

Crestview Mutual Water Company
Board Meeting Materials
September 26, 2023

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

August 16, 2023

Convened Meeting

The Annual Shareholders Meeting of Crestview Mutual Water Company was called to order by President Frank Mezzatesta on Wednesday, August 16, 2023 at 6:24 P.M. at the Spanish Hills Country Club, 999 Crestview Avenue, Camarillo

Attendance and Quorum

Directors Present: Frank Mezzatesta – President
Alma Quezada – Vice President
Laurie Bennett – Treasurer

Directors Absent: Roger Whitlock – Secretary
Sol Chooljian – Director

Staff Present: Durrell McAdoo – Interim General Manager
Lauri Marino – Office Manager
Timothy Lewsadder – Water Treatment Operator

Also Present: Jane Usher, Corporate Counsel – Musick, Peeler & Garrett LLP
Heidi Herpel, Election Official – KHA HOA Elections

Based upon meeting attendance and preliminary count, a good faith estimate of a quorum being present to conduct the meeting was determined, with an official count to be announced by the election inspector shortly.

Approval of Minutes

Director Frank Mezzatesta asked for a motion to waive the reading of the minutes from the last annual meeting. On a motion by Jim Lingl and seconded by Richard Stockton, the shareholders in attendance unanimously approved the following:

Resolved, that the reading of the minutes of the Annual Shareholders Meeting of April 22, 2021, be waived.

Director Mezzatesta asked for a motion to approve the minutes from the 2021 shareholders meeting. On a motion by Jim Lingl and seconded by Carin Kerr, the shareholders in attendance unanimously approved the following:

Resolved, that the minutes of the Annual Shareholders Meeting of April 22, 2021, be accepted as presented.

Interim General Manager's Report

Durrell McAdoo thanked the shareholders in attendance and reported on local and regional water issues. Mr. McAdoo reported that in 2025, water allocations for domestic water pumpers within the Fox Canyon GMA will no longer roll over annually to be banked for future use; annual allocations will be "use it or lose it". Mr. McAdoo reported that a strong El Niño is forecasted for winter 2023. Both of Crestview's reservoirs have been cleaned, vacuumed, and inspected, and are secure and in good condition. Crestview's new water treatment operator, Tim Lewsadder, is doing well, and Mr. McAdoo noted that a second treatment operator needs to be hired. Mr. McAdoo reported on the new EPA mandated lead service line inspection requirements that are required to be completed by October 2024; the lead poisoning crisis in Michigan in 2014 caused the national changes. Discussion ensued; Mr. McAdoo stated that the inspection process procedures are under analysis, and that no lead has been sampled in Crestview's water to date. More information will be available to shareholders in the coming months.

Crestview Treasurer's Report

Treasurer Laurie Bennett reported that Lindsay and Company CPA has completed an annual review for the Company for the fiscal year ended 2022 with no exceptions or qualifications noted, and that the summary financial statements are posted on Crestview's website. Treasurer Bennett reported that Crestview has over \$2.2 million in cash reserves at this time. Recently, some funds have been moved to sweep accounts, and all of Crestview's funds are safe and appropriately FDIC insured.

President's Report

President Frank Mezzatesta gave a report on the current business of the Company. President Mezzatesta noted he is very pleased with the current Company staff of Durrell McAdoo, Lauri Marino, and Tim Lewsadder. Crestview continues to move forward with the Well #7 and Well #8 projects. The Well #7 Shareholder Advisory Committee has narrowed down possible locations to six sites; numerous outside experts will be retained for an independent review. For Well #8, a review of the environmental document is under way with the City of Camarillo. The public comment period is expected to be initiated soon. Discussion ensued regarding the timeline for the well to be operational; all regulatory requirements must be met and fulfilled prior to the project obtaining approval to begin.

President Mezzatesta shared his thinking about organizing for the future based on conversations with a former Crestview director, leaders of other water companies, and on his own executive experience. There are two basic models for Board and Staff relationships: one is that Staff sets recommendations for the Company, and the other is that Board members develop the vision, set the agenda, direct staff in detail, and do deep dives on important details.

