

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
January 23, 2023

1. Convened Meeting

The meeting was called to order by President Frank Mezzatesta on Monday, January 23, 2023, at 4:04 p.m. via Zoom video conference.

Attendance and Quorum

Directors Present: Frank Mezzatesta – President
 Alma Quezada – Vice President
 Laurie Bennett – Treasurer
 Roger Whitlock – Secretary
 Sol Chooljian – Director

Directors Absent: None

Staff/Counsel Present: Robert Eranio – Consulting General Manager
 Linda Delorey – Stand In Office Manager
 Durrell McAdoo – Water Treatment Operator II
 Jane Usher – Corporate Counsel: Musick, Peeler & Garrett

2. Incoming President's Welcome

Frank Mezzatesta introduced himself and acknowledged that he was appointed to the Board and not voted in. Frank stated that he had talked or met with many of the shareholders here today to get a better understanding of the issues and what can be done to improve relations with them. Frank stated that he is leading by intention, with his intention being to continue to the good work from the prior President and Board and add on to it.

3. Shareholder's Open Forum Rules

Frank Mezzatesta opened discussion on a reasonable time limit for each Shareholder's speaking time at Board meetings. Discussion Ensued. General consensus was reached to try a timer for 3-5 minutes per person depending on the number of people in the meeting at the discretion of the chair of the meeting.

4. Shareholder's Public Forum

Roger Chittum offered two general comments with the first to thank Director Chooljian for launching the Well site review process and also to compliment Director Mezzatesta for his remarkably good work within the first two months of his tenure.

Cheryl Temple complimented the former out-going President and current President. Cheryl stated the proposed modifications to procedures for Annual Meeting voting and how counting will be handled are excellent changes in order to streamline the entire process.

Katie Teague offered that she likes the streamline proxy process. Katie stated that she believes having candidates collecting proxies is a recipe for disaster.

Mike Rolls presented that he disagrees with the above two shareholders and thinks the new voting rules represent voter suppression in preventing shareholders from handing their proxies to neighbors to turn in and the requirement for proxies to be received two weeks before the meeting date.

Dave Reid believes that having no quorum and then not having a follow up meeting is afraid we will never have another shareholder's meeting due to the inability of obtaining a quorum. Dave Reid suggested getting a quorum this year and changing the bylaws to allow for a lower quorum in the future.

Barbara Whatley made a comment that streamlining the voting rules as proposed is a good idea.

Steven Muro asked if it is the Board intention to eliminate Zoom from the Annual Meeting, and is it also the Board's intention to eliminate Zoom for the Monthly Meetings? The answer from Director was "yes", it is his intention to eliminate Zoom for monthly meetings, with special consideration for "extenuating circumstances", but his intention is to go back to in-person meetings.

Stacy Lucchese objected to switching the meetings away from Zoom due to health reasons and the 4:00 pm Board meeting time interfering with the normal workday. Director Mezzatesta stated that Stacy's point is well taken and he changing the Board meetings to start at 6:00 pm is also under consideration. Director Chooljian offered a compromise solution to provide audio and video of the live meetings for those who could not attend.

Mike Rolls stated that there would be a cost to hosting live meetings at Las Posas Country Club or Hampton Inn and therefore Zoom meetings were better.

Craig Reston said that he could not attend a live meeting due to attending to kids and that the compromise to have only audio and video at a live meeting would work for them because they are ok just to listen.

5. Approval of Minutes

The minutes of the October 27, 2022 meeting were presented.

On a motion made by Director Chooljian and seconded by Director Bennett, the Board approved with five ayes the following:

Resolved, that the minutes of the meeting of the Board of Directors of October 27, 2022 be accepted as presented.

The minutes of the meeting of the Board of Directors November 15, 2022 meeting were presented.

On a motion made by Director Bennett and seconded by Director Chooljian, the Board approved with five ayes the following:

Resolved, that the minutes of the meeting of the Board of Directors of November 15, 2022 be accepted as presented.

The minutes of the Executive Session of the November 15, 2022 meeting were presented.

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

Resolved, that the minutes of the Executive Session meeting of the Board of Directors of November 15, 2022 be accepted as presented.

6. President's Report

Director Mezzatesta informed those in attendance of a new internal policy for Staff to notify shareholders one week in advance of Board Meetings via email and including a Public Board Packet in the email. If shareholders want to be included, or have their name removed, contact Staff.

Director Mezzatesta reported on a new internal policy where Staff reviews the daily Leak Alert Report from Beacon and notifies the top three about the presence of a potential leak on their property. The notification will be sent by US Mail and for significant leaks, Staff will attempt to contact directly via phone.

Robert Eranio stated that our historical gallon per day leakage was approximately 33,000 gallons per day at the beginning of this process. Since December 1, approximately 45 Shareholders were sent notices, and leakages are now down to 21,000 gallons per day.

7. Treasurer's Report

Director Bennett, Treasurer reported we have had a loss in revenue this month as is common this time of year due to rain. Our financial foundation is good.

Shareholder Muro posed a question to the Board this month regarding computer hardware and software costs on our books. Robert Eranio, Consulting General Manager, stated they are legacy items and all the money spent on Capitalized Computer software or Hardware is listed and the offsetting depreciation is listed in the 1500 series.

Steven Muro also asked about several equity accounts and also for account "2930 Construction Contributions" in the amount of approximately \$45,000. Director Bennett reported there is an original entry from 1996 for \$303,000, with additional entries from 2002 for the Via Zamora Tract, and 2005 Birdsell Tract with offsetting entries to account "1415 – Distribution Lines."

Steven Muro replied that items that are still on the books from the 1990's and have been fully depreciated should be removed from the Books.

