

Crestview Mutual Water Company
Board of Directors - Board Meeting
TUESDAY, JUNE 25 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 – May 28, 2024

ACTION ITEMS

4. LINE OF CREDIT RENEWAL – Recommendation
5. CYBER SECURITY AUDIT – Ratify Selection of Vetrix LLC as Vendor
6. HYBRID BOARD MEETINGS – Recommendation
7. COMMUNICATION COMMITTEE CHARTER – Presented for Board Approval

INFORMATION ITEMS

8. SUPERINTENDENT’S REPORT
9. BUSINESS CONSULTANT’S REPORT
10. TREASURER’S REPORT
 - Report on Monthly Draft Financial Statements
11. PRESIDENT’S REPORT
12. 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
May 28, 2024

1. Convened Public Meeting

The meeting was called to order by President Dave Stephenson on Tuesday, May 28, 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 Laurie Bennett – Treasurer Steven Muro – Secretary Frank Mezzatesta – Director
Directors Absent:	None
Staff/Counsel Present:	Durrell McAdoo – Water System Superintendent Ann DeMartini – Business Consultant Lauri Marino – Office Manager

2. Shareholders Public Forum

Roger Chittum provided three comments regarding the ultimate responsibility for the CPA-prepared financial statements, the notes to the financial statements regarding Well 8's purpose, and clarification of who is responsible regarding the new Workplace Violence Prevention Plan draft.

CONSENT AGENDA

3. Minutes

The minutes of the Regular Meeting and Executive Session of the Board of Directors of April 23, 2024, were presented. On a motion made by Director Steven Muro and seconded by Director Alma Quezada, the Board unanimously approved the following:

Resolved, that the minutes of the Regular Meeting and Executive Session of the Board of Directors of April 23, 2024, be accepted as presented.

ACTION ITEMS

4. Technology Committee Charter

The Technology Committee is tasked with systems functioning effectively. The committee recommended that the Technology Committee Charter be formally adopted by the Board as presented. On a motion by Director Steven Muro and seconded by Director Frank Mezzatesta, the Board unanimously approved the following:

Resolved, that the Technology Committee Charter be adopted as presented.

5. Cyber Security Audit

Ann DeMartini, Business Manager provided information on the imperative need for a cyber security audit; the Technology Committee is recommending an audit be performed as soon as possible. On a motion by Director Alma Quezada and seconded by Director Laurie Bennett, the Board unanimously approved the following:

Resolved, that the Technology Committee obtain additional proposals and move forward with securing a vendor for a Cyber Security Audit.

6. MS365 Document Migration

The subject of data migration to the new MS365 platform was discussed. Director Dave Stephenson indicated that this item should be discussed in the future and after the Cyber Security Audit is completed. No decision was made on this topic, and it will be revisited at a future meeting.

INFORMATION ONLY

7. Superintendent's Report

Superintendent McAdoo reported that the water system surpassed estimated usage for the month. There was a small, contained leak in the liquid chlorine tank at the site of Well 4. This was quickly mitigated under standard operating procedures without incident. A new tank is on order and will be installed soon.

8. Business Consultant's Report

Ann DeMartini reported the following:

Well 7 Timeline and Capital Reserves – A goal setting timeline graphic for the Well 7 project noting that the goal is to have a well site selected by September 2024. Additionally, it is recommended that the Company consider a capital reserve study in the future to know the useful life and replacement costs of the aging infrastructure.

Z World Geospatial Information Systems – A GIS application is under review that may provide benefits for system operations, asset management, documentation, and emergency response within Crestview's

water system. The Z World's proposal was higher than expected, and Staff is postponing this project for future consideration.

Illness and Injury/Workplace Violence Prevention Plan – There is a new California requirement that a Workplace Violence Prevention Plan be in place for many California employers by July 1, 2024. The Plan is completed and will be presented for approval at a future Board Meeting.

9. Treasurer's Report

The April 2024 financial statements were presented, with explanatory notes. Director Laurie Bennett, Treasurer, indicated that the Company had more water sales to date than expected. The budget is on target and realistic. Shareholder Chris Ono asked about the incremental impact of the new tier 1 rate. Lauri Marino indicated she would send that information to him.

10. President's Report

President Dave Stephenson had nothing further to report.

11. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Laurie Bennett and approved unanimously, the regular meeting was adjourned at 6:40 p.m.

Call to Order – Executive Session at 6:49 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – Paid Family Leave. 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 unanimously, the Executive Session was adjourned at 8:17 p.m.

Shareholders in Attendance:

Roger Chittum
Cohen, Christine
Derr, Michael
Ono, Christopher

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Dave Stephenson – President

DRAFT

June 25, 2024

To: The Board of Directors

From: Ann DeMartini, Business Manager

Recommendation for the Renewal of Line of Credit

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. 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.

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 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.

Cyber Security Audit

Recommendation to the Board of Directors

Subject: Ratification of Vetrix LLC as the Cyber Security Audit Vendor

Date: June 25, 2024

Recommendation:

The staff recommends the Board of Directors ratify Vetrix LLC as the cybersecurity audit vendor for Crestview Mutual Water Company as recommended by the Technology Committee after two other higher bids were received as described below. While Crestview has many security measures in place, the audit will assess the company's current cybersecurity posture and identify potential vulnerabilities, ensuring that we are taking all necessary steps to protect our systems and data from cyber threats.