There is a continuum between these extremes, and President Mezzatesta has been moving toward the Board-centric end. One factor affecting how Crestview should organize itself is how much Board members are willing and able to do. Another factor is determining the skill sets of Staff. Company operations will continue to be well-managed, with the emphasis on current and future capital projects.

Election Procedures

President Frank Mezzatesta stated that election materials for this meeting were posted on Crestview's website, and proxies for the annual meeting were mailed to shareholders by both Crestview and Board candidates. Election Inspector Heidi Herpel from KHA Elections reported that after a count of those shareholders present and proxies collected, a quorum was attained to officially conduct the meeting (1,249.4 shares required, 1,403.46 received).

Discussion ensued regarding election and voting procedures. Jane Usher, corporate counsel, reported that the Board is elected annually per Crestview's bylaws. Ms. Usher explained why corporations use proxy ballots to help attain a quorum to conduct business, and to allow shareholders that cannot attend the meeting in person to have their voice heard. She further explained cumulative voting, and that ballots cast by shareholders at this meeting will supersede any proxy ballot previously mailed/turned in by a shareholder. Discussion ensued.

A request was made for cumulative voting to take place. On a motion by Felicia Schoenwald and seconded by Salvatore Santangelo, the shareholders in attendance unanimously approved the following:

Resolved, that voting for Board Members be counted cumulatively.

An option exists between using a voice or written ballot vote. On a motion made by Felicia Schoenwald and seconded by Katie Teague, the shareholders in attendance unanimously approved the following:

Resolved, that written ballot voting be used.

Further discussion ensued about voting; shareholders were reminded that instructions for completing the ballot are outlined on the reverse side of each ballot, and voters were reminded to vote for no more than five candidates.

Each of the nine candidates for the Board of Directors were given a three-minute window to give a candidate statement and entertain questions and provide answers to the shareholders in attendance.

Election Inspector Heidi Herpel, KHA Elections, announced that the election was closed at 8:17 p.m.

Shareholder's Public Forum

Shareholders in attendance were able to ask questions of the Board. Heidi Hester commented that the meeting should have been advertised better, with the date, time, and location noted on the signs placed throughout the neighborhood. Director Mezzatesta noted that numerous announcements were mailed to shareholders, along with the meeting materials being posted well in advance on Crestview's website.

Christopher Ono stated that he would appreciate more extensive year-over-year financial statements, a budget, and cash flow forecast to be available to shareholders for review. Discussion ensued.

The Board thanked the shareholders present for their participation and feedback.

Adjournment

On a motion made by Roger Chittum, seconded by Myrna Bennett, and approved unanimously by the shareholders present, the meeting was adjourned at 8:27 P.M.

Respectfully submitted,

Approved by,

Alma Quezada, Vice-President

Frank Mezzatesta, President

Shareholders in Attendance

Araiza, Randall J/Sonya	Eklund, Rollo
Atkinson, Mark	Ennis, Christopher/Nancy
Atsinger, Edward	Erhart, Cheryl
Bennett, Myrna	F.M.H. Trust, The
Berman, Steven/Victoria	Fernandez - Trustee, Asia
Bessette, Jessica	Foss, Robert W/Catherine J
Cabral/Hernandez, Julio C/Anthony	Foster, Ronald J
Campuzano, Antonio	Frank, David
Chesser, Michael/Pearl	Frank, William A./Lynda
Chittum, Roger D/Susan Kovacs	Funfstuck - Trustee, Albert
Clarke, Cecilia A.	Gaiser, Dennis/Joan
Collins, Marcus/Kristin	Galarza, Jorge Antonio
Crosby, Craig M.	Goodman, Benjamin D/Mary R
Derr-Cohen Family Trust	Granard - Trustees, Ryan A/Theresa J
Douglas, Jeffrey	Hartman, Lorie
Draine, Cameron	Johnson, Allen/Deborah
Drews, Michael/Amy Elizabeth	Kasarjian, Janie

Shareholders in Attendance (Continued)

