



## Senior Canyon Mutual Water Company

P.O. Box 600, Ojai, California 93024

### Notice of Annual Meeting of Shareholders

Location: Monica Ros School, 783 McNell Road

Date & Time: Saturday, April 25, 2026 - 9:00 a.m.

Shareholders:

We encourage you to attend our annual meeting this year. The board packet will be available to download from our website by Saturday, April 11, 2026. To download the packet,...

1. Go to [www.seniorcanyonwater.com](http://www.seniorcanyonwater.com)
2. Click on the "Annual Shareholder Meetings" drop-down tab
3. Click on the "2026 Shareholder Packet" to download the entire packet

If you prefer a hard copy of the packet, please call Jan Martinez at 805.448.9805 or email Jim Jackson at [jim@seniorcanyonwater.com](mailto:jim@seniorcanyonwater.com).

#### Proxy Policy

If you are unable to attend the annual meeting in person, you have the option of having another shareholder vote for you via a Proxy. Only one Proxy form may be submitted by each shareholder regardless of the number of shares held in the company. A Proxy may only be held and submitted by a Senior Canyon shareholder.

#### Security

Senior Canyon's annual meeting is not open to the public; it is a private meeting for the company's shareholders. No one else is permitted to attend.

#### Enclosed for your review prior to the meeting are the following documents:

- Meeting Agenda
- Minutes from last year's annual meeting
- President's Report
- 2025 Financial statement (available at the annual meeting)
- Special Assessment explanation
- 2025-2026 Proposed Budget
- 2026 Ballot
- 2026 Proxy
- Board Resolution re-naming Senior Canyon Reservoir the Peter Thielke Reservoir

## **Annual Emergency Action Plan Review**

In conjunction with its annual shareholder meeting, Senior Canyon reminds all shareholders to view the Emergency Action Plan Public Information Meeting video, which is available online at <https://seniorcanyonwater.com/eap-annual-meeting/>. And this year, the company produced and posted to the website an EAP 2026 Addendum that takes into account the erosion that occurred in December of last year. Please watch this short video at <https://seniorcanyonwater.com/eap-2026-addendum/>.

The full EAP is also published on the Senior Canyon Mutual Water Company website at: <https://seniorcanyonwater.com/emergency-action-plan/>

**Annual Shareholders' Meeting**  
**April 25, 2026, 9:00 a.m.**  
**Monica Ros School**

AGENDA

- I. Call to order
- II. Review and Approval of April 26, 2025 Minutes
- III. President's Report
- IV. Treasurer's Report
  - a. Financial Report
  - b. 2025-2026 Proposed Budget
- V. Shareholder Business
  - a. Election of Board of Directors
  - b. Ratify company actions over the previous year
  - c. Discussion and Approval of Special Assessment
  - d. Discussion and Approval of 2025-2026 Budget
  - e. Board Resolution re-naming Senior Canyon Reservoir
- VI. Adjournment



## **Senior Canyon Mutual Water Company Annual Shareholder Meeting Notes**

**April 26, 2025  
Monica Ros School**

Pursuant to due and official notice, the Annual Meeting of Shareholders was held at Monica Ros School on Saturday, April 26, 2025 at Monica Ros School. President Jim Jackson called the meeting to order at 9:05 am. The Secretary confirmed that a quorum of the shareholders of record were present with 185 shares in person or by 560 shares proxy. In attendance were board members Jim Jackson, Michael Weaver, Peter Passell, Mike Ozatarar, Peter Thielke and Mark Gravebliss.

### **Approval of 2024 Minutes**

The approval of minutes from the 2024 Annual Meeting was completed with a motion and a second, with a unanimous vote by those present in person and by proxy.

