

Crestview Mutual Water Company
Board of Directors - Board Meeting
TUESDAY, OCTOBER 22, 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 – September 24, 2024

INFORMATION ITEMS

4. WATER SYSTEM SUPERINTENDENT'S REPORT
5. BUSINESS MANAGER'S REPORT
6. COMMITTEE UPDATES
7. TREASURER'S REPORT
 - Report on Monthly Draft Financial Statements
 - Budget Review
8. PRESIDENT'S REPORT
9. ADJOURNMENT OF REGULAR MONTHLY BOARD MEETING

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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
September 24, 2024

1. Convened Public Meeting

The meeting was called to order by President Dave Stephenson on Tuesday, September 24, 2024, at 5:30 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 Alma Quezada – Vice President Steven Muro – Secretary Frank Mezzatesta – Director
Directors Absent:	Laurie Bennett – Treasurer
Staff/Counsel Present:	Durrell McAdoo – Water System Superintendent Ann DeMartini – Business Consultant Lauri Marino – Office Manager

2. Shareholders Public Forum

No comments were made by shareholders in attendance during the public forum.

CONSENT AGENDA

3. Minutes

The minutes of the Regular Meeting and Executive Session of the Board of Directors of August 27, 2024, were presented. On a motion made by Director Steven Muro and seconded by Director Alma Quezada, 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 August 27, 2024, be accepted as presented.

INFORMATION ONLY

4. Superintendent's Report

Superintendent Durrell McAdoo reported that the meter endpoints received in August have been installed in the district. Brief discussion ensued about the life expectancy of endpoints and the procedure for receiving replacements for the failed units. Mr. McAdoo reported that Crestview's new water operator, Erick Rivas is learning the district and doing well. Graphs were presented for the static water levels at Well #4 and Well #6. 674 acre-feet of the 717-acre-foot allocation has been produced by Crestview's wells; pumping projections for the water year are 690 acre-feet, with no imported water purchases. Staff has completed the system-wide lead and copper survey.

5. Business Consultant's Report

Business Consultant Ann DeMartini reported for the fiscal year, water sales are projected to be 10% ahead of budget. Ms. DeMartini reported that the cybersecurity audit was completed on site and the final report is expected in two weeks. The auditors noted that generally for the U.S., cyber security is not at the level it should be. Ms. DeMartini reported that for the upcoming water year, Crestview's allocation will be 686.48 acre-feet; if historical usage occurs, imported water will need to be purchased. Discussion ensued regarding the effects of "Conservation as a Way of Life"; based upon average reporting of water purveyors, a 20% reduction in demand has been seen over the last two decades.

Discussion ensued regarding the flyer Ms. DeMartini created for shareholders regarding leak detection and setting up their online portal using EyeOnWater. The Board agreed to take a closer look at the information prior to sending it out in a future mailing and posting online.

6. Committee Updates

An update from the Technical Committee will be forthcoming after receiving recommendations from the cybersecurity audit. The Planning Committee is currently working on a strategic plan for FY2025, with useful contributions from the engaged committee members. It was noted that the committee members are reporting a positive experience overall.

7. Treasurer's Report

Business Consultant Ann DeMartini reported that Crestview sold 19% more water in August than budgeted. The first installment invoice for the 2024 water year was received recently from the Las Posas Valley Watermaster. Crestview's computer technical support company is substantially raising their rate in the upcoming year, and it may be prudent to get bids for this service going forward.

8. President's Report

President Dave Stephenson had nothing further to report at this time.

9. Adjournment

On a motion made by Director Alma Quezada, seconded by Director Frank Mezzatesta and approved with four ayes, the regular meeting was adjourned at 6:16 p.m.

Call to Order – Executive Session at 6:33 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 – The Board approved to move forward with the creation of an amendment, subject to conditions, to the Well #8 contract with Calleguas Municipal Water District.

2. Adjournment of Executive Session

On a motion made by Director Frank Mezzatesta, seconded by Director Steven Muro, and approved unanimously, the Executive Session was adjourned at 8:15 p.m.

