



Sundale Mutual Water Company

PO Box 6708, Lancaster, CA 93539
Phone: (661) 256-3100 * Fax: (888) 786-8168

Teleconference Option: (712) 770-5307 Access Code: 665601
Please be sure to mute your phone once you have entered the meeting.

50th Annual Shareholder Meeting via teleconference

April 18, 2026 at 10am

1. Welcome Shareholders & Meeting called to order
2. Introduction of the Board of Directors
 - Earl Adams – President
 - John Goit – Vice President
 - William Shattuck – Secretary
 - Jaime Moffit- Board Member
 - Paul Bean – Board Member
 - Daylene Yandell – Treasure
- Introduction of Sundale's Staff
 - Christine Goit- General Manager
 - Victor Leon- Field Technician
 - Chelsie Nummelin-Office Assistant
3. Discussion Financial Statements
 - Income Comparison 2024 & 2025
 - Income & Expense Chart 2024 & 2025
 - Budget 2026 – 5 Year Budget
4. Discussion of the User Water Rates
5. Update on the Capital Projects / Future Projects
6. Public comments and business from the floor.
7. Election of directors. Quorum reached?
8. Adjournment



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49th Annual Shareholder Meeting **via teleconference**

Minutes

April 26, 2025 at 10:00am

1. John welcomed shareholders to the 49th Annual Meeting.
 - Shareholder in attendance
 - i. Artemio Vergara
 - ii. Chris Dang
 - iii. Alma Olivarria
 - iv. Gabriela Wang
2. Meeting was called to order by Earl Adams at 10:15 am.
3. Introduction of the Board of Directors
 - Earl Adams – President (In attendance)
 - John Goit – Vice President (In attendance)
 - Bruce Nelson- (Not in attendance)
 - William Shattuck – Secretary (In attendance)
 - Daylene Yandell – Director (In attendance)
 - Paul Bean– Director (In attendance)
- Introduction of Sundale's Staff
 - Christine Goit – General Manager (In attendance)
 - Chelsie Nummelin- (In attendance)
4. *Discussion of user water rates-* Christine explained that the board look over a rate review and this year in February the rates will continue to be \$70.
5. *Update of the Water Adjudication in the Antelope Valley-*No new update were given.
6. *Update on the Capital Projects/ Future Projects-*Steel Building was completed and the main office will be under construction in 2025.
7. *Public comments and business from the floor-* No comments made.
8. *Election of directors-* None. Received 40 proxies (including the attendance). Need to receive over 250 proxies. The board remains as it currently stands.

Earl Adams adjourned the meeting @ 11:10 am.

Respectively Submitted: Christine Goit – General Manager

Sundale Mutual Water Company

Profit & Loss

January 2024 through December 2025

	<u>Jan - Dec 24</u>	<u>Jan - Dec 25</u>	<u>TOTAL</u>
Income			
Capital Income			
Fire Flow Test	800	100	900
Hydrant Meter Rental	760	380	1,140
Hydrant Meter	0	1,500	1,500
Stand by Fees (20%)			
Past Due	11,804	4,275	16,079
Current	12,506	12,995	25,501
Total Stand by Fees (20%)	24,310	17,270	41,580
Cell Tower (T-Mobile)	21,386	20,314	41,700
Fire Suppression & Meter Fees	39,800	52,960	92,760
User Fees (\$15)	59,301	60,555	119,856
Total Capital Income	146,357	153,079	299,436
Operating Income			
Misc. Income	123	31	154
Disconnection / Hanging Fees	170	400	570
New Water Stock Fees	2,400	2,340	4,740
Collection Fees (Liens)	4,050	2,035	6,085
Late Fees	4,290	7,852	12,142
Stand by Fees (80%)			
Past Due	47,215	17,050	64,265
Current	50,168	51,980	102,148
Total Stand by Fees (80%)	97,383	69,030	166,413
User Fee (\$55+)	297,166	295,605	592,771
Total Operating Income	405,582	377,292	782,875
Total Income	551,939	530,371	1,082,311
Gross Profit	551,939	530,371	1,082,311
Expense			
Capital Expense			
Meters - 1" and 1.5"	5,443	1,929	7,371
Vehicle 08' Chevy Colorado	7,800	0	7,800
Field - Parts & Supplies	17,615	19,015	36,629

