

Crestview Mutual Water Company
Board Meeting Materials
August 29, 2023

CRESTVIEW WATER COMPANY - 2023 BOARD OF DIRECTORS ELECTION

Final Vote Tally

Prepared: August 23, 2023

NOMINEE	VOTE
Laurie Bennett	1300.85
Sol Chooljian	119.00
Frank Mezzatesta	1293.85
Alma Quezada	1401.35
Roger Whitlock	238.50
Steven Muro	901.38
Ron Rieger	111.50
Dave Stephenson	940.48
Katie Teague	480.95



8/23/2023

Heidi L. Herpel, Election Inspector

KHA ELECTIONS

12240 Venice Boulevard, Suite 16A
Los Angeles, CA 90066
Tel: 310 636 4615

Election Inspector: Heidi L. Herpel

Minutes of the Special Meeting
of the Board of Directors of
Crestview Mutual Water Company
July 20, 2023

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Thursday, July 20, 2023, at 5:32 p.m. for an in-person meeting at the office of Crestview Mutual Water, 328 Valley Vista Dr, Camarillo, CA 93010.

Attendance and Quorum

Directors Present:	Frank Mezzatesta – President Alma Quezada – Vice President Laurie Bennett – Treasurer – Via Teleconference Roger Whitlock – Secretary Sol Chooljian – Director
Directors Absent:	None
Staff/Counsel Present:	Robert Eranio – Consulting General Manager Durrell McAdoo – Lead Water Treatment Operator III

2. Shareholder’s Public Forum

No shareholders were present.

3. Adjournment

On a motion made by Director Sol Chooljian, seconded by, Director Alma Quezada, and approved unanimously, the regular meeting was adjourned at 5:37 p.m.

Shareholders in Attendance: None.

Call to Order – Executive Session at 5:40 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – No decisions were made.

- Well #7 Siting Review Workshop – No decisions were made.

2. Adjournment of Executive Session

On a motion made by Director Alma Quezada, seconded by Director Sol Chooljian, and approved with four ayes, the Executive Session was adjourned at 7:25 p.m.

Submitted by,

Robert Eranio, Consulting General Manager

Approved by,

Roger Whitlock, Secretary

Frank Mezzatesta, President

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
July 25, 2023

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Tuesday, July 25, 2023, at 5:34 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
Roger Whitlock – Secretary

Directors Absent: Sol Chooljian – Director

Staff/Counsel Present: Durrell McAdoo – Interim General Manager/Superintendent
Lauri Marino – Office Manager

2. Shareholder's Public Forum

Roger Chittum stated that he expects there will be over 100 people in attendance at the Annual Shareholders' meeting; he further noted that shareholders will be disappointed and a little unruly if they are sent home and not allowed to hear Company reports without the chance to ask questions while a quorum is being determined. He suggested that the Shareholders Public Forum and informational items be discussed first, with quorum determination after.

3. Approval of Minutes

The minutes of the meeting of the Board of Directors of June 12, 2023, were presented.

On a motion made by Director Laurie Bennett and seconded by Director Roger Whitlock, the Board approved with three ayes and one abstention the following:

Resolved, that the minutes of the meeting of the Board of Directors of June 12, 2023, be accepted as presented.

The minutes of the meeting of the Board of Directors of June 30, 2023, were presented.

On a motion made by Director Laurie Bennett and seconded by Director Alma Quezada, the Board approved with four ayes the following:

Resolved, that the minutes of the meeting of the Board of Directors of June 30, 2023, be accepted as presented.

The minutes of the meeting of the Executive Session of June 30, 2023, were presented.

On a motion made by Director Alma Quezada and seconded by Director Laurie Bennett, the Board approved with four ayes the following:

Resolved, that the minutes of the Executive Session of the June 12, 2023 meeting be accepted as presented.

ACTION ITEMS

4. Unbudgeted Purchase of Multifunction Color Printer

Interim General Manager Durrell McAdoo presented a report stating that the current Kyocera color printer in the office, which is 11+ years old, is not working to satisfactory standards and can no longer print in color. After researching replacement options, Staff requested authorization to purchase a Toshiba eStudio 2525AC multifunction printer for a price of \$5,147. Discussion ensued.

