

Crestview Mutual Water Company
Board of Directors - Board Meeting
THURSDAY, OCTOBER 30, 2025, AT 5:30 P.M.
Fairfield Inn and Suites
4444 Central Avenue, 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 September 23, 2025
 - Board Meeting: Open Session and Executive Session Meeting Minutes October 2, 2025

ACTION ITEMS

4. RAMONA METER RELOCATION PROJECT
 - Review for Approval: Meter Relocation of 4 Meters Located on Ramona Place

INFORMATION ITEMS

5. WATER SUPERINTENDENT REPORT
6. INTERIM GENERAL MANAGER REPORT
7. TREASURER'S REPORT
 - Report on Monthly Fiscal Year to Date Draft Financial Statements
 - FY2026 Budget Review
8. PRESIDENT'S REPORT
9. 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
 - Legal Matters
 - 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
September 23, 2025

1. Convened Public Meeting

The meeting was called to order by President Dave Stephenson on Tuesday, September 23, 2025, 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 – Via Teleconference at 6:35 p.m.
Steven Muro – Secretary
Frank Mezzatesta – Director

Directors Absent: None

Staff/Counsel Present: Durrell McAdoo – Water System Superintendent
Ann DeMartini – Interim General Manager
Lauri Marino – Office Manager

2. Shareholders Public Forum

Shareholder Ed Atsinger asked a question regarding meeting with neighboring shareholders to 191 Alviso Drive. Director Dave Stephenson indicated that three meetings have taken place. These meetings have gone well. The progress of the project was discussed. An indemnity agreement resolution in process; discussion ensued. Further commentary was received regarding the nitrate issue reported at the last meeting; nitrate contamination is not currently an issue in the west Las Posas Valley groundwater basin or in any wells in and in the vicinity of Crestview's service area.

CONSENT AGENDA

3. Minutes

The minutes of the Regular Meeting and Executive Session of the Board of Directors of August 26, 2025 were presented. On a motion made by Director Steven Muro and seconded by Director Dave Stephenson, the Board approved with three ayes and one abstention the following:

Resolved, the minutes of the Regular Meeting and Executive Session of the Board of Directors of August 26, 2025, be accepted as presented.

INFORMATION ONLY

4. Superintendent's Report

Superintendent Durrell McAdoo reported that lead and copper samples have been collected and submitted for testing. Staff is gathering data for generator hookups at key locations within Crestview's district boundaries. Well 4 and Well 6 are sustaining the system. Staff continues to provide good customer service in the wake of recently losing a water treatment operator.

5. Interim General Manager's Report

Ann DeMartini reported that the upcoming budget is under review, with a meeting to be held Friday, September 26th at the office. Directors Dave Stephenson and Laurie Bennett will participate. Water system improvements will be reviewed, with a particular focus on generators. The Ramona Place project is still out for bid. The website update is currently underway.

6. Treasurer's Report

Treasurer Laurie Bennett will be attending the Executive Session of this meeting at 6:30 p.m. Discussion ensued regarding interest rates on the Company's checking and savings accounts. Discussion regarding increasing the amount held in restricted capital reserves for capital projects will take place during the budget process.

7. President's Report

President Dave Stephenson stated that he had nothing further to add to what he already reported regarding the status of Well #7. Further discussion regarding the proposed Calleguas agreement; this task is still in process, as many issues are being considered. A question arose regarding share issuance to a small number of under-allocated shareholders, reviewed by Corporate counsel. Considerable discussion ensued.

8. Adjournment

On a motion made by Director Frank Mezzatesta, seconded by Director Steven Muro, and approved with four ayes, the regular meeting was adjourned at 6:14 p.m.

Call to Order – Executive Session at 6:25 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – The Board approved a revision to the employee handbook to increase stand-by pay for on-call Operations staff for instances when fewer than three staff members are in rotation; a one-time merit bonus was awarded to Administration staff.
- Legal Matters – No reportable actions.

- Third-Party Contracts – The Board received a draft request for proposal for the Well 7 Construction Management as prepared by Staff and tabled it for revision and review and a future meeting.

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 9:02 p.m.

Shareholders in Attendance:

Edward Atsinger
Roger Chittum
Tess Hartwell-Neuman
Christopher Ono

Submitted by,

Lauri Marino – Office Manager

Approved by,

Steven Muro – Secretary

Dave Stephenson – President

Recommendation: Ramona Meter Realignment Project

To: Crestview Water Mutual Water Company Board of Directors

From: Ann DeMartini, Interim General Manager

Date: October 30, 2025

Subject: Recommendation for Contractor Selection and Proceed with Meter Realignment Project - Priority on Qualified Bidder #2

SUMMARY

It is recommended to proceed with the Ramona Meter Realignment Project and award the contract to **Qualified Bidder #2**. This project will involve **relocating all four meters** and ensuring they are **ready for connection by the respective homeowners by a set deadline** to be determined upon contract award.

RECOMMENDATION

Staff recommends the Board:

- 1. Approve Qualified Bidder #2** as the contractor for the Ramona Meter Realignment Project at the total bid price of **\$11,000** for the core meter relocation scope of work.
- 2. Authorize Staff to establish a final deadline** with the selected contractor for the completion of all four meter relocations, ensuring the meters are fully installed and prepared for the private service connection hookups by the homeowners.
- 3. Approve a project contingency fund (cushion) of \$5,000** to be set aside within the project budget. This cushion is specifically intended to cover potential future costs should the company need to intervene or return to the site.

JUSTIFICATION FOR CONTRACTOR SELECTION AND PROJECT SCOPE

Our preference is for **Qualified Bidder #2** due to their lower price for the core meter relocation work, totaling **\$11,000**. This amount is well within the planned system projects budget.

- **Focus on Core Relocation:** The **\$11,000** proposal from Qualified Bidder #2 covers the essential work of installing the two 2-inch service taps and four 1-inch meter assemblies. Private service connections are the responsibility of the respective homeowners, as is standard practice.
- **Set Deadline for Readiness:** Relocating all four meters simultaneously ensures a unified approach and allows the company to set a clear project completion timeline. This provides homeowners with a **set deadline** for when the new meter will be ready for their connection, facilitating their own planning and coordination of their private service line work.
- **Financial Cushion for Contingency:** The recommended **\$5,000 cushion** ensures that if any homeowner fails to connect by a specified company deadline, or if a service connection presents an unforeseen technical challenge requiring company intervention, the Board has pre-authorized funds to quickly address the issue and prevent service disruption or liability concerns.

NEXT STEPS

Upon approval, the next steps will be to immediately request utility locations, issue a signed acceptance to **Qualified Bidder #2** by October 31, 2025, or as soon as possible, and schedule a kickoff call to confirm the final project timeline and the required connection deadline for the homeowners.

