pre-audited financial report which reflects Cash Assets totaling \$981,449; Accounts Receivable of \$257,724; and Accounts Payable of \$50,364. Mathews questioned what is in the Prepaid Taxes on the balance sheet; Houser explained estimated taxes at year end paid and placed here by the CPA. Bandy inquired if all of Well 42 costs are shown on the Balance Sheet; Watkins explained that all costs that have been billed to us are reflected here.
- b.** Accounts receivable: Watkins presented that accounts receivable for review.
- c.** Audit Report-Draft: Mathews reported that the audit was fair and clean; the only recommendation was to have the Treasurer review the bank reconciliations regularly.
- d.** New Signature Cards & Signing Policy: Graziano presented signature cards for bank accounts. Graziano noted that Melinda Houser will be removed and the signers on all accounts will be Charles Mathews, Laurie Kariya, Robert Graziano and Amber Watkins. Motion was made, seconded and unanimously approved. Mathews executed the cards. Graziano verified that checks for \$5,000 or greater require two signatures.
- e.** Investment Discussion: ~~This item was not discussed.~~ [Bandy suggested that an investment committee and audit committee be formed to assist staff.](#)

6. **SGMA Updates:** Mathews reported that the tribes are really pushing for the boundary adjustment with the legislature. Mathews noted that if an accord is not reached by the end of February then it will not line up with the time table set for the GSA.

Shareholder Nicol took a moment to thank Administrator Houser for her years of dedication to the community.

7. **CLOSED Session:** The Board entered Closed Session at 3:55 p.m. to have a conference with Legal Counsel.

8. **OPEN Session:** Reconvened to Open Session at 5:00 p.m. Staff was given direction in doing analysis for the next meeting.

9. **Adjournment:**

a. Next Regular meeting date February 12, 2018: The next meeting date has been set for February 12, 2018 -immediately following the Annual Meeting of Shareholders at 10:00 a.m.

b. Scheduling For Future Meetings to Allow Attendance at YMWD: Graziano presented a calendar asking that all RPMWC regular meetings be held on the 3rd Monday of each month at 10 a.m.; with no further business to discuss, a motion to adjourn was made by Bandy, seconded by Kariya and unanimously carried at 5:03 p.m.

Amber Watkins

Amber Watkins, Recording Secretary