8. Monthly Operations Report

Durrell McAdoo, Water Treatment Operator II, reported that his information is presented in his written report and he is available to answer questions.

9. General Manager's Report

Robert Eranio, Consulting General Manager, reported that divers evaluated and cleaned the interior of our reservoirs and all interior materials, poles, roof structure and floor appear to be in good condition. This is completed every three years. Director Quezada asked what company was used. Mr. Eranio reported Inland Potable Services, Inc. was the company used.

Water Conservation / Drought Update

Robert Eranio, Consulting General Manager, reported that rain received to date this year is trending above normal for this time of year and that approximately 11.5" was received, but we need more rain to reach the seasonal average of 14.7" per year. Due to the rain, water demand is down. On a positive note, the rains will extend our allocation. District wide conservation efforts are running at about 22% and better than expected.

Calleguas Request for Mutual Aid

Robert Eranio, Consulting General Manager, reported on the request from Calleguas to provide Mutual Aid, and while Crestview had capacity and was willing to provide the assistance, the Fox Canyon GMA denied Calleguas' request by citing 'the stated reason was not sufficient to warrant the transfer of water across basin boundaries.'

Shareholder Rolls asked a question as to whether the Calleguas issue would affect Well #8 and Mr. Eranio answered that it would not.

Well #8 Update

Robert Eranio, Consulting General Manager, reported that Crestview's Conditional Use Permit (CUP) application with the City of Camarillo are being finalized and we expect to submit that package this week for City review.

Shareholder Advisory Committee Progress Update

Director Quezada, Vice President, reported there have been three meetings of the Shareholder Advisory Committee (SAC) to date. We began with 22 unique sites to review and have reduced the list down to seven sites and 191 is still on the list. Director Quezada reported the SAC is doing great work whittling the list down.

Director Mezzatesta reported that Crestview was present for the two-hour long meeting and Crestview was not asked any direct questions.

10. Annual Shareholders' Meeting Logistics and Proxy Discussion

Director Mezzatesta opened the discussion by stating that his intention is to make voting go more smoothly than last year and that he is confident there will be a quorum this year, and given the general confusion surrounding the meeting last year, the process needs to be updated.

Shareholder Lingl requested that an Amendment to the Bylaws to reduce the level needed for a quorum be presented in the Annual Meeting this year for consideration. Discussion ensued.

Roger Chittum expressed concerns about the proposed election Manual is focusing on the wrong problems. In Mr. Chittum's opinion, the problem is Crestview lacks the procedures that result in obtaining a quorum unless Staff solicits proxies. Mr. Chittum believes the proposed changes will make obtaining a quorum harder, by eliminating attendance by Zoom, requiring candidates to submit a notice of interest one month in advance of the meeting and the elimination of write-ins. Mr. Chittum also expressed specific concerns with the proposed provision that if a quorum is not reached, the meeting would not be continued to allow more time for shareholders to collect the necessary proxies to meet quorum and if a proxy is not marked for specific directors, that proxy will be voted by the President and Secretary.

Director Chooljian stated that privacy of how someone designates their proxy for voting are highly valued in representation of each individual shareholder. Part of the solution to ensure this is followed is the designation of a third party to receive the proxies and account for those that are submitted at the door, but in the last meeting, multiple shareholders were looking over the shoulder of the check-in and violated the privacy that was attempted. This new process protects that from happening again.

Cheryl Temple spoke to agree with Director Chooljian and disagreed with Mr. Chittum in that these new procedures are not barriers, but standards within the corporate world and along with increased messaging will go a long way to help obtain a quorum for the meeting. Ms. Temple encouraged the Board to take a stand for something reasonable and practicable given the small size and in the interest of the Company as a whole and approve the proposed changes.

Steven Muro stated that he did not walk in with handfuls of proxies, that he and Dave Stevenson met people at the meeting as they came in and shareholders handed Mr. Muro proxies stating these are for you. Mr. Stevenson and Mr. Muro carried them the last 10 feet.

Jane Usher, Corporate Council, stated in reviewing Mr. Chittum's list of concerns

1. A Proxy does not have to be delivered personally by law.
2. The Proxy going to the President (or in their absence the Secretary) is recognized as a best practice.

3. In answer to can a candidate present their own proxy? Provided the form has all of the elements of Crestview's form present and correctly filled out, then it is valid.

Mike Rolls asked the Board if there could be a line item on the Proxy that would allow a shareholder to vote for quorum only and not vote for the Directors? It was explained that a person can withhold votes for Directors and the proxy would be voted for attendance. Another option could be that Crestview may add a specific line item for the proxy to be counted for attendance only.

The Board will take the comments under advisement, revise the Proxy Rules document, and bring the topic back up at a next meeting.

11. Adjournment

On a motion made by Director Bennett, seconded by Director Whitlock, and approved unanimously, to adjourn the regular meeting at 5:58 p.m.

12. Executive Closed Session

The Executive Closed Session was called to Order at 6:00p to discuss Personnel matters. The Executive Closed Session was adjourned at 6:40 p.m. with no actions being taken to report.

Next Meeting

The next scheduled meeting of the Board of Directors will be held on Thursday, February 23, 2023 at 4:00 p.m.

Shareholders in Attendance: Board Meeting

Bauer, Roland
Chittum, Roger
Lingl, Jim
Lucchese, Stacy
Muro, Steven
Reid, David
Reston, Craig
Rolls, Mike
Searl, Linda
Shiroyama, Ona
Teague, Katie
Temple, Cheryl
Troncoso, Michelle
Whatley, Barbara

Submitted by,

Linda Delorey
Linda Delorey, Stand In Office Manager

Approved by,

R Whitlock
Roger Whitlock, Secretary

Frank Mezzatesta
Frank Mezzatesta, President