

Crestview Mutual Water Company
Board Meeting Materials
February 27, 2024

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
January 23, 2024

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Tuesday, January 23, 2024, at 5:30 p.m. for an in-person meeting at the Hampton Inn, 50 W. Daily Drive, Camarillo, CA 93010.

Attendance and Quorum

Directors Present:

Frank Mezzatesta – President
Alma Quezada – Vice President
Laurie Bennett – Treasurer – Arrived at 6:05 p.m.
Steven Muro – Secretary
Dave Stephenson – Director

Director Via Teleconference:

At Call to Order - Laurie Bennett – Treasurer

Staff/Counsel Present:

Durrell McAdoo – Water System Superintendent
Ann DeMartini – Business Consultant
Lauri Marino – Office Manager

2. Shareholders Public Forum

Mike Rolls inquired about the status of the engineering report for the well site study; that topic will be discussed later in the meeting. Roger Chittum and Christopher Ono inquired about the status of the committees. Discussion ensued. Director Dave Stephenson indicated that the committees are being worked on and their scopes established.

3. Minutes

The minutes of the Regular meeting and Executive Session of the Board of Directors of December 19, 2023, were presented. On a motion made by Director Steven Muro and seconded by Director Dave Stephenson, the Board approved with unanimously the following:

Resolved, that the minutes the Regular Meeting and Executive Session of the Board of Directors of December 19, 2023, be accepted as presented.

Director Laurie Bennett, previously on the phone, arrived in person and the meeting continued.

INFORMATION ONLY

4. Water Superintendent's Report – Information Only

Water Superintendent Durrell McAdoo reported that well production was 179 acre-feet as of the end of December 2023, and 37 acre-feet in January to date. Well #4 is offline to give it a chance to rest and settle the groundwater. Well #6 can supply all water demands at this time of year. The groundwater level at Well #6 rose 2 ft; it rose 4 ft at Well #4. 128 services have been checked to date for the Lead and Copper Rule inventory, which is timely progress. Crestview is seeking an updated bid for a generator, which is an element of SB552 in conjunction with drought planning measures to maintain resiliency.

5. Business Consultant's Report – Information Only

Ann DeMartini reported the following:

Well Site Study – MKN Engineering delivered a draft report to the Well Siting Committee as promised by mid-January. The Well Siting Committee is reviewing the draft report and compiling comments. A follow-up meeting is scheduled for January 26, 2024.

Rate Study – The rate study with Raftelis is currently in process and should be completed by the end of January for review.

Local Water Supply, Fox Canyon GMA, and Adjudication Requirements Updates – A summary of the GMA Basin Optimization Plan was presented, along with updates on the new committees forming in accordance with the Adjudication. The Watermaster fee has not been determined as of this meeting's date. County-wide water supply, legislation, environment, land use, weather forecasts and various projects gathered from various sources were presented at the meeting.

6. Treasurer's Report – Information Only

The December financial statements were presented, with explanatory notes. Treasurer Laurie Bennett presented a new one-page summary for the financial statement presentation. Christopher Ono indicated he liked the fresh look, and it was easy to understand the data with all the explanatory notes. No further questions were received from those in attendance.

7. President's Report – Information Only

Director Frank Mezzatesta, President, indicated that the date and place for the 2024 Annual Meeting has been established, and the candidate nomination forms are in the mail. The meeting will be held on April 2, 2024, at 6:00 p.m. at the Spanish Hills Country Club in Camarillo.

8. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Laurie Bennett and approved unanimously, the regular meeting was adjourned at 6:28 p.m.

Shareholders in Attendance:

Chittum, Roger
Ono, Christopher
Rolls, Mike

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Frank Mezzatesta – President

Updated Rate Design Memo

DATE: January 23, 2024
TO: Ann DeMartini
Business Manager
FROM: Todd Cristiano, Vice President
SUBJECT: Draft Water Rate Design Alternatives

Introduction

The Crestview Mutual Water Company (Crestview Water) retained Raftelis to complete a cost allocation analysis and develop rate design alternatives for FY24 budget year. This memo summarizes the draft results.