Kerr, Maurice A./Carin D.	Rieger, Ronald
Lambert, Kimberly L	Roda, Gregory A.
Landa, Preston Arndt/Mara	Rolls, Michael Anthony
Lindsay, Janice	Rowland, Donald E/Linda J
Lingl, James P	Ryan, Patrick/Nora
Loffredo, Sandra J	Salzer, Nancy
Lopez-Trustees, Lane J./Sally J.	Santangelo, Salvatore/Edith
Lourenco, Steve/Laurie Wende	Schoenewald, Daniel/Felicia
Lowthorp, Douglas C./Jeanne R.	Seaboard Produce Distributors Inc.
Lucchese, David/Stacy	Searl, Linda
Lucier, Dennis	Silkey, David
Machlitt-Trusees, David/Lydia	Soliz, Robert/Josephine
Maloney, Michael	Soluk, George
Martens, David O'Quinn/Anja	Sommerhauser, Alan J/Catherine M
Maulhardt-Trustee, Jeffrey W.	Sonnenberg, Dean A./Deanna F.
Mc Groarty, Catherine	Spencer, Vern/Chard, Tom
McKenna, William P.	Starr, Richard/Frances
Megowan, Michael E	Stephenson, David M./Kimberly Marra
Mehlman - Trustees, Arthur/Gloria	Stockton, Richard/Leigh
Melton - Trustees, John R/Sandra S	Sutton, Christopher/Kelly
Mota, Shelby A/Jesse J	Tanita, Edna
Muro, Steven A/Adelaide M	Teague, Dana/Katherine
Muscarella, Thomas W/Diane	Temple, Thomas W/Cheryl M
Nelson, Leighton/Lynn	Ten Broek, John F
O'Donnell, Charles J.	Tokumoto/Shiroyama, Bruce/Ona
Omoto, Daniel/Veronica	Tranovich, Margaret
Ono/Hester, Christopher Y./Heidi A.	Waldron, Stephen/Marlys
Ortiz-Williams - Trustees, Jeremy R/Lorena S	Whatley, Barbara
Pachowicz, Mark	Whitlock, Renee
Payne, Andrew	Whitt, William J/Cheri K
Power, John	Wilstein - Trustees, Gary/Kathryn
Quezada, Alma/Reston, Craig	Winslow, Brett/Elizabeth
Rea-Trustees, David D./Glenda R.	Wisuri, Steven
Recharte/Coe, Luis M. Kimberly K.	Workens, Martin F.
Regnier, Georgianna	Young, Andrew M./Lynne A.
Rhule, Lavon O/Dalia Guizar	Zierhut, Kurt/Stephanie

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
August 29, 2023

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Tuesday, August 29, 2023, at 5:31 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
Steven Muro – Secretary (Incoming)
Dave Stephenson – Director (Incoming)
Sol Chooljian – Director (Outgoing)

Directors Absent: Roger Whitlock – Secretary (Outgoing)

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

2. Annual Meeting Election Results

Director Frank Mezzatesta gave a report on the election results from the Annual Meeting held on Wednesday, August 16, 2023. Director Mezzatesta stated that he reached out to Directors Sol Chooljian and Roger Whitlock to ask that they allow some of their votes to be pooled to re-elect Directors Alma Quezada, Laurie Bennett, and himself, which they graciously allowed. Only about half of the shares were held by Crestview proxies. Director Mezzatesta reported on the detailed process utilized to complete balloting, with the emphasis on shareholder voting privacy. The election inspector validated a statistical sample of proxy ballots, made the final election result computation and provided her final report to Crestview. Director Sol Chooljian stated that to erase any doubts, the majority of the former Board of Directors present should accept the results of the election. 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 Board of Directors accept the results of Crestview Mutual Water Company’s 2023 Annual Meeting Election.

Director Mezzatesta thanked Sol Chooljian for his time, dedication, and many years of service to the Company. Director Bennett also thanked Mr. Chooljian for his mentorship, expressed her sincere appreciation and stated her goals are to carry on what he started.

3. Election of Officers

Discussion ensued regarding the positions to be held by the newly elected Board. Directors Steven Muro and Dave Stephenson stated that they were looking to learn as new members. On a motion made by Director Dave Stephenson and seconded by Director Laurie Bennett, the Board unanimously approved the following:

Resolved, that the positions of the re-elected Board of Directors remain the same, with Steven Muro holding the position of Secretary, and Dave Stephenson holding the position of Director.