### **President's Message**

- Jim highlighted the goal of reducing dependence on Casitas water over the next 5 to 10 years.
- The management committee, consisting of Peter Thielke, Mike Weaver, Jim Jackson and General Counsel Adam, developed a Capital Improvement Program focused on conveyance and distribution, supply, water treatment, and support facilities.
- Our goal to achieve as much independence from Casitas as we can over the next five to 10 years. We've made great strides, but we're still very vulnerable to drought, and as you know, Casitas water is getting more and more and more expensive, so we're hoping to reduce our dependence on the lake. The best example of conveyance and distribution is happening right now on McNeil. We're replacing almost 1100 feet of very deteriorate six four inch line, we're replacing that with eight inch line, bringing that all the way to the base of Hendrickson, and then later on, we'll come all the way down to Monica Ros. That's about \$125,000 project that's being overseen by Ray and Robert that's been going at about 120 feet a week, or actually a little more than that. And interestingly, I talked to the guys yesterday in between my driveway, if you know where I live, which is kind of midway between Thatcher and Grand, we've found as many as five different leaks, which are estimated about ha

- At a gallon a minute, just small leaks. But they add that up over the course of weeks and months, and we're literally hoping to save 10 acre feet of water per month, which would be that we're getting paid for that project within a year or two.
- Mike Weaver provided an update on the tunnel project, which has thus far taken two years and involves a \$2.8 million grant to renovate the tunnel. The tunnel, dug in 1929, produces potable water but has reduced output due to calcified fissures. The project requires an environmental and historical assessment, delaying construction but expected to start by the end of the year.
- Jim discussed the company had nearly \$3 million in damage from the 2023 floods. FEMA grants funded 75% of the estimated costs or various projects. The North and West Fork diversion dams were completely repaired from the flood damage. The chlorination building has been reinforced. New pipelines and road repairs with these funds. The company was prepaid projects with FEMA funds, ensuring financial stability.
- Jim noted the increased cost of insurance, now at \$58,000 annually, and the need to review rates. He also noted that the management committee closely monitors expenditures and revenues to ensure accuracy and transparency. We are evaluating our rate structure to make sure that we are covering these increased costs and that our rates are equitably allocated.
- Jim discussed efforts to create an East End-wide fire protection plan, including landscaping and backup power at pump stations, and noted that the company must comply with AB 367 and 372, which may provide matching funds for certain projects. Mike Ozatalar is heading a project to upgrade the McAndrew Pump Station and add a backup generator.
- A new cross-connection control program requires the company to protect against contamination and identify backflow issues. Shareholders will receive surveys to update crop reports, which will now be submitted to the company instead of Casitas.
- In late 2022, Senior Canyon settled a lawsuit that involves issues around the dam. The settlement costs \$385,000 and resulted in a special assessment. Our insurance reimbursed the company \$269,500. The board has voted to refund the shareholders \$239.56 per share.

### **Treasurer's Report and Financial Performance**

- Mike Weaver presented the Treasurer's Report, noting total revenue increased 40% over previous fiscal year. This was primarily due to water sales that were 63% higher this past year. We produced 85% of the water sold last year. As we enter another year of drought, it will cost all of us much more to use this amount of water unless we return to use of water conservation methods. Total operations expenditures increased 42% over the previous year even with relatively low water purchases from Casitas. Net operating revenue was \$226,880 or 25% which allows us to consider returning the lawsuit insurance reimbursement. The

current bank account is distorted because of restricted advance payments from FEMA. After completion of the large remaining FEMA projects, our current assets will return to more normal levels. Overall the company's financial position is solid.

## 2025-26 Proposed Budget

We expect next year's revenue to remain fairly constant with slightly lower water sales but in a shift to increase in Purchase Water Charges. Total operations expenditures will be higher as a result of increases in compensation, repairs and maintenance and water purchases. The big unknowns to next year's financial performance will be somewhat impacts of the major capital project expenditures from FEMA and DWR Tunnel Rehabilitation grants. It will be critical that we manage our cash carefully throughout the year.