Financial Impact: Vendor Proposal Cost is \$28,500. (Initial Proposal Attached, same cost)

Rationale:

- **Increasing Cyber Threats:** Cybersecurity threats are constantly evolving and increasing in sophistication. A comprehensive audit will help identify and address potential vulnerabilities before they can be exploited.
- **Regulatory Compliance:** As a critical infrastructure provider, our company is subject to various regulations regarding cybersecurity. A cybersecurity audit can help us ensure compliance with these regulations and avoid potential penalties.
- **Data Protection:** We hold sensitive customer and operational data, and a security breach could have significant financial and reputational consequences. A thorough audit will help safeguard this data and maintain the trust of our shareholders and stakeholders.
- **Technology Committee Recommendation:** The Technology Committee, composed of experts in the field, has carefully reviewed the current cybersecurity landscape and strongly recommends a comprehensive audit to ensure the company's security.
- **Two Other Companies Bid High and No Experience in Water or SCADA:** Per email to entire Board dated 5-30-24, President Dave Stephenson indicated that "... two other companies (were contacted) about doing an assessment. One was \$38k the other was about \$45k. Both were from the east coast and planned on

Cyber Security Audit

Recommendation to the Board of Directors

sending two CISP's out to perform the audit, but the glaring problem was neither had SCADA experience.”

- **Meeting with Vendor on June 6, 2024:** President Dave Stephenson, Ann DeMartini, Business Manager, and Crestview’s IT Consultant met with Vetrix LLC via phone conference and were satisfied with their extensive experience and knowledge of the water utility sector. They are also associated with the AWWA (American Water Works Association) of which Crestview is a member. They are part of a force that serves on the AWWA’s “Red Team” that is deployed across the US to assist smaller water systems if their utility is attacked by cyber criminals. President Dave Stephenson emailed the entire Board to indicate the outcome of this meeting soon after the meeting ended to indicate the selection of Vetrix LLC as the Cyber Security Audit Vendor as the lowest bid and best qualified for the task.
- **Time is of the essence:** The vendor has a window of opportunity to work on our project and this made it necessary for us to secure the vendor in advance to ensure that they were able to conduct this important project in a timely manner.

Conclusion:

With the upcoming scheduled cybersecurity audit, we can proactively address potential vulnerabilities, protect our data, and ensure the continued safe and reliable operation of our water system.

PROPOSALS FOR TECHNICAL SERVICES

The staff of Vetrix LLC, formerly known as Secure Network Systems, 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#:	P240418-TS1	
Document Date:	April 18, 2024	
Customer Name:	Crestview Mutual Water Company	
Customer Contact:	Dave Stephenson Frank Mezzatesta	(805) 482-2001 (818) 298-3265
Sales Manager:	M Hernoud	(703)268-0088
Project Manager:	Jeff Weaver	(773) 308-8880
Subject:	Cybersecurity and Physical Security Assessment	

PROJECT SUMMARY

The Crestview Mutual Water Company is seeking a firm to assist the agency in executing a comprehensive all-hazards, physical, and cyber security risk and resiliency assessment of all Agency owned assets within the Crestview Mutual Water Company which is located in Camarillo, California. The assessment is to also include its associated watershed properties. The intent is to update the Agency's identified risk and resilience strategies using both traditional and non-traditional solutions to ensure the continued safety and security of the water system for all Crestview Mutual Water Company employees, ratepayers and the shareholders and residents within your service area in compliance with §2013 of America's Water Infrastructure Act of 2018.

The America's Water Infrastructure Act (AWIA) of 2018, specifically section 2013, imposes cybersecurity requirements on water systems serving a population of more than 3,300 individuals. This legislation was enacted in response to growing concerns about cyber threats targeting critical infrastructure, including water and wastewater systems.

Requirement: AWIA §2013 mandates that covered water systems conduct a risk assessment and develop or update risk and resilience assessments (RRAs) and emergency response plans (ERPs) that include cybersecurity considerations. These assessments must be conducted at least once every five years.

Standard for Assessment: The assessments required by AWIA §2013 must adhere to recognized cybersecurity standards and best practices. One commonly referenced standard for conducting cybersecurity assessments in the water sector is the Water Sector Cybersecurity Risk Management Framework (Water Sector Framework) developed by the U.S. Environmental Protection Agency (EPA) in collaboration with industry stakeholders. This framework provides guidance on assessing, prioritizing, and managing cybersecurity risks specific to water and wastewater systems.

Purpose of Standards: The purpose of these standards is to enhance the cybersecurity posture of water systems and improve their resilience to cyber threats. By conducting comprehensive cybersecurity assessments and aligning with recognized standards, water agencies can identify and address vulnerabilities in their systems, mitigate risks, and strengthen their overall security posture. Compliance with AWIA §2013 requirements helps ensure that water systems are adequately prepared to prevent, detect, respond to, and recover from cybersecurity incidents, safeguarding the continuity and integrity of water supply and wastewater services for communities across the United States. All ERP must include strategies and resources to improve the resilience of the system, including physical and cyber security.

The risk and resiliency assessment will use the ANSI/AWWA J100 standard to examine all Agency assets and to develop a prioritized program for risk and resilience management and inform emergency response planning activities.

The AWWA ANSI J100 standards, published by the American Water Works Association (AWWA), provide guidelines for the cybersecurity of water and wastewater utilities. These standards are designed to help utilities assess, evaluate, and enhance their cybersecurity posture to protect critical infrastructure from cyber threats. As of my last update, AWWA ANSI J100 consists of two standards:

AWWA J100-10: Risk Analysis and Management for Critical Asset Protection (2010):

- This standard provides guidance on conducting risk analysis and management specifically tailored to the protection of critical assets within water and wastewater utilities.
- It outlines methodologies for identifying and assessing risks to critical assets, prioritizing risks based on their potential impact, and implementing risk management strategies to mitigate or reduce these risks.
- AWWA J100-10 serves as a framework for utilities to develop and implement risk-based cybersecurity programs to safeguard their infrastructure.

