

**Crestview Mutual Water Company
Board Meeting Materials**

April 23, 2024

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
March 26, 2024

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Tuesday, March 26, 2024, at 5:32 p.m. for an in-person meeting at the Hampton Inn, 50 W. Daily Drive, Camarillo, CA.

Attendance and Quorum

Directors Present:

Frank Mezzatesta – President
Alma Quezada – Vice President
Steven Muro – Secretary
Dave Stephenson – 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

Roger Chittum inquired about the well site study. Director Frank Mezzatesta stated that the study would be covered later in the meeting and reported that the possible sites have been narrowed from six to three.

Ed Atsinger inquired about the status of the project, and noted that it should be expedited, and that this matter will likely go before the Ventura County Board of Supervisors again. Considerable discussion ensued regarding the upcoming steps in the process; a local hydrologist will be retained to assess the water quality at the remaining sites. Director Mezzatesta hopes to narrow down the sites from three to two, after which additional analysis will be completed.

Cheryl Temple provided information about septic system issues; further discussion ensued regarding possible septic seepage concerns with respect to the location of the well. Mr. Atsinger remarked that studies of soil science have noted very slow movement of seepage contaminants, and that precise science should be relied upon. Ms. Temple asked about vacant lots sought for Section 8 housing and asked if any lots in the district qualify for consideration. Superintendent Durrell McAdoo stated that 191 Alviso is a possibility, as are all vacant lots in the County.

Director Dave Stephenson stated that as shareholders, all are seeking the same outcome with respect to the well, and that the Company is moving forward on a good path.

CONSENT AGENDA

3. Minutes

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

ACTION ITEMS

4. Water Rate Study

The Board reviewed the final rate study completed by Raftelis and the associated Staff recommendation. Business Consultant Ann DeMartini noted that Raftelis recommended raising the Tier 1 water rate for revenue stability. 70% of water sold by Crestview is used for irrigation. Metropolitan Water is considering raising their wholesale water rate by 20%. The Board was provided with several scenarios utilizing different rates. Ms. DeMartini explained the newly enacted water master fee associated with the basin adjudication of \$64 per acre-foot pumped; the rate could go as high as \$200 per acre-foot pumped to fund the water master's operations. Discussion ensued. On a motion made by Director Dave Stephenson and seconded by Director Steven Muro, the Board approved with four ayes the following:

Resolved, to raise Crestview's Tier 1 water rate from \$2.85 to \$3.79 per thousand gallons, leaving Tier 2 and Tier 3 water rates the same, effective April 1, 2024.

INFORMATION ONLY

5. Water Superintendent's Report

Durrell McAdoo reported that Well 4 is currently in stand-by mode. Well 6 is meeting all water demands for the district; Currently, 23 acre-feet have been pumped. Water static levels have remained constant. Crestview staff continues to undergo a system-wide lead audit to verify what type of piping materials were used during construction. Currently, staff has completed 200 hands-on checks (out of 628 total accounts). Water valves have been exercised in 20% of the district to date, allowing for isolation in the event of emergency.

6. Business Consultant's Report

Ann DeMartini reported the following:

Workplace Violence Training – A workplace violence plan will be in place by July 1, 2024. Staff met with a security firm to institute protections for Company employees and facilities. I.D. Cards were made for Staff, to identify as disaster service workers.

Local Water Supply Update – As previously mentioned, Metropolitan Water is considering a 20% wholesale water rate increase, affecting 60-70% of County water purveyors.

7. Treasurer's Report

The February financial statements were presented, with explanatory notes. Account #4075 – Regulatory Compliance is over budget due to the previously reported water master fee paid to the Fox Canyon GMA in February.

8. President's Report

Director Frank Mezzatesta, President, reported that as of today, 174 proxy ballots had been received for the Annual Meeting to be held on April 2, 2024 at the Spanish Hills Club. He noted that it is unlikely that a quorum will be attained to hold an election and confirmed that there are no additional candidates running for the Board of Directors.

9. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Steven Muro and approved with four ayes, the regular meeting was adjourned at 6:36 p.m.

Call to Order – Executive Session at 6:50 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 Steven Muro, seconded by Director Dave Stephenson and approved with four ayes, the Executive Session was adjourned at 8:55 p.m.

Shareholders in Attendance:

Atsinger, Ed
Campuzano, Tony
Chittum, Roger

Cohen, Christine
Derr, Michael
Ono, Christopher

Rieger, Ron
Rolls, Mike
Temple, Cheryl

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Frank Mezzatesta – President

**MINUTES OF THE ADJOURNED ANNUAL MEETING
OF THE SHAREHOLDERS OF
CRESTVIEW MUTUAL WATER COMPANY**
www.crestviewwater.org

April 2, 2024

1. Call the Meeting to Order

The Annual Shareholders Meeting of Crestview Mutual Water Company was called to order by President Frank Mezzatesta on Tuesday, April 2, 2024, at 6:00 p.m. for an in-person meeting at the Spanish Hills Club, 999 Crestview Avenue, Camarillo, CA.

