

**Minutes of the Meeting**  
of the Board of Directors of  
Crestview Mutual Water Company  
October 27, 2022

**Convened Meeting**

The meeting was called to order by President Sol Chooljian on Thursday, October 27, 2022, at 4:06 p.m. via Zoom video conference.

**Attendance and Quorum**

Directors Present: Sol Chooljian –President  
Roger Whitlock – Vice President / Secretary  
Doug Off – Treasurer  
Alma Quezada – Director  
Laurie Bennett - Director

Directors Absent: None

Staff/Counsel Present: Robert Eranio – Consulting General Manager  
Lauri Marino – Office Manager  
Durrell McAdoo – Water Treatment Operator II  
Gregory Patterson – Corporate Counsel: Musick, Peeler & Garrett  
Jane Usher – Corporate Counsel: Musick, Peeler & Garrett

**Shareholder's Public Forum**

A question was raised regarding water rights and who owns them. Sol Chooljian responded that homeowners own the rights, and they are appurtenant to the homeowner's parcels. Greg Patterson added that the rights are overlying; Jane Usher noted that the Company manages the rights. Comments were made regarding the Well Siting Report to be discussed under Agenda Item 5; it was noted that it is an excellent report. A question arose as to sitting Board members and who would be making decisions about the replacement for Well #5 in the future; it was stated that whoever is serving on the Board at that time would make that decision. A comment was received about the tiered water rate structure; specifically, tier #3 is not needed, and unused allocation should roll over month-to-month. Discussion ensued. A comment was received that Board Member Alma Quezada should recuse herself from the Well Siting process due to conflict of interest and prior voiced opposition. Discussion ensued about the misinformation spread on both social media and in person at prior Board meetings from neighboring shareholders of the proposed well site on Alviso Drive. Discussion ensued regarding the HOA Board members blocking the project.

## **Approval of Minutes**

The minutes of the August 11, 2022 meeting were presented. On a motion made by Laurie Bennett and seconded by Doug Off, the Board unanimously approved the following:

**Resolved**, that the minutes of the meeting of the Board of Directors of August 11, 2022 be accepted as amended.

The minutes of the Executive Session of the meeting of August 11, 2022 were presented. On a motion made by Alma Quezada and seconded by Roger Whitlock, the Board unanimously approved the following:

**Resolved**, that the minutes of the Executive Session of the meeting of the Board of Directors of August 11, 2022 be accepted as presented.

The minutes of the September 6, 2022 special meeting were presented. On a motion made by Doug Off and seconded by Laurie Bennett, the Board unanimously approved the following:

**Resolved**, that the minutes of the special meeting of the Board of Directors of September 6, 2022 be accepted as presented.

The minutes of the Executive Session of the special meeting of September 6, 2022 were presented. On a motion made by Alma Quezada and seconded by Roger Whitlock, the Board unanimously approved the following:

**Resolved**, that the minutes of the Executive Session of the special meeting of the Board of Directors of September 6, 2022 be accepted as presented.

## **Report on “Executive Sessions” From August 11, 2022 and September 6, 2022**

Jane Usher reported that at the August 11, 2022 meeting, a professional services agreement with DB Stevens & Associates was approved in an amount not to exceed \$30,000. At the September 6, 2022 meeting, a professional service agreement with Cadence Environmental was approved in an amount not to exceed \$11,408.

## **Fiscal Year 2022/2023 Draft Budget**

Robert Eranio reported that some items are unknown at this time, but the budget will be presented to the Board in November for final review and approval. The budget model shows that the tier 1 rate will be lowered, and the tier 3 rate will increase to provide a disincentive to high water users. Sol Chooljian commented that the Company converted from an annual allocation to a monthly allocation in 2014 to conform to industry standards, and understands that some shareholders disapprove. Robert asked for \$70,000 to be budgeted to replace the 2000 Dodge utility vehicle; the mileage on the truck is 96,500. Discussion ensued regarding budgeting funds for capital projects.

## **Joint Report on Siting of Replacement Well**

Robert Eranio and Alma Quezada presented an evaluation/siting report for a replacement well for Well #5. The report recommends that the Board create a Shareholder Advisory/Ad Hoc committee to study and provide input to the Board regarding potential well sites in surrounding areas to the district. Discussion ensued. On a motion made by Roger Whitlock and seconded by Alma Quezada, the Board unanimously approved the following:

**Resolved**, accept Staff recommendations as to the following:

1. Adopt the proposed new process for evaluating well sites.
2. Approve an un-budget amount of up to \$32,000 in total cost to include a combination of Staff time and outside consultants for the Ad Hoc Committee to spend in applying this process. Any contracts for outside consultants will be included in the Draft Budget with proposals submitted to the Board at a later date for review, discussion and approval.
3. Direct the Ad Hoc Committee to move forward with the well site evaluation process.

## **Monthly Operations Report**

Well #4 and #6 – Durrell McAdoo reported that Well #4 is producing 1,040 gpm and meeting all demands for zones 3, 3B, and 3E. Well #6 is producing 1,050 gpm and meeting all demands for zone 2.

All costs for the hydrant knockoff at 361 Valley Vista Drive in July 2022 have been submitted for reimbursement. A skylight has been installed at the Reservoir #2 booster station building to facilitate motor changeouts in the future. The skimmer for the reservoir has also been replaced.

## **General Manager's Report**

Drought Planning – The new water year is in progress; Crestview finished the last water year with 7.47 AcFt of Fox Canyon GMA allocation to rollover to the new year. Robert Eranio will ask shareholders to reduce their usage by an additional 10% in 2023 as compared to 2022 to prevent the necessary purchase of imported water and the additional conservation measures required by Metropolitan Water District of Southern California. Discussion ensued regarding the lead and copper service line verification requirements from the EPA.

## **Monthly Financial Review**

Doug Off reported on the sound financial state of the Company. It was noted that there were no imported water purchases this fiscal year.



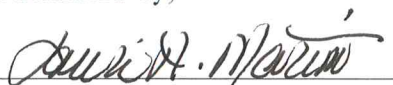
## Adjournment

On a motion made by Doug Off, seconded by Roger Whitlock, approved unanimously, the regular meeting was adjourned at 6:03 p.m.

## Next Meeting

Board members will be polled to set the date for the next meeting of the Board of Directors.

Submitted by,

  
Lauri Marino, Office Manager

Approved by,

  
Roger Whitlock, Vice President / Secretary

  
Sol Chooljian, President

## Shareholder Attendance Roster: Board Meeting of October 27, 2022

|                 |               |                 |
|-----------------|---------------|-----------------|
| Roland Bauer    | Roger Chittum | Christine Cohen |
| Craig Reston    | Mike Rolls    | Nancy Schreiner |
| Dave Stephenson | Katie Teague  | Cheryl Temple   |
| The FMH Trust   |               |                 |