AWWA J100-15: Risk and Resilience Management of Water and Wastewater Systems (2015):

- AWWA J100-15 expands upon the concepts introduced in AWWA J100-10 and provides a more comprehensive approach to risk and resilience management for water and wastewater systems.
- It emphasizes the importance of resilience in addition to risk management, highlighting the need for utilities to not only mitigate risks but also prepare for and recover from cyber incidents and other disruptive events.
- AWWA J100-15 incorporates principles of business continuity planning, incident response, and emergency management into the cybersecurity framework for water utilities.
- IS700/IS800 – National Response Plan under FEMA and DHS. Fire department requirements for national response plan. Covered Under FEMA.

These standards are intended to assist water and wastewater utilities in developing robust cybersecurity programs tailored to their specific operational and risk management needs. By adhering to the guidelines outlined in AWWA ANSI J100 standards, utilities can better protect their critical infrastructure and ensure the continued delivery of safe and reliable water services to the community.

PROJECT DETAILS

Our execution strategy incorporates proven methodologies, extremely qualified personnel, and a highly responsive approach to managing deliverables. Following is a description of our project methods, including how the project will be developed, a proposed timeline of events, and reasons for why we suggest developing the project as described.

Phase 1: Agency-wide risk and resiliency assessment compliant with ANSI/AWWA J100 standard that includes a detailed cost benefit analysis. The assessment must cover all types of risk including, but not limited to:

- Malicious or other intentional acts for external physical risks;
- Malicious or other intentional acts for internal physical risks;
- Malicious or other intentional acts for external cyber security risks for XXXXXX BIT, ICS, and ESS networks;
- Natural hazards.

SCOPE OF WORK

Kick off meeting

Objective: Discuss project objectives, identify challenges, and gather any pertinent information the client wishes to disclose.

Schedule a meeting with key stakeholders to align expectations and understand the scope of the assessment.

Document key discussion points and agreements reached during the meeting.

Physical security assessment

Conduct an assessment of the physical security measures in place at the client's facility.

Identify potential vulnerabilities such as unauthorized access points, unsecured entry points, and inadequate surveillance systems.

Examination of Intrusion Detection Systems (IDS) on tank lids to determine proper installation, access control, prevention measure for unauthorized entry, sufficient security for Tank Lids.

Test of locks and security control mechanisms determine whether of they are sufficient to prevent unauthorized access to building, tanks, programmable logic controllers (PLC), alarm systems, sensors, security gates, keys and key inventories, and other access control devices.

Document findings and recommendations for improving physical security.

Walk through of facility

Schedule a walk-through of the client's facility to gain a better understanding of the layout and potential security risks.

Identify areas of concern such as server rooms, data centers, and other critical infrastructure.

Document observations and take note of any security vulnerabilities discovered during the walk-through.

Collect artifacts

Gather relevant artifacts including network diagrams, security policies, router configurations, and other documentation provided by the client.

Ensure all necessary information is collected to facilitate a comprehensive assessment of the client's cybersecurity posture.

Review firewall rulesets

Analyze the configuration and rulesets of the client's firewall systems.
Identify any misconfigurations, unnecessary rules, or potential security gaps.

Penetration Testing and Audit to identify vulnerabilities. Perform a breach simulation to determine what happens. Examine how the system responds to pen test, what the effects of the breach are to the system and the agency's ability to respond / recover. System will receive a score calculated and graded by security level.

Provide recommendations for optimizing firewall configurations to enhance security posture.

Vulnerability assessment

Perform a comprehensive vulnerability assessment of the client's network infrastructure, systems, and applications.

Utilize automated scanning tools and manual techniques to identify security vulnerabilities.
Prioritize vulnerabilities based on severity and potential impact.

Provide remediation recommendations to address identified vulnerabilities.

Review and assessment of SCADA network

Assess the security of the client's Supervisory Control and Data Acquisition (SCADA) network, if applicable.

Identify potential vulnerabilities and risks specific to SCADA systems.

Evaluate the effectiveness of security controls and protocols in place to protect SCADA infrastructure.

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Provide recommendations for improving the security posture of the SCADA network.

Assessment of wireless network

Conduct a **vulnerability** assessment of the client's wireless network infrastructure. Identify potential security risks such as unauthorized access points, weak encryption protocols, and rogue devices.

Test the effectiveness of wireless security controls such as WPA2 encryption and network segmentation. provide recommendations for securing the wireless network and mitigating identified risks.

Conduct a vulnerability assessment of the SCADA wireless nodes, wireless programmable logic controller (PLC) nodes, and all nodes external the facility that rely on wireless technology to communicate over the SCADA network. The vulnerability assessment will include identifying WiFi devices and suitability for their application such as WiFi, 802.11, 5Ghz, 18Ghz, and Microwave. The assessment will compile a list of wireless products and identify consumer grade products that were not intended to run in a highly secure environment and open the agency to security vulnerabilities.

Remote Access Control

Conduct a vulnerability assessment and penetration testing of software and hardware that allows for remote access as well as work-from-products to function, granting authorized users permission to access the SCADA server, PLC's, and office PC nodes to complete authorized tasks for their job. The assessment will look at suitability of the product(s) to use in its present environment and their ability to protect critical system and their data from a possible breach.

