

Crestview Mutual Water Company
Board of Directors - Board Meeting
TUESDAY, JULY 23, 2024, AT 5:30 P.M.
Hampton Inn
50 W. Daily Drive, Camarillo CA 93010
AGENDA

1. CALL TO ORDER: REGULAR MONTHLY BOARD MEETING AT 5:30 P.M
2. SHAREHOLDERS' PUBLIC FORUM
 - Shareholders that wish to address the Board may speak for up to the agreed upon minutes on matters within the jurisdiction of the Board. With limited exceptions for brief responses and emergency matters, please recognize that the Board cannot discuss or act on matters that are not on this Agenda.
 - If you have a question that Staff can answer, please email, or call Crestview at any time.

CONSENT AGENDA

3. MINUTES
 - Board Meeting: Open Session and Executive Session Meeting Minutes – June 25, 2024

ACTION ITEMS

4. HYBRID MEETINGS
 - Review Options for Holding Hybrid Meetings in the Future
5. LINE OF CREDIT RENEWAL
 - Renew Ongoing \$250K Line of Credit Based on Staff and Finance Committee Recommendation
6. SCADA SERVER UPGRADE
 - Review Proposal for Consideration to Allocate Funds to Update the SCADA Server in Fiscal Year 2024

INFORMATION ITEMS

7. WATER SYSTEM SUPERINTENDENT'S REPORT
8. BUSINESS CONSULTANT'S REPORT
9. TREASURER'S REPORT
 - Report on Monthly Draft Financial Statements
10. PRESIDENT'S REPORT
11. ADJOURNMENT OF REGULAR MONTHLY BOARD MEETING

-
1. CALL TO ORDER – EXECUTIVE SESSION IMMEDIATELY AFTER CONCLUSION OF OPEN SESSION
 2. EXECUTIVE SESSION
 - Personnel Issues
 - Well #7 Site Selection
 - Third-Party Contracts
 3. ADJOURNMENT OF EXECUTIVE SESSION

Please contact the Office at least 24 hours ahead of the meeting if you plan to attend.

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
June 25, 2024

1. Convened Public Meeting

The meeting was called to order by President Dave Stephenson on Tuesday, June 25, 2024, at 5:31 p.m. for an in-person meeting at the Hampton Inn, 50 W. Daily Drive, Camarillo, CA.

Attendance and Quorum

Directors Present:	Dave Stephenson – President Laurie Bennett – Treasurer Steven Muro – Secretary Frank Mezzatesta – Director
Directors Absent:	Alma Quezada – Vice President
Staff/Counsel Present:	Durrell McAdoo – Water System Superintendent Ann DeMartini – Business Consultant Tim Lewsadder – Water Treatment Operator

2. Shareholders Public Forum

No questions or comments were made by shareholders in attendance.

CONSENT AGENDA

3. Minutes

The minutes of the Regular Meeting and Executive Session of the Board of Directors of May 28, 2024, were presented. On a motion made by Director Steven Muro and seconded by Director Laurie Bennett, the Board approved with four ayes the following:

Resolved, that the minutes of the Regular Meeting and Executive Session of the Board of Directors of May 28, 2024, be accepted as presented.

ACTION ITEMS

4. Line of Credit Renewal

Director Laurie Bennett noted that shareholder Chris Ono, who was not present, sent advance questions regarding the financial statements, and suggested that the Board consider increasing the level of the Line

of Credit to be in line with inflation. After discussion, the Board questioned the reasons for having it in place, as there are cash reserves available for an emergency. The renewal was tabled for the next meeting for consideration. Further discussion ensued regarding looking into competitive banks.

5. Cyber Security Audit

Ann DeMartini, Business Consultant indicated that Vetrix LLC was the lowest bidder and best candidate for the Cyber Security Audit, coming in at \$28,500. On a motion made by Director Frank Mezzatesta and seconded by Director Steven Muro, the Board approved with four ayes the following:

Resolved, that Vetrix LLC be contracted to conduct a Cyber Security Audit and that the results of the audit, for security reasons, go to the executive board meeting and then released when appropriate. It was further noted that the Company may not incorporate all recommendations proposed in the final audit.

6. Hybrid Board Meetings

The Board discussed the option of hybrid meetings; the directors present were amenable to them. The Board recommended that Staff make a multipage proposal about what a hybrid meeting would look like in different scenarios. This report will be considered at a future meeting.

7. Communication Committee Charter

Director Steven Muro presented a draft Communication Committee Charter to the Board for adoption. On a motion made by Director Laurie Bennett and seconded by Director Frank Mezzatesta, the Board approved with four ayes the following:

Resolved, that Communication Committee Charter be adopted with an amendment to the charter to add language regarding the handling of inbound information; inbound communication will go to the President and/or Business Manager.

INFORMATION ONLY

8. Superintendent's Report

Superintendent McAdoo reported that it was a busy month with Well 4's chlorine tank replacement project. Being fire season, the vacant lot sites were cleared of all brush. The Consumer Confidence Report was completed, delivered, and posted. Director Dave Stephenson asked if Well 4 would pass the new upcoming manganese maximum contaminant level, which is going from 50 ppm to 30 ppm. Superintendent McAdoo indicated that he is working on a new skimmer for manganese in the reservoir. Currently, Well 6's manganese level is 22 ppm and Well 4's manganese level is 50 ppm.

9. Business Consultant's Report

Ann DeMartini, Business Consultant reported that in the executive session further progress on Well 7 will be discussed.

10. Treasurer's Report

Director Laurie Bennett, Treasurer, presented the financial statements. She stated that the Finance Committee will meet during the last two weeks of July with shareholder Chris Ono and Staff to go over the midyear budget and projections.

11. President's Report

President Dave Stephenson reported that progress is being made on a 3–5-year strategic plan regarding the future needs of the Company, which will provide information on capital expenditure needs. The planning committee will work with the finance committee to further develop this plan.

12. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Laurie Bennett and approved with four ayes, the regular meeting was adjourned at 7:09 p.m.