Sundale Mutual Water Company

Profit & Loss

January 2024 through December 2025

	<u>Jan - Dec 24</u>	<u>Jan - Dec 25</u>	<u>TOTAL</u>
Repairs & Maintenance			
Hydrants	0	226	226
Storage Tanks	0	2,800	2,800
Distribution	18,707	1,242	19,949
Wellsite	5,873	42,018	47,891
Total Repairs & Maintenance	<u>24,580</u>	<u>46,287</u>	<u>70,867</u>
Office & Shed Building	<u>158,653</u>	<u>38,385</u>	<u>197,038</u>
Total Capital Expense	214,090	105,616	319,706
Operating Expense			
Operation & Maintenance Cost			
Maintenance			
Maintenance - Other	0	139	139
Vehicle	2,473	2,398	4,872
Total Maintenance	<u>2,473</u>	<u>2,538</u>	<u>5,011</u>
Water Monthly / Annual Testing	3,835	3,482	7,318
Field Utilities			
Wifi	0	845	845
Propane	1,014	0	1,014
Telephone	2,524	3,431	5,955
Total Field Utilities	<u>3,538</u>	<u>4,276</u>	<u>7,814</u>
Contract Labor (Electrical)	5,775	5,850	11,625
Gasoline / Diesel	6,371	7,686	14,057
Personnel - Field Technician	28,330	59,633	87,963
Electricity	80,650	78,138	158,787
Total Operation & Maintenance C...	<u>130,973</u>	<u>161,603</u>	<u>292,575</u>
General & Administration Cost			
Training			
Classes / Exams	107	40	147
Total Training	<u>107</u>	<u>40</u>	<u>147</u>
Rental Costs			
Field Rental	460	0	460
Office Rental	442	464	906
Total Rental Costs	<u>902</u>	<u>464</u>	<u>1,366</u>

Sundale Mutual Water Company

Profit & Loss

January 2024 through December 2025

	<u>Jan - Dec 24</u>	<u>Jan - Dec 25</u>	<u>TOTAL</u>
Collection Charges (Lien)	739	1,528	2,267
Tax Preparation			
Payroll	<u>2,700</u>	<u>2,700</u>	<u>5,400</u>
Total Tax Preparation	2,700	2,700	5,400
Misc. Expenses			
Misc. Expenses - Other	0	39	39
Return Check Fee	468	0	468
Misc	<u>2,425</u>	<u>3,350</u>	<u>5,775</u>
Total Misc. Expenses	2,893	3,389	6,282
Taxes			
State Taxes	800	0	800
Property Taxes	<u>3,621</u>	<u>3,168</u>	<u>6,790</u>
Total Taxes	4,421	3,168	7,590
Water Master Fee	4,486	4,486	8,972
Office Utilities			
Trash	329	350	679
Propane	0	1,009	1,009
Internet	792	782	1,574
Telephone	2,335	2,012	4,347
Electricity	<u>2,314</u>	<u>2,441</u>	<u>4,755</u>
Total Office Utilities	5,770	6,593	12,364
Insurance			
Auto Insurance	2,167	3,035	5,202
General Insurance	<u>9,186</u>	<u>11,194</u>	<u>20,380</u>
Total Insurance	11,353	14,229	25,582
Memberships			
Costco	120	130	250
Diamond Maps	144	144	288
CAMWC	477	350	827
North & South Dig Alerts	401	487	888
AWWA	525	539	1,064
Master Meter	1,925	0	1,925
Memberships - Other	<u>1,938</u>	<u>2,778</u>	<u>4,716</u>