Rate Design

Existing Structure

Crestview Water provides service to approximately 630 accounts. The current rate structure consists of a monthly service fee which varies by the number of shares owned by each customer and a three-tiered volume rate structure. The tier thresholds scale with the number of shares owned. For example, the tier 1 threshold for a customer with one share is 0 to 8,000 gallons and the tier 1 threshold for a customer with two shares would be 0 – 16,000 gallons. Table 1 shows the current FY23 rates and rate structure.

Table 1: Current FY23 Rates and Structure

Monthly Service Fee, \$ per Share per Bill	\$9.00
Volume Rates, \$ per 1,000 gallons [1]	
Tier 1: 0 - 8,000 gallons	\$2.85
Tier 2: 8,001 - 16,000 gallons	\$8.50
Tier 3: > 16,000 gallons	\$20.00

[1] Tiers thresholds vary based on the number of shares

Rate Design Process

The rate design process for Crestview Water consists of three steps:

1. Validate historical billing data to ensure the volume billed and number of shares
2. Determine the revenue requirement
3. Allocate line item revenue requirement to the fixed and volume components of the rate structure
4. Calculate monthly service fee based on allocated cost and projected number of billed shares
5. Calculate volume rates to recover the allocated volume cost

Billing Data Validation

Raftelis used detailed FY23 billing data to calculate FY23 rate revenues and compare against the reported actuals. Actual FY23 revenue was approximately \$1.2 million while the calculated revenue was \$1.24 million. This validation demonstrates that the billed shares and volume are sufficient to develop revenue for FY24. Table 2 shows the calculation of FY23 rate revenue.

Table 2: FY23 Rate Revenue Validation

Description	Annually Billed Shares			Monthly Fee		Revenue
Service Fee Revenue [1]	30,069			\$9.00		\$270,623
Volume Charge Revenue	<u>1,000 gallons</u>	<u>% Vol</u>	<u>% bills</u>	<u>Rate</u>	<u>Revenue</u>	
Tier						
Tier 1	141,509	72.4%	67.3%	\$2.85	\$403,300	
Tier 2	37,000	20.1%	23.2%	\$8.50	\$314,499	
Tier 3	13,852	7.5%	9.5%	\$20.00	\$277,042	
Total Volume/Volume Revenue	195,511	100.0%	100.0%			\$994,840
Total Volume, AF	600					
				Total FY24 Billed Revenue at Existing Rates		\$1,265,463
				FY24 Revenue Requirement		\$1,518,556
				FY24 Revenue Adjustment		20.0%

Allocated Revenue Requirement

FY24 revenues under existing rates is estimated at \$1.27 million based on a demand of 600 acre-feet. The FY24 projected revenue needed from rates is \$1.52 million which represents an increase of 20%. Table 3 shows the development of revenues under existing rates and the revenue adjustment to meet the annual revenue requirement.

Table 3: Projected FY24 Revenues and Increase

Description	Annually Billed Shares			Monthly Fee		Revenue
Service Fee Revenue [1]	30,069			\$9.00		\$270,623
Volume Charge Revenue	<u>1,000 gallons</u>	<u>% Vol</u>	<u>% bills</u>	<u>Rate</u>	<u>Revenue</u>	
Tier						
Tier 1	141,509	72.4%	67.3%	\$2.85	\$403,300	
Tier 2	37,000	20.1%	23.2%	\$8.50	\$314,499	
Tier 3	13,852	7.5%	9.5%	\$20.00	\$277,042	
Total Volume/Volume Revenue	195,511	100.0%	100.0%			\$994,840
Total Volume, AF	600					
				Total 2023 Billed Revenue		\$1,265,463
				FY24 Revenue Requirement		\$1,518,556
				FY24 Revenue Adjustment		20.0%

The FY24 gross revenue requirement consists of operation and maintenance expenses and capital costs totaling \$1.6 million which is offset by \$84,800 of miscellaneous revenues and a drawdown in fund balance. The net revenue requirement or revenue required from rates is of \$1.52 million.