Call to Order – Executive Session at 7:15 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – No decisions were made; nothing to report.
- Well #7 Site Selection – No decisions were made; nothing to report.
- Third-Party Contracts – No decisions were made; nothing to report.

2. Adjournment of Executive Session

On a motion made by Director Frank Mezzatesta, seconded by Director Laurie Bennett, and approved with four ayes, the Executive Session was adjourned at 9:03 p.m.

Shareholders in Attendance:

Roger Chittum
Cohen, Christine
Derr, Michael
Rieger, Ronald

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Dave Stephenson – President

DRAFT



Hybrid Meeting Considerations July 23, 2024 Board Meeting

During the last Board meeting, June 25, 2024, the staff was tasked with preparing a report outlining various options for hybrid meetings. Here are the key considerations for an offsite hybrid meeting location from comprehensive to simple.

Venue Selection and Preparation:

Opt for a hotel with reliable high-speed internet access and ample space for the meeting setup. Ensure the room is equipped with enough power outlets and has good acoustics.

Hampton Inn Camarillo offers free Wifi, not sure of the speed.

Audiovisual Equipment Considerations

Cameras:

- Use high-definition PTZ (Pan-Tilt-Zoom) cameras to capture the entire room and focus on individual speakers.

Microphones:

- Provide tabletop or lavalier microphones for each board member.
- Utilize a podium microphone for public commenters.
- Consider a wireless microphone system for added flexibility.

Mixer:

- Employ an audio mixer to control and balance audio levels from various sources.
- Video Switcher: Use a video switcher to seamlessly transition between camera feeds and other visual content.

Encoder:

- Employ a hardware or software encoder to compress and stream video to the chosen platform.

Projector or Display:

- Install a projector or large display screen for in-room viewing of the meeting and presentations.

Streaming Platform:

- Choose a reliable streaming platform that supports live chat or Q&A features for public comments.
- Consider using MicroSoft Teams Controlled Content Webinar or Zoom Webinar.



Microsoft Teams Webinar Controlled Content *President's Choice*

Microsoft Teams Webinar Controlled Content allows the organizer and designated presenters to manage what content is shared during the webinar. This ensures a focused and professional presentation, as attendees cannot share their own audio, video, or content. Consider integrating the live stream meeting with our website so someone just has to log into our website to watch the meeting either Live or a recording.

Key features include:

- Have one person coordinate and run the meeting
- Presenters, BOD, will have their mics enabled
- Lobby: Attendees wait in a lobby until admitted by an organizer or presenter.
- Attendee Permissions: By default, attendees' audio and video are off until enabled by an organizer or co-organizer.
- Presenter Control: The presenter has full control over the presentation and audience participation through tools like polls and Q&A. We can answer and then if we choose share it with the attendees or not.
- Chat Management: Organizers can control chat settings, allowing it to be on for everyone, off for everyone, or on but anonymous.

This controlled environment is ideal for large-scale presentations, training sessions, or events where a few presenters address a larger audience. It prioritizes the delivery of the intended content and minimizes distractions.

***This Platform is included in the Crestview
License.***

007

Zoom Webinar offers a range of key features that make it a suitable platform for hosting virtual board meetings and other large-scale online events:

Core Features:

- High-quality video and audio: Supports HD video and clear audio for a professional presentation.
- Large audience capacity: Accommodates up to 100,000 view-only attendees (depending on the plan).
- Panelist controls: Designate panelists to share video, audio, and screen, with the host having control over who can speak.
- Q&A and chat: Facilitates interaction through moderated Q&A sessions and chat for attendees.
- Polling and surveys: Engage the audience with polls and surveys to gather feedback.
- Registration and reporting: Manage attendee registration and gather valuable insights through post-event reports.
- Branding and customization: Personalize the webinar with custom branding, logos, and backgrounds.
- Integration with streaming platforms: Stream the webinar to other platforms like YouTube or Facebook for wider reach.

Additional Features (depending on the plan):

- Cloud recording: Record the webinar for on-demand viewing or archival purposes.
- Live transcription: Provide real-time captions for accessibility.
- Simulive: Schedule a pre-recorded video to be broadcasted as a live event.
- Paid webinars: Monetize your webinars by charging attendees a fee.

Specific features relevant to board meetings:

- Screen sharing: Share presentations, documents, or other visual content.
- Hand raising: Allow attendees to virtually "raise their hand" to indicate they have a question or comment.
- Nonverbal feedback: Attendees can use emojis or reactions to express themselves.
- Virtual backgrounds: Maintain a professional appearance even in a non-office setting.
- Waiting room: Control when attendees enter the webinar.

Public Comment Setup:

- Establish a clear process for shareholder comments through online forms, email submissions, or a dedicated phone line.
- Moderate comments to ensure relevance and appropriateness.
- Display comments on screen during the designated shareholder comment period.
- Close the shareholder forum comments to maintain focus on the meeting.

Recording and Archiving:

- Record the meeting using the streaming platform's recording feature or a dedicated video recorder.
- Archive the recording for future reference or publication.

Technical Support:

- It is advisable to have a dedicated IT professional or audiovisual technician onsite to manage equipment and address any technical issues in case a comprehensive set up is desired.

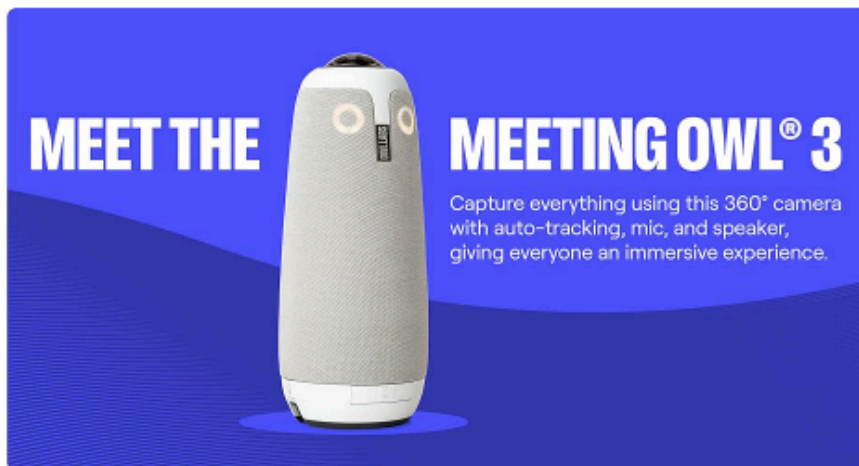
Rehearsal:

Conduct a comprehensive rehearsal before the meeting to test all equipment, audio levels, camera angles, and streaming quality.