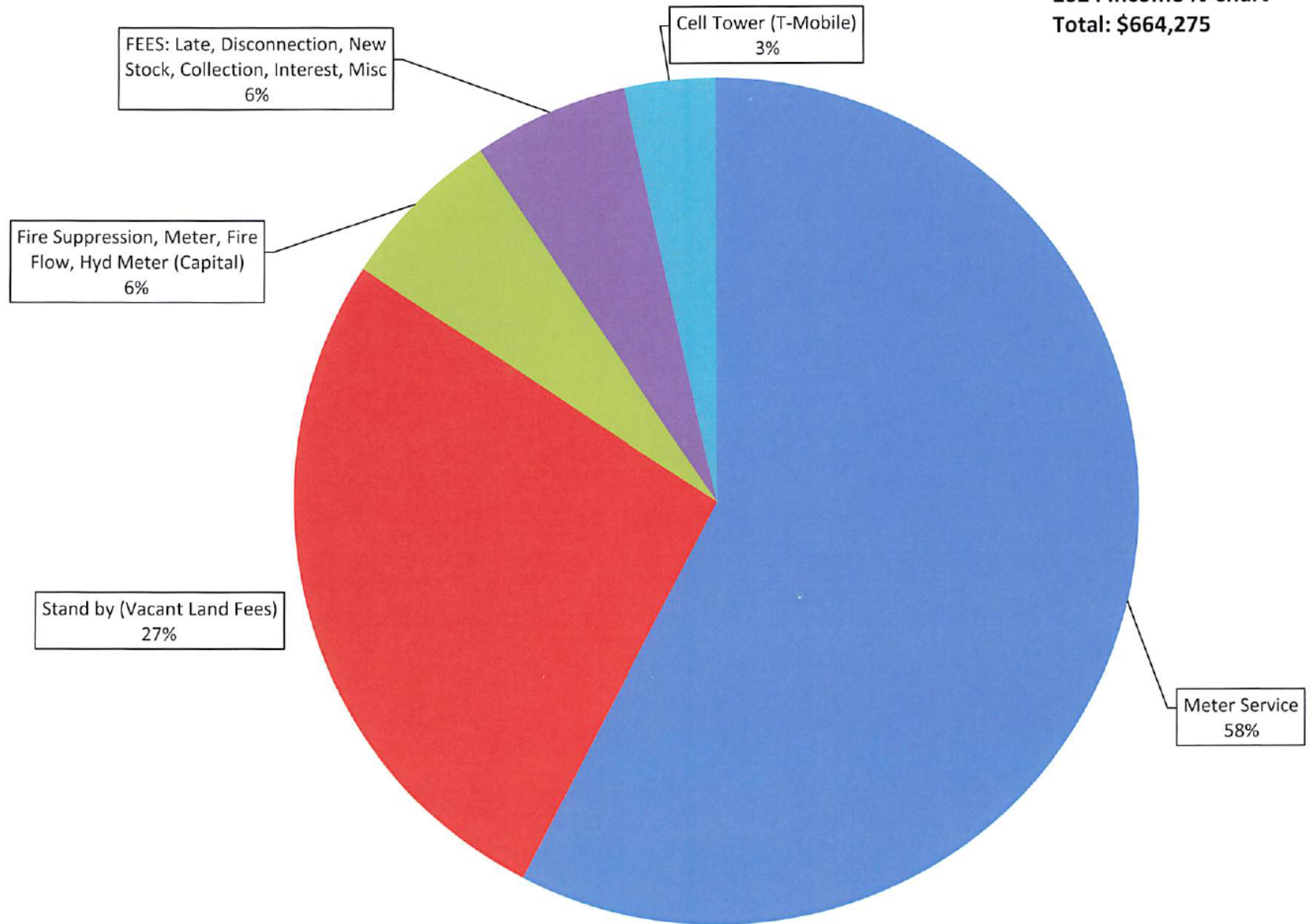
Sundale Mutual Water Company

Profit & Loss

January 2024 through December 2025

	<u>Jan - Dec 24</u>	<u>Jan - Dec 25</u>	<u>TOTAL</u>
Billing (Ampstun)	2,600	3,250	5,850
SWRCB	<u>3,483</u>	<u>7,381</u>	<u>10,864</u>
Total Memberships	11,613	15,059	26,672
Office Expense			
Employee Drug Testing	0	62	62
Pest Control	418	438	856
Copies	918	843	1,761
Postage	2,736	1,941	4,677
Milage	3,491	3,520	7,011
Customer Credit Card Fee	5,097	5,645	10,742
Supplies	<u>7,713</u>	<u>4,673</u>	<u>12,385</u>
Total Office Expense	20,372	17,122	37,494
Payroll Taxes			
Direct Deposit	379	551	930
Worker's Comp	3,133	2,397	5,530
Employment Development Dept 940 / 941	<u>4,303</u>	<u>8,436</u>	<u>12,739</u>
	<u>34,991</u>	<u>39,438</u>	<u>74,429</u>
Total Payroll Taxes	42,806	50,822	93,628
Personnel - Office Personnel	<u>70,416</u>	<u>78,997</u>	<u>149,412</u>
Total General & Administration C...	<u>178,578</u>	<u>198,598</u>	<u>377,175</u>
Total Operating Expense	<u>309,550</u>	<u>360,200</u>	<u>669,751</u>
Total Expense	<u>523,641</u>	<u>465,816</u>	<u>989,457</u>
Net Income	<u><u>28,299</u></u>	<u><u>64,556</u></u>	<u><u>92,854</u></u>