The revenue requirement is allocated to the volume and fixed components based how the facility influence the magnitude of each cost. For example, power costs are associated with the pumping and delivery of water and those costs are allocated to the volume component. Administrative expenses are

costs to support customer-related activities such as billing, IT are allocated to the fixed or customer component. Annual water master fees are also allocated to the customer component. The allocated costs and the unit costs are shown in Table 4.

Table 4: Allocated Revenue Requirement

Line No	Description	FY24 Revenue Requirement	Volume	Fixed
1	Total Revenue Requirement	\$1,518,556	\$1,130,994	\$387,561
2	Allocated Revenue Requirement, %	100.0%	74.5%	25.5%
			<u>1,000 gallons</u>	<u>Billed Shares</u>
3	Units of Service		195,511	30,069
			<u>\$ per 1,000 gal</u>	<u>\$ per Share per Month</u>
4	Unit Cost of Service		\$5.78	\$12.89
5	Rounded		\$5.80	\$12.90

The calculated monthly service fee is \$12.90 per share per month. The *average* volume rate is \$6.32 per 1,000 gallons and this value will vary based on the volume rate structure alternative. The volume rates presented in each alternative will recover the volume revenue requirement.

Rate Design Alternatives

A primary consideration in setting rates is to develop rates that meet the community’s and the utility’s objectives. Raftelis developed three rate alternatives which consider the following objectives:

1. Revenue stability
2. Wise use of water
3. Equity between small and large shareholder customers
4. Ensure sufficient use allocated water rights
5. Ease of understanding and implementation

Existing Rate Structure

The existing rate structure meets each of the objectives above but to varying degrees. The monthly services fee recovers approximately 22% of total revenue. The industry range is between 20% - 35%. While on the lower end, indoor water usage (5,000 gallons and less captured in Tier 1 is fairly stable and also contributes a stable revenue stream. Approximately 37% of total revenue is billed from Tier 1. The tiered structure is designed to send a conservation pricing signal and the scaled tier thresholds ensure that customers have sufficient water use to meet their needs and encourages the use annual allotment of water rights.

Alternative 1

Alternative 1 maintains the existing rate structure and volume rate price ratios. These rates will recover the projected FY24 revenue requirement.

- **Monthly service fee.** Recovers approximately 26% of total rate revenue.

- **Volume revenue.** Tier 1 recovers 29% of total revenue and includes 67% of all *bills*.
 Approximately 9.5% of *bills* have billed water usage in excess of their Tier 3 volume.

Table 5 shows the development of Alternative 1 rate structure.

Table 5: Rate Structure Alternative 1

Total FY24 Revenue Requirement							\$1,518,556
Monthly Service Fee, \$ per Share per Month					\$12.90		
Number of Billed Shares					30,069		
Total Service Fee Revenue							\$387,893
Volume Rate Revenue Required							\$1,130,662
Tier Threshold							
	<u>per share</u>	<u>% Vol</u>	<u>Price Ratio</u>	<u>1,000 gallons</u>	<u>\$ per 1,000 gal</u>	<u>Revenue</u>	
	0 - 8	72.4%	1.00	141,509	\$3.12	\$442,078	
	8 - 16	20.1%	2.98	39,292	\$9.32	366,093	
	>16	7.5%	7.02	14,710	\$21.92	322,491	
Total Volume/Revenue				195,511		\$1,130,662	
							Rounded
	0 - 8				\$3.13	\$442,922	
	8 - 16				\$9.32	366,200	
	>16				\$21.93	322,594	
					Total	\$1,131,716	
						<i>Over/(Under)</i>	\$1,053

Alternative 2

Alternative 2 maintains the existing monthly service fee structure (\$ per share per month) but includes a 4-tiered volume rate structure with thresholds that vary based on share ownership. This structure is designed to provide essential water use or indoor water use of 5,000 gallons at the lowest rate. The four tiers and the change in thresholds does send a stronger price signal to higher use customers but with the scaled tiers, it still provides that allowance to ensure it is not too cost prohibitive to use their allotment. Other statistics include:

- **Monthly service fee.** Recovers approximately 26% of total rate revenue.
- **Volume revenue.** Tier 1 recovers 21% of total revenue and includes 50% of all *bills*.
 Approximately 24% of *bills* have billed water usage in excess of their Tier 3 volume.