The vulnerability assessment will examine remote access tools granting permission for the user to access the SCADA system, programmable logic controllers, and office systems at Water Treatment facility to determine whether a product is secure, meets all federal and state guidelines, and is suitable for the application which it is being used.

The assessment will look at these technologies to determine compliance with federal and state guidelines including AWWA, NIST, EPA, and DHS regulation for their use as well as assess suitability for the specific application they are used.

Assessment will include:

- Review configuration settings and access controls.
- Evaluate encryption protocols and data protection measures.
- Verify compliance with federal and state regulations.
- Assess the overall suitability of the tools for their intended use.

Comprehensive Physical Security Assessment

Conduct a comprehensive physical security assessment of the public water processing facility, in accordance with the requirements outlined in the America's Water Infrastructure Act (AWIA) of 2018 §2013.

Identify and evaluate potential physical security risks and vulnerabilities at the facility, focusing on critical infrastructure and key assets.

Develop a detailed physical security plan tailored to the facility's specific needs and in compliance with the AWWA ANSI J100 standards.

Complete assessment of access control measures, such as perimeter fencing, gates, locks, and access control systems to restrict unauthorized entry.

Perform evaluation of surveillance systems, including cameras and monitoring equipment, to enhance situational awareness and deter security threats.

Review protocols for visitor management, employee identification, and monitoring of individuals entering and exiting the facility.

Examination of security policies and procedures for responding to security incidents, emergencies, and potential threats.

This Scope of Work aims to enhance the physical security of the public water processing facility in alignment with AWIA requirements and AWWA ANSI J100 standards.

Map the assessment and findings to ANSI AWWA J100 industry standards

Map assessment findings to relevant cybersecurity frameworks and industry standards such as NIST Cybersecurity Framework, ISO/IEC 27001, or CIS Controls.

Provide a detailed analysis of how the client's security posture aligns with industry best practices and compliance requirements.

Identify areas of compliance gaps and provide recommendations for achieving alignment with applicable standards.

Phase 2: Remediation and resiliency strategies separated by physical and cyber (BIT, ICS and ESS networks) assets based on findings in Phase 1.

Report delivery

Compile assessment findings, analysis, and recommendations into a comprehensive report.

Present the report to key stakeholders, including an executive summary highlighting key findings and recommendations.

Provide a detailed breakdown of assessment results, vulnerabilities discovered, and prioritized remediation actions by level of severity.

Deliver the final report in a professional format, ensuring clarity and readability for all stakeholders.

Report will provide:

- Risk reduction and resilience implementation prioritization in two separate recommendations lists:
 - 1) individual recommendations based on actual risk and priority; and
 - 2) recommendations to include cost effective and/or maximum benefit groupings and priorities.
- Implementation strategy to include site planning for all identified vulnerabilities and detailed mitigation recommendations.

Phase 3: Provide a gap assessment of current emergency response planning that incorporates the findings and recommendations of the updated risk and resiliency assessment.

Assess the agencies ability to meet all federal and state requirements for reporting breaches to the system and unauthorized access to agency systems. The law varies depending on agency size and location. The assessment will provide the stakeholders with the information outlining what the agency's obligations are and assess the agency's ability to meet those guidelines.

PROJECT DELIVERABLES

The successful Offeror will provide the following deliverables:

1. Assessment, selection, and utilization of encrypted software for data collection, analysis and maintenance of the risk and resiliency assessment.

- Evaluate available software packages to support application of the ANSI/AWWA J100 standard to support the risk assessment. Provide recommendations to contract manager.
- Use and maintain recommended software for data collection to satisfy the ANSI/AWWA J100 standard. Catalog risk assessment findings and data, secure access for specifically identified critical management personnel only, vulnerabilities of such data and systems, chain of custody concerns for vulnerability assessment deliverables, and maintenance/update requirements for the software and input data.

ABOUT VETRIX AND ITS TEAM

The VETRIX team members (Formerly Secure Network Systems) have in depth skills to categorize the nature of threats and vulnerabilities to the business. The team has experience with leading risk assessment and management philosophies and tools, with respect to all pertinent regulations. VETRIX team members have been the most requested and sought after cyber security experts by the US Environmental Protect Agency since the agency implemented mandatory security assessments mandated by the Water Safety Act in 2002. This is a direct result of the team's proven expertise across multiple critical infrastructure sectors.

Utilizing best practice techniques appropriate to the risk, our experts have adapted prominent, authoritative methodologies to align the assessment steps with your desired degree of security rigor. VETRIX has also helped many clients with translating risk assessments through to solution architecture and design, and ultimately deployment. We advocate layered defenses with best-of-breed tool suites and baseline best practice processes to address the risks appropriate to the assets and the environment.

VETRIX vulnerability assessments can include best practice processes, security awareness and adherence to policy for staff, and the full spectrum of penetration testing – from a level 1 identification and elimination of false positives through Red Team exercises. Our specialists can provide certification and accreditation services to meet specific regulatory needs, and highlight confidentiality, integrity, availability and privacy requirements.

- Risk Assessment and Risk Management
- Best Practices Processes and Practices
- Sophisticated IT and SCADA Environments
- Recommendations for High-Priority Countermeasure Alternatives
- Non-impact Testing of 'Fragile' Systems
- Auditing to COBIT/COSO and ISO 27001
- Staff Security Awareness and Adherence to Policy
- Certification and Accreditation to PCI-DSS, DIACAP/NIACAP, FIPS 201 Standards

M Hernoud CISM – Founder: Founder and principal of Vetrix, formerly Secure Network Systems. M Hernoud has over 30 years of experience providing risk and vulnerability assessments and remediation for the nations water agencies. She has been instrumental providing on going support to the AWWA and it's members. She is Co-Author of the current regulations for and industry standards for cyber security adopted by the AWWA including AWIA §2013 compliancy requirements as well as the ANSI AWWA J100 Standards.