2024 Income % Chart
Total: \$664,275



2024 Expense % Chart
Total: \$383,077

Capital Expense: Parts/Supplies,
Repairs, Meters,
Repairs, Security System
6%

Repairs & Maintenance (Wells,
Storage Tanks, Distribution,
Hydrants, Valves, etc.)
7%

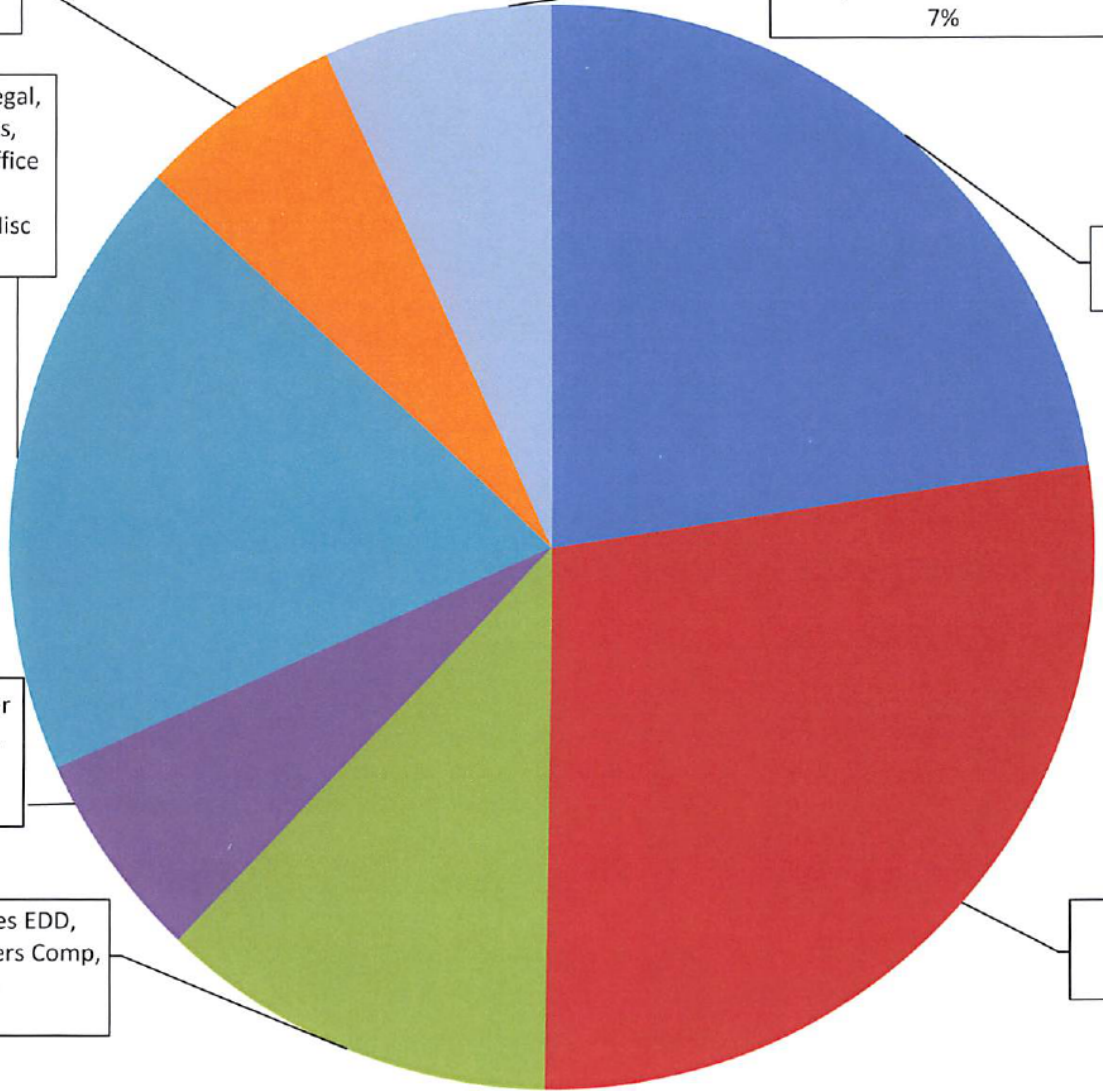
Electricity