BIDDING NOTES

Contractor	Meter Relocation (Core Work)	Private Service Hookup for all four services	Total Bid
Qualified Bidder #2 (Recommended)	\$11,000	\$9,600	\$20,600
Qualified Bidder #1	\$11,740	\$4,910	\$16,310

BOARD OF DIRECTORS STAFF REPORT

TO: CRESTVIEW BOARD OF DIRECTORS
FROM: DURRELL P McADOO, SUPERINTENDENT
TOPIC: WATER SYSTEM SUPERINTENDENT'S REPORT
DATE: October 30, 2025

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.

Wells 4 and 6 are meeting the demands of the system with zero conflicts.

Staff is responding to the items addressed during a recent sanitary survey conducted on our system.

Staff is working on repairing the leak at the chlorine tank #2 at Well 6.

Currently Staff is meeting the demands of the system and maintaining good customer service.

INTERIM GENERAL MANAGER REPORT

ANN DEMARTINI



An Upgraded Website Will be Live Soon

The Company has completed a website update which is under Staff and Board review and will be launching the new, modernized platform soon! The revamped site is designed to significantly enhance the user experience with a cleaner design, more intuitive navigation, and better accessibility across all devices. Keep an eye out for the new crestviewwater.org going live in the near future! 🌐🌟

Office Phone System Transition to RingEX Cloud Communications Platform



The Crestview Mutual Water Company (CMWC) office is initiating a critical infrastructure upgrade by transitioning from our traditional wired phone system to the **RingEX (formerly RingCentral) Cloud Communications Platform**. This move is a major step toward ensuring superior communications, enhancing staff productivity, and, most importantly, achieving robust **business continuity**.

Improved Business Continuity and Reliability

Our current reliance on a wired phone line has exposed us to service interruptions due to line conditions. Switching to a Voice over Internet Protocol (VoIP) system resolves this core vulnerability.

- **Disaster Recovery:** Unlike the vulnerable wired system, RingEX ensures service continuity through its cloud-based operation. If a local internet or power outage occurs at the office, the VoIP system

can be **seamlessly rerouted to mobile devices** (smartphones/tablets) or computers, allowing staff to continue making and receiving business calls from anywhere with an internet connection.

- **Guaranteed Uptime:** RingCentral offers enterprise-grade security and a fully redundant global network that guarantees **99.999% uptime**, minimizing service disruptions (fewer than six minutes of unplanned downtime per year).

Key Benefits of the RingEX Platform

RingEX is an AI-powered Unified Communications as a Service (UCaaS) solution that unifies communication channels into a single platform, eliminating the need to switch between multiple apps. The platform is very affordable and competitive to our existing wired line service price.

Core Benefit	RingEX Feature	Value to CMWC
All-in-One Communication	Combines phone, video, team messaging, business SMS/MMS, and fax in a single desktop or mobile application.	Simplifies communication, keeps professional and personal contacts separate, and allows for team collaboration (chat/file sharing).
Mobility and Flexibility	Employees can take calls, join video meetings, and manage messages from any internet-connected device (desktop or mobile app).	Supports flexible work arrangements, ensuring the team remains productive whether in the office or in the field.
AI-Powered Productivity	RingSense AI offers real-time call notes, live transcription, meeting summaries, and AI-assisted message composition.	Saves employees an estimated 3-4 hours weekly by automating routine tasks, improving meeting efficiency, and ensuring accurate records.
Advanced Call Management	Features include custom answering and call routing rules, auto-attendant/IVR menus , call flip, call transfer, and visual voicemail (voicemail transcribed to email).	Ensures callers are guided to the right staff member quickly, reducing hold times and improving customer service.

Industry Leadership

RingCentral is consistently recognized as a **global leader** in the UCaaS market, trusted by over 500,000 businesses worldwide. The company has been named a **Gartner Magic Quadrant Leader for UCaaS for 11**

years in a row. Their commitment to innovation, including the integration of AI capabilities and a guaranteed **99.999% uptime**, makes RingEX the ideal and best-in-class choice for CMWC's mission-critical communication needs.



Summary of California Assembly Bill 367 (AB 367)

I want to provide a concise summary of the newly signed state legislation, **Assembly Bill 367 (AB 367)**, which directly impacts Crestview Mutual Water Company (CMWC) and our fire-prone community in Ventura County.

AB 367 creates new, mandatory baseline standards for emergency preparedness. The State may make the details of this bill apply to the entire State of California in the future.

Key Requirements of AB 367 for CMWC

The legislation is specifically tailored for **water suppliers in Ventura County** that serve **more than 20 residential dwellings** in **high or very high fire hazard severity zones**. The compliance deadline for key requirements is **July 1, 2030**. The upper portion of the CMWC service area lies in the updated high or very high fire hazard severity zone.

Requirement Area	Mandatory Actions	Compliance Deadline
Backup Power	Water suppliers in Ventura County must have access to sufficient backup energy sources to operate critical fire suppression infrastructure (wells, pumps) for at least 24 hours .	July 1, 2030
Generator Operation	If a permanent backup power source is used, it must be capable of turning on within 30 minutes of a power loss (if equipped with an automatic or remote transfer switch).	July 1, 2030
Emergency Preparedness	Water suppliers in Ventura County must develop an Emergency Preparedness Plan that includes: topping off water tanks and stationing emergency backup energy sources upon notification of a Red Flag Warning from the National Weather Service.	Ongoing
Infrastructure Hardening	Water suppliers in Ventura County must fire harden appropriate critical water infrastructure and backup generators, with specific fire safety standards to be developed by the Ventura County Fire Department (VCFD) .	Ongoing
Reporting & Inspection	We must notify the Ventura County Office of Emergency Services (OES) within three business days of becoming aware of any reduction in	Ongoing

water delivery capacity that could hinder firefighting. VCFD will also conduct **annual inspections** of our critical infrastructure.

Proactive Coordination with the Office of Emergency Services (OES)

CMWC recognizes the importance of this legislation and the need for early preparation. We have established **close relations with the Ventura County Office of Emergency Services (OES)**, which is the key partner for this compliance.

We will be **coordinating with OES and VCFD early in the process** to:

1. **Integrate** the new requirements into our existing emergency response planning.
2. **Understand** the new fire safety standards as they are being developed.
3. **Ensure transparency** and alignment in our reporting on water delivery capacity and emergency tank-filling procedures.

We continue our capital planning needed to meet the backup power and hardening requirements which are a primary focus of our ongoing Board discussions.