### Senior Canyon Mutual Water Company Proposed FY 2025-2026 Operating Budget

<b>INCOME</b>	<b><u>2023-2024</u></b>	<b><u>2024-2025</u></b>	<b><u>2025-2026 Budget</u></b>
Annual Assessment	96	97	96
Meter Charges	289	311	315
Water Sales (1)	457	761	670
Excess Usage Surcharge (2)	21	0	0
Purchased Water Surcharge (3)	18	82	200
Other	<u>20</u>	<u>18</u>	<u>19</u>
<b>Total Income</b>	<b>902</b>	<b>1269</b>	<b>1300</b>
<b>EXPENSES</b>			
Compensation	337	365	400
Repair & Maintenance	113	144	150
Water Purchases (4)	54	121	260
Professional Services	32	129	120
Testing, Utilities, & Fees	64	97	85
Insurance	47	49	60
Administrative Expenses	41	51	45
Interest & Bank Charges	<u>32</u>	<u>29</u>	<u>60</u>
<b>Total Operating Expenses</b>	<b>720</b>	<b>985</b>	<b>1180</b>
<b>NET OPERATING INCOME</b>	<b>188</b>	<b>285</b>	<b>120</b>

**OTHER REVENUE/(EXPENDITURES)**

Lawsuit Settlement	(8)	0	0
Lawsuit Special Assessment	0	0	0
Lawsuit Insurance Reimbursement	8	0	0
FEMA Project Costs	(339)	(300)	(400)
FEMA Reimbursement	168	300	400
DWR Grant Costs	(158)	(150)	(2150)
DWR Reimbursement	<u>45</u>	<u>100</u>	<u>1800</u>
<b>Total Other Revenue/Expenditures</b>	<b>(284)</b>	<b>(50)</b>	<b>(350)</b>

## Notes:

- (1) The full year of reduction (from 750 to 500 cu ft) in uncharged water allotment per share.
- (2) Excessive Usage Surcharge imposed to encourage conservation efforts has not be charged.
- (3) Purchased Water Surcharge includes 100% costs of Casitas water purchased and standby charges.
- (4) Water Purchases will increase because of the lack of rain this season compared to previous 2 years..

**Shareholders' Questions and Comments**

- J.B. White asked if we should keep the lawsuit refund in the general fund, but Jim Jackson explained the legal requirement to return the money.
- Have you ever considered raising the annual assessment? I think it's been the same since before. We are not for profit business as a mutual water company licensed through the state.
- Mike Weaver discussed the capital improvement fund and the need for assessments to cover high-cost projects. So essentially, we budget, basically for very little profit on an annual basis, but our capital improvements have to paid for by the shareholders. Annually, we asked for a an assessment. We we go back and assess each shareholder, \$85 per share, and that money is for these capital improvements. Some of these capital improvements are quite high.
- Conservation is one of the best tools we have as a company to foster our independence from Casitas. We can do everything we can on supply, but on the demand side, that's really all up to our shareholders. So the better we can reduce how much water we use, especially during job times, the more we'll be able to achieve that independence. And there are some conservation tips on the website, some links where you can go to get some information, so feel free to visit.
- A shareholder raised concerns about the valuation of assets like wells and land, which are based on original costs rather than current market value. The company's land, valued at \$10,800, is not sold on the market, and accounting practices do not allow for annual revaluation.

### **Board Actions and Meeting Conclusion**

2024 was a rewarding year. The board stepped up to the challenge, as did our incredible employees - Rei, Robert and Jan. Many times we are stopped on the street by a shareholder, sometimes with a question, but always with a “thank you” for all the effort we, as a team, put into making Senior Canyon an unique and incredible company. Thank you so much for your support.

In closing, the shareholders voted to approve the following actions:

- The board's actions for 2024-2025 are approved with a motion and second.
- The budget for the upcoming year is also approved, with a focus on maintaining financial stability.
- Jim Jackson thanked Peter for his 11 years as president and the board for his support during his tenure.
  
- The meeting concluded with a motion to adjourn

SENIOR CANYON MUTUAL WATER COMPANY  
2026 PRESIDENT'S REPORT



**2025** was both a challenging and rewarding year for Senior Canyon. The board and staff worked hard to repair significant storm damage, deal with increased regulatory requirements, oversee maintenance projects, and create a more stable financial foundation while providing a safe and sustainable supply of water from our own sources. Here's a look back at a very eventful year...