On a motion made by Director Roger Whitlock and seconded by Director Alma Quezada, the Board approved with four ayes the following:

Resolved, that authorization be granted to purchase a Toshiba eStudio 2525AC multifunction printer for a cost not to exceed \$5,500.

5. Election Concerns: Proxy Issues/Annual Meeting Agenda Items

Director Frank Mezzatesta announced that KHA Elections has received 105 white/Crestview proxies and none of the green proxies out of the 628 that were mailed, representing a 14% return rate. Crestview needs 50 + 1% to be returned or present in attendance for a quorum to be attained and a meeting to valid.

Discussion ensued about third-party proxies that are expected to be sent/turned in to the election official. A change order is needed to allow KHA extra time and money necessary to validate third-party proxies, in addition if someone turns in one or multiple proxies that are not their own at the Annual Meeting. Considerable discussion ensued.

On a motion made by Director Laurie Bennett and seconded by Director Alma Quezada, the Board approved with four ayes the following:

Resolved, that authorization for additional funding not to exceed \$10,000 be granted to allow KHA Elections to validate any third-party proxies that are submitted for consideration at the Annual Meeting.

Director Frank Mezzatesta offered for discussion that every candidate should be allowed up to 3 minutes to present a candidate statement. Discussion ensued; it was decided that all questions and answers posed to candidates must fit within the three-minute time frame allowed for each person's statement. Considerable discussion took place about proxy ballots and why corporations use them for meetings. Discussion ensued regarding Crestview's bylaws pertaining to the annual meeting and California Corporations Code. Further discussion ensued regarding informational reporting while the quorum count is conducted, and how to proceed if a quorum is not attained. Director Mezzatesta will verify options with legal counsel and report back to the Board.

INFORMATION ONLY

6. Treasurer's Report – Information Only

Director Laurie Bennett, Treasurer, reported that the Company remains in a good financial position even though the Company has not met the year-to-date budget for water sales. She noted that water sales should begin to catch up in July. The loan from the Community Bank of Santa Maria for building a new well has recently been paid off. Discussion ensued regarding the capitalized costs for Well #7.

7. Interim General Manager/Superintendent's Operations Report – Information Only

Interim General Manager Durrell McAdoo reported that per the County of Ventura/Fox Canyon GMA's requirement, Staff replaced the meter at Well #5 with a Smart Meter with AMI capability. Mr. McAdoo reported that 300 cubic feet per second of water is being discharged to the Ventura River by United Water. The environmental CEQA review is underway with the City of Camarillo for Well #8; the public review process is expected shortly. Mr. McAdoo reported that Wells #4 and #6 are operating at 70-80% capacity. Recently hired Treatment Operator Timothy Lewsadder is progressing well and will take stand-by operation for the District in August.

8. President's Report – Information Only

Director Frank Mezzatesta, President, reported that the location of the Annual Shareholders meeting has been moved to Spanish Hills Country Club in Camarillo. A letter will be mailed to all shareholders notifying them of the new location, in addition to a notice being posted on Crestview's website. Director Mezzatesta noted that recent communications have been received from shareholders regarding holding monthly meetings via a webcast to allow for more shareholder participation. He noted that he is looking to have webcasting outsourced and welcomes any outside input; the Board can then decide if the cost is appropriate. Discussion ensued. Director Mezzatesta reported on the three meetings recently held in Executive Session regarding the Well #7 Siting Review process. All six sites remain on the list; he has asked Staff to review, and evaluation by third-party unrelated professionals is in process. Additional discussion ensued; it was noted that this process will take considerable time.

4. Adjournment

On a motion made by Director Laurie Bennett, seconded by Director Alma Quezada, and approved with four ayes, the regular meeting was adjourned at 7:15 p.m.

Call to Order – Executive Session at 7:26 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 Siting Review Workshop – No decisions were made; nothing to report.

2. Adjournment of Executive Session

On a motion made by Director Alma Quezada, seconded by Director Laurie Bennett, and approved with four ayes, the Executive Session was adjourned at 8:45 p.m.