United Water Conservation District held their Water Sustainability Summit VI this month and described many key projects for Ventura County's water future:



Infrastructure and Water Supply Projects

Several crucial projects were featured, indicating that infrastructure reliability and diversification of water sources are primary concerns:

- **Santa Felicia Dam Safety Improvement Project:** Addressing infrastructure safety and reliability. The project is expected to take at least 9 years to complete and is very costly. The dam currently is not seismically prepared to handle a 7.2 earthquake. The dam is the most significant hazard outlined in Ventura County as the inundation zone would affect 400K people. The cost as of 2022 was \$151 million.

- **Freeman Diversion Expansion and Conveyance System Upgrades:** Focusing on improvements to major water conveyance systems.
- **Extraction Barrier and Brackish Water Treatment Project (EBB):** Highlighting efforts related to addressing brackish water and utilizing barriers for management. The key purpose is to deter sea water intrusion.
- **Recycled Water Projects:** Emphasizing the development and implementation of alternative, sustainable water sources.

Management Tools and Policy

The summit also addressed the strategies and policies necessary for effective long-term water management:

- **Groundwater Modeling – The Tool for Basin Management:** This presentation focused on the use of advanced tools for effective groundwater management.
- **Agricultural Advocacy:** The summit included a presentation from The Family Farm Alliance, focused on "**Advocating for the West, Connecting for the Future,**" underscoring the vital role and challenges of agriculture in water sustainability.



Status of Fox Canyon GMA and Las Posas Adjudication Appeal

This report provides an update on the final judgment concerning the Las Posas Valley Groundwater Basin, a critical matter for Crestview Mutual Water Company (CMWC) due to its dependency on the basin.

The 2024 water year ended on September 30, 2025 and due to taking more imported water from Calleguas than anticipated, **we ended the year about 102 acre feet below our current allocation of 686.48 AF.**

Las Posas Valley Adjudication and Judge Anderle's Judgment

The comprehensive groundwater adjudication for the **Las Posas Valley Groundwater Basin** concluded with a final judgment issued by the Santa Barbara Superior Court on **July 10, 2023.**

- **Judgment:** The ruling, primarily overseen by the Honorable Judge Thomas P. Anderle (who also recently issued a ruling in a separate high-profile case for the Santa Barbara Superior Court), adjudicates all groundwater rights in the basin and establishes a **physical solution** for its sustainable management under the Sustainable Groundwater Management Act (SGMA).
- **Watermaster:** The judgment formally appoints the **Fox Canyon Groundwater Management Agency (FCGMA) as the Watermaster** to implement and administer the adjudicated terms.

Status of the Ongoing Appeal

While the core legal framework for the Las Posas Basin is established by the 2023 judgment, the matter remains subject to **ongoing challenges and appeals** by certain parties:

- **Appellants:** A group of defendants and intervenors who either received no water allocation or are challenging the allocations they received under the Judgment have indicated their **intent to appeal** the trial court's decisions.
- **Recent Activity (Overuse Assessment):** These appealing parties recently sought to clarify that the new **Overuse Assessment** (a fee equal to the prevailing Calleguas Municipal Water District's Tier 1 rate, imposed on groundwater use in excess of the annual allocation) does **not** apply to them, as they intend to appeal the underlying judgment.
- **Procedural Motions:** The adjudication has seen various procedural motions since the judgment was entered, including a motion to disqualify counsel, motions to modify or amend the judgment, and motions to intervene. A motion to **confirm a stay pending appeal** was also filed, demonstrating active litigation.

In summary, the Las Posas Valley adjudication is officially settled by a court-approved judgment, but that judgment is currently under appeal by various challenging parties. The finality of the allocations and the long-term cost burden of the Overuse Assessment remain points of contention that will be determined by the outcome of the appeal process. The ongoing litigation is being monitored along with the ongoing issues related to the adjudication which accounts for the legal costs to the company associated with the adjudication category in the financial statements.

	Sep 2025		%	Sep 2024		Reason for Variance
September 2025 AF and Financial Summary	Actual	Budget	Variance	Actual	Variance	
Water Sales in Acre Feet	579.071	472.207	23%	451.239	28%	2024/2025 is abnormally dry and warm
Water Production (+Calleguas) in Acre Feet	621.644	495.817	25%	475.660	31%	
Percent Non-Revenue Water	7.35%	5%		5.41%		
Higher than normal non-revenue water from fire use and due to timing differences between reading meters and the Calleguas Meter						
Water Sales and Service Fees	\$ 1,646,306			WY24-25	686.48	New Crestview Fox Canyon GMA Allocation 24/25
Interest and other income	\$ 44,381			10-24 use	76.474	No Calleguas Water imports
Total Revenue	\$ 1,690,687			11-24 use	17.499	47 AF of Calleguas Water Imported
Power	\$ 129,601	Refer		12-24 use	0	60.304 AF of Calleguas Water Imported
Other Operating Costs & Mountain Fire Costs	\$ 436,540	to detailed		1-25 use	0	58.751 AF of Calleguas Water Imported
Employee Related Costs	\$ 496,414	report		2-25 use	16.636	12.9 AF of Calleguas Water Imported
General Insurance	\$ 34,103	on the		3-25 use	39.583	No imported water
Taxes, Permits and Licenses	\$ 103,539	following		4-25 use	54.666	No imported water
General and Administrative Costs	\$ 178,846	pages		5-25 use	64.563	No imported water
Legal and Accounting Services	\$ 199,939			6-25 use	77.615	No imported water
Total Costs	\$ 1,578,982			7-25 use	80.610	No imported water
Depreciation	\$ 160,705			8-25 use	84.566	No imported water
Capital Improvement Projects	\$ 170,828			9-25 use	71.469	No imported water
Grand Total Costs	\$ 1,910,515		GOOD>	Remaining	102.799	Water Year is October 1, 2024 - September 30, 2025
Excess (Loss) Revenues over Expenses	\$ (219,828)			Total remaining allocation for the 2024/2025 Water Year in AF		
Excluding Depreciation	\$ (59,123)			Use is Well Pumping - Remaining year avg is above normal use		
September 2025 Balance Sheet Summary	The cash balance increased from the prior month's balance of \$1,296,980 by \$68,232					
Assets	9/30/25	9/30/24		Change	% Change	Reason for Variance
Cash and Cash Equivalents - Note	1,420,646	1,580,418		(159,772)	-10%	More capex this year than prior year
Accounts Receivable	216,193	223,863		(7,671)	-3%	
Other Current Assets	111,833	34,662		77,171	223%	Ins Renew and CMWD due from incr.
Restricted Cash	200,000	200,000		0	0%	
Net Fixed Assets	4,014,651	4,036,670		(22,019)	-1%	Effect of depreciation
Total Assets	5,963,323	6,075,614		(112,290)	-2%	
Liabilities and Equity						
Accounts Payable (Note)	89,672	89,904		(232)	0%	
Other Current Liabilities	102,793	130,568		(27,775)	-21%	Decr in Accr Regulatory Compliance
Total Liabilities	192,465	220,471		(28,006)	-13%	
Equity	5,770,858	5,855,142		(28,006)	-1%	Increased use of imported water
Note, Legal invoice totalling \$26,879 not included in AP						
Total Liabilities and Equity	5,963,323	6,075,614		108,181	-2%	
Note - About \$1,049,278 is being held in a sweep acct earning 1.20%, with \$514,934 in a high yield 2.9 % acct. Active \$500K LOC (Increased May 2025 from \$250K)						