In **January**, we continued coordination with the U.S. Forest Service and the State Historic Preservation Officer (SHPO) to obtain final environmental clearances for the project to rehabilitate our nearly 100-year-old water supply tunnel. This was the final step in a long and sometimes difficult process to obtain U.S. Forest Service approval to move forward with construction. Up in the canyon, our team completed construction of a new suspended pipeline that crosses the creek above the West Fork diversion dam. And on the administrative front, FEMA gave final approval for the last of the FEMA projects, which cleared the way for Senior Canyon to receive all of the disaster recovery funds for which we applied.

In **February**, we worked with the Forest Service and Applied Earthworks, our environmental consultant, to complete and submit a proposed Historic Property Treatment Plan to the State Historic Preservation Office. This was all part of the requirement to receive a permit to allow the tunnel rehabilitation. In addition, our operations team began work on a damaged pipeline that crosses Thacher Creek.

In **March** on the FEMA front, we put the McAndrew/Nightinglale Tank pipeline project out to bid. It's important to keep in mind that while all of this repair work was being planned and executed, Rei and Robert kept up with their normal repair and maintenance work.

In **April**, we held our Annual Shareholders' Meeting and reminded those who live in the East End to watch the video presentation of our Emergency Action Plan (EAP).

In **May**, we began the effort to replace the main line that runs from Thacher and McNell south to just past Hendrickson Road. Rei and his team completed about 50% of the project during the month, and in the process, discovered multiple leaks in the old line that was put in place sometime in the 1950s.



In **June**, Rei, Robert and our contractor continued work on the McNell pipeline project, and discovered one massive leak responsible for the estimated loss of about 10 acre-feet per month. Progress on the tunnel moved along slowly, as Mike Weaver continued to deal with environmental and archaeological issues. At the June board meeting, directors continued discussions as to how best to create a Cross Connection Control Program that meets state requirements.



In **July**, we completed the McNell pipeline project. As a consequence, we realized a drop in consumption, and thus a drop in the need to purchase water from CMWD. For example, in June of 2021 our total produced and purchased water was 79.5 acre feet, or nearly 22.5 acre feet more than this June. Of course there are many variables at work, but the difference is in line with our estimates that we were losing between 10 to 17 acre feet each month due to leaks in the McNell line. This project is a great example of why spending money can often save money in the long run.

On the Tunnel project, work continued on securing the final environmental clearances from the federal government. This culminated in July when all agreements between the Forest Service and SHPO were signed and delivered. This completed the federal environmental review and paved the way to proceed with construction. And on the FEMA repair front, we selected Toro Enterprises of Oxnard to replace the pipeline that runs from McAndrew Road to the Nightingale Tank.

July also marked the beginning of our reevaluation of the company's rate structure to ensure that we remain on a solid financial foundation. The Rate Committee put everything on the table, from service fees, to water rates, to the annual assessment.

In **August**, work continued on the Nightingale Pipeline project. Toro Enterprises replaced 850 feet of pipeline that runs from McAndrew Road to the Nightingale Tank. The old and damaged line was within Thacher Creek and therefore extremely vulnerable to storm damage.



On the state-approval side for the Tunnel project, we received a long-awaited letter from the California Department of Water Resources (DWR) telling us that the “The environmental concurrence is complete. You may now proceed with construction.”

On the administrative front, the Management Committee reviewed the company’s Human Resources policies and procedures so that we can more cost-effectively provide health insurance and retirement benefits for our employees. In addition, we began work on a new employee manual as well as a new safety manual. In late August, we hired a third full-time employee, Roberto Robles, to work under Rei’s supervision.

In **September**, we announced the refund of the loan made by our shareholders to fund a portion of a lawsuit brought by one of our shareholders. To fund the settlement, Senior Canyon—with shareholder approval—levied a \$385,000.00 special assessment on its shareholders. After the money was collected, we obtained an insurance payment that covered legal fees, and the Board voted to return that \$269,500.00 to the shareholders. However, with two outstanding grants that were at least in part reimbursable, the Board—again with shareholder approval—held the \$269,500.00 until such time that we were reimbursed by the State and FEMA. This money served as an important interest-free gap loan in the event we exceed our cash reserves. Checks went out to each shareholder who funded the loan in the amount of \$239.56 per share.