Information on the OWL System

Price Range: \$859 to \$1100

With additions up to \$1,500



See and hear it all in 360°



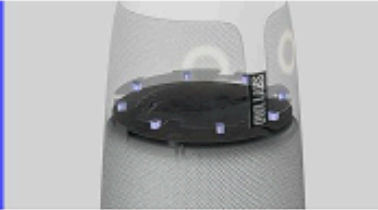
See the whole room

The panoramic 360° camera renders a 10 ft radius of the room in 1080p, so you don't miss a thing.



Make yourself heard

The mic's 18-foot (5.5m) audio pickup radius catches audio from all angles, even in large rooms.



Catch every word

Hear remote team members loud and clear from all areas of the room with the 360° tri-speaker.



Roll over image to zoom in



Meeting Owl 3 (Next Gen) 360-Degree, 1080p HD Smart Video Conference Camera, Microphone, and Speaker (Automatic Speaker Focus & Smart Zooming)

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4.5 ★★★★★ 437 ratings | [Search this page](#)

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Prime Day Deal

-18% **\$859.00**

List Price: ~~\$1,049.00~~

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May be available at a lower price from other sellers, potentially without free Prime shipping.

Shooting Modes Automatic

Exposure Control Automatic

Type

Color Grey

Video Capture Resolution 1080p

Media Type Owl Intelligence System™ with autofocus and Smart Zooming functionality

About this item

- **BETTER COLLABORATION.** The Meeting Owl 3 captures 360° video in 1080p HD and 360° audio up to 18' (5.5m). Automatically focuses on whoever is speaking to foster active collaboration and increased participation, while showing a 360° view of the room.
- **PLUG AND PLAY SIMPLICITY.** Go from unboxing to your first meeting in <7 min. Simply plug in the power and USB, launch your preferred video conferencing platform, and start your meeting. Easily manage meetings through desktop, mobile or tablet apps.
- **UNIVERSALLY COMPATIBLE.** Compatible with virtually all web-based video conferencing platforms, including Zoom, GoToMeeting, Google Meet, Microsoft Teams, Cisco Webex, BlueJeans, and many others.
- **SMARTER OVER TIME.** Features the newest Owl Intelligence System™, which focuses on people 4x faster. WiFi-enabled to get software upgrades and enhancements delivered over-the-air.
- **ADAPTS TO ANY SPACE.** Pair two Meeting Owls or add an Expansion Mic to expand video and audio reach in larger spaces. Compatible with Owl Labs' Whiteboard Owl and Meeting HQ to complete your hybrid room setup.



Roll over image to zoom in



Owl Labs Expansion Mic for Meeting Owl 3 / Meeting Owl 4+: Extend Audio Reach in Larger Spaces by 8 feet (2.5 Meters) in The Direction of The mic., Gray

Visit the Owl Labs Store

4.4 ★★★★★ 66 ratings | Search this page

300+ bought in past month

Prime Day Deal

-18% \$204.00

List Price: ~~\$249.00~~

prime

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May be available at a lower price from other sellers, potentially without free Prime shipping.

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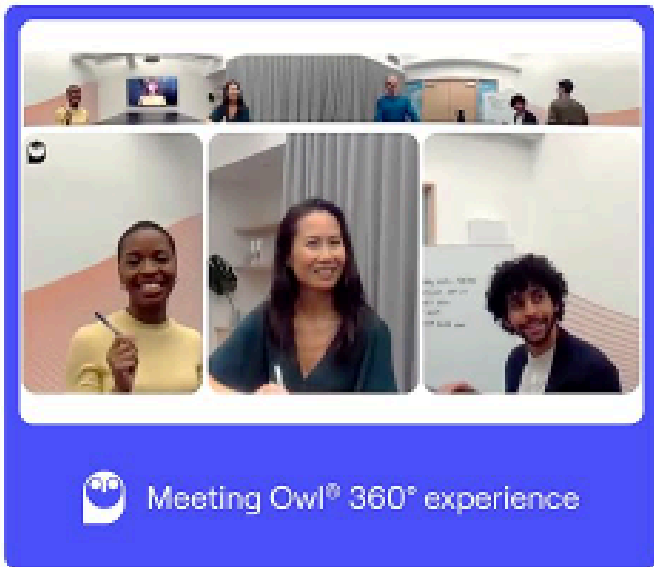
Style: Expansion Mic

Brand	Owl Labs
Model Name	Meeting Owl 3 Expansion Mic
Connectivity Technology	micro-HDMI
Connector Type	micro-HDMI
Special Feature	Wireless
Compatible	Meeting Owl 3

See more

About this item

- **EXTENDED AUDIO RANGE:** Extends the audio pick-up range of the Meeting Owl 3 from 18ft to 26ft in the direction of the mic to ensure that the Meeting Owl 3 recognizes voices that are quieter or further away from the Owl.
- **MUTE CONTROL:** Easy access mute button keeps the conversation easily flowing for participants further from the Meeting Owl 3
- **MICRO-HDMI CONNECTION:** Connects to the Meeting Owl 3 using a micro-HDMI to micro-HDMI cable. (Not a wireless microphone).
- **MOUNTING OPTIONS:** Includes mounting bracket with adhesive strips and screws for more confident and secure installation.
- **SLEEK DESIGN:** Compact design nicely complements your Meeting Owl 3 room set up.