Shareholders in Attendance:

Chittum, Roger
Kerr, Carin
Kerr, Maurice
Muro, Steven
Teague, Katie
Rieger, Ron
Stephenson, Dave

Submitted by,

Lauri Marino, Office Manager

Approved by,

Roger Whitlock, Secretary

Frank Mezzatesta, President

CRESTVIEW MUTUAL WATER CO
Profit & Loss YTD Budget vs. Actual
 December 2022 through July 2023

	Dec '22 - Jul 23	Budget	\$ Over Budget
Income			
3012 · WATER SERVICE	474,758.42	1,194,810.00	-720,051.58
3013 · SERVICE AVAILABILITY	181,218.13	179,912.00	1,306.13
3014 · LABOR & WELDING	2,884.00	2,400.00	484.00
3016 · TRANSFER FEES	830.00	800.00	30.00
3017 · OTHER WATER SALES	1,550.51	0.00	1,550.51
3018 · MISCELLANEOUS INCOME	177.87	0.00	177.87
3019 · INT INCOME	16,317.20	14,764.00	1,553.20
3021 · GAIN/LOSS SALE OF ASSETS	-3,732.00		
Total Income	674,004.13	1,392,686.00	-718,681.87
Gross Profit	674,004.13	1,392,686.00	-718,681.87
Expense			
4000 · PLANT OPERATING EXP			
4005 · SALARIES	118,174.99	117,200.00	974.99
4007 · PAYROLL TAXES	10,523.25	11,222.00	-698.75
4010 · POWER	95,697.92	110,746.00	-15,048.08
4015 · REPAIRS - UNANTICIPATED	30,065.57	16,000.00	14,065.57
4018 · REPAIRS - SCHEDULED	14,877.32	28,897.00	-14,019.68
4020 · SUPPLIES	9,318.15	4,600.00	4,718.15
4025 · AUTO EXPENSE	7,252.48	7,568.00	-315.52
4027 · OUTSIDE SVCS	150,965.70	169,523.00	-18,557.30
4028 · COMPUTER EXPENSE - OPERATIONS	6,063.90	3,500.00	2,563.90
4030 · INSURANCE/GENERAL LIABILITY	21,180.96	20,000.00	1,180.96
4032 · INSURANCE/WORKERS COMP	7,149.03	5,333.00	1,816.03
4035 · TAXES & PERMITS	2,500.00	2,500.00	0.00
4038 · SEWER DISCHARGE FEE	213.93	144.00	69.93
4040 · TELEPHONE/TELEMETRY	7,010.78	6,800.00	210.78
4045 · WATER PURIFICATION	30,982.23	37,055.00	-6,072.77
4050 · WATER PURCHASED	20,006.00	19,943.00	63.00
4060 · GROUP MEDICAL INS.-OPERATIONS	8,428.73	18,080.00	-9,651.27
4062 · INCIDENTAL EXPENSES - OPERAT.	119.25	0.00	119.25
4063 · PENSION EXPENSE	9,880.00	10,552.00	-672.00
4065 · SEMINARS & TRAINING	800.00	490.00	110.00
4070 · ENGINEERING FEES - OPERATIONS	5,808.96		
4075 · REGULATORY COMPLIANCE	24,203.58	30,405.00	-6,201.42
4080 · DEPRECIATION	115,826.00	115,826.00	0.00
4085 · CONSERVATION EXPENSE	0.00	0.00	0.00
4090 · RECRUITMENT EXPENSE	282.00		
Total 4000 · PLANT OPERATING EXP	697,130.73	736,384.00	-39,253.27
6000 · ADMINISTRATIVE EXPENSES			
6005 · SALARIES	53,910.90	54,032.00	-121.10
6007 · PAYROLL TAXES	4,850.91	6,289.00	-1,438.09
6010 · UTILITIES	2,893.07	2,120.00	773.07
6011 · FIBER OPTIC INTERNET	1,657.48	1,120.00	537.48
6015 · COMPUTER EXPENSE - ADMIN	8,810.87	6,430.00	2,380.87
6020 · OFFICE EXPENSE	5,050.96	2,600.00	2,450.96
6022 · DUES & SUBSCRIPTIONS	5,159.78	1,870.00	3,289.78
6025 · PROFESSIONAL FEES			
6025-1 · ACCOUNTING	10,700.00		
6025-2 · LEGAL - ADJUDICATION	80,173.00		
6025-3 · LEGAL - EMPLOYEE HANDBOOK	17,986.90		
6025-4 · LEGAL - ELECTION / ANNUAL MTG	39,753.50		
6025-5 · LEGAL - GENERAL COUNSEL	30,037.60		
6025 · PROFESSIONAL FEES - Other	0.00	60,000.00	-60,000.00
Total 6025 · PROFESSIONAL FEES	178,651.00	60,000.00	118,651.00
6027 · OUTSIDE SERVICES	25,687.52	1,440.00	24,247.52
6032 · INSURANCE/WORKERS COMP	974.89	720.00	254.89
6035 · TAXES & LICENSES	13,780.78	17,375.00	-3,594.22
6040 · TELEPHONE	1,069.83	1,560.00	-490.17
6045 · MEETING COSTS	6,079.09	12,000.00	-5,920.91
6052 · BANK CHARGES	1,944.25	1,000.00	944.25
6060 · GROUP MEDICAL INS.-ADMIN.	14,487.76	14,944.00	-456.24
6062 · INCIDENTAL EXPENSES - ADMIN	284.18	0.00	284.18
6063 · PENSION EXP-ADMIN	4,400.00	4,864.00	-464.00
6065 · SEMINARS & TRAINING	0.00	300.00	-300.00
6070 · POSTAGE & SHIPPING	2,858.47	2,480.00	378.47
6080 · DEPRECIATION	7,136.00	7,136.00	0.00
Total 6000 · ADMINISTRATIVE EXPENSES	339,687.74	198,280.00	141,407.74
6560 · Payroll Expenses	-0.01		
Total Expense	1,036,818.46	934,664.00	102,154.46
Net Income	-362,814.33	458,022.00	-820,836.33