22%

General & Administration: Legal,
Water Master, Rental Costs,
Insurance, Office Utilities, Office
Supplies, Training, Taxes,
Collection, Memberships, Misc
19%

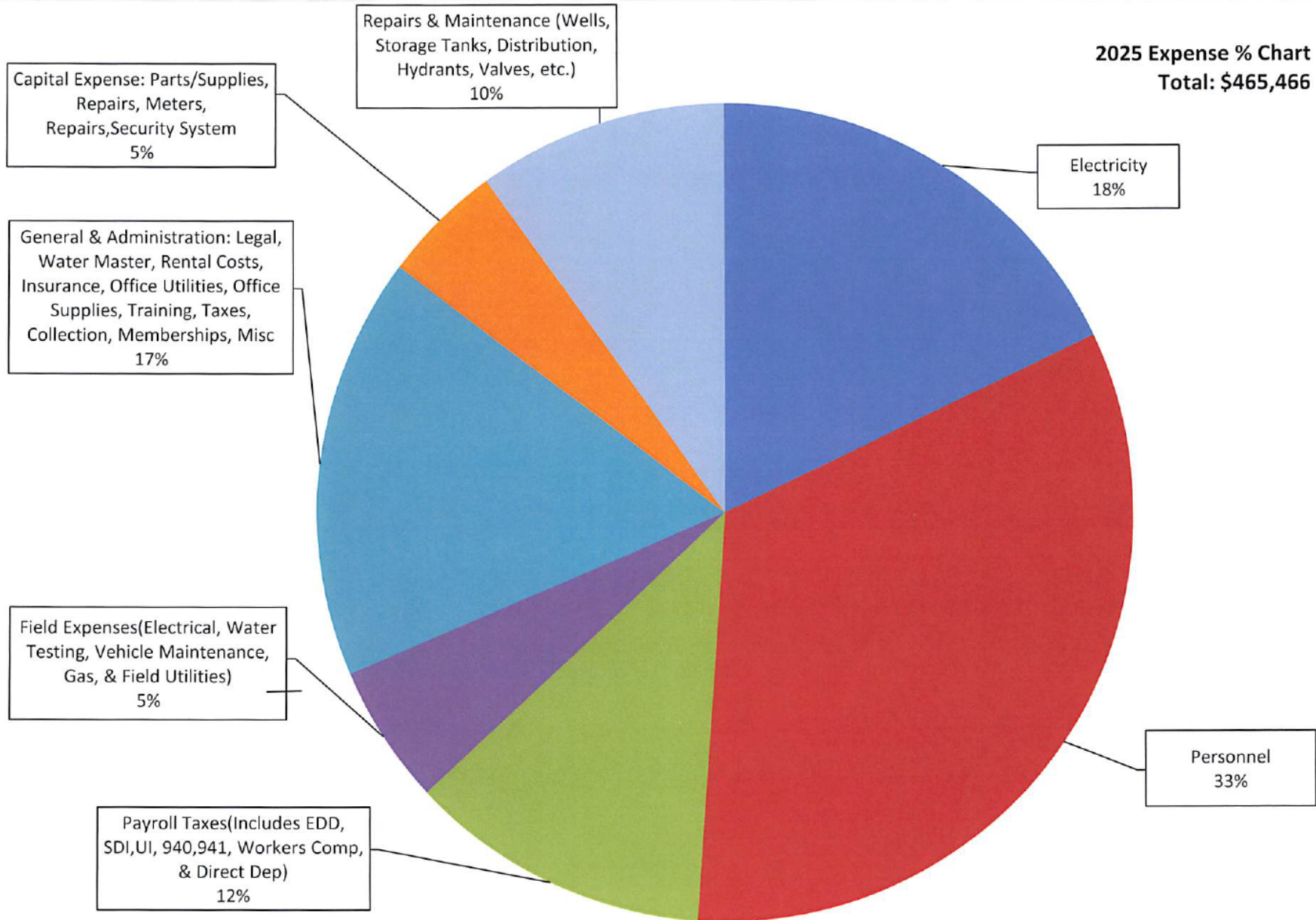
Field Expenses (Electrical, Water
Testing, Vehicle Maintenance,
Gas, & Field Utilities)
6%