Table 6 shows the Alternative 2 rate structure. These rates recover the FY24 revenue requirement.

Table 6: Rate Structure Alternative 2

Total FY24 Revenue Requirement							\$1,518,556
Monthly Service Fee, \$ per Share per Month							\$12.90
Number of Billed Shares							30,069
Total Service Fee Revenue							\$387,893
Volume Rate Revenue Required							\$1,130,662
Tier Threshold							
<u>per share</u>	<u>% Vol</u>	<u>Price Ratio</u>	<u>1,000 gallons</u>	<u>\$ per 1,000 gal</u>	<u>Revenue</u>		
0 - 5	55.0%	1.00	107,442	\$3.00	\$321,896		
5 - 10	25.1%	2.00	49,112	\$5.99	294,279		
10 - 20	15.9%	4.00	31,007	\$11.98	371,587		
>20	4.1%	6.00	7,950	\$17.98	142,900		
Total Volume/Revenue			195,511			\$1,130,662	
Rounded							
0 - 5				\$3.00	\$322,326		
5 - 10				\$6.00	294,672		
10 - 20				\$11.99	371,774		
>20				\$17.98	142,932		
				Total	\$1,131,705		
<i>Over/(Under)</i>						<i>\$1,042</i>	

Alternative 3

Alternative 3 maintains the existing monthly service fee structure (\$ per share per month) and a 4-tier volume with thresholds that vary based on share ownership. Tiers 1 and 2 maintain the same thresholds per share as the existing structure but includes a 3rd and 4th tier to further encourage water conservation. With this structure, Tiers 3 and 4 are set at a higher threshold than in alternative 2 and the rates are higher as well. This, like alternative 2, sends a pricing signal to larger users without negatively affecting the ability to use the allotted amount of water.

- **Monthly service fee.** Recovers approximately 26% of total rate revenue.
- **Volume revenue.** Tier 1 recovers 37% of total revenue and includes 67% of all bills. Approximately 9.5% of bills have billed water usage in excess of their Tier 3 volume.

Table 7 shows the Alternative 3 rates. These rates recover the FY24 revenue requirement.