CRESTVIEW MUTUAL WATER CO
Balance Sheet: Previous Year Comparison
As of July 31, 2023

	Jul 31, 23	Jul 31, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1005 · LONG-TERM CAP RESV - WELLS FRGO	3,460.95	3,430.61	30.34
1016 · GENERAL CHECKING - PACIFIC WEST	837,340.52	1,230,974.08	-393,633.56
1018 · MONEY MRKT SVGS - PACIFIC WEST	66,135.48	264,285.52	-198,150.04
1019 · RESTR CAP RESERVE - PAC WEST BK	200,000.00	200,000.00	0.00
1020 · SAVINGS - PACIFIC WEST BANK	210,999.10	0.00	210,999.10
1026 · PAYROLL ACCOUNT - PACIFIC WEST	6,707.64	6,606.30	101.34
1029 · PLEDGE-CO OF VTA - PACIFIC WEST	10,013.71	10,011.71	2.00
1038 · COMMUNITY BANK OF SANTA MARIA	0.00	970,565.20	-970,565.20
1070 · PETTY CASH	400.00	400.00	0.00
Total Checking/Savings	1,335,057.40	2,686,273.42	-1,351,216.02
Accounts Receivable			
1110 · ACCOUNTS RECEIVABLE	183,306.06	277,398.10	-94,092.04
1140 · OTHER RECEIVABLES	5,295.25	530.00	4,765.25
Total Accounts Receivable	188,601.31	277,928.10	-89,326.79
Other Current Assets			
1310 · PREPAID INSURANCE	34,602.19	31,628.43	2,973.76
1340 · PREPAID OTHER EXP	1,003.80	885.51	118.29
1350 · DUE FROM CALLEGUAS	82,170.78	26,536.42	55,634.36
Total Other Current Assets	117,776.77	59,050.36	58,726.41
Total Current Assets	1,641,435.48	3,023,251.88	-1,381,816.40
Fixed Assets			
1405 · LAND & LAND IMP	535,516.73	541,938.73	-6,422.00
1408 · VEHICLES	167,131.18	86,142.32	80,988.86
1410 · BUILDING & EQUIPMENT	343,033.86	387,484.86	-44,451.00
1412 · FIXTURES/FURNISHINGS	6,503.88	6,503.88	0.00
1415 · DISTRIBUTION LINES	968,761.77	968,761.77	0.00
1420 · HYDRANT INSTALL/REPLACEMENTS	164,014.81	164,014.81	0.00
1425 · METERS	-29,510.88	13,139.12	-42,650.00
1430 · PUMPING PLANTS	734,373.79	734,373.79	0.00
1435 · PUMP HOUSES	59,104.17	59,104.17	0.00
1440 · RESERVOIRS	327,080.34	398,597.34	-71,517.00
1445 · TRANSMISSION MAINS	1,213,613.24	1,213,613.24	0.00
1450 · WELLS	1,225,367.01	1,207,820.01	17,547.00
1451 · WELL #5 REHABILITATION	109,630.96	109,630.96	0.00
1455 · COMPUTER HARDWARE	168,907.45	246,419.45	-77,512.00
1460 · COMPUTER SOFTWARE	33,197.53	46,465.53	-13,268.00
1465 · FILTRATION PLANT	1,275,852.57	1,275,852.57	0.00
1475 · CAPITALIZED CONST INT	394,389.68	310,776.86	83,612.82
1480 · ENGINEERING COSTS	80,980.20	80,980.20	0.00
1481 · CAPITALIZED COSTS - VIA ZAMORA	220,607.64	220,607.64	0.00
1482 · CAPITALIZED COSTS - WELL #6	1,007,809.25	1,007,809.25	0.00
1484 · CAPITALIZED COSTS - WELL #7	926,151.08	887,797.33	38,353.75
1495 · WATER RIGHTS	0.00	0.00	0.00
1500 · Accumulated Depreciation	-5,761,095.68	-5,850,743.76	89,648.08
Total Fixed Assets	4,171,420.58	4,117,090.07	54,330.51
TOTAL ASSETS	5,812,856.06	7,140,341.95	-1,327,485.89