Payroll Taxes (Includes EDD,
SDI, UI, 940, 941, Workers Comp,
& Direct Dep)
12%

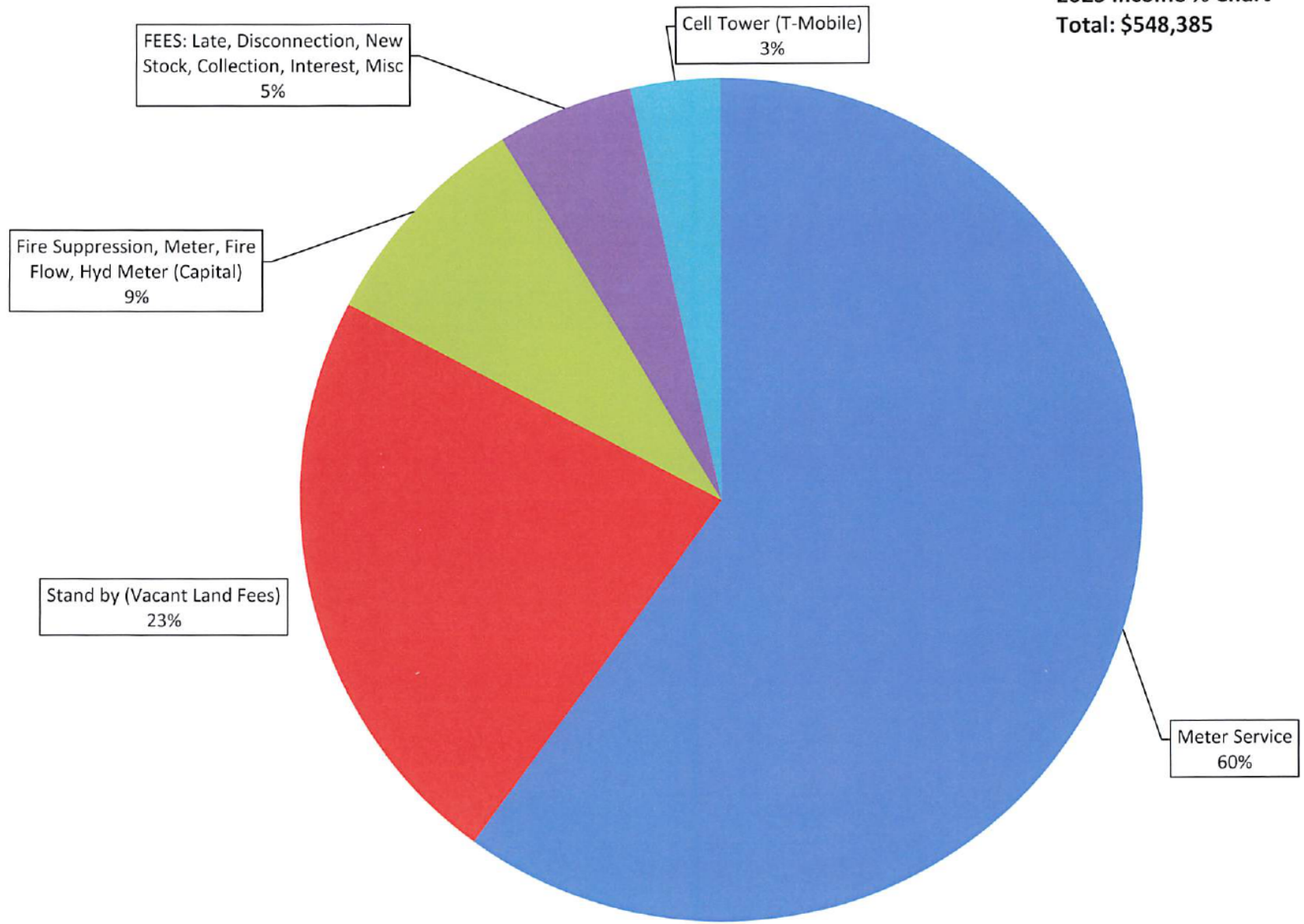
Personnel
28%



2025 Expense % Chart
Total: \$465,466



2025 Income % Chart
Total: \$548,385



Sundale Mutual Water Company - 5 Year (2025 to 2029) Operating & Capital Budget

Operations	2026	2027	2028	2029	2030
<u>Total Users (Active)</u>	360	362	362	365	366
<u>Total Users (Inactive)</u>	4	4	4	4	5
<u>Stand-by</u>	461	459	459	456	454
Operating Income					
Meter Service Fee (\$55+)	\$ 285,000	\$ 290,000	\$ 290,000	\$ 295,000	\$ 295,000
Stand by Fees (80% for Operating Fund)	\$ 78,000	\$ 76,000	\$ 74,000	\$ 72,500	\$ 72,000
Late Fees	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Disconnection / Hanging Fees	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
New Water Stock Fees	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Collection Fees (Liens)	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,750	\$ 2,750
Interest/Sweep Interest	\$ 17,800	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
Misc. Income	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Total Operating Income	\$ 391,550	\$ 393,750	\$ 391,750	\$ 395,250	\$ 394,750
Operating Expense					
Operation & Maintenance Cost					
Electricity	\$ 80,000	\$ 83,000	\$ 86,000	\$ 89,000	\$ 92,000
Personnel - Field Technician	\$ 88,920	\$ 94,640	\$ 96,200	\$ 96,200	\$ 97,760
Contract Labor	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,600	\$ 6,600
Water Monthly/Annual Testing	\$ 5,500	\$ 7,500	\$ 5,500	\$ 5,500	\$ 5,500
Vehicle & Backhoe Maintenance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Gasoline / Diesel	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Field Utilities (Propane, Trash & Telephone)	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
