

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

1. Call to Order – Executive Session at 5:00 p.m.

The following matters were discussed in Executive Closed Session

- Personnel Matters
- Potential Litigation
- Fox Canyon Groundwater Basin Adjudication Litigation

2. Adjournment of Executive Session

On a motion made by Director Whitlock, seconded by Director Chooljian, and approved unanimously the Executive Session was adjourned at 5:55 p.m.

3. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Thursday, February 23, 2023, at 6:04 p.m. for a live meeting at Hampton Inn, 50 W. Daily Dr., Camarillo, CA 93010 and a limited Zoom audio conference.

Attendance and Quorum

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

Directors Absent: Laurie Bennett - Treasurer

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

5. Shareholder’s Public Forum

Katie Teague posed a question that if there is no quorum there will be no meeting all year, does that include board meetings. Director Frank Mezzatesta answered there will be board meetings. Ms. Teague asked does the document prevent the shareholder from giving all their proxies for one person. Director Frank Mezzatesta answered that this is true and it is from the bylaws policy.

Ms. Teague commented about the well site evaluation that she would like the criteria on the website. Both the evaluation on the website and how they met the criteria. She also gave the

opinion that if Crestview Board could not talk to Las Posas Country Club directly then why it is being considered.

Christine Cohen requested clarification on whether there would be Zoom availability or not. Director Frank Mezzatesta answered that his intention is a live meeting, Zoom accommodation will be looked at.

David Silkey commented that we are gifted the land from our children, in this spirit they are looking for the best site for the long run. Everyone on the SAC has a voice, no one is silenced. We are looking for the best solution, not necessarily the easiest. This is an opportunity to have a good outcome if we stay away from divisiveness.

Christine Cohen asked whether Lauri Marino was ok as she was not at the meeting. Robert Eranio answered that she is on long term medical leave.

6. Approval of Minutes

The minutes of the Board of Directory January 23, 2023 meeting were presented.

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

Resolved, that the minutes of the meeting of the Board of Directors of January 23, 2023 be accepted as presented.

The minutes of the Executive Session of the January 23, 2023 meeting were presented.

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

Resolved, that the minutes of the meeting of the Executive Session of January 23, 2023 be accepted as presented.

7. Annual Shareholders' Meeting Logistics and Proxy Discussion – Returning Item

Action Item – Staff recommends approval of proposed new Annual Shareholder Meeting Protocols and 2023 Proxy Format.

Director Mezzatesta stated that the Annual Shareholder Meeting Protocols and 2023 Proxy Format document has been lightly remodeled from the one at last month's board meeting. The changes encompassed: typos, suggestions, and an addition to the proxy expressing the ability to check a box to withhold all votes and consider the proxy just in terms of contributing to a quorum. This proxy is mostly the same as our old one and is consistent with those used by other companies.

Roger Chittum emailed comments that included three proposed amendments to the document to the board by email.

Director Alma Quezada agreed with the suggestion to change the proxy turn in timeframe from two weeks to 24 hours before the Annual Meeting.

Director Sol Chooljian has seen participation vary over the years. We now fund repairs by saving up over time so people have gotten used to the status quo. More communication might increase awareness and thus the likelihood of making a quorum. Director Chooljian agreed with changing the proxy turn in timeframe from two weeks to one week before the Annual Meeting.

Director Frank Mezzatesta agreed with changing the proxy turn in timeframe from two weeks to one week before the Annual Meeting. On the issue of reducing the quorum for a second meeting, we would have to make an amendment to the bylaws. Director Mezzatesta is asking for feedback from the board as to whether we should add that to this year's proxy.

Discussion ensued with Shareholders Dave Stephenson and Joel Brown volunteering to look into electronic voting costs.

Director Mezzatesta pointed out that there is an online service called Proxyvote.com but that it carries an expense. Director Mezzatesta will continue to look into electronic voting costs and get back to the shareholders when he has discussed it with the board.

Director Chooljian thinks that we should start somewhere and ratify Meeting Logistics and Proxy document and continue updating it as a working document. He would like to get to a vote.

Director Frank Mezzatesta withdrew his suggestion that any votes be counted after the deadline. He then requested a motion that the document be accepted with the single change from two weeks to one week for the proxy deadline.

The Annual Shareholder Meeting Protocols and 2023 Proxy Format were presented.

On a motion made to accept the document with one change to the proxy: two weeks is changed to one week prior to the Annual Meeting for proxies to be turned in, by Director Sol Chooljian and seconded by Director Roger Whitlock the Board approved with four ayes the following:

Resolved, that the Annual Shareholder Meeting Protocols and 2023 Proxy Format be accepted as presented with one change: two weeks is changed to one week on the Proxy for proxies to be turned in.

8. Shareholder Advisory Committee Report

Action item – Staff recommends receiving report from Committee as to possible future well locations and provide direction to Staff to retain Hydrogeologist to evaluate locations or direct Committee to develop cost criteria for each location.

Robert Eranio, Consulting General Manager, reported that the Shareholder Advisory committee has narrowed the list of potential well locations from 22 unique locations, down to 7. All 7 locations meet the agreed upon criteria to be a considered a suitable well location. The Committee has only eliminated sites which had obvious fatal flaws. The criteria considered so far were lot size, slope, and accessibility of drilling location. Other criteria such as remuneration to

shareholders, other costs, and geological limitations and costs, as well as other possible issues have not yet been considered.

The question at hand is whether the board would like the committee to consider other criteria at this time or whether to turn the review over to a qualified but neutral Hydrogeologist.