Attendance

Directors Present:

Frank Mezzatesta – President
Alma Quezada – Vice President
Laurie Bennett – Treasurer
Steven Muro – Secretary

Directors Absent:

Dave Stephenson – Director

Staff/Counsel Present:

Durrell McAdoo – Water System Superintendent
Ann DeMartini – Business Consultant
Lauri Marino – Office Manager
Garrett Torres – Water Treatment Operator

2. Quorum Report from Election Inspector

The duties of Election Inspector were performed by Lauri Marino, Office Manager, serving in place of Heidi Herpel of KHA Election Services, who was not able to attend in person due to a family emergency. Based on the report of the Election Inspector, President Frank Mezzatesta reported that the proxies were tallied to determine the presence of a quorum. 212 proxies were received, representing 834 shares. Based on the meeting attendance, 912.8 shares are represented (later updated to 927.3 shares). 1,249.4 shares are required to establish a quorum and conduct business, thus there is not a quorum, and no business can be conducted.

3. Business Operations Report

President Mezzatesta indicated that the meeting could continue as an informational meeting for those present. Lauri Marino stated that the annual CPA review is in process and would be posted on Crestview's website when complete. The loan that was originally taken for Well #7 was paid off in 2023 and the Company is debt free. At the appropriate time, a new loan will be needed to fund Well 7. Funds for capital improvements, such as standby emergency generators that Crestview wants to install are going to be looked at for the next fiscal year. The Board Members present thanked the Staff for their hard work.

The new business consultant, Ann DeMartini, introduced herself to the shareholders and brought them up to date with what she has been working on since she started with the company, and she enjoys working with everyone.

Water Superintendent, Durrell McAdoo provided an update on the water system operations and introduced Garrett Torres, the newest water operator. Shareholders present had some questions on operations.

4. Shareholders Public Forum

Lane Lopez indicated that they are having water clarity and cleanliness issues of grit and are having a tough time operating their appliances properly. Staff indicated that they would do all they can to properly address her issues.

Angel Sugleris stated she also had some of these issues.

Sally Lopez requested that all correspondence from the Company include a date to make sure the information is currently relevant.

5. Adjournment

On a motion made by Mike Rolls, seconded by Ron Rieger, and approved unanimously, the Annual Shareholders Meeting was adjourned at 6:40 p.m. to next year's annual meeting in 2025.

Submitted by,

Approved by,

Steven Muro – Secretary

Frank Mezzatesta – President

Shareholders in Attendance

Campuzano, Antonio
Chesser, Michael/Pearl
Chittum, Roger
Clarke, Cecelia
Crosby, Craig
Derr-Cohen Family Trust
Goodman, Benjamin
Hartman, Lorie
Lopez, Lane/Sally
Mehlman, Arthur
Ono, Christopher
Rieger, Ron
Rolls, Michael
Ryan, Patrick/Nora
Santangelo, Salvatore/Edith
Sugleris, Angel
Zierhut, Stephanie

DRAFT

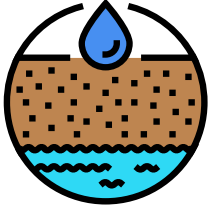
Crestview Mutual Water Co.



Business Manager's Report

Ann DeMartini

April 23, 2024



The Request for Proposal (RFP) was issued at the beginning of April and we are waiting for a proposal from a licensed hydrologist for siting Well 7.

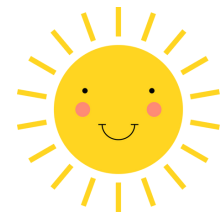


The Annual Meeting took place however we did not have a quorum. We did have a nice informational meeting. The Annual Meeting was moved to be adjourned to the next year's annual meeting in 2025. The date of the next meeting for 2025 will be determined at a later date.



While we had some rainy weather in March, Crestview sold 10 acre feet more in water than budgeted for mainly due to the warm days we enjoyed.

More storms are expected at the end of April and into May based on long-term weather forecasts.



The Water Superintendent, Durrell McAdoo and I are reviewing a GIS application that may provide several benefits for systems operations, asset management, documentation and emergency response within the water system. We had an initial demo meeting and we are working with Z World for a future proposal of services.



We are continuing to evaluate security system upgrades. We received a proposal for an initial phase and we are reviewing the information.