General & Administration Cost					
Personnel - Office Personnel	\$ 96,200	\$ 98,280	\$ 98,280	\$ 101,920	\$ 101,920
Payroll Taxes (includes EDD, SDI, UI, 940, 941, Worker's Comp, & Direct Dep)	\$ 46,875	\$ 48,750	\$ 50,700	\$ 52,728	\$ 54,837
Legal	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Water Master Fee	\$ 4,900	\$ 4,900	\$ 4,900	\$ 4,900	\$ 4,900
Rental Costs (Office & Field)	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Insurance (General & Auto)	\$ 14,000	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000
Office - Utilities (Telephone, Propane, Electricity, Trash, Water, Internet)	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500	\$ 6,500
Office Supplies, Copies, Cus. Credit Card Fee, Postage, Equipment	\$ 21,000	\$ 21,000	\$ 22,000	\$ 22,000	\$ 22,000
Training (includes Classes, Hotel Stay, Meals)	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Taxes (Property Taxes)	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400	\$ 3,500
Taxes (State Taxes)	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
Tax Preparation (Audit, Fed, State & Payroll)	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Collection Charges (Lien)	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Memberships (Includes AWWA, CRWA, Amp, CDPH, North & South Dig Alerts, Division Water Rights, Master Meter, SOS, Costco, CA Mutual)	\$ 11,100	\$ 11,200	\$ 11,300	\$ 11,400	\$ 11,500
Misc. Expenses	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

Total Operating Expense	\$ 418,395	\$ 434,270	\$ 440,980	\$ 451,448	\$ 459,317
Projected Operation - Surplus/(Deficit)	\$ (26,845)	\$ (40,520)	\$ (49,230)	\$ (56,198)	\$ (64,567)