M Hernoud holds several patents including those for CRISTSEC®, NIMS IMPACT®, and SCADA IMPACT™.

JEFF WEAVER CCNP, CISP, CWNA, SCSA, Core – Chief Technology Officer: Jeff has over 30 years experience in Cyber Security and providing support to the nations water agencies. He also serves as the head of Cyber Security for Frontier Airlines.

Jeff is a subject matter expert and coauthored multiple cybersecurity guides for EPA safe water site. He has performed the cybersecurity and risk assessment for the AWWA office directly. He has also participated in dozens of water agency assessments throughout the United States.

Jeff is a highly experienced Senior Network / Security Engineer with in the global telecommunications

field, with significant emphasis in Infosec. Recognized for leadership in project planning, scheduling, prioritization, contingency and risk planning, and definition of scope for enterprise information systems projects.

Jeff has participated on the Editorial Board of PenTest Magazine and is a frequent contributor to PenTest Magazine (www.pentestmag.com) as a Copyreader / Support Editor / Associate Editor / Proofreader / Author. He is also a contributor to eForensics Magazine (www.eforensicsmag.com) as a Copyreader / Proofreader

SME / Technical Editor for certification test question creation for the following certification exams: Planet3 CWSP, Cisco CCNA Wireless, CCNP Wireless (CUWSS, IUWVN, IAUWS, IUWMS), CCIE Wireless, and Cisco Security (SISAS, SENSS, SIMOS, SITCS)

PROJECT COSTS

MATERIALS:

<u>ITEM DESCRIPTION</u>	<u>UNITS</u>	<u>TOTAL COST</u>
(None)		0.00
Total Materials:		\$ 0.00
Sales Tax:		\$ 0.00
LABOR:		\$ 28,500.00
TOTAL PHASES ONE, TWO and THREE:		\$ 28,500.00

TERMS

25% Due Deposit Due at initial project start
Balance Due Upon Completion

EXPIRATION

This quote expires May 15, 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 Vetrix.

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, Vetrix 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 VETRIX ON OR BEFORE THE "DATE DUE" as specified on the invoice.

VETRIX 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.

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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. Vetrix, 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 Vetrix the creation of these third party relationships. These third party relationships are an extremely important part of business for Vetrix and the details of those relationships, if disclosed to Vetri competitors would, provide them with an unfair advantage over Vetrix. Vetrix 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 Vetrix would be detrimental to Vetrix, to CUSTOMER, to the remainder of Vetrix clients and may interfere with Vetrix ability to fulfill its contractual obligations to its other clients. CUSTOMER, agrees to NOT "interfere" with the strategic relationships that Vetrix 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 Vetrix.

"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 Vetrix. Any violation of this section shall entitle Vetrix to recover the sum of \$50,000 OR the financial value of any damages to Vetrix, which ever is greater. CUSTOMER will also be liable for all attorney's fees associated with this breach. Vetrix 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.

P2400509-TS3 ACCEPTED BY

PRINT NAME

SIGNATURE

DATE

Date: June 25, 2024

To: The Board of Directors

From: Ann DeMartini, Business Manager

Hybrid Board Meeting Consideration and Recommendation

In accordance with California Corporations Code 14305 (Mutual Water Company Open Meeting Act), Crestview can offer a hybrid meeting option. This option would allow shareholders to participate in meetings electronically. Below is the related excerpt from the Code (source: Findlaw.com):

(B) Notwithstanding any other law, the board of directors may use teleconferencing to provide any eligible person access to the meeting that otherwise would be denied attendance at a meeting of the board for failure to provide this notice, or because the number of eligible persons having already provided notice of attendance exceeds the room capacity of the place of the meeting described in the notice issued pursuant to subdivision (f). The teleconferenced meeting or proceeding shall comply with this section and all other applicable provisions of law relating to a specific type of meeting or proceeding conducted by a mutual water company. If the board uses teleconferencing, the board shall provide to an eligible person attending a meeting by teleconference, before the meeting begins, an electronic copy or photocopy of all documents not related to an executive session to be discussed at the meeting. A board of directors of a mutual water company shall not prohibit an eligible person from attending a meeting of the board either in person, so long as the eligible person has complied with the notice requirement of paragraph (A), or by teleconference except as provided by paragraph (2). A board of directors may allow an eligible person to attend the meeting personally in lieu of using teleconferencing pursuant to this paragraph.

(C) For purposes of this subdivision, the term “teleconference” means, to the extent it is technologically feasible, any electronic means, that includes either audio or video or

both, that allows an eligible person to hear a meeting and verbally interact with the board, including, but not limited to, a telephone, cellular telephone with speaker phone technology, or computer, or a device using internet-based video or audio conference technology.

Rationale:

- **Increased Accessibility:** Offering a remote option ensures shareholders, regardless of location or circumstances, can attend the meeting and be informed.
- **Flexibility:** Remote meetings offer greater flexibility in scheduling and can be conducted more efficiently, saving time and resources.
- **Legal Compliance:** California Corporations Code 14305 explicitly allows remote participation in meetings, provided certain conditions are met.