Our Owl Intelligence System™ gets smarter over time


- Wirelessly syncs all of the Owl Labs devices for seamless meetings
- Modulates speaker volume for an optimal remote listening experience
- Enables two paired Meeting Owls® to detect the active speaker in large rooms
- Effortlessly improves features and capabilities with routine upgrades



Give everyone a seat at the table




Meeting Owl® 360° experience




Competitor experience


Dynamic solutions for every space




Small Rooms



Medium Rooms



Large Rooms



U-Shaped Rooms

Integrates with the conferencing platforms you're already using




Crestview Board Room




Meeting room setup made simple


- 1




Place your Owl on a table or desk.
- 2



Plug in power. Connect USB-C® to an in-room laptop or computer.
- 3



Download the Meeting Owl® App for desktop, mobile, or tablet and set up your Owl.
- 4



In your video conferencing platform, choose Meeting Owl for audio and video.

July 23, 2024

To: The Board of Directors

From: Ann DeMartini, Business Manager

Updated Recommendation for the Renewal of Line of Credit

At last month's Board meeting, June 25, 2024, we were asked to receive more information regarding the line of credit renewal.

I am writing to recommend the renewal of Crestview Mutual Water Company's line of credit with Banc of California (Formerly Pacific Western Bank). The current line of credit, \$250,000, is up for renewal. I propose that we renew the line of credit for the same amount and same terms. Additionally, the Crestview Finance Committee, during their July 15, 2024 committee meeting, concurs with this recommendation. The renewal term ends January 15, 2025.

***Terms:** Interest is variable based on the Wall Street Journal Prime Rate currently 8.5% per annum and will not go lower than 4.75% or more than the maximum rate allowed by applicable law calculated on the 365/360 basis. Payment if any, is due in one payment by January 15, 2025, plus accrued interest. Accrued interest on the loan, if any, is due monthly beginning July 15, 2024, with subsequent payments due monthly on the same day of each month.*

- Per discussion with the Banc of California, the bank does not make money on the renewal. They provide this as a service for being a long-term customer and significant depositor.
- We are on a six-month renewal term because in the prior year, we had a significant loss.
- The Bank is not able to adjust the amount of the LOC at this time but can consider an adjustment at the annual renewal which occurs shortly after Crestview's fiscal year end.

Rationale: The line of credit is in place as a prudent financial strategy for Crestview. It serves as an important safety net, ensuring we have access to capital in an emergency or unexpected financial need.

Financial Considerations:

Crestview has a strong record of accomplishment of responsible borrowing and timely repayment. Crestview's financial position remains strong. There is a nominal and standard line of credit renewal fee associated with the renewal.

Recommendation:

I recommend, along with the Crestview MWC Finance Committee, that the board authorize the renewal of our \$250,000 line of credit with Banc of California for an additional term. I further recommend that the board authorize the President, Vice President, and Secretary to execute the line of credit “Corporate Resolution to Borrow” bank forms on behalf of the company.

Proposal for SCADA Server Installation and Network Upgrade

To: Board of Directors

From: Ann DeMartini, Business Manager

Date: July 23, 2024

Subject: SCADA Server Installation and Network Upgrade Proposal

Project Overview:

Informa Co., Crestview's IT consultant, provided a proposal (included in the information materials) for the installation of a new SCADA (Supervisory Control and Data Acquisition) server and a comprehensive upgrade of the supporting network infrastructure. This project aims to enhance the reliability, security, and efficiency of our industrial control systems, aligning with industry best practices and our ongoing cybersecurity audit.

Project Justification:

- **Cybersecurity Enhancement:** The new SCADA server and network upgrade will significantly bolster our defenses against cyber threats, reducing vulnerabilities and ensuring the integrity of our critical infrastructure. This aligns directly with the recommendations of our ongoing cybersecurity audit.
- **Improved Reliability:** The existing SCADA system has reached the end of its lifecycle, posing risks of downtime and operational disruptions. Upgrading to a modern platform ensures a more robust and reliable solution.
- **Increased Efficiency:** The upgraded network infrastructure will facilitate faster data transfer and communication between control systems, leading to optimized processes and reduced response times.
- **Cost Savings:** While not explicitly budgeted for this fiscal year, the project can be funded through Crestview's underutilized capital expenditure budget. By addressing this now, we avoid potential cost increases in the future and capitalize on synergies with the ongoing cybersecurity audit.

Financial Summary:

- **Total Project Cost:** \$22,422.04

Timeline:

- **Project Initiation:** Upon approval

Recommendation:

While the project is not urgent, the timing is opportune due to the upcoming cybersecurity audit. Combining these efforts will result in cost efficiencies, streamlined implementation, and a comprehensive approach to enhancing our industrial control systems.

PROPOSALS FOR TECHNICAL SERVICES

The staff of Informa would like to thank you this opportunity to work with you and your organization. We are delighted to have you as a customer. Your business is very important to us and your satisfaction is our top priority. Should you have any questions with regard to this document, please contact your project manager. We will be happy to assist you.

Document ID#:	P240409-TS2	
Document Date:	July 1, 2024	
Customer Name:	Crestview Mutual Water District	
Customer Contact:	Dave Stephenson	(805) 482-2001
Sales Manager:	Terry Schladetzky	(805) 660-2686
Project Manager:	Pete Zepperio	(805) 857-0375
Subject:	New SCADA Server Installation and Network Setup	

PROJECT SUMMARY

- Replace SCADA Server with New Dell PowerEdge T360 Server
- Upgrade SCADA Software from iFix
- Install SCADA Software
- Migration Configuration and Settings to New Server
- Bring SCADA Live
- Decommission Old Server

PROJECT DETAILS

Scope of work:

- Install Dell Precision PowerEdge T360 Windows 2019 as new SCADA server
- Perform initial config for Windows
- Remove Dell Adware and Trial Products
- Configure RAID System
- Install Windows Driver Updates
- Migrate Data from Legacy SCADA server to new system
- Perform Software installation for IFIX SCADA software
- Upgrade to the newest version of iFix SCADA Software
- Software installation for required applications
- Install Antivirus and Basic Programs
- Setup SCADA Networking and TCP/IP Settings
- Configure Backup for NAS and Cloud
- Programming of SCADA Server and Services