5 Year (2026 to 2030) Operating & Capital Budget

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Capital	2026	2027	2028	2029	2030
Capital Income					
Fire Suppression & Meter Fees	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Fire Flow	\$ 400	\$ 400	\$ 800	\$ 800	\$ 800
Meter Service Fees (\$15)	\$ 63,360	\$ 63,900	\$ 63,900	\$ 64,440	\$ 64,620
Stand by Fees 20%	\$ 20,000	\$ 19,000	\$ 18,000	\$ 18,000	\$ 18,000
Cell Tower (T-Mobile)	\$ 20,556	\$ 20,640	\$ 21,120	\$ 21,120	\$ 21,120
Hyd Meter Rental	\$ 280	\$ 280	\$ 280	\$ 280	\$ 280
Total Capital Income	\$ 119,316	\$ 118,940	\$ 118,820	\$ 119,360	\$ 119,540
Capital Expense					
Field - Tools, Parts & Supplies	\$ 18,000	\$ 18,000	\$ 20,000	\$ 20,000	\$ 20,000
Repairs & Maintenance (Wells, Storage Tanks, Distribution, Hydrants, Valves, etc)	\$ 40,000	\$ 46,000	\$ 46,000	\$ 46,000	\$ 46,000
1" and 1.5" Meters	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,001
Office Repairs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,001
Office & Shed Building	\$ 50,000	\$ -	\$ -	\$ -	\$ 1
Projected Projects to Complete	\$ -	\$ 42,500	\$ 40,000	\$ 12,000	\$ 12,000
Total Capital Expense	\$ 117,000	\$ 115,500	\$ 115,000	\$ 87,000	\$ 87,003
Projected Capital - Surplus/(Deficit)	\$ 2,316	\$ 3,440	\$ 3,820	\$ 32,360	\$ 32,537

Total Surplus - Surplus/(Deficit)	\$ (24,529)	\$ (37,080)	\$ (45,410)	\$ (23,838)	\$ (32,030)
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**Reserve ICS Demand Sweep
Balance**

\$ 865,920	\$ 828,840	\$ 820,510	\$ 842,082	\$ 833,890
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Budget Notes 2026

- Operating Income:
 - **Meter Service Fee in 2027**: Possible increase in water rate increase to users.
- Operating Expenses:
 - **Personnel – Feld Tech: 2026**: Operator wage is at \$30 and Technicians wage at \$17.
 - **Water Master Fee**: Possible increase in 2026 per acre foot.
 - **Insurance (Auto and General)**: Possible Insurance increase seems to go up each year. Workers' comp is the same.
 - **Edison**: Increase in electricity for the well sites.
- Capital Income:
 - **Fire flows**: Possible decrease in the amount of fire flows for 2026
- Capital Expense:
 - **Office and Shed Building**: Office construction will hopefully happen in 2026. If plans are approved in a timely manner with Kern County building and planning.
 - **Projected Projects 2026 to 2030**: All wells to receive individual meters to keep track of flow from wells. Repairs to the 500K tank amount not added into budget. Also, VFD upgrades are to take place in 2026

Water Rate Review			
Analysis of User & Stand-By Fees & Expenses			
Jan to Dec	2024	2025	Difference
User Revenue on Operations	\$ 297,166	\$ 295,605	\$ (1,561)
Stand By Fees 80%	\$ 97,239	\$ 69,030	\$ (28,209)
Other Operation Revenue	\$ 11,033	\$ 12,658	\$ 1,625
TOTAL	\$ 405,438	\$ 377,293	\$ (28,145)
User Revenue By % to Total	73.3%	78.3%	5.1%
User Expenses - Year	\$ 309,550	\$ 360,775	\$ 51,225
User Revenue Expenses (%)	\$ 226,885	\$ 282,663	\$ 55,778
Number of Users	355	358	3
Expenses for Each User - Year	639	790	\$ 150
Expenses for Each User - Month	\$ 53.26	\$ 65.80	\$ 12.54

January 1, 2025 - December 31, 2025

Gallons

1 -40,000	\$70			Gallons used
40,001 - 100,000	\$1.40/1000 gal	\$	76,927.20	54,948,000
100,001 - 150,000	\$1.80/1000 gal	\$	22,338.78	12,410,435
150,001 - 200,000	\$2.80/1000 gal	\$	13,929.65	4,974,875
200,001+	\$4.00/1000 gal	\$	5,511.14	1,377,784
		\$	118,706.77	

Gallons

1 -30,000	\$70			
30,001 - 90,000	\$1.60/1000 gal	\$	96,871.41	60,544,630
90,001 - 140,000	\$2.00/1000 gal	\$	35,906.44	17,953,221
140,001 - 190,000	\$3.00/1000 gal	\$	17,087.67	5,695,891
190,001+	\$4.20/1000 gal	\$	8,263.67	1,967,540
		\$	158,129.19	