4. Shareholder's Public Forum

Mike Rolls inquired if recent Hurricane Hilary added significantly to United Water's spreading grounds in Saticoy.

Roger Chittum congratulated incoming Board members and thanked the outgoing members; he stated it appears that the members will have a good working relationship. John Melton asked about the status of the new water wells; Director Mezzatesta stated that project status will be further addressed later in the meeting.

Christopher Ono stated that if the project is delayed, how Crestview will be strategically prepared, and noted that it would be prudent to plan two years down the road to take into account all associated possibilities and risks.

5. Approval of Minutes

The minutes of the regular meetings and Executive Sessions of the Board of Directors of July 20, 2023 and July 25, 2023 were presented.

On a motion made by Director Alma Quezada and seconded by Director Laurie Bennett, the Board approved with three ayes (Directors Mezzatesta, Quezada, and Bennett) and two abstentions (Directors Muro and Stephenson) the following:

Resolved, that the minutes of the regular meetings and the Executive Sessions of the Board of Directors of July 20, 2023 and July 25, 2023, be accepted as presented.

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 the loan from the Community Bank of Santa Maria has recently been paid off, and the Company has in excess of \$1.3 million in cash reserves; these funds are fully FDIC-insured. Discussion ensued regarding financial

statements, cash flow forecasts, and the upcoming annual budget preparation. A question arose about the necessity for a more formal Capital Improvement Plan to look into the replacement of aging water system infrastructure; discussion ensued.

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

Interim General Manager Durrell McAdoo reported Crestview was not properly notified of some recent major projects that took place within the district, but Staff responded as necessary to complete repairs. Mr. McAdoo reported that recent rains have impacted Crestview's water sales, but more usage by Company shareholders is expected as temperatures rise. A question was asked about Crestview's GMA use-it-or-lose-it pumping allocation of 717 acre-feet per year, and if the Company has ever pumped less. Mr. McAdoo reported that with conservation and heavy rainfall, it is possible that Crestview will not pump the full allocation. Questions were asked about the capacity of Crestview's reservoirs, which hold a total of 2.5 million gallons when full, and how long that stored water would last on a hot, dry summer day. Discussion ensued.

8. President's Report – Information Only

Director Frank Mezzatesta, President, reported on a letter Crestview recently received from the Las Posas Hills HOA, and that he was surprised that the HOA board sent a letter representing all of their membership. The CC&Rs of the HOA have been modified to allow for the drilling of water wells. Director Mezzatesta reported that the well site selection process for Well #7 is currently under way; the current focus will be getting the new Board members informed. Six sites remain on the list; the Board will next look to obtain opinions from outside experts to narrow the sites down to one or two. This process is very important, and proper time must be devoted. A question arose about who on the Board will look into funding for well construction; discussion ensued about obtaining possible funding from the California State Revolving Fund or other low-interest funding.

A Development Advisory Committee meeting for Well #8 will be held via Zoom by the City of Camarillo on September 26, 2023.

9. Adjournment

On a motion made by Director Laurie Bennett, seconded by Director Steven Muro, and approved unanimously, the regular meeting was adjourned at 6:44 p.m.

Call to Order – Executive Session at 6:55 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – A motion was made and unanimously approved to accept the pay scale of Calleguas Municipal Water District for Crestview’s Operations Staff.
- Well #7 Siting Review Workshop – 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 unanimously, the Executive Session was adjourned at 8:11 p.m.

Shareholders in Attendance:

Chittum, Roger
Cohen, Christine
Derr, Michael
Hester, Heidi
Melton, John
Ono, Christopher
Rolls, Mike

Submitted by,

Lauri Marino – Office Manager

Approved by,

Alma Quezada – Vice President

Frank Mezzatesta – President

Crestview Mutual Water
Board Report for September 26, 2023

Topic of Discussion: Shareholder Committees

Presented to the Board by members Stephenson and Muro

Cost: \$0 to \$100 per committee (for supplies, if needed)

Timing: 30 to 60 days to begin

At the recent Annual Shareholder's Meeting, shareholders turned out in record numbers. They expressed a desire to be heard by the board and share their opinions with everyone in attendance. Further, the board recently selected shareholders to participate in the selection of a well location. Shareholder involvement broadens the board's perspective on topics central to running the company. Further, it fosters goodwill among shareholders. It also builds a sense of company and project ownership among shareholders. The result is the board becomes better versed in the matters most important to shareholders and highly engaged shareholders become ambassadors for the company.