Description	Budget FY2024	Budget FY2025	Actual Sept 2025 FYTD	Remaining FY25 Budget	Budget Sept 2025 FYTD	\$ Diff Act to Bud Sept 25 FYTD	% Diff Act to Bud Sept 25 FYTD	Notes to Financial Statements for difference between budget and actual for September 2025 Fiscal Year to Date (FYTD)
AF Sold (Average 95% of AF Produced)	600.000	715.000	579.071	135.929	472.207	106.864	23%	4
AF Pump	628.642	686.480	489.711	196.769	431.544	58.167	13%	Expected to be pumping but taking Calleguas Water Early
AF Purchased From Calleguas		64.27	131.933	-67.66	64.273	67.660	105%	Planned to start purchasing 64.27 or more AF of water in FY25 due to allocation reduction and due to the fire Crestview is taking it earlier in the year due to impacts of the Mountain Fire. Because of continued dry, windy and hot weather, continued taking more Calleguas Water than previously expecting to.
Water Sales Projected	\$ 1,247,521	\$ 1,793,935	\$ 1,322,419	\$ 471,516	\$ 1,392,312	\$ (69,893)	-5%	Less water sales due to cooler summer than budgeted may have impacted tier allocation. Expected a 6% reduction in water sales due to the Mountain Fire
Service Availability (tied to shares)	\$ 270,000	\$ 387,588	\$ 323,887	\$ 63,701	\$ 322,990	\$ 897	0%	
	\$ 1,517,521	\$ 2,181,523	\$ 1,646,306	\$ 535,217	\$ 1,715,302	\$ (68,996)	-4%	Expected from lost homes and higher sales YTD
Other Income								
Field Services and Miscellaneous	\$ 3,600	\$ 3,600	\$ 671	\$ 2,929	\$ 3,000	\$ (2,329)	-78%	Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Other Water Sales (Use of Hydrants)	\$ -	\$ -	\$ 7,299	\$ -	\$ -	\$ 7,299	100%	Fire clean up hydrant use by outside contractors
Transfer Fees	\$ 1,200	\$ 1,200	\$ 954	\$ 246	\$ 1,000	\$ (46)	-5%	Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Interest Income	\$ 36,000	\$ 36,000	\$ 35,456	\$ 544	\$ 30,000	\$ 5,456	18%	Same as above. -used less cash for capital projects than expected.
Sub-Total	\$ 40,800	\$ 40,800	\$ 44,381	\$ (3,581)	\$ 34,000	\$ 10,381	31%	
Total Revenue	\$ 1,558,321	\$ 2,222,323	\$ 1,690,687	\$ 531,636	\$ 1,749,302	\$ (58,615)	-3%	
Power Costs tied to water use								
Power	\$ 174,346	\$ 245,591	\$ 129,601	\$ 115,990	\$ 186,683	\$ (57,082)	-31%	Invoices are not fully represented, used more imported water
Other Operational Related Costs								
Mountain Fire	\$ -		\$ 37,221	\$ (37,221)	\$ -	\$ 37,221	100%	Costs directly associated with the Mountain Fire
Repairs - Unanticipated	\$ 36,000	\$ 36,360	\$ 62,354	\$ (25,994)	\$ 30,300	\$ 32,054	106%	Line repairs and gate repair.
Repairs - Scheduled	\$ 24,000	\$ 48,000	\$ 164	\$ 47,836	\$ 40,000	\$ (39,836)	-100%	Significant scheduled repairs have not occurred.
Supplies	\$ 10,000	\$ 10,100	\$ 18,724	\$ (8,624)	\$ 8,420	\$ 10,304	122%	Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account. Higher than budgeted
Auto Expenses	\$ 11,500	\$ 12,075	\$ 10,538	\$ 1,537	\$ 10,060	\$ 478	5%	
Water Purification	\$ 38,179	\$ 38,000	\$ 50,520	\$ (12,520)	\$ 31,670	\$ 18,850	60%	We are now treating more water, costs are higher.
Water Purchased		\$ 136,837	\$ 241,099	\$ (104,262)	\$ 19,522	\$ 221,577	1135%	Budget amount relates to the Ready to Serve Charge but Calleguas Purchases were budgeted to occur starting in January or February of this year. As noted before, we had more Calleguas Water purchased than expected.
Water CRC (NA for purchases 10-1 to 4-30)		\$ -	\$ -	\$ -	\$ -	\$ -	0%	As long as Crestview takes water between Oct 1st and Apr 30th they do not have to pay a CRC to Calleguas (Capital Reservation Charge) which would be an estimated \$85K in additional expense annually.
Water Purchased RTS	\$ 21,520	\$ 19,305	\$ 15,920	\$ 3,385	\$ 15,920	\$ -	0%	The RTS to Calleguas (Readiness to Serve) is a service fee to be ready to deliver water to Crestview. The charge for 2025 is expected to be \$1592 per month, slightly lower.
Sub-Total	\$ 141,199	\$ 300,677	\$ 436,540	\$ (135,862)	\$ 155,892	\$ 280,648	180%	Increased operational costs due to early purchases of Calleguas and Mountain Fire costs.
Employee Related Costs						\$ -		
Workers Comp Insurance	\$ 16,500	\$ 17,160	\$ 20,793	\$ (3,633)	\$ 22,307	\$ (1,513)	-7%	
Salary	\$ 415,550	\$ 432,172	\$ 360,393	\$ 71,779	\$ 350,359	\$ 10,034	3%	
Payroll Taxes	\$ 33,250	\$ 34,580	\$ 28,011	\$ 6,569	\$ 26,803	\$ 1,209	5%	

