

Minutes of the Meeting
Of the Board of Directors of
Crestview Mutual Water Company
December 4, 2018

Convened Meeting

The meeting was called to order by President Norm Fahnoe on Tuesday, December 4, 2018, at 4:00 p.m. at the Corporation office.

Attendance and Quorum

Directors Present: Norm Fahnoe – President
 Sol Chooljian – Vice President
 Doug Off – Treasurer

Directors Absent: Roger Whitlock – Secretary
 Steve Gill – Director

Others Present: Robert Eranio – General Manager
 Lauri Marino – Office Manager
 Michael Derr – Shareholder
 Christine Cohen – Shareholder
 Jim Lingl – Shareholder

Shareholder's Public Forum

Michael Derr (La Patera Drive), Michael Derr (La Patera Drive), and Christine Cohen (La Patera Drive) were present to observe the meeting. Jim Lingl (Estaban Drive) inquired about the generator at Well 5 and made suggestions about installing solar panels at that location, with the potential to earn income from solar power generation. Robert Eranio offered to complete a preliminary feasibility study and report back to the Board at the next meeting.

Approval of Minutes

The minutes of the October meeting were presented. On a motion made by Doug Off and seconded by Sol Chooljian, the Board approved with three ayes the following:

Resolved, that the minutes of the meeting of the Board of Directors of October 31, 2018 be accepted as presented.

The minutes of the Executive Session of the October meeting were presented. On a motion made by Doug Off and seconded by Sol Chooljian, the Board approved with three ayes the following:

Resolved, that the minutes of the Executive Session of the meeting of the Board of Directors of October 31, 2018 be accepted as presented.

Monthly Financial Review

The financial statements for October 2018 were presented and discussed by the Board. All significant variances compared to budget were reviewed and explained by Staff. Robert Eranio advised that Water Sales – Account 3012 are over 15% ahead of budget. A note was made to the financials regarding Account #3018 - Miscellaneous Income in the amount of \$10,000, which pertains to the radio tower installation at the intertie on Via Zamora, an upgrade to Crestview's SCADA system for Well #8. Crestview expects to have approximately \$1.49M in cash reserves at fiscal year-end. Discussion ensued about AB54 and Board member ethics training through California Rural Water Association.

Fiscal Year 2018/2019 Budget

Staff presented the final draft of the budget for the upcoming fiscal year. Rate increases in Tiers 1, 2 and 3 were incorporated, with the stand-by rate remaining the same at \$9 per share. Cash reserves are set at \$1.5M at the beginning of the fiscal year. Legal fees may need a mid-year adjustment due to pending litigation. Crestview's practice of buying water when demand is lowest in the system has resulted in the Calleguas monthly stand-by charge decreasing over time. Crestview continues to use Time-Of-Use rates with SCE to save on power expense. On a motion made by Doug Off and seconded by Sol Chooljian, the Board approved with three ayes the following:

Resolved, that the Fiscal Year 2019/2019 Budget be accepted as presented.

General Manager's Report

Zone 3B Generator – Robert Eranio reported that the Gas Company has reviewed the proposed site, and forwarded an agreement for a standard line pressure gas service to be designed.

Well #4 and Well #6 – Offline as of November 15. There is a decreasing amount of storage due to reduced demands. Well #4 is currently measured at 24 psi. There is 50 ft of water above pump; if started, Well #4 will have 30 ft water above the pump. At 20 ft, the well will break suction. Well #4's continuing viability is questionable.

Well #8 – Robert Eranio met with developer, and is working with him to include all of Crestview's needs into their development plan.

Fox Canyon GMA – The FCGMA received a proposed allocation plan for the Oxnard/Pleasant Valley Basins for consideration. The Board directed Staff to incorporate a “Total Water Balance” allocation plan that incorporates surface water diversions from the Santa Clara River, recycled water delivered from Conejo Creek, and pumped groundwater. FCGMA Staff will present a final reading of the allocation plan at the January 23, 2019 meeting. Any progress on the Las Posas Basin plan is currently stopped due to the adjudication suit filed by the Las Posas Water Rights Coalition.

Adjournment

On a motion made by Doug Off, seconded by Sol Chooljian, and approved with three ayes, the regular meeting was adjourned at 4:42 p.m.

Next Meeting

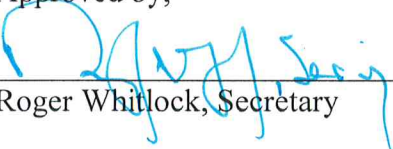
The next meeting of the Board of Directors will be held on Tuesday, January 22, 2019 at the corporation yard office.

Submitted by,



Lauri Marino, Office Manager

Approved by,



Roger Whitlock, Secretary



Norm Fahnoe, President