We envision a set of committees with two or more shareholders per committee and led by one board member. Shareholders would express their opinions and provide advice to the board members. The members would bring findings back to the board for further discussion and if appropriate, decisions.

Suggested Committees:

- Finance and Oversight
 - Develop reporting standards
- Planning
 - Strategic planning (mission/vision/objectives/initiatives)
- Shareholder Communications
 - Website, Zoom, Customer Relationship Management, P.R.
- Bylaw Reform
 - Suggested changes to bylaws
- IT/Business Intelligence
 - Incorporating technology into Crestview S.O.P.
 - Data analysis & predictive models

Crestview Mutual Water
Board Report for September 26, 2023

Topic of Discussion: Zoom Meetings

Presented to the Board by members Stephenson and Muro

Cost: TBD based on findings

Timing: 45 days from start to delivery of findings to the board. Once approved 30 days for implementation

Over the past year there have been multiple requests for board meetings to be made available on Zoom. These requests have come from a multitude of shareholders that cannot attend in person due to several reasons (health, childcare, time constraints, etc.).

Current solutions are either overtaxing on staff time or highly expensive and may be seen as inappropriate in this time of dwindling reserves. With both in mind, we suggest another review of current technology that would allow a Zoom-like feature for shareholders, while minimizing both cost and staff time.

In addition to recommendations for virtual meetings, recommendations may include options for providing meetings and meetings-based content to members in various electronic forms. For example, these could include meeting highlight videos, meeting transcripts, meeting summaries, or combinations of these.

Further, the project would include the development of specifications and guidance on the proper method to run an online meeting. This includes guidelines for both board and shareholders participating in the online meeting.