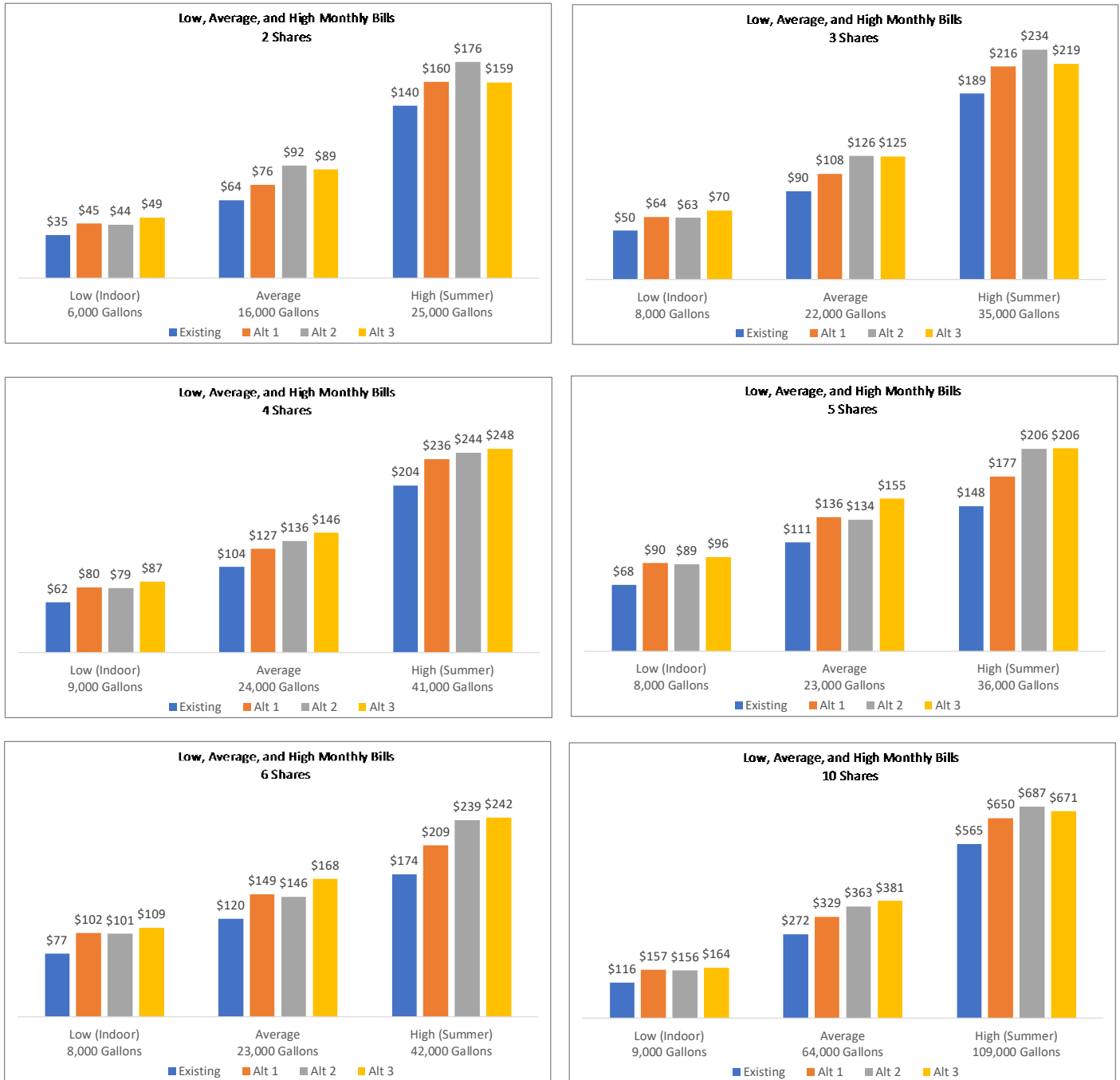
Table 7: Alternative 3 Rate Structure

Total FY24 Revenue Requirement						\$1,518,556
Monthly Service Fee, \$ per Share per Month						\$12.90
Number of Billed Shares						30,069
Total Service Fee Revenue						\$387,893
Volume Rate Revenue Required						\$1,130,662
Tier Threshold						
<u>per share</u>	<u>% Vol</u>	<u>Price Ratio</u>	<u>1,000 gallons</u>	<u>\$ per 1,000 gal</u>	<u>Revenue</u>	
0 - 8	72.4%	1.00	141,509	\$3.92	\$555,037	
8 - 16	20.1%	2.00	39,292	\$7.84	308,227	
16 - 24	5.1%	4.00	10,043	\$15.69	157,573	
>24	2.4%	6.00	4,667	\$23.53	109,825	
Total Volume/Revenue			195,511		\$1,130,662	
Rounded						
0 - 8				\$3.93	\$556,129	
8 - 16				\$7.85	308,441	
16 - 24				\$15.69	157,582	
>24				\$23.54	109,854	
				Total	\$1,132,006	
<i>Over/(Under)</i>						<i>\$1,343</i>

Rate Structure Alternative Bill Comparison

Raftelis developed a bill comparison for customers with various number of shares. Each chart shows a representative low, average, and high usage based on shareholder ownership. Figures 1 compares typical bills for customers with ownership between 2 and 5 shares. We've also included typical usage for a customer with 10 shares. Customers who own between 2 and 5 shares represent 85% of total customers. Please note the low, average, and high levels of usage vary by shareholder based on a usage profile by number of shares owned.