Description	Budget FY2024	Budget FY2025	Actual Sept 2025 FYTD	Remaining FY25 Budget	Budget Sept 2025 FYTD	\$ Diff Act to Bud Sept 25 FYTD	% Diff Act to Bud Sept 25 FYTD	Notes to Financial Statements for difference between budget and actual for September 2025 Fiscal Year to Date (FYTD)
Group Medical Insurance	\$ 63,050	\$ 65,572	\$ 56,092	\$ 9,480	\$ 59,898	\$ (3,806)	-6%	
Pension Expense	\$ 37,400	\$ 38,896	\$ 31,125	\$ 7,771	\$ 31,416	\$ (291)	-1%	
Sub-Total	\$ 565,750	\$ 588,380	\$ 496,414	\$ 91,966	\$ 490,782	\$ 5,633	1%	Close to budget.
Insurance								
General Insurance	\$ 35,100	\$ 37,690	\$ 34,103	\$ 3,587	\$ 31,410	\$ 2,693	9%	Slightly higher than budgeted
Taxes, Permits and Licenses								
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Taxes & Permits	\$ 2,500	\$ 2,525	\$ -	\$ 2,525	\$ 2,100	\$ (2,100)	-100%	
Sewer Discharge Fees	\$ 240	\$ 242	\$ 214	\$ 28	\$ 238	\$ (24)	-10%	Same as above
Regulatory Compliance * Estimate	\$ 44,145	\$ 82,000	\$ 85,330	\$ (3,330)	\$ 68,330	\$ 17,000	25%	Same as above
Taxes and Licenses	\$ 25,375	\$ 25,629	\$ 17,995	\$ 7,634	\$ 21,360	\$ (3,365)	-16%	Same as above
Sub-Total	\$ 72,260	\$ 110,396	\$ 103,539	\$ 6,858	\$ 92,028	\$ 11,511	13%	
General and Administrative								
Outside Services	\$ 127,200	\$ 137,200	\$ 100,745	\$ 36,455	\$ 114,330	\$ (13,585)	-12%	Costs are lower than budgeted.
Computer Expense - Operations	\$ 5,025	\$ 31,500	\$ 17,954	\$ 13,546	\$ 26,250	\$ (8,296)	-32%	Same as above
Telephone & Telemetry	\$ 10,500	\$ 10,605	\$ 10,103	\$ 502	\$ 8,840	\$ 1,263	14%	Slightly higher cost than budgeted
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Unanticipated Contingencies	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ 2,500	\$ (2,500)	-100%	
Office Utilities	\$ 4,140	\$ 4,181	\$ 3,451	\$ 730	\$ 3,480	\$ (29)	-1%	Invoices may not be fully represented
Fiber Optic Internet	\$ 2,040	\$ 2,060	\$ 2,353	\$ (293)	\$ 1,720	\$ 633	37%	Higher cost than budgeted
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Computer Expense	\$ 5,150	\$ 5,202	\$ 7,163	\$ (1,961)	\$ 4,330	\$ 2,833	65%	
Office Expense	\$ 6,600	\$ 6,666	\$ 5,531	\$ 1,135	\$ 5,560	\$ (29)	-1%	Purchased new office equipment and furniture.
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Dues and Subscriptions	\$ 3,995	\$ 4,395	\$ 6,772	\$ (2,378)	\$ 3,660	\$ 3,112	85%	
Seminars & Training	\$ 5,000	\$ 5,050	\$ 3,774	\$ 1,276	\$ 4,210	\$ (436)	-10%	Same as above
Telephone	\$ 2,340	\$ 2,363	\$ 2,677	\$ (314)	\$ 1,970	\$ 707	36%	Higher cost than budgeted
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account.
Meeting Costs	\$ 11,000	\$ 11,110	\$ 8,020	\$ 3,090	\$ 9,260	\$ (1,240)	-13%	
Bank Fees	\$ 2,500	\$ 2,525	\$ 6,294	\$ (3,769)	\$ 2,100	\$ 4,194	200%	Costs for LOC renewal fee higher than budgeted
Postage	\$ 3,720	\$ 3,757	\$ 4,009	\$ (252)	\$ 3,130	\$ 879	28%	Increased mailings during January 2025
Sub-Total	\$ 192,210	\$ 229,614	\$ 178,847	\$ 50,767	\$ 191,340	\$ (12,493)	-7%	Lower than budgeted Outside Services
Legal and CPA Fees								
Professional Fees	\$ 111,900	\$ 188,125	\$ 199,939	\$ (11,814)	\$ 157,600	\$ 42,339	27%	Refer to below notes:
Accounting	\$ 7,400	\$ 11,000	\$ 9,700	\$ 1,300	\$ 9,170	\$ 530	6%	Higher cost than budgeted.
								Budget is applied evenly across the year and some month's amounts can differ greatly but the total year is looked at for budgeting this type of account. Adjudication is a continuing issue to be reviewed.
Adjudication	\$ 18,000	\$ 18,000	\$ 16,319	\$ 1,682	\$ 15,000	\$ 1,319	9%	
Employee Handbook	\$ 2,500	\$ 2,525	\$ 110	\$ 2,415	\$ 2,100	\$ (1,990)	-95%	
Election/Annual Meeting	\$ 19,000	\$ 5,000	\$ 11,446	\$ (6,446)	\$ 5,000	\$ 6,446	129%	
								Budget is applied evenly. Increased costs relate to the Adhoc committee review of the Mountain Fire incident along with regular company business.
General Counsel	\$ 65,000	\$ 151,600	\$ 162,364	\$ (10,764)	\$ 126,330	\$ 36,034	29%	
Non-Cash Expenses								
Administrative Depreciation	\$ 10,704	\$ 10,800	\$ 8,923	\$ 1,878	\$ 9,000	\$ (78)	-1%	

Description	Budget FY2024	Budget FY2025	Actual Sept 2025 FYTD	Remaining FY25 Budget	Budget Sept 2025 FYTD	\$ Diff Act to Bud Sept 25 FYTD	% Diff Act to Bud Sept 25 FYTD	Notes to Financial Statements for difference between budget and actual for September 2025 Fiscal Year to Date (FYTD)
Operational Depreciation	\$ 173,739	\$ 181,000	\$ 151,783	\$ 29,218	\$ 150,830	\$ 953	1%	
Sub-Total	\$ 184,443	\$ 191,800	\$ 160,705	\$ 31,095	\$ 159,830	\$ 875	1%	Close to budget.
Total Costs	\$ 1,477,207	\$ 1,892,274	\$ 1,739,688	\$ 152,586	\$ 1,465,565	\$ 274,123	19%	Increased actual costs are the result of timing difference in taking Calleguas Water and expenses related to the Mountain Fire. Calleguas Water Purchases ceased mid February which will lower costs during the year.
Deduct Depreciation	\$ 184,443	\$ 191,800	\$ 160,705	\$ 31,095	\$ 159,830	\$ 875	1%	
Total Cost Cash Basis	\$ 1,292,764	\$ 1,700,474	\$ 1,578,983	\$ 121,491	\$ 1,305,735	\$ 273,248	21%	Cash went positive in June 2025.
								Per the Proforma Budget Analysis projections
Capital Improvement Projects								Water sales revenues may come in \$15K under budget depending on fall weather outlook.
General Capital Projects	\$ 265,557	\$ 600,000	\$ 170,828	\$ 429,173	\$ 500,000	\$ (329,173)	-66%	
Grand Total Costs	\$ 1,558,321	\$ 2,300,474	\$ 1,749,810	\$ 550,664	\$ 1,805,735	\$ (55,924)	-3%	
Cash Basis:								
Excess (Loss) Revenues over Expenses	\$ (0)	\$ (78,151)	\$ (59,123)	\$ (19,028)	\$ (56,433)	\$ (2,691)	5%	The proforma projection continues to indicate we are staying on track for the Fiscal Year and the finances appear to be staying healthy.