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

	Dec '22 - Aug 23	Budget	\$ Over Budget
Income			
3012 · WATER SERVICE	600,441.47	1,451,985.00	-851,543.53
3013 · SERVICE AVAILABILITY	203,874.91	202,401.00	1,473.91
3014 · LABOR & WELDING	2,994.00	2,700.00	294.00
3016 · TRANSFER FEES	880.00	900.00	-20.00
3017 · OTHER WATER SALES	1,550.51	0.00	1,550.51
3018 · MISCELLANEOUS INCOME	177.87	0.00	177.87
3019 · INT INCOME	21,473.33	17,194.00	4,279.33
3021 · GAIN/LOSS SALE OF ASSETS	-3,732.00		
Total Income	827,660.09	1,675,180.00	-847,519.91
Gross Profit	827,660.09	1,675,180.00	-847,519.91
Expense			
4000 · PLANT OPERATING EXP			
4005 · SALARIES	136,533.36	131,850.00	4,683.36
4007 · PAYROLL TAXES	11,788.46	12,504.00	-715.54
4010 · POWER	121,955.40	127,950.00	-5,994.60
4015 · REPAIRS - UNANTICIPATED	35,334.25	18,000.00	17,334.25
4018 · REPAIRS - SCHEDULED	14,877.32	36,195.00	-21,317.68
4020 · SUPPLIES	11,137.97	5,100.00	6,037.97
4025 · AUTO EXPENSE	7,707.33	8,514.00	-806.67
4027 · OUTSIDE SVCS	160,380.70	190,023.00	-29,642.30
4028 · COMPUTER EXPENSE - OPERATIONS	6,063.90	3,500.00	2,563.90
4030 · INSURANCE/GENERAL LIABILITY	23,941.63	22,500.00	1,441.63
4032 · INSURANCE/WORKERS COMP	8,124.20	6,018.00	2,106.20
4035 · TAXES & PERMITS	2,500.00	2,500.00	0.00
4038 · SEWER DISCHARGE FEE	237.70	162.00	75.70
4040 · TELEPHONE/TELEMETRY	8,101.57	7,650.00	451.57
4045 · WATER PURIFICATION	28,899.89	43,926.00	-15,026.11
4050 · WATER PURCHASED	21,799.00	21,727.00	72.00
4060 · GROUP MEDICAL INS.-OPERATIONS	10,337.17	20,340.00	-10,002.83
4062 · INCIDENTAL EXPENSES - OPERAT.	119.25	0.00	119.25
4063 · PENSION EXPENSE	11,115.00	11,871.00	-756.00
4065 · SEMINARS & TRAINING	600.00	490.00	110.00
4070 · ENGINEERING FEES - OPERATIONS	5,808.96		
4075 · REGULATORY COMPLIANCE	27,459.71	34,817.00	-7,357.29
4080 · DEPRECIATION	130,304.25	130,304.25	0.00
4085 · CONSERVATION EXPENSE	0.00	0.00	0.00
4090 · RECRUITMENT EXPENSE	282.00		
Total 4000 · PLANT OPERATING EXP	785,409.02	835,941.25	-50,532.23
6000 · ADMINISTRATIVE EXPENSES			
6005 · SALARIES	62,891.09	60,786.00	2,105.09
6007 · PAYROLL TAXES	5,423.83	7,103.00	-1,679.17
6010 · UTILITIES	3,370.46	2,385.00	985.46
6011 · FIBER OPTIC INTERNET	1,863.54	1,260.00	603.54
6015 · COMPUTER EXPENSE - ADMIN	11,612.13	6,495.00	5,117.13
6020 · OFFICE EXPENSE	5,078.14	2,900.00	2,178.14
6022 · DUES & SUBSCRIPTIONS	5,188.28	1,870.00	3,318.28
6025 · PROFESSIONAL FEES			
6025-1 · ACCOUNTING	10,700.00		
6025-2 · LEGAL - ADJUDICATION	81,991.00		
6025-3 · LEGAL - EMPLOYEE HANDBOOK	17,986.90		
6025-4 · LEGAL - ELECTION / ANNUAL MTG	49,139.00		
6025-5 · LEGAL - GENERAL COUNSEL	31,156.10		
6025 · PROFESSIONAL FEES - Other	0.00	67,500.00	-67,500.00
Total 6025 · PROFESSIONAL FEES	190,973.00	67,500.00	123,473.00
6027 · OUTSIDE SERVICES	26,869.35	1,585.00	25,284.35
6032 · INSURANCE/WORKERS COMP	1,107.89	810.00	297.89
6035 · TAXES & LICENSES	13,227.13	19,375.00	-6,147.87
6040 · TELEPHONE	1,373.50	1,755.00	-381.50
6045 · MEETING COSTS	17,399.00	12,000.00	5,399.00
6052 · BANK CHARGES	2,387.16	1,125.00	1,262.16
6060 · GROUP MEDICAL INS.-ADMIN.	16,468.30	14,962.68	1,505.62
6062 · INCIDENTAL EXPENSES - ADMIN	391.61	0.00	391.61
6063 · PENSION EXP-ADMIN	4,950.00	5,472.00	-522.00
6065 · SEMINARS & TRAINING	0.00	300.00	-300.00
6070 · POSTAGE & SHIPPING	3,152.84	2,790.00	362.84
6080 · DEPRECIATION	8,028.00	8,028.00	0.00
Total 6000 · ADMINISTRATIVE EXPENSES	381,755.25	218,501.68	163,253.57
Total Expense	1,167,164.27	1,054,442.93	112,721.34
Net Income	-339,504.18	620,737.07	-960,241.25