Figure 1: Typical Monthly Bills Based on Share Ownership



Rate Structure Discussion

The figures above show that there are only slight differences between the alternatives. The primary factor that minimizes the differences is the scalability of the tiers by threshold. Most traditional tiered rate structures are fixed; meaning that as usage increases the unit costs increases. However, the Water Company's tiered structure scales with the number of shares. This scaling disproportionately increases the tier thresholds as compared to the increased usage by a customer's number of shares. As an example, the average usage for customers who own between 3 and 5 shares is approximately 22,000 gallons. However, the tier 1 threshold for 2 shares is 0 to 16,000 gallons, 0 – 24,000 gallons for 3 shares, and 0 – 32,000 gallons and so on. Under this scenario, a customer with 2 shares would be assessed volume charges in tier 1 and tier 2 while the others would be assessed the Tier 1 rate for all usage.

One other consideration for the minor differences between the alternatives is the percent of usage in tiers 1 and 2. The median usage per *account* is approximately 17,000 gallons. This means 50% of the bills have usage which would fall in the first two tiers even without scaling based on shares. Similar to the example above, larger share customers may be paying a lower unit rate than a smaller share customer with the same usage.

The scaling of thresholds by shares, meter size, equivalent residential units (ERUs) is not uncommon. These types of rate structures may reflect a customer contribution to the system to reserve capacity through system development charges or, in terms of the Water Company, ownership based on lot size. This is usually reflected in a scaled service charge and scaled tiers for a volumetric structure. From a conceptual rate-setting perspective, because the customer had reserved an amount of capacity in the system, those costs should not be reflected in the monthly user rates and those customers should have access to the amount of water up to that capacity at the same cost as customers with smaller capacity.



**Alternative 1
(Raftelis)**

Monthly Service Fee \$12.90

- Tier 1 \$3.13
- Tier 2 \$9.32
- Tier 3 \$21.93

Generates \$1,518,556 (600 AF)

**Alternative 2
(Staff)**

Recommended

Monthly Service Fee \$12.90

- Tier 1 \$4.00 (2022 Rate)
- Tier 2 \$8.50 (Maintain)
- Tier 3 \$20.00 (Maintain)

Generates \$1,520,392 (600 AF)

**Alternative 3
(Staff)**

Monthly Service Fee \$10.00

- Tier 1 \$4.50
- Tier 2 \$8.50 (Maintain)
- Tier 3 \$20.00 (Maintain)

Generates \$1,499,758 (600 AF)

**Alternative 4
(Staff)**

Monthly Service Fee \$10.95

- Tier 1 \$4.50
- Tier 2 \$8.50 (Maintain)
- Tier 3 \$20.00 (Maintain)

Generates \$1,528,244 (600 AF)

Criteria for Recommendation

- Revenue stability in an era of inflation and an outside irrigation dominated community
- Crestview's current service fee is at the low end of industry standard at 20% (Standard is 20-35%) This increase puts it at about 26%
- Wise use of water - conservation message
- Equity between small and large shareholders
- Rate increase still lower than peer utility's rates
- Inline with percentage increases for this year among peer utilities
- Tier 1 has been historically set at the same level in 2022

CRESTVIEW MUTUAL WATER COMPANY 2024 (Draft Version)

BOARD MEETING CALENDAR DATES WITH SIGNIFICANT ACTION and STATUS ITEMS

REGULAR BOARD MEETINGS ARE ON TUESDAYS BEGINNING AT 5:30 PM AT THE HAMPTON INN

The draft version of the Board Meeting Calendar for the Crestview Mutual Water Company in 2024 outlines a series of significant action items and status reviews that are set to take place throughout the year. The calendar provides a structured timeline for various key discussions and decisions that will impact the company's operations and planning.

MAR 26 - Employee Handbook Update, Review Status of Workplace Violence Plan (Due July 1, 2024).

APR 2 - Annual Shareholder Meeting, 6:00 PM at Spanish Hills Country Club.

APR 23 - Review Ad hoc Committee Organization and Charters, FY23 Annual CPA Review, Set Operational Reserves, Review Operations Status of the Current Year Federal, State and Local Mandated Rules and Regulations.