Director Alma Quezada, Vice President, wished to thank the committee members: Joel Brown, Dale DeHart, Lewis Cantor, Mike Rolls, David Silkey, and Cheryl Temple. At this time we are presenting a progress update and check in with the board to determine the direction the board would like us to take next. The question to the Board is whether to continue to research other criteria ourselves or to reach out to a Hydrogeologist to evaluate the potential locations. The original 22 sites were compiled in a novel way by shareholder nomination. It is Director Quezada's belief that a new well is needed.

Director Quezada further reported that at the first meeting the committee considered physical parameters. On subsequent meetings, the committee worked on narrowing down sites by the above mentioned criteria. She then offered shareholders a paper copy of the site map (which was also available in the public board meeting packet and on the website). She further stated that the remaining sites had not been evaluated for several more criteria, including but not limited to, cost, water quality, and public scrutiny.

A member of the committee, Joel Brown, commented that he had not participated in the past because he felt that a good job was being done by the staff and board. When the new well issue came up he had questions so he joined the committee. He appreciates different points of view and values the shareholders' opportunity to participate in this discussion. He stated that even though the members of the committee are not water experts they have taken our task very seriously. The report will not be perfect but please take the time to review it and continue to participate in the discussion.

Another committee member, and 20-year shareholder, Dale DeHart enjoyed working with the committee. He feels he has learned more about well infrastructure from this experience. He thinks that there are actually not that many valid well sites and that the number under consideration will quickly fall from seven to three.

Mike Rolls also believes that there are few suitable sites.

Dale DeHart stated that he believes that a deal making conversation needs to happen with the remaining 7 sites at this time. Further, he is concerned that there does not seem to be a description of how the board will go about the deal making process.

Director Frank Mezzatesta stated that permission to build needs to be discussed with Las Posas Country Club. He said that he and Alma were the correct personnel to do this and that it needed to be soon.

Dale DeHart would like to go further on the deals front at this time, particularly determining the cost from the owner for each site, before spending money on a hydrogeologist; so that we could possibly reduce the number of sites and thus the scope for the hydrogeologist. He would like to

see a letter of intent go out at this time. He added that a letter of intent is practically free and could save us money in the long run.

9. President's Report

Director Frank Mezzatesta, President, informed those in attendance that he had taken it upon himself to research companies that specialize in running elections. He found four companies. Three of them only take on large HOA customers. The one he found that would take on small organizations, not necessarily HOAs, they stopped returning his calls. He will continue to look into this a while longer then if he is not successful he will ask for help with this. He is concerned that this will not be an easy task.

10. Treasurer's Report

Director Bennett, Treasurer, was absent.

Christine Cohen asked if the draft audit was available.

Robert Eranio reported that it was not an audit and that the Draft FY 21/22 Financial Report from Lindsay & Company will be ready in a few weeks. The review was clean.

Director Frank Mezzatesta mentioned that the Monthly Draft Financial Reports were in the packet which everyone could look at individually and asked if there were any questions. There were none.

11. Monthly Operations Report

Well #4 Status/Repairs

Durrell McAdoo, Water Treatment Operator II, reported that Well #4 is scheduled to get pulled next week to investigate why it went to ground (shorted out) on January 6, 2023. Well #6 has been carrying the load since then and is doing fine. He is always available to answer questions.

Director Frank Mezzatesta added that the wires seem to be sagging in the conduit either because of their weight or because something has come loose downhole. As he currently understands it both conditions would be covered under our warranty.

12. General Manager's Report

Water Conservation / Drought Update

Robert Eranio, Consulting General Manager, reported that if we get the expected rain this week we will be up to an average rainfall amount for the year. He added that the seasonal average rain for Camarillo is 14.5 inches per year. Robert then thanked everyone for their water conservation efforts. Robert mentioned that our conservation efforts are 25% above our goal and therefore it is likely that we will not have to buy Callegaus water. Also, this rain, has given our soil excellent moisture conditions that should last in the ground preventing the need for irrigation for about three

weeks. As a final note regarding conservation, he stated that the best thing you can do to reduce water consumption is to pull out sod. It is virtually the highest water user we have in the district.

13. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Roger Whitlock, and approved unanimously, to adjourn the regular meeting at 8:11 p.m.

Executive Session Summary

Personnel, threatened litigation and existing litigation matters were discussed in Executive Session, including approval by the Board of the proposed settlement of Phase 3 of the Fox Canyon Groundwater Adjudication litigation and of the matching contributions by Crestview to the employee 401(k) contribution plans.

Adjournment of Executive Session

On a motion made by Director Whitlock, seconded by Director Chooljian, and approved unanimously, the reconvened Executive Session was adjourned at 8:22 p.m.

Next Meeting

The next scheduled meeting of the Board of Directors will be held on Wednesday, March 22, 2023 at 6:00 p.m.

Shareholders in Attendance:

Brown	Joel
Brown	Nenagh
Chittum	Roger
Cohen	Christine
DeHart	Dale
Derr	Michael
Douglas	Jeff
Lucchese	Stacy
Mehlman	Arthur
Mehlman	Gloria
Melton	John
Melton	Sandy
Muro	Steven
Recharte/Coe	Kim
Recharte/Coe	Luis
Reid	David
Reston	Craig
Rolls	Mike
Shiroyama	Ona
Silkey	Becky
Silkey	David
Stephenson	Dave
Stockton	Dick
Teague	Katie
Toler	Siena

Submitted by,



Linda Delorey, Stand In Office Manager

Approved by,



Roger Whitlock, Secretary



Frank Mezzatesta, President