**Crestview Mutual Water Company
FY2026 Budget Review**

Report to the Board of Directors: FY2026 Budget Review

The following is the Financial Year 2026 Budget Review Narrative, designed to provide the necessary clarity for prudent decision-making regarding Crestview's fiscal health and infrastructure planning. This analysis incorporates various usage scenarios and rate adjustments, offering comprehensive insight into maintaining financial stability while meeting regulatory demands.

1. Executive Summary

The analysis confirms that the current water and service fee rates appear capable of handling usage fluctuations under all three utilization scenarios (Low, Medium, and High). However, to address rising operational costs, future reliance on increasingly expensive imported water, and the need to build a stable financial reserve.

Increasing the rates and service fee for FY2026 is prudent. An increase is projected to keep pace with rising inflation and allow the company to build a modest capital reserve while strategies for future funding are explored.

2. Context and Regulatory Environment

A. FY2025 Performance and FY2026 Basis

The FY2025 budget is projected to close with 719 AF (Acre Feet) in sales, slightly exceeding the budget basis of 715 AF. However, the average revenue per AF experienced a noticeable change, running at \$2,288 per AF, below the expected \$2,509 per AF. This reduction in average revenue appears primarily driven by less use in the upper tier, likely due to a cooler than normal summer, consumer conservation efforts, and the effects of the Mountain Fire.

For FY2026, the proposed sales basis remains at 715 AF.

B. Water Allocation Constraints

Crestview is constrained by the Fox Canyon Las Posa Valley adjudication's final judgment, limiting produced water to **686.48 AF**. This allocation is scheduled to be further reduced, ultimately achieving a total reduction of an expected 538 AF by 2040. Staff is currently confirming with the Las Posa Valley WaterMaster whether the ability to "cure" over-pumping from a prior period is permitted under the judgment. However, we ended the year well below our allocation for a total of 102.8 AF.

Crestview Mutual Water Company FY2026 Budget Review

C. Tier Structure

The current Tier Sizes, which were adjusted in FY2025 from 8,000 gallons to 7,000 gallons (with no price change), are recommended to be continued for FY2026. This 7,000-gallon tier level prudently ensures that the structure reflects the reduced water allocation, promoting equitable cost distribution among customers.

For FY2026, the budget reflects an adjustment in expected usage, lowering the use percentage in Tier 3 by 3% and increasing use in Tier 1 by 3%, leaving Tier 2 unchanged.

3. FY2026 Budget Assumptions and Expense Overview

A. Sales Assumptions (Water Sales = 95% of Production/Purchases)

Sales Scenario	Rainfall Level	Sales (Acre Feet - AF)
Low Sales	High Rain (17.13 inches)	645 AF (Adjusted for Fire Impact)
Medium Sales	Average Rain (11.71 inches)	715 AF (Adjusted for Fire Impact)
High Sales	Low Rain (7 inches)	810 AF (Adjusted for Fire Impact)

Crestview's average non-revenue water loss is 5%, which is better than the industry average of 7.12%.

B. Operating Cost Projections and Notable Increases

Operating expenses for FY2026 are conservatively projected. Most prior year costs are increased by 1%, consistent with the United Water Conservation District's projection assumptions, with the following exceptions:

- **Employee Costs:** Incremental 22% increase, due to reduced outside services and the expected addition of a new full-time general manager.
- **Insurance:** 10% increase (Conservative Estimate).
- **Power Costs:** 5% increase.
- **Water Purification:** Significant Cost Increase (to \$58K).
- **Outside Services:** \$20K, representing an 85.4% decrease (due to Business Manager transition expenses, and a slight increase in Landscape, and Office Cleaner).

C. Imported Water Risk

Purchased Water (Calleguas) is budgeted at an average of **\$2,235 per AF**.

Crestview Mutual Water Company FY2026 Budget Review

Crucially, reliance on imported water exposes Crestview to the Capacity Reservation Charge (CRC) of **\$85,428** if water is drawn during restricted time periods (May 1st through September 30th). This cost is typically paid monthly over the year. Future projections indicate that ***Calleguas imported water rates are expected to rise by an average of 5.88% annually for the next 20 years, potentially reaching \$6,400 per AF by 2045.***

Given the anticipated reduction in Crestview's water allocations, reliance on imported water will increase in the future. Therefore, it is recommended that service area water conservation efforts be highly encouraged to achieve an ultimate goal of a **20-25% further decrease in water use over the next 20 years.**

4. Financial Scenario Analysis and Key Decision Points

The Capital Budget serves as the "plug" number to balance the budget across the different use and rate scenarios. The goal is to achieve an ending incremental balance of **\$48K**, calculated as the predicted 3% annual average escalation of costs required to maintain a six-month operating cash reserve.

B. Capital Reserve Goals and Financial Planning

The Finance Committee established a rule of thumb for water agencies to maintain a minimum working capital cash balance equivalent to **six months of average annual operating expense, estimated to average \$1.07M**. The operating reserve should be included when determining the amount of capital reserve funds to maintain.

A recommendation to continue to build a modest capital reserve, moving toward the required operating cash reserve level, while other funding strategies are evaluated.

The Finance Committee previously set the Capital Expenditure budget at \$600K for FY2025, with an expected usage of approximately \$300K by year-end.

C. Effective Cost of Imported Water

If imported water is required, the effective cost per AF varies significantly based on total usage, as fixed costs are spread over a larger volume:

- Medium Usage (715 AF): Imported Water Cost per AF is \$2,454.
 - High Usage (810 AF): Imported Water Cost per AF is \$2,235.
 - Low Usage (645 AF): No imports are needed.
-

Crestview Mutual Water Company FY2026 Budget Review

5. Conclusion

A **water and service fee rate increase** is advisable to ensure that Crestview begins to generate sufficient revenue to support future operational stability, moving the agency closer to its working capital cash balance goal of \$1.07M. This action is critical given the increasing long-term reliance on imported water and the associated high costs.