Crestview Mutual Water Company March 2024 YTD Profit and Loss	March 2024 YTD		%	FY 2024	Budget	Reason for Variance	Mar 2023 FYTD	
	FYTD Actual	FYTD Budget					Variance	Budget
Water Sales in Acre Feet	112,757	93,394	21%			More sales in Dec 23 and Jan 24 than budgeted for, over for Mar 2024	87,902	28%
Water Production in Acre Feet	121,442	97,675	24%				91,932	32%
Percent Non-Revenue Water	7.70%	5%				Industry standard water loss 7.12%	5%	
Water Sales (Note 1) and Service Fees	263,944	248,943	6%	1,517,522	1,253,578	more sales in Dec 23 and Jan 24	196,786	34%
Interest and Other Income	19,672	13,600	45%	40,800	21,128	Interest earned higher than expected	8,837	123%
Total Revenue	283,616	262,543	8%	1,558,322	1,274,706		205,623	38%
Power - Note 2	33,077	27,089	22%	174,346	141,269	Current invoices may not be fully represented	49,037	-33%
Other Operating Costs	23,326	47,064	-50%	141,199	117,873	Less Repairs than budgeted	52,737	-56%
Employee Related Costs	193,048	195,768	-1%	565,750	372,702		105,583	83%
General Insurance	10,776	11,044	-2%	35,100	24,324	New policy expected to higher	10,139	6%
Taxes, Permits and Licenses	45,672	24,104	89%	72,260	26,588	Fox Canyon GMA billed 1/2 Watermaster fee	25,033	82%
General and Administrative Costs	60,164	64,242	-6%	192,210	132,046		125,250	-52%
Legal and Accounting Services	34,085	53,718	-37%	111,900	77,815	Less expense than anticipated	115,700	-71%
Total Costs	400,148	423,029	-5%	1,292,765	892,617		483,479	-17%
Depreciation	61,481	61,481	0%	184,443	122,962		65,049	-5%
Loss on Sale of Asset	0	0		0	0		(3,732)	-100%
Capital Improvement Projects	0	88,519	-100%	265,557	265,557	No outlays to report	0	0%
Total Costs	461,629	573,029	-19%	1,742,765	1,281,136	Lower Prof, Operations and Outside Svc	552,260	-16%
Excess(Loss) Revenues over Expenses	(178,013)	(310,486)		(184,443)			(346,637)	
Excluding Depreciation	(116,532)	(249,005)	-53%	0			(281,588)	

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

FYTD = Fiscal Year to Date

March 2024 Balance Sheet		The cash balance decreased by \$99,632 from the prior month's balance of \$1,314,796					FCGMA Allocation:	
Assets	3/31/24	3/31/23	Change	% Change	Reason for Variance	Carry Over		
Cash and Cash Equivalents - Note 2	1,215,164	2,339,565	(1,124,401)	-48%	Paid off loan, '22 loss affected reserves	Allocation Note 4		
Accounts Receivable	66,278	39,368	26,910	68%		Well 4	82.212	
Other Current Assets	42,050	93,068	(51,018)	-55%	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	4,142,538	4,223,152	(80,614)	-2%		Expires this year		
Total Assets	5,666,030	6,895,153	(1,229,123)	-18%	Effect of paying off loan and '22 loss	Hist. Alloc	717.42	
						Total AF	881.845	
Liabilities and Equity						Pumped		
Accounts Payable	29,461	96,782	(67,321)	-70%	Less operating expenses from PY	to date for		
Other Current Liabilities	52,807	151,559	(98,752)	-65%	Paid off loan and more accrued pension	Water Yr	253.216	
Long Term Liabilities (Loans)	(6,911)	854,950	(861,861)	-101%	Neg Bal is a CPA adj to be reversed	Remaining	628.629	
Total Liabilities	75,357	1,103,291	(1,027,934)	-93%		Note 4 - Carry over		
						allocation has to be		
Equity	5,590,673	5,791,862	(201,189)	-3%		divided evenly		
						among reporting		
Total Liabilities and Equity	5,666,030	6,895,153	(1,229,123)	-18%	Effect of paying off loan and '22 loss	wells.		

Note 2 - About \$962,266 is being held in a sweep acct earning 1.5%, with \$453K in a high yield 5.1% acct. We have a \$250K open LOC with Banc of California

Date	Water Production MG	Water Sales MG	Budgeted Sales MG	% of Water Sold	% of Budgeted Sales	Amount water loss
Dec	14.987	14.135	10.330	94.3%	37%	0.852
Jan	9.152	8.634	6.500	94.3%	33%	0.518
Feb	5.836	5.264	10.560	90.2%	-50%	0.572
Mar	9.597	8.709	5.500	90.7%	58%	0.888
Apr	10.000	10.000	16.270	100.0%	-39%	0.000
May	10.000	10.000	18.755	100.0%	-47%	0.000
Jun	10.000	10.000	20.152	100.0%	-50%	0.000
Jul	10.000	10.000	28.127	100.0%	-64%	0.000
Aug	10.000	10.000	22.407	100.0%	-55%	0.000
Sept	10.000	10.000	26.026	100.0%	-62%	0.000
Oct	10.000	10.000	18.927	100.0%	-47%	0.000
Nov	10.000	10.000	15.469	100.0%	-35%	0.000
Totals	119.572	116.742	199.022	97.6%	-41.34%	2.830 Total Water Loss