Shareholders in Attendance:

Roger Chittum
Christopher Ono

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Dave Stephenson – President

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL P McADOO, SUPERINTENDENT
TOPIC: WATER SYSTEM SUPERINTENDENT'S REPORT
DATE: October 22, 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 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.

144 Cerro Crest experienced a leak on the service line. All repairs were completed in a timely manner and the street was back online after a minimal outage.

Crestview Staff has completed the system-wide lead and copper survey and report to verify what piping materials are coming off the meter and going into the house. This is a federally directed study with a mandated completion date of October 16, 2024. Staff conducted a 3-point verification, if possible, to gather the best information.

Crestview Mutual Water Co.



Business Manager's Report

Ann DeMartini

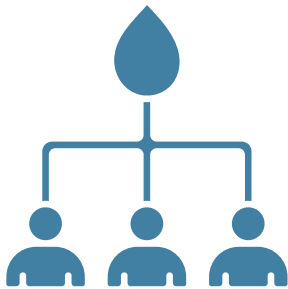
October 22, 2024



Crestview's Financial Position Projects a Net Cash Increase

We are approaching the end of the fiscal year on November 30, 2024. The low end projection is a net cash increase of about \$133K. Conservatively, the cash increase looks to be closer to \$250K based the projections to be under budget in certain categories such as capital expenditures.

Projected invoices were bulk entered into the October 2024 pro forma budget enclosed for the remaining fiscal year. Those entries were highlighted yellow on the spreadsheet document. SCE consistently delays their invoices requiring Crestview to estimate future invoices into the projections.



As reported last month, Crestview's historical allocation was ratcheted down by 4.3% to 686.48 AF for the next 5 water years. This level falls below Crestview's average use. Crestview will most likely need to partially rely on imported water from Calleguas. It is projected that Crestview may need to allow for the import of between 45 to 145 AF depending on normal or dry year scenarios. Water imports are necessary in order to meet requirements of the FCGMA Watermaster to benefit the groundwater basin under the adjudication.



Note that Crestview can no longer carryover its water conservation credits as of September 30, 2024, the end of the 2023-2024 water year.



Cyber Security Audit Report Received by Crestview

The Technology Committee is reviewing the results of the the Audit this month.

DRAFT

Crestview Mutual Water Company <i>Sept 2024 YTD Profit and Loss</i>	September 2024		%	FY 2024 Budget	Budget Remaining	Reason for Variance	September 2023 FYTD	
	FYTD Actual	FYTD Budget					Variance	Budget
Water Sales in Acre Feet	530,241	465,673	14%			September 24 water sales were 14% above budgeted sales	438,293	21%
Water Production in Acre Feet	559,014	482,293	16%				462,889	21%
Percent Non-Revenue Water	5.43%	4%				Industry standard water loss 7.12%	6%	
Water Sales (Note 1) and Service Fees	1,377,926	1,017,443	35%	1,517,522	139,596	Price increase and higher expected sales	953,449	45%
Interest and Other Income	47,669	34,000	40%	40,800	(6,869)	Interest earned higher than expected	32,358	47%
Total Revenue	1,425,595	1,051,443	36%	1,558,322	132,727		985,807	45%
Power	144,891	135,001	7%	174,346	29,455	Current invoices may not be fully represented	161,346	-10%
Other Operating Costs	117,785	132,219	-11%	141,199	23,414	Less Repairs than budgeted	149,621	-21%
Employee Related Costs	492,184	489,420	1%	565,750	73,566		303,299	62%
General Insurance	29,701	27,610	8%	35,100	5,399	New policy expected to higher	26,703	11%
Taxes, Permits and Licenses	82,258	58,180	41%	72,260	(9,998)	Fox Canyon GMA billed Watermaster fee	51,244	61%
General and Administrative Costs	145,480	153,761	-5%	192,210	46,730		270,280	-46%
Legal and Accounting Services	68,523	96,420	-29%	111,900	43,377	Less expense than budgeted	193,296	-65%
Total Costs	1,080,822	1,092,611	-1%	1,292,765	211,943		1,155,789	-6%
Depreciation	160,705	153,703	5%	184,443	23,738		153,692	5%
Loss on Sale of Asset	0	0	0%	0	0		(3,732)	-100%
Capital Improvement Projects	0	0	0%	265,557	265,557	No outlays to report	0	0%
Total Costs	1,241,527	1,246,314	0%	1,742,765	501,238		1,313,213	-5%
Excess(Loss) Revenues over Expenses	184,068	(194,871)	-194%	(184,443)			(327,406)	-156%
Excluding Depreciation	344,773	(41,168)	-937%	0			(173,714)	-298%