CRESTVIEW MUTUAL WATER CO
Balance Sheet: Previous Year Comparison
As of July 31, 2023

	Jul 31, 23	Jul 31, 22	\$ Change
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · ACCOUNTS PAYABLE	60,330.29	144,720.58	-84,390.29
Total Accounts Payable	60,330.29	144,720.58	-84,390.29
Other Current Liabilities			
2100 · PAYROLL LIABILITIES	3,455.53	-19,260.60	22,716.13
2220 · BORROWED WATER (CAL-AMERICAN)	-37,824.37	-37,824.37	0.00
2221 · BORROWED WATER (CITY OF CAM)	-6,751.36	-6,751.36	0.00
2244 · 2% COUNTY TAX - HOLDING ACCT	5,355.89	14,965.87	-9,609.98
2320 · ACCRUED PAYROLL	7,413.89	5,003.19	2,410.70
2322 · ACCRUED PENSION	19,173.00	38,884.00	-19,711.00
2325 · ACCRUED VACATION	18,819.23	23,036.15	-4,216.92
2326 · ACCRUED PROPERTY TAX	32,242.54	14,655.70	17,586.84
2327 · ACCRUED REGULATORY COMPLIANCE	8,038.28	22,046.78	-14,008.50
2390 · PLAN CHECK AND CONSTR DEPOSITS	3,656.72	3,656.72	0.00
2410 · CNSTRUCT LOAN BK OF SANTA MARIA	0.00	133,973.53	-133,973.53
Total Other Current Liabilities	53,579.35	192,385.61	-138,806.26
Total Current Liabilities	113,909.64	337,106.19	-223,196.55
Long Term Liabilities			
2640 · CONSTRCT LOAN BK OF SANTA MARIA	0.00	954,212.47	-954,212.47
Total Long Term Liabilities	0.00	954,212.47	-954,212.47
Total Liabilities	113,909.64	1,291,318.66	-1,177,409.02
Equity			
2900 · CAPITAL STOCK	208,000.00	208,000.00	0.00
2910 · PAID IN SURPLUS	108,971.26	108,971.26	0.00
2920 · WTR RIGHTS	100,000.00	100,000.00	0.00
2930 · CONTRIBUTIONS /CONST	449,604.30	449,604.30	0.00
3010 · RETAINED EARNINGS	5,195,185.19	4,602,224.94	592,960.25
Net Income	-362,814.33	380,222.79	-743,037.12
Total Equity	5,698,946.42	5,849,023.29	-150,076.87
TOTAL LIABILITIES & EQUITY	5,812,856.06	7,140,341.95	-1,327,485.89