Fiscal Impact: May offer a cost saving to the company by reducing the resources needed to hold a meeting.

Conclusion:

By allowing remote meeting options, Crestview can enhance participation, increase accessibility, and promote transparency while remaining in compliance with California law.

DRAFT - Communications Committee Charter
Crestview Mutual Water Company
June 25, 2024

Submitted for Consideration of Board Adoption

Mission:

The Communications Committee is responsible for assisting the Board of Directors in recommending, creating and preparing select outbound communications to shareholders. Develop communications on a regular and ongoing basis to inform stakeholders of Board activities, decisions and challenges related the Crestview system, company and shareholders. Exclusions: formal board communications (board minutes, agendas, etc.) and legal documents

Objectives:

- Develop shareholder communications that are relevant, timely, succinct and informative
- Ensure accuracy and consistency of messaging
- Utilize formats that are easy and quick to read
- Include facts that preemptively answer shareholder questions
- As requested, provide consultation for Board and staff on preferred ways to deliver messaging through other, non-committee-developed documents

Membership:

The committee will consist of three (3) members, including:

- Up to two (2) Board members, as appointed by the Board of Directors
- One (1) non-Board member, preferably a shareholder with relevant expertise
 - This position to be appointed by the committee chair in consultation with the board
- The committee chair will be appointed by the Board of Directors

Meetings:

- The committee will meet no less than four (4) times per year (quarterly) or as needed to develop outbound communications
- Meetings will be open to all members
- Meetings will be working sessions to develop key talking-points, written text and materials for impending delivery dates
- Meeting topics may, at the discretion of the chair, include other communications related topics (examples: style guides, visual aids/graphic design, look and feel of other shareholder touch points)

DRAFT - Communications Committee Charter
Crestview Mutual Water Company
June 25, 2024

Submitted for Consideration of Board Adoption

Reporting:

- The committee will share its draft communications with Board members to ensure accuracy and agreement regarding topics, copy points and approvals
- The committee will also share its draft work with staff, gaining their input and opinions prior to delivering final versions
- Final versions will be delivered to staff for distribution to shareholders

Authority:

- The committee will have the authority to:
 - Request information and reports from staff and board
 - Develop input, opinions and recommendations of the preferred ways to communicate to shareholders on behalf of the company and Board

Disclaimer:

This charter is intended to provide a general framework for the Communications Committee. Specific roles and responsibilities may be modified by the Board of Directors as needed.

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL P McADOO, SUPERINTENDENT
TOPIC: WATER SYSTEM SUPERINTENDENT'S REPORT
DATE: JUNE 25, 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 containment center at Well 4 has been emptied of all debris from the old tank. A new liner has been ordered and the installation date is the 1st of July. The new tank will be arriving the last week of Aug or the first week of Sep. During the interim a 300-gallon tank will be used to supply chlorine to keep Well 4 available for use during high demands.

Well 6, to date, has the capacity to meet current water demands for the district; with rising demands, we are looking at bringing Well 4 online to keep our reservoirs at the proper levels and not stress Well 6.

The CCR report was mailed out with May's billing. This annual report is generated to inform the shareholders about the source and quality of their water.

The Injury & Illness Prevention Plan has been updated with the MSDSs needed, and training documentation has been completed.

Fire season is upon us, and staff is clearing both properties at 191 Alviso Drive & Crestview Avenue/Ashdale Court. A skip and drag has been rented for the sole purpose of completing this task in a timely manner.

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.

DRAFT

Crestview Mutual Water Company May 2024 YTD Profit and Loss	May 2024		%	FY 2024	Budget	Reason for Variance	May 2023 FYTD	
	FYTD Actual	FYTD Budget					Variance	Budget
Water Sales in Acre Feet	209.329	187.876	11%			53AF budget for May 24 sales and sold 61AF (13% more than expected)	176.829	18%
Water Production in Acre Feet	223.372	197.000	13%				189.633	18%
Percent Non-Revenue Water	6.71%	5%				Industry standard water loss 7.12%	7%	
Water Sales (Note 1) and Service Fees	517,654	454,739	14%	1,517,522	999,868	Price increase and higher expected sales	372,044	39%
Interest and Other Income	29,494	20,400	45%	40,800	11,306	Interest earned higher than expected	14,823	99%
Total Revenue	547,148	475,139	15%	1,558,322	1,011,174		386,867	41%
Power	53,719	55,878	-4%	174,346	120,627	Current invoices may not be fully represented	76,772	-30%
Other Operating Costs	38,215	70,596	-46%	141,199	102,984	Less Repairs than budgeted	76,168	-50%
Employee Related Costs	295,904	293,652	1%	565,750	269,846		164,450	80%
General Insurance	17,084	16,566	3%	35,100	18,016	New policy expected to higher	15,660	9%
Taxes, Permits and Licenses	54,241	36,156	50%	72,260	18,019	Fox Canyon GMA billed 1/2 Watermaster fee	30,103	80%
General and Administrative Costs	95,569	96,360	-1%	192,210	96,641		185,967	-49%
Legal and Accounting Services	50,900	69,756	-27%	111,900	61,000	Less expense than anticipated	155,241	-67%
Total Costs	605,632	638,964	-5%	1,292,765	687,133		704,361	-14%
Depreciation	96,423	92,222	5%	184,443	88,020	CPA adjustments were booked to actual	92,222	5%
Loss on Sale of Asset	0	0		0	0		(3,732)	-100%
Capital Improvement Projects	0	132,779	-100%	265,557	265,557	No outlays to report	0	0%
Total Costs	702,055	863,965	-19%	1,742,765	1,040,710	Lower Prof, Operations and Outside Svc	800,315	-12%
Excess(Loss) Revenues over Expenses	(154,907)	(388,826)	-60%	(184,443)			(413,448)	-63%
Excluding Depreciation	(58,484)	(296,604)	-80%	0			(321,226)	-82%