On the Tunnel project, we conducted a pre-construction meeting with Applied Earthworks (our cultural resources team), Harrison Western (our construction team) and the U.S. Forest Service.



In late September, Steve Schafer from Schaf Photo, and Keith Warren from Applied Earthworks completed photo documentation of the archeological and engineering features unique to our tunnel, a required element of environmental compliance. Using large format black-and-white photography, Steve produced photos that adhere to the Secretary of the Interior’s Standards for architectural and engineering documentation. As Steve took his photos, Keith—our on-site archeologist—helped ensure the process went according to our cultural resources preservation plan. Outside the tunnel, Mike Weaver made sure everyone on the team adhered to the safety plan devised for the photo day.



In **October**, we said goodbye to two board members, Jim Poulsen and Mark Gravebliss. Jim stepped off the board to devote more time to his duties at The Thacher School and Mark stepped away to devote more time to his family.



To replace Jim and Mark, the board voted on two new board members: Catherine Sellman and J.B. White. Both Catherine and J.B. bring unique skill sets to the board, and we are excited to have them as part of our leadership team.



In **November**, the board took a fresh look at the company's Capital Improvement Program. Our CIP is a comprehensive document that includes projects large and small, thus putting the company on a path towards greater independence from increasingly expensive water purchased from the Casitas Municipal Water District. To fund the CIP, the board implemented a handful of cost increases. Underlying the five-year plan and rate/fee increases are a number of goals and objectives:

- provide shareholders with a safe, reliable water supply;
- increase our fire readiness;
- ensure all shareholders pay their fair share of past and future investments;
- break even on our fixed costs during a wet year;
- increase our percentage of revenue that is fixed to above 60%;
- make no change to the current water allocation on the basis of shares;
- encourage conservation with tiered rates;
- keep up with inflation as defined by the Consumer Price Index (CPI);
- keep rates reasonable in the long run.

The board approved the following changes at the November board meeting and those changes went into effect for usage in December that was billed in January:

1. The Casitas meter charges and adjudication charges will be added to the PWC fee.
2. The annual assessment will increase by \$30.00 per share.
3. The share transfer fee, either through escrow or subdivision, will increase from \$100.00 to \$2,000.00. Share transfers in name only, for example, from one spouse to another, or from an individual to that individual's family trust, will remain at \$100.00.
4. Non-conforming (NC) meters and the associated rate will be eliminated as of April 1, 2026, and the Residential (R) rate will then apply to those shareholders.
5. Uncharged water will be maintained at 500 cubic feet per share.

In **December**, torrential rain on December 25 and 26 damaged three critical components of Senior Canyon's infrastructure: the reservoir, the road to the tunnel, and the pipeline that crosses Thacher Creek below Grand Avenue. At the reservoir, 14" of rain on Christmas night and the following morning caused erosion on the face of Dam #3. Senior Canyon immediately followed the protocol outlined in our Emergency Action Plan. Local emergency management was onsite within the hour, and a state representative arrived on the 26th. Early on the morning of December 27th, the state inspected the area, and determined that there was no immediate danger. We are now in the process of repairing the dam, a project required by the Division of Safety of Dams, a department of California's Department of Water Resources.



Up the canyon, a portion of the road that leads to the tunnel collapsed into the creek, making it impossible for crews to continue work on the tunnel rehabilitation project. Mike Weaver took quick action to orchestrate repairs, an effort that required building up the downhill portion of the road and fortifying the uphill portion of the road.



And off of Grand Avenue, flooding damaged the main line that crosses Thacher Creek and supplies water to a number of our shareholders. This damage occurred just after we put in a new line, so the damage was doubly-disappointing.