PROJECT COSTS SUMMARY

PHASE ONE - SYSTEM SETUP AND PROJECT CONVERSION:

MATERIALS:

<u>ITEM DESCRIPTION</u>	<u>UNITS</u>	<u>TOTAL COST</u>
Dell T360 PowerEdge Server Win 2019 Server, 5 CALS, Intel Xeon 2.8G 24M Cache, 32GB RAM 3 HD RAID 5 6 TB	1	4904.66
Total Materials:		\$ 4904.66
Sales Tax (LA 7.25%):		\$ 355.59
LABOR (2 People, 1 Programmer, 1 Eng):		\$ 17,640.00
TOTAL:		\$ 22,422.04

TERMS

50% deposit at signing to cover materials.
Balance for phase one due upon completion.

EXPIRATION

This quote expires July 31, 2024 and may be renewed upon request.

OTHER TERMS

Engagement Agreement

During the course of its work, customers often request modifications, or changes to the work outside the scope of this agreement. **Customer Contact** has been assigned as the only authorized agent from Customer to authorize such work to be performed. In the event that Customer Contact, or his designee, request any labor to be performed outside the scope of this agreement, Customer agrees to pay the standard labor rates of \$150 per hour for consulting, repairs, or changes to the project along with the cost of materials associated to the requested changes.

ASSIGNMENT

Customer may not assign or transfer this Contract without the prior written consent of Informa Co.

AMENDMENT

This Contract may be modified or amended in writing, if the writing is signed by the party obligated under the amendment. Additional components may be added for coverage or components may be removed from coverage either party. Requests for changes will be submitted in writing to the other party.

ENTIRE AGREEMENT

This Contract contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Contract. This Contract supersedes any prior written or oral agreements between the parties.

SEVERABILITY

If any provision of this Contract will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

TERMS FOR CREDIT. Prior to the beginning of any sale, Informa notifies CUSTOMER of any and all charges related to CUSTOMER'S purchase. An invoice was provided to the CUSTOMER upon completion of the sale, either my mail or in electronic format, and identified the total balance due for CUSTOMER's purchase. CUSTOMER agreed to pay all charges for any products and / or services supplied to CUSTOMER by INFORMA ON OR BEFORE THE "DATE DUE" as specified on the invoice. INFORMA DOES NOT PROVIDE REVOLVING CREDIT. YOUR REVOLVING CREDIT LIMIT IS \$0.00.

ANY INVOICE THAT IS 15 DAYS PAST DUE IS DELINQUENT.

A LATE FEE WILL BE ASSESSED TO ALL DELINQUENT INVOICES ON THE DAY OF THEIR DELINQUENCY. ADDITIONAL LATE FEES WILL BE ASSESSED EVERY 30 DAYS THEREAFTER.

AN OVER THE LIMIT FEE WILL ASSESSED TO ALL CUSTOMER ACCOUNTS WITH INVOICES THAT ARE DELINQUENT. ADDITIONAL OVER THE LIMIT FEES WILL BE ASSESSED EVERY 30 DAYS THEREAFTER.

INTEREST WILL BE CHARGED ON THE PRINCIPAL EVERY 30 DAYS FROM FIRST DELINQUENCY AT THE RATE OF 9.5%.

LATE FEES: \$50 + 10% OF THE VALUE OF THE DELINQUENT INVOICE.

OVER LIMIT FEES: \$50 + 5% OF THE BALANCE DUE ON THE ACCOUNT.

Returned Check Charges: \$35 per check. Returned checks not paid within 30 days will be forwarded to the district attorney's office and assessed a \$500 penalty. CUSTOMER'S WITH MORE THAN 2 DELINQUENCIES WITHIN A 12 MONTH. PERIOD may be required to PREPAY FOR SERVICES and / or PRODUCTS.

Customers with have not made any payment on their outstanding balance for a period greater than 30 days will be reported to Dunn and Bradstreet, Transunion, Equifax, and Experian.

NON-SOLICITATION OF EMPLOYEES, STRATEGIC ALLIANCES, AND AGENTS. Informa, at its discretion, may obtain the assistance of a "third party" to fulfill a product or service order for CUSTOMER. "Third Party" relationships may include but are not limited to Employees, Strategic Alliances, Joint Venture Partners, Subcontractors, and Businesses contracted to provide a special product and / or service to CUSTOMER. A significant cost and effort has been spent by Informa Coon the creation of these third party relationships. These third party relationships are an extremely important part of business for Informa and the details of those relationships, if disclosed to Informa competitors would, provide them with an unfair advantage over Informa. Informa Third Party Relationships are therefore deemed as an industry trade secret. CUSTOMER acknowledges that CUSTOMER'S interference with the strategic relationships between the Third Party and Informa would be detrimental to Informa, to CUSTOMER, to the remainder of Informa clients and may interfere with Informa ability to fulfill its contractual obligations to its other clients. CUSTOMER, agrees to NOT "interfere" with the strategic relationships that Informa has created with its Third Party providers, either directly or indirectly through CUSTOMER's own agents, investors, or strategic partners, without the express written consent Informa. "Interfering" includes but is not limited to soliciting the employment off, soliciting work from, subcontracting, purchase of products from, purchase of services from, obtaining pricing lists from, attempting to sell products to, attempting to sell services to, attempt to negotiate with, or attempting to broker a deal on behalf of the Third Party engaged in a strategic relationship with Informa. Any violation of this section shall entitle Informa Coto recover the sum of \$50,000 OR the financial value of any damages to Informa, which ever is greater. CUSTOMER will also be liable for all attorney's fees associated with this breach. Informa may chose to enforce this clause under its own discretion, failure to enforce an incidental breach does not imply consent for future violations of this provision.

P240404-TS1 ACCEPTED BY

PRINT NAME

SIGNATURE

DATE

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL P McADOO, SUPERINTENDENT
TOPIC: WATER SYSTEM SUPERINTENDENT'S REPORT
DATE: JULY 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.

