

Minutes of the Special Meeting
of the Board of Directors of
Crestview Mutual Water Company
November 19, 2019

Convened Meeting

The meeting was called to order by Treasurer Doug Off on Tuesday, November 19, 2019, at 2:01 p.m. at the Corporation office.

Attendance and Quorum

Directors Present: Steven Gill – President – Via Teleconference
Doug Off – Treasurer
Roger Whitlock – Secretary

Directors Absent: Sol Chooljian – Vice President

Others Present: Robert Eranio – Consulting General Manager
Lauri Marino – Office Manager
Steve Lourenco – Shareholder: Encino Avenue

Shareholder’s Public Forum

Steve Lourenco (Encino Avenue) was present to observe the meeting.

Board Member Replacement

The Board received a report from the ad hoc committee consisting of Treasurer Doug Off and Secretary Roger Whitlock. Roger reported that the committee interviewed numerous interested candidates, and recommended that shareholder Steve Lourenco be appointed to the Board to fill the vacancy created by the departure of Norm Fahnoe, effective immediately. Discussion ensued. On a motion made by Roger Whitlock and seconded by Steve Gill, the Board approved with three “ayes” the following:

Resolved, that shareholder Steve Lourenco be appointed to the Crestview Mutual Water Company Board of Directors, effective November 19, 2019.

Fiscal Year 2019/2020 Budget

Robert Eranio updated the budget model as directed by the Board at the November 5 meeting. Robert reported that an adjustment to water rates is required due to an increase in legal and other expenses affecting the Company. Robert stated that water sales projections are based on a four-year moving average. Discussion ensued. Robert also reported that since the Fox Canyon GMA rescinded Emergency Ordinance E, our pumping allocation most likely will be increased. While

Crestview's allocation has increased, without the use of Well #4 and Well #7, it is anticipated that the Company will have approximately 100 acre-feet of unpumped water at the end of 2020. Staff recommends a water rate increase as follows: Tier 1 increase from \$3.15 per 1,000 gallons to \$3.65 per 1,000 gallons; Tier 2 increase from \$6.20 per 1,000 gallons to \$7.75 per 1,000 gallons, and Tier 3 increase from \$9.40 per 1,000 gallons to \$10.80 per 1,000 gallons. The Stand-By rate will remain the same at \$9.00 per share. Since the Company will receive the former allocation back, shareholder monthly allocations will increase from 7,000 gallons per share to 8,000 gallons per share. The true impact for low water users will be a 9% increase; medium water users will on average experience a 9.9% increase, and for high water users a 9.7% increase. Discussion ensued regarding the increase in expenses driving this rate increase and how it will be communicated to the shareholders, along with the status of the adjudication lawsuit and challenges with opposition to Well #7. On a motion made by Doug Off and seconded by Roger Whitlock, the Board approved with four "ayes" the following:

Resolved, that the Fiscal Year 2019/2018 Budget be accepted as presented.

Next Meeting

The next Board meeting will be held on Thursday, December 5, 2019 at 4:00 p.m.

Adjournment

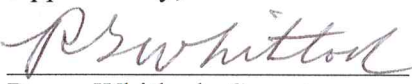
On a motion made by Doug Off, seconded by Steve Lourenco, and approved with four ayes, the meeting was adjourned at 2:16 p.m.

Submitted by,

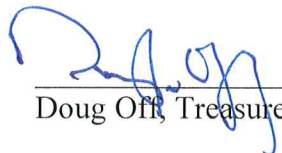


Lauri Marino, Office Manager

Approved by,



Roger Whitlock, Secretary



Doug Off, Treasurer