December 2025 was an expensive month for Senior Canyon and its shareholders. Thanks to our operations team, we were able to repair the damage to the line across Thacher Creek with available funds. However, damage to Dam # 3, the tunnel road, and the regulatory requirement to provide back-up power at the McAndrew Pump Station will cost the company \$700,000.

## Looking Ahead

**2026** will no doubt be another challenging year for Senior Canyon's board and staff. Along with ongoing maintenance issues, we must:

- fund the completed repair work on the canyon road;
- fund, plan and complete the repair work at the reservoir;
- fund, plan and complete the back-up generation project at the McAndrew Pump Station;
- complete the tunnel restoration project.

In addition, we have to comply with additional regulatory requirements, including a new Cross Connection Control program that you'll be hearing more about in the coming months. On top of all of that, we have to navigate inflation uncertainties and the fact that FEMA funds are presently unavailable. Thankfully, we have an incredible operations staff led by Head Operations Manager Rei Cartagena and Assistant Operations Manager Robert Cortes, and a dedicated and skilled board. We ask for our shareholders' patience and support as we address these difficult and unprecedented challenges while managing our day-to-day operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Jackson". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jim Jackson  
President, Senior Canyon Mutual Water Company

**Senior Canyon Mutual Water Company**  
**2026 Special Assessment**  
**Q & A Briefing Paper**

1. Why is a Special Assessment Needed?

- Unanticipated expenditures principally resulting from 2025 winter storm damage significantly exceed our current budget, requiring additional short-term funding.
- These expenditures are for critically needed infrastructure projects that cannot reasonably be deferred.

2. What Are the Projects and the Funds Needed?

- *Reservoir Dam Repair.* The winter storms caused significant erosion of one of the dams of Senior Canyon’s reservoir. During and immediately following the event, Senior Canyon implemented its Emergency Action Plan in coordination with the Ventura County Sheriff and the State Division of Safety of Dams (DSOD) and has lowered the reservoir level to a safe level below the bottom “toe” of the dam. However, the dam must now be repaired. The reservoir provides much needed non-potable water supplies to some of our agricultural users and, for all of us, provides a critical fire-protection source of supply for water-dropping helicopters. Senior Canyon is coordinating repair plans with DSOD and retained engineering firm GEI Consultants. At this time, the estimated cost of repair is \$250,000 and we hope to have the repairs completed by the end of the calendar year.



- *Tunnel Road Repair.* The winter storms also destroyed the access road to our horizontal well/tunnel in Senior Canyon, eroding away a section of the canyon wall and the access road along with it. We are in the midst of the tunnel rehabilitation project funded with a \$2.6 million State grant and without the access road, all scheduled work stopped. Beyond the need for the rehabilitation project, the access road is essential for operations and maintenance of the water supply tunnel, which is without question the Company's most valuable asset. Because of the critical need, Senior Canyon authorized the repairs, which cost \$465,000 and have now been complete. This cost was funded out of the tunnel rehabilitation project budget, which now has a funding shortfall. By essentially using all of the rehabilitation project's budget contingencies, the shortfall is reduced to \$250,000. This amount is now needed to complete the original scope of the project and realize its full water supply benefits and reduced reliance on water purchases from the Casitas Municipal Water District.



- *McAndrew Road Pumpstation Backup Power.* Senior Canyon's existing McAndrew Road Pumpstation is used to pump supplemental water purchased from Casitas into the eastern portion of our service area and refill the Thacher Tank. The McAndrew Road Pumpstation is a critical component of our system to meet water demands whenever our local supplies are insufficient. The existing pumps are powered by electric motors and have no back-up power supply to operate during power outages. Consistent with recently enacted legislation (AB 367), Senior Canyon has begun planning and engineering work to add back-up power to this pumpstation. As a result of significantly increased equipment costs and more refined engineering, the project is over its original budget by approximately \$200,000. This project is critical

so that the pumps can operate when electrical power is cut, enhancing the effectiveness of firefighting operations.

- *Total Funding Need:* The estimated funding need for these three projects is \$700,000.