We advise that the Board consider doubling the emergency restricted cash fund from \$200K to \$400K (an additional \$200K) utilizing the expected cash increase at the end of FY2025.

Supporting Tables and Information for Review and Consideration

The following table illustrates three scenarios of different rates. The first scenario is no change in rates, the second scenario is a 10% increase across the board and the third is an aggressive capital building increase of 24% in rates and 25% in service fees (the common driving factor for service fee charges is a percent of total operating costs which are commonly up to 35% of total operating costs):

Description Unit = 1,000 gallons	Current Rate	10% Increase Across the Board	Capital Building Increase
Tier 1 (per unit)	\$3.79	\$4.17	\$4.69
Tier 2 (per unit)	\$8.50	\$9.35	\$10.51
Tier 3 (per unit)	\$20.00	\$22.00	\$24.74
Service fee per share	\$12.90	\$14.19	\$16.13
Average Revenue per Acre Foot	\$2,350 (2025 was an oddly cool summer and the average was \$2,288).	\$2,585	\$2,907
Average per unit water revenue	\$7.21	\$7.93	\$8.92
With the Service Fee for 715 AF of sales. City of Camarillo is \$8.92 for comparison.	\$8.87	\$9.76	\$11.00

**Crestview Mutual Water Company
FY2026 Budget Review**

Expected Capital Reserve Build During the FY26

Scenario Usage	645 AF Low	715 AF Medium	810 AF High
No Rate Change	\$101,198	\$141,763	\$132,262
10% Increase	\$290,885	\$347,900	\$360,724
Capital Building	\$556,775	\$636,330	\$679,744

Expected Effective Cost of Calleguas Imports Per Acre Foot

Scenario Usage	645 AF Low	715 AF Medium	810 AF High
Imported Water Cost per AF	No Imports needed	\$2,454 (\$7.53 per unit)	\$2,235 (\$6.86 per unit)

Expected Cash Operating Reserve Burn from December 2025 through April 2026

Scenario Usage	645 AF Low	715 AF Medium	810 AF High
No Rate Change	\$226,151	\$323,719	\$447,591
10% Increase	\$255,245	\$355,970	\$484,126
Capital Building (higher as capital is either added to reserve or used for capital projects)	\$295,109	\$400,160	\$534,188

