

RANCHO PAUMA MUTUAL WATER COMPANY  
ANNUAL MEETING OF SHAREHOLDERS

March 15, 2021

**Directors Present:** Chuck Bandy, Laura Kariya, Bruce Knox, Larry Taylor and Steve Wehr

**Also Present:** General Manager Bobby Graziano, Shareholders Tom Cerruti, Charles Mathews and Ronald Krohn, Greg Calac and Office Manager Amber Watkins

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1. **Call to Order:** Meeting, held in the Pauma Valley Community Services District Office, was called to order at 10:00 a.m. by President Bandy. Bandy informed that pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom in response to the COVID-19 pandemic and in an effort to prevent the spread of the virus, Rancho Pauma MWC will hold its annual shareholder meeting via teleconference. This meeting is open to shareholders via virtual interface and can be accessed by clicking on the link provided. Shareholders were welcomed and thanked for their attendance.
2. **Call for Proxies and votes present:** Bandy placed a call for proxies. Watkins presented the proxies to Graziano.
3. **Establishment of a Quorum:** Watkins certified that proxies received constitute a quorum to proceed.
4. **Presentation of proxies to Inspectors of Election:** Bandy informed that the Inspectors of Election are Graziano, Watkins and Fehling. Graziano certified the count on the returned proxies.
5. **Annual Review:** Graziano presented a PowerPoint presentation for meeting attendees. Graziano reviewed each slide and provided information. Graziano noted that an overhaul of the website was completed and that it is now managed in house. A district map was reviewed with blue lines indicating potable pipelines, green lines indicating non-potable pipelines and the turquoise line depicting the Yuima MWD mainline that runs through the district. A photo of the potable well field was provided with shows the different wells and the PVCC Open Reservoir. Graziano informed that the tanks on Pauma Heights Road have a capacity of 1.7 million gallons or 2.2 days of domestic water use. Graziano noted that 70% of the water use is for agriculture and recreational uses. Revenue and Capital Expenditures were discussed. An emergency connection was installed for the Pauam Valley Country Club (PVCC) Golf Course in response to the new policy of SDG&E for Santa Ana Winds power shut downs. Taylor noted that it was tested recently and he is thrilled with the outcome and feels it is a tremendous benefit for the community and PVCC. Cerruti asked if the fire hydrants are affected by this connection; Bandy informed that the fire hydrants are fed from the reservoirs on pressurized lines. Bandy also noted that two high capacity wells are equipped with back up generators to ensure domestic water is available to shareholders. Mathews noted that a connection with Yuima MWD is dedicated for fire flow. Graziano thanked Mathews for his comment and noted that an 8” and 4” connection from Yuima MWD is available if ever needed. Graziano showed pictures of the pipeline projects that took place to move water from the east end of the district to the rest of the system. Graziano reported that the large reservoir tank was refurbished in 2019. The tanks will have divers inspect regularly and make minor repairs as needed, but the expected lifespan of this project is 15-20 years. Graziano informed that over the last six years a SCADA system has been created and modified. This allows staff to manage the water throughout the district with ease. Graziano reported that an 8” backflow device was installed on the Yuima MWD fire flow per their requirement and that a valve cycling machine was purchased for staff to bring this in house. Well 7R2 was drilled in November and the electrical is underway now, PVCC contributed \$100,000 towards this project. Bandy noted that Title 22 results were submitted to the Department of Environmental Health and that a response is expected by summer of 2021. The remainder of the slides were presented. Graziano asked if any board members had questions or comments, there were none.
6. **Shareholder Comments and Questions:** Cerruti asked for an update on the Sustainable Groundwater Management Act (SGMA) status. Bandy informed that a consultant was hired to prepare the Groundwater Sustainability Plan (GSP) and submit to the State. Thus far the 1<sup>st</sup> chapter was received and is under review.

Bandy noted the 1<sup>st</sup> public outreach meeting was held and the 2<sup>nd</sup> is scheduled for March 24, 2021. Bandy also noted that the Joint Powers Agreement (JPA) is very close to being completed. Cerruti inquired on the participants, Bandy informed Yuima MWD, Pauma Valley CSD, Rancho Pauma MWC, Pauma Municipal WD, and Resource Conservation District (RCD). Bandy informed that this entity will have the ability to enforce regulations, levy taxes, and provides indemnity among other things. Mathews asked for an update on the tribes involvement during the process. Bandy noted that numerous invitations have been sent and no response has been received. A challenge was made stating that RCD should not be able to participate in the JPA. Bandy informed that RCD's all around the state are participating in the SGMA process. Currently Local Agency Formation Commissions (LAFCO) is reviewing the ability of RCD to enable this latent power and a decision is expected within the next 60 days. Mathews asked what will happen if LAFCO rules unfavorably, Bandy speculated that the County will then be requested to rejoin the process. Mathews also asked that staff verify if well drilling permits are being issued for Pauma Valley by the County of San Diego.

7. **Announcement of shareholder voting:** Watkins reported that based on the proxies received, the Board of Directors will remain unchanged. Bandy noted that the current Board of Directors will serve another 1 year term.
8. **Adjournment:** With no further business to conduct, a motion to adjourn this meeting was made, seconded and unanimously approved; meeting adjourned at 10:33 a.m.

*Amber Watkins*

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Amber Watkins, Recording Secretary