Notes to Financial Statements

Expense Accounts:

<u>Account No.</u>	<u>Comments</u>
4015	Unanticipated Repairs are over budget due to service line leak at 325 Valley Vista Drive in southbound lane and recent repairs to Well #4.
4060	Group Medical Expense is under budget YTD due to Operations staff in the process of being added to the medical insurance plan.
6027	Outside Services are over budget due to temporary employee expense.

On the P & L Reports (Pages 1 through 4), note that some expense accounts are shown on certain reports but not listed on others. While this is inconsistent, there is no monetary impact. The QuickBooks program will report all line items on P & L reports containing Budget figures, but will not report accounts on "comparison" P & L reports unless a dollar value is placed in it. The old "Memorized" financials are no longer in use; the new reports have no filters set. If an account is not shown, consider its value during the period reported to be zero.

Liability/Equity Accounts:

2220 A bank of approximately 25 acre-feet now exists with Cal American Water.

Income Items/Bank Accounts:

1019 \$200,000 is held as Restricted Capital Reserves designated for immediate or emergency needs only, per Board resolution dated June 24, 2003.

Other Current Asset Accounts:

1350 Expenses and reimbursements for the Well #8 project are posted to this account.

3012 Water sales are below budget due to weather.

August 16, 2023

Dear Board of Directors, Crestview Mutual Water Company,

We write on behalf of the Las Posas Hills Owners Association to invite CMWC to re-apply for a permit to build Well#7 on your lot at 191 Alviso, here in Las Posas Hills. As yet another fire season approaches, and with the legal ability to build a well currently existing at only this one location, we encourage CMWC to act soon to begin the permitting process.

As you know, CMWC's prior attempt to build Well #7 at that location was blocked in large part by the former LPHOA Board of Directors, who – without consulting the membership – opposed another well in Las Posas Hills. However, the current LPHOA Board, installed after a successful recall of the prior Board earlier this year, submitted the issue of water wells to the membership for a vote to decide. On August 9, 2023, our membership voted by overwhelming majority, 45-21, to amend our CC&Rs to explicitly allow new water wells to be built in our neighborhood (see below). The vote resoundingly confirms our impression of what residents want: water security, and a continuation of the good partnership we've enjoyed with CMWC for decades through Well #4. In short, we want another well in our neighborhood.

We anticipate that, should a new well be proposed within Las Posas Hills, CMWC will submit an architectural plan for the project that will be harmonious with the exquisite beauty of our surroundings. We are committed to abiding by the intent of our developers that Las Posas Hills be a beautiful community, while also providing for this fundamental and essential utility. CMWC has been a wonderful partner in our neighborhood with Well #4, and we look forward to continuing that partnership with a new well that will serve our residents for decades to come.

Very truly yours,

The Las Posas Hills Owners Association Board

Las Posas Hills CC&R's, Article VIII, Section 1, approved by voters on August 9, 2023:

Section 1. Single-Family Residence. Each lot shall be used exclusively as a private single-family residence. No Owner of a Lot in the Project shall use, cause to be used or permit his Lot to be used directly or indirectly for any commercial, industrial, manufacturing, mercantile, storing, vending or other non-residential purposes, except citrus and/or avocado farming, or similar agricultural uses. Notwithstanding the foregoing or any other provision within this Declaration, an owner may give permission for a water well or wells to be installed on the owner's Lot to provide water to Crestview Mutual Water Company shareholders. Any such water well must be fully enclosed in a building satisfying Articles IX (Architectural Control) and XI (Obligation to Maintain and Repair) of this Declaration, as may be amended from time to time, with the exception of the minimum living area required by Article IX, Section 9 (a)(2).