The chlorine tank for Well 4 has an expected completion time of July 22. Once the chlorine tank is ready at their facility, they will schedule a flatbed carrier to ship the tank to Crestview. This will be a dedicated shipment so online tracking will not be available for following the progress of the shipment. The driver will be in direct contact with Crestview as to when the tank will arrive.

A new liner has been installed in the containment center at Well 4. The new tank should be arriving by the last week of August. During the interim, a 300-gallon tank is being used to supply chlorine to keep Well 4 available for use during high system demands.

Well 6, and Well 4 are both online and meeting demands across the system. So far water quality complaints have been of a solvable nature, not derived from Well 4.

Due to an uptick in endpoint failures, Staff have doubled their efforts in finding and resetting the units. Badger has been contacted to set up a new RMA to send the failed units back to them, and have new units sent back to us in return.

Crestview staff continues the system-wide lead and copper survey to verify what piping materials are coming off the meter and going into the house. Currently we are at 75% of the system completed. This is a federally directed study; there is a mandated completion date of October 16, 2024. Staff will be conducting a 3-point verification, if possible, to gather the best information.

Crestview Mutual Water Co.



Business Manager's Report

Ann DeMartini

July 23, 2024



Crestview achieved positive cash flow in June partly by selling 20% more water than budgeted. Further details can be found in the financial statements.

Projections indicate that our sales for the fiscal year will exceed the initial water budget by approximately 6%. For the water year ending on September 30, 2024, we anticipate being significantly under our allocation for this reporting period.



The Fox Canyon GMA is currently lagging in billing for the Semi-Annual Extraction Statements and the Las Posas Valley Water Master Fee linked to the adjudication process.

The postponement in the extraction statement billing appears to stem from a shift in the billing approach that caused confusion among the well owners.

The delay in the Water Master Fee is attributed to ongoing finance committee meetings deliberating on the rationale for the allocation of charges.



During a recent AWA meeting, Calleguas and Metropolitan Water District announced a significant decrease in water sales, at levels not observed since the 1980s. This decline coincides with California's upcoming strictest water usage mandate, "Conservation is a Way of Life" (CWOL), set to begin on January 1, 2025. While I hold the view that this regulation is excessively strict and costly, it will specifically impact water utilities catering to 3,000 or more connections. Calleguas is one of the 19 member agencies within the Metropolitan Water District of Southern California.



Additionally, to bolster emergency resilience, Calleguas is collaborating with Las Virgenes MWD in Agoura to establish a joint resilience interconnection.

Crestview Mutual Water Co.



Business Manager's Report

Ann DeMartini

July 23, 2024



Crestview approved the Cybersecurity Audit during the previous Board Meeting. Vetric LLC, the firm handling the audit, will commence their work at the end of this week, starting on July 25th.

Recognizing the significance of cybersecurity, taking this action is expected to bring about improvements to Crestview. An AWA Channel Counties Meeting scheduled for July 24, 2024 will focus entirely on this matter. It is customary for staff members to participate in these meetings.

Local Supply Update



At a recent AWA meeting, Mike Flood, the General Manager for Casitas MWD, shared that Lake Casitas is currently at full capacity, a significant increase from its 30% level in December 2022. They are experiencing historically low water sales not seen since 1973, as water continues to flow in from streams in the high country. This decrease in water sales is posing financial challenges for their organization, mirroring a common issue faced by many agencies including Crestview.



United Water Conservation District also mentioned having an abundance of water, with streams still supplying Lake Piru, which is currently holding 70,000 acre-feet. They have recently completed substantial upgrades to their Saticoy Facility and are preparing for cycles of both wetter and drier years ahead. They are also undergoing improvements to the Lake Piru Dam.



As the Co-Chair of the AWA Water Systems Emergency Committee, I attended a FEMA Management 381 Class earlier this month. This management-level course, spanned eight hours, aimed to equip both small and large businesses with the skills to effectively strategize for various emergency scenarios. Collaboratively developed by the NorthWest Arkansas Community College's Institute of Corporate and Public Safety, Wal-Mart Stores, Inc., Tyson Foods, Inc., and J.B. Hunt Transport Services, Inc., alongside public sector first responders, the course is tailored to educate executive-level managers and small business owners on creating a thorough and successful business continuity program from inception to completion. It was an interesting course held in at the Simi Valley Police Department EOC. It is always good to keep emergency planning in the forefront.



DRAFT

Crestview Mutual Water Company	June 2024		%	FY 2024	Budget	Reason for Variance	June 2023 FYTD	
	FYTD Actual	FYTD Budget					Variance	Budget
June 2024 YTD Profit and Loss								
Water Sales in Acre Feet	283,206	246,730	15%	53AF budget for May 24 sales and sold 61AF (13% more than expected)			232,223	22%
Water Production in Acre Feet	299,305	256,721	17%				245,842	22%
Percent Non-Revenue Water	5.68%	4%				Industry standard water loss 7.12%	6%	
Water Sales (Note 1) and Service Fees	698,028	577,401	21%	1,517,522	819,494	Price increase and higher expected sales	481,116	45%
Interest and Other Income	33,484	23,800	41%	40,800	7,316	Interest earned higher than expected	17,948	87%
Total Revenue	731,512	601,201	22%	1,558,322	826,810		499,064	47%
Power	72,624	72,441	0%	174,346	101,722	Current invoices may not be fully represented	95,524	-24%
Other Operating Costs	65,383	82,362	-21%	141,199	75,816	Less Repairs than budgeted	103,012	-37%
Employee Related Costs	342,871	342,894	0%	565,750	222,879		198,478	73%
General Insurance	20,238	19,327	5%	35,100	14,862	New policy expected to higher	18,420	10%
Taxes, Permits and Licenses	61,528	42,182	46%	72,260	10,732	Fox Canyon GMA billed 1/2 Watermaster fee	33,878	82%
General and Administrative Costs	109,839	112,378	-2%	192,210	82,371		214,751	-49%
Legal and Accounting Services	54,600	79,003	-31%	111,900	57,300	Less expense than anticipated	170,672	-68%
Total Costs	727,083	750,587	-3%	1,292,765	565,682		834,735	-13%
Depreciation	112,494	107,592	5%	184,443	71,949	CPA adjustments were booked to actual	107,592	5%
Loss on Sale of Asset	0	0		0	0		(3,732)	-100%
Capital Improvement Projects	0	154,908	-100%	265,557	265,557	No outlays to report	0	0%
Total Costs	839,577	1,013,087	-17%	1,742,765	903,188	Lower Prof, Operations and Outside Svc	946,059	-11%
Excess(Loss) Revenues over Expenses	(108,065)	(411,886)	-74%	(184,443)			(446,995)	-76%
Excluding Depreciation	4,429	(304,294)	-101%	0			(339,403)	-101%