MAY 28 - Capital Improvement Plan Priorities for FY25, Review Status of Cross Connection Policy Update Due July 1, 2024, Review Workplace Violence Plan Due to be instituted July 1, 2024.

JUNE 26 - Mid-Year Review of Current Year Budget.

JULY 23 - 5 Year Strategic Planning.

AUG 27 - Finalize Strategic Planning Goals.

SEP 24 - Approve FY25 Capital Improvement Plan, Status of Lead and Copper Rule System Inventory Due October 16, 2024.

OCT 22 - Draft FY25 Budget and Rate Review.

NOV 26 - Adopt FY25 Budget and Rates, Salary Schedule, Investment Strategy, Capital Improvement Plans, Review of January 1st Laws.

DEC 17 - Prepare for Annual Meeting – Set Date and Time, Set Timeline, & Determine Election Process, Staff and Consulting Annual Review, Commission CPA Review of FY24 Financial Statements, Review 2025 *Board Meeting Significant Action and Status Calendar*.

JAN 2025 - Update Personnel Policy. Review Operations Planning for New Rules and Regulations.

FEB 2025 - Normal Board Business.

It's important to note that the calendar is subject to change, and the official board calendar will be updated accordingly. The outlined schedule reflects the commitment of the Crestview Mutual Water Company to effective governance, strategic planning, and continuous improvement to ensure the smooth operation and development of the company.

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL P McADOO, SUPERINTENDENT
TOPIC: WATER SYSTEM SUPERINTENDENT'S REPORT
DATE: FEBRUARY 23, 2024

Recommendation: To receive and file the monthly Water System Superintendent's report. For informational purposes only.

Background/Analysis: Below is a list of activities and conditions that Staff encountered associated with the Crestview water system since the last Board Meeting.

Well 4 is currently stand-by mode. Well 6 is able to meet water demands for the district, as demand is low. So far for the month of February, 12 acre-feet has been pumped. Due to water quality complaints, selective flushing of dead ends in the system has continued in parts of the system.

Staff has initiated Crestview's water valve survey for 2024. This will allow Crestview to see how many valves are working throughout the system, and gives staff the ability to understand the hydraulics of the system. This also helps set budgetary needs for the following year when replacing worn or non-functioning valves.

Crestview staff are currently undergoing a system-wide lead and copper survey to verify what type of piping materials are in use. Currently, staff has completed 79 hands-on checks for this report. The mandated completion date is October 16, 2024. Staff is conducting a 3-point verification, if possible, to gather the best information: piping coming into the meter, piping leaving the meter, and piping entering the home.

Crestview Mutual Water Company	January 2024 YTD		%	FY 2024	Budget	Reason for Variance	Jan 2023 YTD	
	YTD Actual	YTD Budget					Variance	Budget
January 2024 YTD Profit and Loss								
Water Sales in Acre Feet	69,876	47,246	48%			Less rain, sold more water	44,468	57%
Water Production in Acre Feet	73,806	49,881	48%				46,948	57%
Percent water loss	6%	6%				Industry standard water loss 5%	6%	
Water Sales (Note 1) and Service Fees	144,356	125,402	15%	1,517,522	1,373,166	Less rain, sold more water	100,533	44%
Interest and Other Income	12,583	6,800	85%	40,800	28,217	Interest earned higher than expected	3,925	221%
Total Revenue	156,938	132,202	19%	1,558,322	1,401,384		104,458	50%
Power - Note 2	13,130	13,834	-5%	174,346	161,216	Jan 24 Power invoice not available yet	23,543	-44%
Other Operating Costs	11,390	32,142	-65%	141,199	129,809	Less Repairs than budgeted	48,013	-76%
Employee Related Costs	99,326	94,292	5%	565,750	466,424	Slightly over budget	53,772	85%
General Insurance	4,954	5,850	-15%	35,100	30,146	New policy expected to higher	2,535	95%
Taxes, Permits and Licenses	13,874	12,043	15%	72,260	58,386	More Dec 23 water sales higher cost	14,822	-6%
General and Administrative Costs	25,465	32,035	-21%	192,210	166,745	Less expense than anticipated	56,409	-55%
Legal and Accounting Services	2,268	10,833	-79%	111,900	109,633	Less expense than anticipated	59,846	-96%
Total Costs	170,407	201,029	-15%	1,292,765	1,122,358		258,940	-34%
Depreciation	30,741	30,741	0%	184,443	153,703		30,740	0%
Loss on Sale of Asset	0	0		0	0		(3,732)	-100%
Capital Improvement Projects	0	44,260	-100%	265,557	265,557	No outlays to report	0	0%
Total Costs - Note 2	201,148	276,030	-27%	1,742,765	1,541,617	Lower Prof, Operations and Outside Svc	293,412	-31%
Excess(Loss) Revenues over Expenses	(44,209)	(143,828)		(184,443)			(188,954)	
Excluding Depreciation	(13,469)	(113,087)		0			(158,214)	