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

FYTD = Fiscal Year to Date

September 2024 Balance Sheet		The cash balance increased by \$147,192 from the prior month's balance of \$1,433,189					FCGMA Allocation:	
Assets	9/30/24	9/30/23	Change	% Change	Reason for Variance	Carry Over		
Cash and Cash Equivalents - Note 2	1,580,381	1,273,765	306,616	24%	Balance sheet continues to improve	Allocation Note 3		
Accounts Receivable	223,863	172,375	51,488	30%	More water sales than last year	Well 4	82.212	
Other Current Assets	34,663	83,431	(48,768)	-58%	Decrease in "Due from CMWD"	Well 6	82.213	
Restricted Cash	200,000	200,000	0	0%		Total AF	164.425	
Net Fixed Assets	4,036,670	4,213,284	(176,614)	-4%	Effect of depreciation	Expires this year		
Total Assets	6,075,577	5,942,855	132,722	2%		Hist. Alloc	717.42	
						Total AF	881.845	
Liabilities and Equity						Pumped		
Accounts Payable	63,235	119,826	(56,591)	-47%	Less operating expenses from PY	to date for		
Other Current Liabilities	130,568	24,490	106,078	433%	More payroll accruals	Water Yr	690.788	
Long Term Liabilities (Loans)	0	(6,911)	6,911	-100%		Remaining	191.057	
Total Liabilities	193,803	137,405	56,398	41%		Note 3 - Carry over		
						allocation has to be		
Equity	5,881,774	5,805,450	76,324	1%		divided evenly		
						among reporting		
Total Liabilities and Equity	6,075,577	5,942,855	132,722	2%		wells.		

Note 2 - About \$1,295,270 is being held in a sweep acct earning 1.8%, with \$498,925 in a high yield 3.9% acct. Active \$250K LOC. (Int Rates decreased 0.5% as expected.)