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

FYTD = Fiscal Year to Date

June 2024 Balance Sheet		The cash balance increased by \$38,164 from the prior month's balance of \$1,195,278					FCGMA Allocation:	
Assets	6/30/24	6/30/23	Change	% Change	Reason for Variance	Carry Over		
Cash and Cash Equivalents - Note 2	1,233,442	2,174,945	(941,503)	-43%	Paid off loan, '22 loss affected reserves	Allocation Note 3		
Accounts Receivable	177,945	113,594	64,351	57%	More water sales compared to last year	Well 4	82.212	
Other Current Assets	43,800	81,933	(38,133)	-47%	Decrease in "Due from CMWD"	Well 6	82.213	
Restricted Cash	200,000	200,000	0	0%		Total AF	164.425	
Net Fixed Assets	4,081,881	4,251,436	(169,555)	-4%		Expires this year		
Total Assets	5,737,068	6,821,908	(1,084,840)	-16%	Effect of paying off loan and '22 loss	Hist. Alloc	717.42	
						Total AF	881.845	
Liabilities and Equity						Pumped		
Accounts Payable	37,662	153,659	(115,997)	-75%	Less operating expenses from PY	to date for		
Other Current Liabilities	109,765	150,808	(41,043)	-27%	Paid off loan and more accrued pension	Water Yr	431.079	
Long Term Liabilities (Loans)	0	831,579	(831,579)	-100%		Remaining	450.766	
Total Liabilities	147,427	1,136,046	(988,619)	-87%		Note 3 - Carry over		
						allocation has to be		
Equity	5,589,641	5,685,862	(96,221)	-2%		divided evenly		
						among reporting		
Total Liabilities and Equity	5,737,068	6,821,908	(1,084,840)	-16%	Effect of paying off loan and '22 loss	wells.		

Note 2 - About \$915,277 is being held in a sweep acct earning 2.1%, with \$499,614 n a high yield 4.4% acct. No active LOC (Previous expired 6/30/24 was \$250K).

Description	Budget FY2023	Budget FY2024	FYTD June-24	Remaining Budget	24-Jul	24-Aug	24-Sep	24-Oct	24-Nov	PROJECTED
AF Sold (Average 95% of AF Pumped)		600.000	283.206	316.794	79.435	70.093	69.415	74.459	59.868	636
AF Pump		628.642	299.305	329.337	83.361	69.402	72.809	76.474	65.395	667
Water Revenue			FYTD		Projected	Projected	Projected	Projected	Projected	AF
Water Sales	\$2,022,506	\$ 1,247,521	\$ 500,765	\$746,756	\$ 144,651	\$ 127,639	\$ 126,405	\$ 135,590	\$ 116,084	1,151,134
Service Availability (tied to shares)	\$269,867	\$ 270,000	\$ 197,262	\$72,738	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	358,757
	\$2,292,373	\$ 1,517,521	\$ 698,028	\$819,493	\$ 176,950	\$ 159,938	\$ 158,704	\$ 167,889	\$ 148,383	1,509,892
Other Income			ACTUAL							
Field Services	\$3,600	\$ 3,600	\$ 150	\$3,450	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	1,650
Transfer Fees	\$1,200	\$ 1,200	\$ 300	\$900	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	800
Interest Income	\$25,314	\$ 36,000	\$ 33,034	\$2,966	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	48,034
Sub-Total	\$30,114	\$ 40,800	\$ 33,484	\$7,316	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	50,484
Total Revenue	\$2,322,487	\$ 1,558,321	\$ 731,511	\$826,810	\$ 180,350	\$ 163,338	\$ 162,104	\$ 171,289	\$ 151,783	1,560,375
Power Costs tied to water use										
Power	\$164,290	\$ 174,346	\$ 72,624	\$101,722	\$ 21,798	\$ 18,148	\$ 19,039	\$ 19,997	\$ 17,100	168,705
Other Operational Related Costs										
Repairs - Unanticipated	\$24,000	\$ 36,000	\$ 19,427	\$16,573	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	34,427
Repairs - Scheduled	\$37,845	\$ 24,000	\$ -	\$24,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	10,000
Supplies	\$6,600	\$ 10,000	\$ 2,588	\$7,412	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	6,755
Auto Expenses	\$11,352	\$ 11,500	\$ 5,307	\$6,193	\$ 958	\$ 958	\$ 958	\$ 958	\$ 958	10,099
Water Purification	\$54,989	\$ 38,179	\$ 25,755	\$12,423	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	43,254
Water Purchased	\$27,079	\$ 21,520	\$ 12,305	\$9,215	\$ 1,793	\$ 1,793	\$ 1,793	\$ 1,793	\$ 1,793	21,272
Sub-Total	\$161,865	\$ 141,199	\$ 65,383	\$75,815	\$ 12,085	\$ 12,085	\$ 12,085	\$ 12,085	\$ 12,085	125,807