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

FYTD = Fiscal Year to Date

May 2024 Balance Sheet		The cash balance decreased by \$10,152 from the prior month's balance of \$1,205,430					FCGMA Allocation:	
Assets	5/31/24	5/31/23	Change	% Change	Reason for Variance	Carry Over		
Cash and Cash Equivalents - Note 2	1,195,278	2,215,653	(1,020,375)	-46%	Paid off loan, '22 loss affected reserves	Allocation Note 3		
Accounts Receivable	149,810	105,482	44,328	42%	More water sales compared to last year	Well 4	82.212	
Other Current Assets	34,501	84,694	(50,193)	-59%	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	4,097,952	4,214,276	(116,324)	-3%		Expires this year		
Total Assets	5,677,541	6,820,105	(1,142,564)	-17%	Effect of paying off loan and '22 loss	Hist. Alloc	717.42	
						Total AF	881.845	
Liabilities and Equity						Pumped		
Accounts Payable	34,904	119,366	(84,462)	-71%	Less operating expenses from PY	to date for		
Other Current Liabilities	99,838	149,751	(49,913)	-33%	Paid off loan and more accrued pension	Water Yr	355.146	
Long Term Liabilities (Loans)	0	831,579	(831,579)	-100%		Remaining	526.699	
Total Liabilities	134,742	1,100,696	(965,954)	-88%		Note 3 - Carry over		
						allocation has to be		
Equity	5,542,799	5,719,409	(176,610)	-3%		divided evenly		
						among reporting		
Total Liabilities and Equity	5,677,541	6,820,105	(1,142,564)	-17%	Effect of paying off loan and '22 loss	wells.		

Note 2 - About \$881,618 is being held in a sweep acct earning 1.5%, with \$491,735 in a high yield 5.1% acct. We have a \$250K open LOC with Banc of California

Description	Budget FY2023	Budget FY2024	FYTD May-24	Remaining Budget	24-Jun	24-Jul	24-Aug	24-Sep	24-Oct	24-Nov	PROJECTED
AF Sold (Average 95% of AF Pumped)		600.000	209.329	390.671	58.854	79.435	70.093	69.415	74.459	59.868	621
AF Pump		628.642	223.372	405.270	59.721	83.361	69.402	72.809	76.474	65.395	651
Water Revenue			FYTD		Projected	Projected	Projected	Projected	Projected	Projected	AF
Water Sales	\$2,022,506	\$ 1,247,521	\$ 352,716	\$894,805	\$ 107,173	\$ 144,651	\$ 127,639	\$ 126,405	\$ 135,590	\$ 116,084	1,110,258
Service Availability (tied to shares)	\$269,867	\$ 270,000	\$ 164,938	\$105,062	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	358,732
	\$2,292,373	\$ 1,517,521	\$ 517,654	\$999,867	\$ 139,472	\$ 176,950	\$ 159,938	\$ 158,704	\$ 167,889	\$ 148,383	1,468,990
Other Income			ACTUAL								
Field Services	\$3,600	\$ 3,600	\$ 140	\$3,460	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	1,940
Transfer Fees	\$1,200	\$ 1,200	\$ 250	\$950	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	850
Interest Income	\$25,314	\$ 36,000	\$ 29,104	\$6,896	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	47,104
Sub-Total	\$30,114	\$ 40,800	\$ 29,494	\$11,306	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	49,894
Total Revenue	\$2,322,487	\$ 1,558,321	\$ 547,148	\$1,011,173	\$ 142,872	\$ 180,350	\$ 163,338	\$ 162,104	\$ 171,289	\$ 151,783	1,518,884
Power Costs tied to water use											
Power	\$164,290	\$ 174,346	\$ 53,719	\$120,626	\$ 16,005	\$ 22,341	\$ 18,600	\$ 19,513	\$ 20,495	\$ 17,526	168,200
Other Operational Related Costs											
Repairs - Unanticipated	\$24,000	\$ 36,000	\$ 1,455	\$34,546	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	19,455
Repairs - Scheduled	\$37,845	\$ 24,000	\$ -	\$24,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	12,000
Supplies	\$6,600	\$ 10,000	\$ 1,496	\$8,504	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	6,496
Auto Expenses	\$11,352	\$ 11,500	\$ 4,782	\$6,718	\$ 958	\$ 958	\$ 958	\$ 958	\$ 958	\$ 958	10,532
Water Purification	\$54,989	\$ 38,179	\$ 19,930	\$18,249	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	40,928
Water Purchased	\$27,079	\$ 21,520	\$ 10,553	\$10,967	\$ 1,793	\$ 1,793	\$ 1,793	\$ 1,793	\$ 1,793	\$ 1,793	21,313
Sub-Total	\$161,865	\$ 141,199	\$ 38,215	\$102,984	\$ 12,085	\$ 12,085	\$ 12,085	\$ 12,085	\$ 12,085	\$ 12,085	110,723