Description	Budget FY2023	Budget FY2024	FYTD Sept-24	Remaining Budget	24-Oct	24-Nov	PROJECTED
AF Sold (Average 95% of AF Pumped)		600.000	530.241	69.759	74.459	59.868	665
AF Pump		628.642	559.014	69.628	76.474	65.395	701
Water Revenue			FYTD		Projected	Projected	AF
Water Sales	\$2,022,506	\$ 1,247,521	\$ 1,083,414	\$164,107	\$ 135,590	\$ 116,084	1,335,088
Service Availability (tied to shares)	\$269,867	\$ 270,000	\$ 294,512	-\$24,512	\$ 32,299	\$ 32,299	359,110
	\$2,292,373	\$ 1,517,521	\$ 1,377,926	\$139,595	\$ 167,889	\$ 148,383	1,694,198
Other Income			ACTUAL				
Field Services	\$3,600	\$ 3,600	\$ 320	\$3,280	\$ 300	\$ 300	920
Transfer Fees	\$1,200	\$ 1,200	\$ 850	\$350	\$ 100	\$ 100	1,050
Interest Income	\$25,314	\$ 36,000	\$ 46,459	-\$10,459	\$ 3,000	\$ 3,000	52,459
Sub-Total	\$30,114	\$ 40,800	\$ 47,629	-\$6,829	\$ 3,400	\$ 3,400	54,429
Total Revenue	\$2,322,487	\$ 1,558,321	\$ 1,425,555	\$132,767	\$ 171,289	\$ 151,783	1,748,626
Power Costs tied to water use							
Power	\$164,290	\$ 174,346	\$ 144,891	\$29,455	\$ 49,000	\$ 16,267	210,158
Other Operational Related Costs							
Repairs - Unanticipated	\$24,000	\$ 36,000	\$ 23,529	\$12,471	\$ 3,000	\$ 3,000	29,529
Repairs - Scheduled	\$37,845	\$ 24,000	\$ -	\$24,000	\$ 2,000	\$ 2,000	4,000
Supplies	\$6,600	\$ 10,000	\$ 7,697	\$2,303	\$ 833	\$ 833	9,363
Auto Expenses	\$11,352	\$ 11,500	\$ 7,684	\$3,816	\$ 958	\$ 958	9,601
Water Purification	\$54,989	\$ 38,179	\$ 49,391	-\$11,213	\$ 3,500	\$ 3,500	56,391
Water Purchased	\$27,079	\$ 21,520	\$ 17,561	\$3,959	\$ 1,793	\$ 1,793	21,148
Sub-Total	\$161,865	\$ 141,199	\$ 105,862	\$35,337	\$ 12,085	\$ 12,085	130,031
Employee Related Costs							
Workers Comp Insurance	\$9,178	\$ 16,500	\$ 18,621	-\$2,121	\$ 1,375	\$ 1,375	21,371
Salary	\$256,848	\$ 415,550	\$ 362,600	\$52,950	\$ 34,629	\$ 34,629	431,858
Payroll Taxes	\$23,074	\$ 33,250	\$ 29,329	\$3,921	\$ 2,771	\$ 2,771	34,870
Group Medical Insurance	\$49,536	\$ 63,050	\$ 50,510	\$12,540	\$ 5,254	\$ 5,254	61,019
Pension Expense	\$27,079	\$ 37,400	\$ 31,125	\$6,275	\$ 3,117	\$ 3,117	37,358

Sub-Total	\$365,715	\$ 565,750	\$ 492,184	\$73,566	\$ 47,146	\$ 47,146	586,476
Insurance							
General Insurance	\$30,000	\$ 35,100	\$ 29,701	\$5,399	\$ 2,925	\$ 2,925	35,551
Taxes, Permits and Licenses							
Taxes & Permits, Licenses	\$27,875	\$ 27,875	\$ 20,017	\$7,858	\$ 2,323	\$ 2,323	24,663
Sewer Discharge Fees	\$216	\$ 240	\$ 214	\$26	\$ 20	\$ 20	254
Regulatory Compliance	\$44,875	\$ 44,145	\$ 62,027	-\$17,882	\$ 15,000	\$ 3,679	80,706
Sub-Total	\$72,966	\$ 72,260	\$ 82,258	-\$9,998	\$ 17,343	\$ 6,022	105,623
General and Administrative							
Outside Services	\$253,683	\$ 127,200	\$ 76,216	\$50,984	\$ 10,600	\$ 10,600	97,416
Computer Expense - Operations	\$5,025	\$ 5,025	\$ 23,896	-\$18,871	\$ 419	\$ 419	24,734
Telephone & Telemetry	\$10,200	\$ 10,500	\$ 10,423	\$77	\$ 875	\$ 875	12,173
Unanticipated Contingencies	\$0	\$ 3,000	\$ -	\$3,000	\$ 250	\$ 250	500
Office Utilities	\$3,180	\$ 4,140	\$ 3,556	\$584	\$ 345	\$ 345	4,246
Fiber Optic Internet	\$1,680	\$ 2,040	\$ 2,018	\$22	\$ 170	\$ 170	2,358
Computer Expense	\$6,690	\$ 5,150	\$ 10,403	-\$5,253	\$ 22,000	\$ 429	32,832
Office Expense	\$3,800	\$ 6,600	\$ 5,727	\$873	\$ 550	\$ 550	6,827
Dues and Subscriptions	\$2,360	\$ 3,995	\$ 5,099	-\$1,104	\$ 333	\$ 333	5,765
Seminars & Training	\$1,185	\$ 5,000	\$ 4,101	\$899	\$ 417	\$ 417	4,934
Telephone	\$2,340	\$ 2,340	\$ 2,329	\$11	\$ 195	\$ 195	2,719
Meeting Costs	\$12,000	\$ 11,000	\$ 5,043	\$5,957	\$ 917	\$ 917	6,876
Bank Fees	\$2,500	\$ 2,500	\$ 4,696	-\$2,196	\$ 208	\$ 208	5,113
Postage	\$3,720	\$ 3,720	\$ 3,894	-\$174	\$ 310	\$ 310	4,514
Sub-Total	\$308,363	\$ 192,210	\$ 157,402	\$34,808	\$ 16,018	\$ 16,018	189,437
Legal and CPA Fees							
Professional Fees	\$90,000	\$ 111,900	\$ 68,523	\$43,377	\$ 16,325	\$ 9,325	94,173
Accounting		\$ 7,400	\$ 10,000	-\$2,600	\$ 617	\$ 617	11,233
Adjudication		\$ 18,000	\$ 8,354	\$9,646	\$ 1,500	\$ 1,500	11,354
Employee Handbook		\$ 2,500	\$ 8,056	-\$5,556	\$ 208	\$ 208	8,473