Employee Related Costs											
Workers Comp Insurance	\$9,178	\$ 16,500	\$ 7,460	\$9,040	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	14,335
Salary	\$256,848	\$ 415,550	\$ 257,190	\$158,360	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	430,335
Payroll Taxes	\$23,074	\$ 33,250	\$ 21,436	\$11,814	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	35,290
Group Medical Insurance	\$49,536	\$ 63,050	\$ 34,998	\$28,052	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	61,269
Pension Expense	\$27,079	\$ 37,400	\$ 21,788	\$15,613	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	37,371
Sub-Total	\$365,715	\$ 565,750	\$ 342,871	\$222,879	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	578,600
Insurance											
General Insurance	\$30,000	\$ 35,100	\$ 20,238	\$14,862	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	34,863
Taxes, Permits and Licenses											
Taxes & Permits, Licenses	\$27,875	\$ 27,875	\$ 13,559	\$14,316	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	25,174
Sewer Discharge Fees	\$216	\$ 240	\$ 143	\$97	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	243
Regulatory Compliance *	\$44,875	\$ 44,145	\$ 47,827	-\$3,682	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	66,221
Sub-Total	\$72,966	\$ 72,260	\$ 61,528	\$10,732	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	91,637
General and Administrative											
Outside Services	\$253,683	\$ 127,200	\$ 56,873	\$70,327	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	109,873
Computer Expense - Operations	\$5,025	\$ 5,025	\$ 15,035	-\$10,010	\$ 419	\$ 419	\$ 419	\$ 419	\$ 419	\$ 419	17,128
Telephone & Telemetry	\$10,200	\$ 10,500	\$ 7,104	\$3,396	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	11,479
Unanticipated Contingencies	\$0	\$ 3,000	\$ -	\$3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	1,250
Office Utilities	\$3,180	\$ 4,140	\$ 2,258	\$1,882	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	3,983
Fiber Optic Internet	\$1,680	\$ 2,040	\$ 1,407	\$633	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	2,257
Computer Expense	\$6,690	\$ 5,150	\$ 3,662	\$1,488	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	5,808
Office Expense	\$3,800	\$ 6,600	\$ 4,540	\$2,060	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	7,290
Dues and Subscriptions	\$2,360	\$ 3,995	\$ 3,988	\$7	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	5,652
Seminars & Training	\$1,185	\$ 5,000	\$ 5,211	-\$211	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	7,294
Telephone	\$2,340	\$ 2,340	\$ 1,603	\$737	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	2,578
Meeting Costs	\$12,000	\$ 11,000	\$ 3,470	\$7,530	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	8,054
Bank Fees	\$2,500	\$ 2,500	\$ 3,425	-\$925	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	4,467
Postage	\$3,720	\$ 3,720	\$ 2,763	\$957	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310	4,313
Sub-Total	\$308,363	\$ 192,210	\$ 111,339	\$80,871	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	191,426

Legal and CPA Fees											
Professional Fees	\$90,000	\$ 111,900	\$ 53,100	\$58,800	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	99,725
Accounting		\$ 7,400	\$ 10,000	-\$2,600	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	13,083
Adjudication		\$ 18,000	\$ 2,524	\$15,476	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	10,024
Employee Handbook		\$ 2,500	\$ 3,127	-\$627	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	4,169
Election/Annual Meeting		\$ 19,000	\$ 11,534	\$7,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,534
General Counsel		\$ 65,000	\$ 17,316	\$47,685	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	\$ 5,417	44,399
Professional Fees-Other		\$ -	\$ 8,600	-\$8,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,600
Non-Cash Expenses											
Administrative Depreciation	\$10,704	\$ 10,704	\$ 6,246	\$4,458	\$ 892	\$ 892	\$ 892	\$ 892	\$ 892	\$ 892	10,706
Operational Depreciation	\$173,739	\$ 173,739	\$ 106,248	\$67,491	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	178,639
Sub-Total	\$184,443	\$ 184,443	\$ 112,494	\$71,950	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	189,345
Total Costs	\$1,377,642	\$ 1,477,207	\$ 839,577	\$637,631	\$ 130,688	\$ 127,038	\$ 127,929	\$ 128,887	\$ 125,990		1,480,108
Deduct Depreciation	\$184,443	\$ 184,443	\$ 112,494	\$71,950	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	192,846
Total Cost Cash Basis	\$1,193,199	\$ 1,292,764	\$ 727,083	\$565,681	\$ 114,617	\$ 110,967	\$ 111,858	\$ 112,816	\$ 109,919		1,287,262
Capital Improvement Projects											
General Capital Projects	\$0	\$ 265,557	\$ -	\$265,557	\$ 53,111	\$ 53,111	\$ 53,111	\$ 53,111	\$ 53,111	\$ 53,111	265,557
Grand Total Costs	\$1,193,199	\$ 1,558,321	\$ 727,083	\$831,238	\$ 167,729	\$ 164,079	\$ 164,969	\$ 165,928	\$ 163,031		1,552,819
Cash Basis:											
Excess (Loss) Revenues over Expenses	\$1,129,288	\$ (0)	\$ 4,428	\$ 4,428	\$ 12,621	\$ (740)	\$ (2,866)	\$ 5,361	\$ (11,248)	\$ 7,557	
* Second Water Master Fee may be billed later this year.											

	Water	Water	Budgeted	% of Water	% of
Date	Production	Sales	Sales	Sold	Budgeted Sales
	MG	MG	MG		
Dec	14.987	14.135	10.329	94.3%	37%
Jan	9.152	8.634	6.501	94.3%	33%
Feb	5.836	5.264	10.561	90.2%	-50%
Mar	9.597	8.709	5.505	90.7%	58%
Apr	12.313	11.447	16.269	93.0%	-30%
May	20.900	20.021	18.755	95.8%	7%
Jun	24.073	22.743	20.152	94.5%	13%
Jul	10.000	10.000	28.127	100.0%	-64%
Aug	10.000	10.000	22.407	100.0%	-55%
Sept	10.000	10.000	26.026	100.0%	-62%
Oct	10.000	10.000	23.750	100.0%	-58%
Nov	10.000	10.000	17.379	100.0%	-42%
Totals	146.858	140.953	205.761	96.0%	-31.50%