Note 1 - Budgeted Water sales are based on amount needed to zero budget.

Note 2 - Estimated total costs are estimated at 23% under budget with unbilled items related to January such as power costs est at \$8,000, legal costs est \$2500

January 2024 Balance Sheet		The cash balance increased by \$65,706 from the prior month's balance of \$1,280,557.					FCGMA Allocation:	
Assets	1/31/24	1/31/23	Change	% Change	Reason for Variance	Carry Over		
Cash and Cash Equivalents - Note 3	1,346,263	2,639,473	(1,293,211)	-49%	Paid off loan, '22 loss affected reserves	Allocation Note 4		
Accounts Receivable	79,114	60,757	18,357	30%	Less rain, more sales	Well 4	82.212	
Other Current Assets	12,563	63,940	(51,377)	-80%	Decrease in "Due from CMWD" \$42K	Well 6	82.213	
Restricted Cash	200,000	200,000	0	0%		Total AF	164.425	
Net Fixed Assets	4,166,740	4,236,378	(69,638)	-2%			Expires this year	
Total Assets	5,804,679	7,200,548	(1,395,869)	-19%	Effect of paying off loan and '22 loss	Hist. Alloc	717.42	
						Total AF	881.845	
Liabilities and Equity						Pumped		
Accounts Payable	50,339	225,063	(174,724)	-78%	Less operating expenses from PY	to date for		
Other Current Liabilities	36,325	152,972	(116,646)	-76%	Paid off loan and more accrued pension	Water Yr	205.854	
Long Term Liabilities (Loans)	(6,461)	878,611	(885,072)	-101%	Neg Bal is a CPA adj to be reversed	Remaining	675.991	
Total Liabilities	80,203	1,256,645	(1,176,443)	-94%		Note 4 - Carry over		
						allocation has to be		
Equity	5,724,476	5,943,903	(219,427)	-4%		divided evenly		
						among reporting		
Total Liabilities and Equity	5,804,679	7,200,548	(1,395,869)	-19%	Effect of paying off loan and '22 loss	wells.		

Note 3 - About \$750K is held in a sweep acct earning 1.5% int. \$225K is in a high yield saving at 5.1%. We have a \$250K open LOC with Banc of California



Committee Overview

Crestview's Board demonstrates proactive leadership by establishing specialized committees to help craft a comprehensive strategic plan. This move positions Crestview for a future of success. The Committees are meeting regularly to address issues and are working on refining their charters and scopes. They include staff and interface with the Board President to hone in on the tasks, priorities and advisory reports that they are currently developing for the strategic plan.

Charter

The Committees Work with the Board President and Staff to establish precise charters.

Purpose

The Committees explicitly define the tasks or issues the committee is to address.

Scope

The Committees outline the limits of the committee's authority as an advisory role.

Communication and Transparency

The Committees initiate proactive communication between the Board President, and staff

Regular Updates

Committees provide progress reports to the Board President.

Open Channels

Open channels regarding where to obtain relevant information and get questions answered are maintained and encouraged.

Per the Company Bylaws, the President is an ex officio member of all standing committees.