Employee Related Costs												
Workers Comp Insurance	\$9,178	\$ 16,500	\$ 6,352	\$10,148	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	\$ 1,375	14,602
Salary	\$256,848	\$ 415,550	\$ 222,214	\$193,336	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	\$ 34,629	429,989
Payroll Taxes	\$23,074	\$ 33,250	\$ 18,743	\$14,507	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	\$ 2,771	35,368
Group Medical Insurance	\$49,536	\$ 63,050	\$ 29,920	\$33,130	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	\$ 5,254	61,445
Pension Expense	\$27,079	\$ 37,400	\$ 18,675	\$18,725	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	\$ 3,117	37,375
Sub-Total	\$365,715	\$ 565,750	\$ 295,904	\$269,846	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	\$ 47,146	578,779
Insurance												
General Insurance	\$30,000	\$ 35,100	\$ 17,084	\$18,016	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	\$ 2,925	34,634
Taxes, Permits and Licenses												
Taxes & Permits, Licenses	\$27,875	\$ 27,875	\$ 12,093	\$15,782	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	\$ 2,323	26,031
Sewer Discharge Fees	\$216	\$ 240	\$ 119	\$121	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	239
Regulatory Compliance *	\$44,875	\$ 44,145	\$ 42,027	\$2,118	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	\$ 3,679	64,099
Sub-Total	\$72,966	\$ 72,260	\$ 54,239	\$18,021	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	\$ 6,022	90,369
General and Administrative												
Outside Services	\$253,683	\$ 127,200	\$ 49,321	\$77,879	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	112,921
Computer Expense - Operations	\$5,025	\$ 5,025	\$ 15,035	-\$10,010	\$ 22,000	\$ 419	\$ 419	\$ 419	\$ 419	\$ 419	\$ 419	39,128
Telephone & Telemetry	\$10,200	\$ 10,500	\$ 6,282	\$4,218	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	\$ 875	11,532
Unanticipated Contingencies	\$0	\$ 3,000	\$ -	\$3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	1,500
Office Utilities	\$3,180	\$ 4,140	\$ 1,889	\$2,251	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	\$ 345	3,959
Fiber Optic Internet	\$1,680	\$ 2,040	\$ 1,203	\$837	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	2,223
Computer Expense	\$6,690	\$ 5,150	\$ 3,621	\$1,529	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	\$ 429	6,196
Office Expense	\$3,800	\$ 6,600	\$ 1,896	\$4,704	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	5,196
Dues and Subscriptions	\$2,360	\$ 3,995	\$ 3,804	\$191	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	\$ 333	5,801
Seminars & Training	\$1,185	\$ 5,000	\$ 2,747	\$2,253	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	5,247
Telephone	\$2,340	\$ 2,340	\$ 1,369	\$971	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	\$ 195	2,539
Meeting Costs	\$12,000	\$ 11,000	\$ 2,928	\$8,072	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	\$ 917	8,428
Bank Fees	\$2,500	\$ 2,500	\$ 3,028	-\$528	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	4,278
Postage	\$3,720	\$ 3,720	\$ 2,446	\$1,274	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310	4,306
Sub-Total	\$308,363	\$ 192,210	\$ 95,568	\$96,642	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	\$ 16,018	191,673

Legal and CPA Fees												
Professional Fees	\$90,000	\$ 111,900	\$ 50,900	\$61,000	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	\$ 9,325	106,850
Accounting		\$ 7,400	\$ 7,800	-\$400	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	\$ 617	11,500
Adjudication		\$ 18,000	\$ 2,524	\$15,476	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	11,524
Employee Handbook		\$ 2,500	\$ 3,127	-\$627	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	\$ 208	4,377
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	\$ 5,417	49,816
Professional Fees-Other		\$ -	\$ 8,600	-\$8,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,600
Non-Cash Expenses												
Administrative Depreciation	\$10,704	\$ 10,704	\$ 5,354	\$5,351	\$ 892	\$ 892	\$ 892	\$ 892	\$ 892	\$ 892	\$ 892	10,706
Operational Depreciation	\$173,739	\$ 173,739	\$ 91,070	\$82,670	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	\$ 14,478	177,939
Sub-Total	\$184,443	\$ 184,443	\$ 96,423	\$88,020	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	\$ 15,370	188,645
Total Costs	\$1,377,642	\$ 1,477,207	\$ 702,053	\$775,154	\$ 124,895	\$ 131,231	\$ 127,490	\$ 128,403	\$ 129,385	\$ 126,416		1,469,874
Deduct Depreciation	\$184,443	\$ 184,443	\$ 96,423	\$88,020	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	\$ 16,071	192,846
Total Cost Cash Basis	\$1,193,199	\$ 1,292,764	\$ 605,630	\$687,134	\$ 108,825	\$ 115,161	\$ 111,419	\$ 112,333	\$ 113,315	\$ 110,346		1,277,028
Capital Improvement Projects												
General Capital Projects	\$0	\$ 265,557	\$ -	\$265,557	\$ 45,260	\$ 45,260	\$ 45,260	\$ 45,260	\$ 45,260	\$ 45,260	\$ 45,260	271,557
Grand Total Costs	\$1,193,199	\$ 1,558,321	\$ 605,630	\$952,691	\$ 154,084	\$ 160,420	\$ 156,679	\$ 157,592	\$ 158,574	\$ 155,605		1,548,585
Cash Basis:												
Excess (Loss) Revenues over Expenses	\$1,129,288	\$ (0)	\$ (58,482)	\$ (58,482)	\$ (11,212)	\$ 19,930	\$ 6,659	\$ 4,512	\$ 12,715	\$ (3,822)	\$ (29,701)	
* 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	10.000	10.000	20.152	100.0%	-50%
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	132.785	128.210	205.761	96.6%	-37.69%