3. What is a Special Assessment and What Would Be the Cost to the Shareholder?

- Senior Canyon has established an annual assessment, which is a fixed charge levied against each share to help fund budgeted capital projects and fixed costs.
- A special assessment is a one-time charge levied against each share to help fund unanticipated expenditures. Senior Canyon has issued a total of 1135 shares, so the requested special assessment would be  $\$700,000/1135 \text{ shares} = \$617/\text{share}$ .
- Senior Canyon is proposing that the special assessment be spread over four quarterly payments of \$154.25 /share billed on June 1, September 1, December 1, 2026, and March 1, 2027.
- Senior Canyon is hopeful that outside funding through public assistance grants and other funding support can be secured and is pursuing all leads in coordination with the Ventura County Sheriff, California Office of Emergency Services, and State Assembly Member Steve Bennett's office. Unlike flood events in years past, FEMA funding was not made available for this disaster.

4. What is the Alternative to the Special Assessment?

- Deferring or simply not doing the projects is not a realistic option. Beyond the water supply and firefighting benefits of repairing the reservoir dam, DSOD has informed Senior Canyon that the dam must be repaired. The Tunnel Road has already been repaired and paid for out of the tunnel project budget, so if funds aren't replenished the tunnel project cannot be completed as originally contemplated. Backup power for the McAndrew Pumpstation is being driven not just by our need for water system reliability and firefighting, but by recent legislation.
- The only alternative to the special assessment is raising Senior Canyon's water rates and regular charges. Senior Canyon recently raised our water rates for the first time in over a decade based on our long-term projected revenue needs. To fund the needed projects with our long-term rates, Senior Canyon would need to borrow money in the short-term, if possible, and then raise water rates again to pay back the loan, resulting in an overall increase in costs to the shareholders compared to the special assessment route.

**Senior Canyon Mutual Water Company  
Proposed FY 2026-2027 Operating Budget**

<b>INCOME</b>	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027 Budget</u>
Annual Assessment (1)	97	130	130
Special Capital Assessment (1)	0	0	525
Meter Charges (2)	311	332	430
Water Sales (2)	761	680	755
Excess Usage Surcharge	0	0	0
Purchased Water Charge (3)	82	240	285
Other	<u>18</u>	<u>112</u>	20
<b>Total Income</b>	<b>1269</b>	<b>1494</b>	<b>2145</b>
<b>EXPENSES</b>			
Compensation	365	437	481
Repair & Maintenance	144	333	200
Dam and Tunnel Road Flood Damage Repair	0	0	500
McAndrew Pump Station Upgrade	0	0	200
Water Purchases (4)	121	281	285
Professional Services	143	182	183
Testing, Utilities, & Fees	92	109	110
Insurance	49	65	67
Administrative Expenses	42	51	45
Interest & Bank Charges	<u>29</u>	<u>36</u>	<u>45</u>
<b>Total Operating Expenses</b>	<b>985</b>	<b>1503</b>	<b>2116</b>
<b>NET OPERATING INCOME</b>	<b>283</b>	<b>(9)</b>	<b>29</b>

Notes:

(1) The 2027 Annual Assessment and 3 installments of the Special Capital Assessment.

(2) Includes increases in water rates and meter service fees effective February 1, 2026.

(3) Purchased Water Surcharge includes 100% costs of Casitas water purchased and standby charges.

(4) Water Purchases will increase because of rate and standby service fee increases.

**SENIOR CANYON MUTUAL WATER COMPANY  
ANNUA MEETING  
APRIL 25, 2026**

**BALLOT**

ELECTION OF BOARD OF DIRECTORS

- \_\_\_\_\_ JIM JACKSON (8)
- \_\_\_\_\_ MIKE WEAVER (12)
- \_\_\_\_\_ J.B. WHITE (board appointed in 2026)
- \_\_\_\_\_ CATHERINE SELLMAN (board appointed in 2025)
- \_\_\_\_\_ PETER PASSELL (14)
- \_\_\_\_\_ MIKE OZATALAR (3)
- \_\_\_\_\_ CHARLIE BOSSON (new)
- \_\_\_\_\_ ALL OF THE ABOVE