G/L Account #	Description	Budget FY2025	Budget FY2026	25-Dec	26-Jan	26-Feb	26-Mar	26-Apr	26-May	26-Jun	26-Jul	26-Aug	26-Sep	26-Oct	26-Nov	YTD	Proforma FY25
160.680	AF Sold (Average 95% of AF Pumped)	715,000	715,000	35,409	20,892	35,841	19,152	49,385	63,206	70,134	94,660	83,527	82,720	88,730	71,343	715,000	719,071
104.441	AF Pump	686,477	686,480	37,180	21,937	0.000	0.000	45,324	66,366	73,641	99,393	87,704	86,856	93,167	74,910	686,477	636,711
	AF Purchased From Calleguas	64.27	64.27	0	0	37.63	20	6,530	0.000	0	0	0	0	0	0	64.27	131.933
	Water Revenue (Percent of sales by Mo)	100.00%		4.95%	2.92%	5.01%	2.68%	6.91%	8.84%	9.81%	13.24%	11.68%	11.57%	12.41%	9.98%	100.00%	
3012	Water Sales Projected	\$ 1,793,935	\$ 1,680,250	\$ 83,212	\$ 49,097	\$ 84,225	\$ 45,008	\$ 116,055	\$ 148,534	\$ 164,816	\$ 222,451	\$ 196,290	\$ 194,391	\$ 208,516	\$ 167,655	\$ 1,680,250	\$ 1,650,038
3013	Service Availability (tied to shares)	\$ 387,588	\$ 387,588	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 32,299	\$ 387,588	\$ 388,485
		\$ 2,181,523	\$ 2,067,838	\$ 115,511	\$ 81,396	\$ 116,524	\$ 77,307	\$ 148,354	\$ 180,833	\$ 197,115	\$ 254,750	\$ 228,589	\$ 226,690	\$ 240,815	\$ 199,954	\$ 2,067,838	\$ 2,038,524
	Other Income																
3014	Field Services	\$ 3,600	\$ 3,600	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 3,600	\$ 1,271
3016	Transfer Fees	\$ 1,200	\$ 1,200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200	\$ 1,154
3019	Interest Income	\$ 36,000	\$ 40,000	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 3,333	\$ 40,000	\$ 41,456
	Sub-Total	\$ 40,800	\$ 44,800	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 3,733	\$ 44,800	\$ 43,881
	Total Revenue	\$ 2,222,323	\$ 2,112,638	\$ 119,244	\$ 85,129	\$ 120,258	\$ 81,041	\$ 152,087	\$ 184,566	\$ 200,848	\$ 258,483	\$ 232,322	\$ 230,423	\$ 244,549	\$ 203,688	\$ 2,112,638	\$ 2,082,405
	Power Costs tied to water use																
4010	Power	\$ 245,590	\$ 273,667	\$ 14,389	\$ 8,490	\$ 4,000	\$ 4,000	\$ 17,541	\$ 25,684	\$ 28,499	\$ 38,465	\$ 33,941	\$ 33,613	\$ 36,056	\$ 28,990	\$ 273,667	\$ 181,120
	Other Operational Related Costs																\$ 37,221
4015	Repairs - Unanticipated	\$ 36,360	\$ 50,000	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 50,000	\$ 68,414
4018	Repairs - Scheduled	\$ 48,000	\$ 48,480	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 4,040	\$ 48,480	\$ 32,054
4020	Supplies	\$ 10,100	\$ 10,250	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 854	\$ 10,250	\$ 20,407
4025	Auto Expenses	\$ 12,075	\$ 12,700	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 1,058	\$ 12,700	\$ 12,551
4045	Water Purification	\$ 38,000	\$ 58,000	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 58,000	\$ 56,854
	Water Purchased	\$ 136,837	\$ 136,837	\$ -	\$ -	\$ 80,121	\$ 42,814	\$ 13,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,837	\$ 241,099
	Water CRC (NA for purchases 10-1 to 4-30)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4050	Water Purchased RTS	\$ 19,305	\$ 20,904	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 1,742	\$ 20,904	\$ 19,104
	Sub-Total	\$ 300,677	\$ 337,171	\$ 16,695	\$ 16,695	\$ 96,815	\$ 59,509	\$ 30,597	\$ 16,695	\$ 16,695	\$ 16,695	\$ 16,695	\$ 16,695	\$ 16,695	\$ 16,695	\$ 337,171	\$ 487,703
	Employee Related Costs (incremental 22%*)																
4032/6032	Workers Comp Insurance	\$ 17,160	\$ 30,307	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 2,526	\$ 30,307	\$ 23,653
4005/6005	Salary	\$ 432,172	\$ 662,862	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 55,239	\$ 662,862	\$ 432,421
4007/6007	Payroll Taxes	\$ 34,580	\$ 52,462	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 4,372	\$ 52,462	\$ 33,775
4060/6060	Group Medical Insurance	\$ 65,572	\$ 83,750	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 6,979	\$ 83,750	\$ 67,021
4063/6063	Pension Expense	\$ 38,896	\$ 38,198	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 3,183	\$ 38,198	\$ 37,608
	Sub-Total (46% increase overall)	\$ 588,380	\$ 867,577	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 72,298	\$ 867,577	\$ 594,478
	Insurance																
4030	General Insurance	\$ 37,692	\$ 44,550	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 3,713	\$ 44,552	\$ 40,387
	Taxes, Permits and Licenses																
4035	Taxes & Permits	\$ 2,525	\$ 2,576	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 215	\$ 2,576	\$ 421
4038	Sewer Discharge Fees	\$ 242	\$ 248	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21	\$ 248	\$ 254
4075	Regulatory Compliance * Estimate	\$ 82,000	\$ 86,000	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 7,167	\$ 86,000	\$ 98,997
6035	Taxes and Licenses	\$ 25,629	\$ 25,885	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 2,157	\$ 25,885	\$ 22,266
	Sub-Total	\$ 110,396	\$ 114,709	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 9,559	\$ 114,709	\$ 121,938
	General and Administrative																
4027/6027	Outside Services (85.4 % decrease)	\$ 137,200	\$ 20,000	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 1,667	\$ 20,000	\$ 123,611
4028	Computer Expense - Operations (Zworld)	\$ 31,500	\$ 35,000	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 2,917	\$ 35,000	\$ 23,204
4040	Telephone & Telemetry	\$ 10,605	\$ 15,000	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250	\$ 15,000	\$ 11,871
4056	Unanticipated Contingencies	\$ 3,000	\$ 3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000	\$ 500
6010	Office Utilities	\$ 4,181	\$ 4,223	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 352	\$ 4,223	\$ 4,148
6011	Fiber Optic Internet	\$ 2,060	\$ 3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000	\$ 2,697
6015	Computer Expense	\$ 5,202	\$ 8,000	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 667	\$ 8,000	\$ 8,030
6020	Office Expense	\$ 6,666	\$ 7,626	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 635	\$ 7,626	\$ 6,642
6022	Dues and Subscriptions	\$ 4,395	\$ 7,700	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 642	\$ 7,700	\$ 7,505
4065/6065	Seminars & Training	\$ 5,050	\$ 5,125	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 427	\$ 5,125	\$ 4,616
6040	Telephone	\$ 2,363	\$ 3,500	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 292	\$ 3,500	\$ 3,071
6045	Meeting Costs	\$ 11,110	\$ 11,225	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 935	\$ 11,225	\$ 9,872
6052	Bank Fees	\$ 2,525	\$ 6,800	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 567	\$ 6,800	\$ 6,714
6070	Postage	\$ 3,757	\$ 5,000	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 417	\$ 5,000	\$ 4,636
	Sub-Total	\$ 229,614	\$ 135,199	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 11,267	\$ 135,199	\$ 217,116
	Legal and CPA Fees																
6025	Professional Fees	\$ 188,125	\$ 150,000	\$ 11,500	\$ 11,500	\$ 11,500	\$ 23,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 150,000	\$ 230,460
6025-1	Accounting	\$ 11,000	\$ 12,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000	\$ 11,533
6025-2	Adjudication	\$ 18,000	\$ 19,000	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 1,583	\$ 19,000	\$ 19,319
6025-3	Employee Handbook	\$ 2,525	\$ 3,000	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 3,000	\$ 531
6025-4	Election/Annual Meeting	\$ 5,000	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 11,446
6025-5	General Counsel	\$ 151,600	\$ 104,000	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 8,667	\$ 104,000	\$ 187,631
	Non-Cash Expenses																

BUDGET REVIEW, NO RATE CHANGE

[illegible]

			LOW	MEDIUM	HIGH USE
7,000 Tier to account reduction in Allocation		AF	645.00	715.00	810.00
		1,000 Gallons	210,173.90	232,983.47	263,939.31
Calleguas Imports in AF				64.27	197.00
Calleguas Charges				\$ 157,735	\$ 440,317
Calleguas Cost Per 1,000 Gallons				\$ 7.53	\$ 6.86
Calleguas Cost Per AF				\$ 2,454	\$ 2,235
Tier 1	\$3.79	66.40%	\$ 528,915	\$ 586,317	\$ 664,219
Tier 2	\$8.50	17.60%	\$ 314,420	\$ 348,543	\$ 394,853
Tier 3	\$20.00	16.00%	\$ 672,556	\$ 745,547	\$ 844,606
			\$ 1,515,891.83	\$ 1,680,407.22	\$ 1,903,678.11
Average Revenue Per Acre Foot			\$ 2,350	\$ 2,350	\$ 2,350
Tier 2 Revenue Per Acre Foot			\$ 2,770	\$ 2,770	\$ 2,770
Tier 3 Revenue Per Acre Foot			\$ 6,517	\$ 6,517	\$ 6,517

	Water	Water	Budgeted	% of Water	% of
Date	Production	Sales	Sales	Sold	Budgeted Sales
	MG	MG	MG		
Dec	19.650	17.698	11.538	90.1%	53%
Jan	19.144	17.503	6.808	91.4%	157%
Feb	9.618	9.486	11.679	98.6%	-19%
Mar	12.898	11.347	6.241	88.0%	82%
Apr	17.813	17.048	16.092	95.7%	6%
May	21.038	19.394	20.596	92.2%	-6%
Jun	25.291	23.336	22.853	92.3%	2%
Jul	26.267	24.884	30.845	94.7%	-19%
Aug	27.556	25.960	27.217	94.2%	-5%
Sept	23.288	22.035	26.954	94.6%	-18%
Oct	0.000	0.000	28.913	#DIV/0!	-100%
Nov	0.000	0.000	23.247	#DIV/0!	-100%
Totals	202.563	188.691	232.983	93.2%	-19.01%