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

	Aug 31, 23	Aug 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	927,432.30	1,297,600.01	-370,167.71
1018 · MONEY MRKT SVGS - PACIFIC WEST	67,720.64	264,364.38	-196,643.74
1019 · RESTR CAP RESERVE - PAC WEST BK	200,000.00	200,000.00	0.00
1020 · SAVINGS - PACIFIC WEST BANK	211,900.50	0.00	211,900.50
1026 · PAYROLL ACCOUNT - PACIFIC WEST	2,307.62	1,087.10	1,220.52
1029 · PLEDGE-CO OF VTA - PACIFIC WEST	10,013.71	10,011.71	2.00
1038 · COMMUNITY BANK OF SANTA MARIA	0.00	970,730.06	-970,730.06
1070 · PETTY CASH	0.00	400.00	-400.00
Total Checking/Savings	1,422,835.72	2,747,623.87	-1,324,788.15
Accounts Receivable			
1110 · ACCOUNTS RECEIVABLE	162,955.00	295,476.76	-132,521.76
1140 · OTHER RECEIVABLES	1,918.00	15.20	1,902.80
Total Accounts Receivable	164,873.00	295,491.96	-130,618.96
Other Current Assets			
1310 · PREPAID INSURANCE	30,733.35	28,091.59	2,641.76
1340 · PREPAID OTHER EXP	709.43	611.92	97.51
1350 · DUE FROM CALLEGUAS	82,170.78	53,373.90	28,796.88
Total Other Current Assets	113,613.56	82,077.41	31,536.15
Total Current Assets	1,701,322.28	3,125,193.24	-1,423,870.96
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	1,212,398.01	12,969.00
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	315,764.38	78,625.30
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	926,259.83	895,373.58	30,886.25
1495 · WATER RIGHTS	0.00	0.00	0.00
1500 · Accumulated Depreciation	-5,776,465.93	-5,869,042.49	92,576.56
Total Fixed Assets	4,156,159.08	4,115,933.11	40,225.97
TOTAL ASSETS	5,857,481.36	7,241,126.35	-1,383,644.99
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · ACCOUNTS PAYABLE	76,284.00	147,473.68	-71,189.68
Total Accounts Payable	76,284.00	147,473.68	-71,189.68
Other Current Liabilities			
2100 · PAYROLL LIABILITIES	231.09	-22,656.22	22,887.31
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	6,899.11	17,512.80	-10,613.69
2320 · ACCRUED PAYROLL	10,993.63	7,265.15	3,728.48
2322 · ACCRUED PENSION	20,958.00	40,669.00	-19,711.00
2325 · ACCRUED VACATION	18,550.27	18,842.16	-291.89
2326 · ACCRUED PROPERTY TAX	31,688.89	16,121.27	15,567.62
2327 · ACCRUED REGULATORY COMPLIANCE	10,538.81	25,130.15	-14,591.34
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	58,940.79	195,938.83	-136,998.04
Total Current Liabilities	135,224.79	343,412.51	-208,187.72
Long Term Liabilities			
2640 · CONSTRCT LOAN BK OF SANTA MARIA	0.00	942,921.05	-942,921.05
Total Long Term Liabilities	0.00	942,921.05	-942,921.05
Total Liabilities	135,224.79	1,286,333.56	-1,151,108.77
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	-339,504.18	485,992.29	-825,496.47
Total Equity	5,722,256.57	5,954,792.79	-232,536.22
TOTAL LIABILITIES & EQUITY	5,857,481.36	7,241,126.35	-1,383,644.99

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 repairs to Well #4.
4060	Group Medical Expense is under budget YTD due to changes in Operations staff with respect to budgeted medical insurance.
6025	Professional Fees are over budget due the adjudication lawsuit and legal counsel regarding annual meeting procedures/ election materials, employee handbook review/revisions, and miscellaneous questions to general counsel.
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.
2326	Accrued property taxes are overstated due to a prior period miscocode; to be corrected upon CPA review at fiscal year-end.

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.
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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.

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL MCADOO, INTERIM GENERAL MANAGER
TOPIC: MONTHLY OPERATIONS REPORT – INFORMATIONAL ONLY
DATE: SEPTEMBER 26, 2023

Background/Analysis: Below is a list of activities and conditions that staff has encountered during operation of the Crestview water system within the past 30 days.

Monthly Operational Issues – A fire hydrant in front of 616 La Marina Drive and a main line valve on Crestview Avenue were replaced on Wednesday, September 20, 2023.

The water line crossing 333 Valley Vista Drive is in the process of being repaired by the County of Ventura the week of September 18, 2023.

Well #6 – Online and producing 1,050 gpm, meeting all demands for Zone 2.

Well #4 – Online and producing 1,025 gpm, meeting all demands for Zone 3 and 3B.

As of August 31, 2023, Crestview has pumped 513.14 acre-feet of water; Crestview began the water year with 755.447 Feet Acre/Feet/Year of GMA pumping allocation, which included a roll-over from the previous year of 7 Acre-Feet. The water year runs October 1st – September 30th annually.