(X) = YEARS ON BOARD

RESOLUTION #1: APPROVE MINUTES FROM APRIL 26, 2025 SHAREHOLDER MEETING

YES \_\_\_\_\_ NO \_\_\_\_\_

RESOLUTION #2: RATIFY, APPROVE AND CONFIRM PREVIOUS ACTIONS OF THE SHAREHOLDERS, THE BOARD OF DIRECTORS, AND THE OFFICERS OF THE CORPORATION FOR THE FISCAL YEAR 2025-2026

YES \_\_\_\_\_ NO \_\_\_\_\_

RESOLUTION #3: APPROVE SPECIAL ASSESSMENT FOR EMERGENCY REPAIRS & MCANDREW PUMP STATION UPGRADE PER REGULATORY REQUIREMENTS

YES \_\_\_\_\_ NO \_\_\_\_\_

RESOLUTION #4: APPROVE THE 2026-2027 BUDGET

YES \_\_\_\_\_ NO \_\_\_\_\_

**SENIOR CANYON MUTUAL WATER COMPANY  
SHAREHOLDER PROXY**

The undersigned Shareholder of Senior Canyon Mutual Water Company, a California corporation (the "Company"), hereby authorizes the following as Proxy Holder [check one below]:

- The duly acting Secretary of the Company
- \_\_\_\_\_ [name], my duly authorized attorney in fact and agent

To represent all shares held by Shareholder and to vote on behalf of Shareholder at [check one below]:

- the Company's April 2026 Annual Shareholder Meeting
- at any Annual or Special Meeting of the Company conducted within three (3) years of the date this proxy is signed.

This Proxy shall extend to all matters that may come before the above Shareholder Meeting(s) and authorizes Proxy Holder to vote in the manner Proxy Holder deems appropriate unless he or she is subsequently instructed in writing by Shareholder to vote specifically as so instructed; provided, however, this proxy shall not be valid as to any issue described in subdivision (g) of Corporations Code Section 7613.

This proxy may be revoked by written notice provided to the Company, by a subsequent proxy executed by Shareholder, or by attendance and voting in person at any Annual or Special Meeting of the Company.

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_, 2026

Printed Name of Shareholder: \_\_\_\_\_

Property Address: \_\_\_\_\_

Number of Shares: \_\_\_\_\_



## Resolution of the Senior Canyon Mutual Water Company

**WHEREAS**, Peter Thielke has faithfully and tirelessly served as President and leader of the Senior Canyon Mutual Water Company for more than a decade, providing steadfast guidance, integrity, and commitment to the Company and its shareholders; and

**WHEREAS**, through his exceptional leadership and dedication, Peter guided the Company through a period of significant financial hardship, successfully leading it back from the brink of bankruptcy to a position of stability and strength; and

**WHEREAS**, Peter's vision, perseverance, and sound judgment have been instrumental in advancing the Company toward long-term goals of water supply independence and fiscal responsibility, ensuring a reliable and sustainable future for its shareholders and customers; and

**WHEREAS**, Peter has generously volunteered countless hours of his time to the operation, management, and improvement of the Company, consistently placing the needs of the community above his own; and

**WHEREAS**, Peter has earned the deep respect, admiration, and love of an overwhelming majority of the Company's shareholders and the residents of the East End, who have benefited from his leadership, friendship, and willingness to help at any time and in any manner; and

**WHEREAS**, it is fitting and proper to recognize and honor Peter's extraordinary contributions, enduring legacy, and selfless service to the Senior Canyon Mutual Water Company and the community it serves.

**NOW, THEREFORE**, be it resolved that the Board of the Senior Canyon Mutual Water Company hereby dedicates and names the Company's reservoir in honor of Peter Thielke, which shall henceforth be known as "Peter Thielke Reservoir."

Adopted this 30<sup>th</sup> day of March 2026 by unanimous vote of the Board

ATTEST

\_\_\_\_\_  
JAMES L. JACKSON, PRESIDENT

\_\_\_\_\_  
J. B. WHITE, SECRETARY

### Peter Thielke Reservoir