Election/Annual Meeting		\$ 19,000	\$ 11,534	\$7,466	\$ -	\$ -	11,534
General Counsel		\$ 65,000	\$ 21,980	\$43,021	\$ 5,417	\$ 5,417	32,813
Professional Fees-Other/Unallocated		\$ -	\$ 8,600	-\$8,600	\$ 7,000	\$ -	15,600
Non-Cash Expenses							
Administrative Depreciation	\$10,704	\$ 10,704	\$ 8,923	\$1,782	\$ 892	\$ 892	10,707
Operational Depreciation	\$173,739	\$ 173,739	\$ 151,783	\$21,957	\$ 14,478	\$ 14,478	180,739
Sub-Total	\$184,443	\$ 184,443	\$ 160,705	\$23,738	\$ 15,370	\$ 15,370	191,446
Total Costs							
	\$1,377,642	\$ 1,477,207	\$ 1,241,526	\$235,681	\$ 176,211	\$ 125,157	1,542,894
Deduct Depreciation	\$184,443	\$ 184,443	\$ 160,705	\$23,738	\$ 16,071	\$ 16,071	192,846
Total Cost Cash Basis	\$1,193,199	\$ 1,292,764	\$ 1,080,821	\$211,943	\$ 160,141	\$ 109,087	1,350,048
Capital Improvement Projects							
General Capex (Full budget Projected)	\$0	\$ 265,557	\$ -	\$265,557	\$ 132,778	\$ 132,779	265,557
Grand Total Costs	\$1,193,199	\$ 1,558,321	\$ 1,080,821	\$477,500	\$ 292,919	\$ 241,866	1,615,605
Cash Basis:							
Excess (Loss) Revenues over Expenses	\$1,129,288	\$ (0)	\$ 344,733	\$ 344,733	\$(121,630)	\$ (90,083)	\$ 133,021

	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	20.970	20.021	18.755	95.5%	7%
Jun	24.073	22.743	20.152	94.5%	13%
Jul	28.870	27.640	28.127	95.7%	-2%
Aug	28.595	27.115	22.407	94.8%	21%
Sept	27.161	25.743	26.026	94.8%	-1%
Oct	10.000	10.000	23.750	100.0%	-58%
Nov	10.000	10.000	17.379	100.0%	-42%
Totals	201.554	191.451	205.761	95.0%	-6.95%

