

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
October 24, 2023

1. Convened Public Meeting

The meeting was called to order by President Frank Mezzatesta on Tuesday, October 24, 2023, at 5:39 p.m. for an in-person meeting at the Fairfield Inn, 4444 Central Avenue, Camarillo, CA 93010.

Attendance and Quorum

Directors Present: Frank Mezzatesta – President
 Alma Quezada – Vice President
 Laurie Bennett – Treasurer
 Steven Muro – Secretary
 Dave Stephenson – Director

Directors Absent: None

Staff/Counsel Present: Durrell McAdoo – Interim General Manager
 Lauri Marino – Office Manager

2. Shareholder's Public Forum

Carol Duron asked how Well #8 will benefit Crestview. Director Mezzatesta responded that the original idea was that Calleguas Municipal Water District would pay approximately \$3 million to construct the Well; this well would provide the benefit of Crestview having an additional well in service as a backup. He noted that opinions for and against this project have been offered in the past.

Kevin Staker commented that Well #8 is not a true back up to Well #6 due to the limitations of the existing water delivery pipelines. Durrell McAdoo responded that redundancy of wells in both the upper and lower zone is particularly important in times of high water demand if a well is out of service due to unanticipated equipment failure. He further commented on the limitation of moving water between the upper and lower zones, as previously noted.

Ms. Duron inquired about how the wastewater will be handled while the well is drilled; that portion of the project is unknown.

3. Approval of Minutes

The minutes of the Annual Shareholders Meeting of August 16, 2023 were presented. On a motion made by Director Steven Muro and seconded by Director Laurie Bennett, the Board unanimously approved the following:

Resolved, that the minutes of the Annual Meeting held on August 16, 2023, be accepted as presented.

The minutes of the regular meeting and Executive Session of the Board of Directors of September 26, 2023 were presented. On a motion made by Director Alma Quezada and seconded by Director Laurie Bennett, the Board unanimously approved the following:

Resolved, that the minutes of the regular meeting and the Executive Session of the Board of Directors of September 26, 2023, be accepted as presented.

4. Draft Fiscal Year 2024 Annual Budget

Interim General Manager Durrell McAdoo presented an updated draft budget for fiscal year 2024. Director Laurie Bennett reported that a wet year is forecasted for 2024, and projected water sales reflect that. Company expenses have been carefully considered, with input still being taken. Lengthy discussion ensued regarding appropriate cash reserves for future capital projects. It was noted that mid-year adjustments can be made to the budget if necessary. More review of expenses and further analysis of usage and water rates are required. The draft budget will be discussed again at a special meeting to be held before the next regular board meeting on November 28, 2023.

5. Shareholder Committees

Director Steven Muro reported previously that in speaking to shareholders, he received input that the Board can gain a lot from engaging shareholders in committees to advise the Board on various topics.

Director Dave Stephenson provided a Governance Framework document for the different committees that may be established. Discussion ensued; a maximum of five members were recommended to participate in each committee. Further discussion ensued regarding which committee(s) should be formed first; it was agreed that bylaw reform was of great importance.

INFORMATION ONLY

6. Las Posas Valley Adjudication Update – Information Only

Director Alma Quezada reported on the status of the Las Posas Valley Adjudication. Notification of the judgement has been posted on the Fox Canyon GMA's website. Due to dispute among pumpers within the valley, the adjudication provided a physical solution. Fox Canyon GMA is the water master. Crestview's annual allocation starting January 1, 2025 will be 717 acre/feet per year. Domestic pumpers have lost the ability to roll over unused allocation on an annual basis, and future pumping reductions will decrease 25% over the next 15 years, while pumping costs will increase to fund water master functions. Director Quezada conveyed information on notification and permitting requirements, which will become more stringent over time.

7. Treasurer's Report – Information Only

Director Laurie Bennett, Treasurer advised that current year-to-date financial statements were provided with the meeting materials; Director Bennett reported that the Company has recently shown an increase in water sales due to weather, with some expenses decreasing.

8. Interim General Manager's Operations Report – Information Only

Interim General Manager Durrell McAdoo reported that Crestview's Well #6 is operating at 1,050 gallons per minute, with Well #4 operating at 1,040 gallons per minute with no issues at the moment. The public hearing notices for Well #8 have been mailed to nearby homeowners. Mr. McAdoo reported that with the Santa Ana winds approaching, water usage generally increases. He further reported that United Water is spreading six to ten acre-feet per month in the Saticoy spreading ponds. The sinkhole repair on Valley Vista Drive is currently under way by the homeowners.

9. President's Report – Information Only

Director Frank Mezzatesta, President, reported that Well #7 site selection will continue to be discussed in several upcoming meetings, while not much movement has occurred lately due to pressing personnel issues. The sites will continue to be reviewed, and an engineering firm will be engaged to conduct a site study. This process will continue to move forward at a slower pace at the moment, while the Board's focus will be on the short term.

10. Adjournment

On a motion made by Director Alma Quezada, seconded by Director Laurie Bennett, and approved unanimously, the regular meeting was adjourned at 7:55 p.m.

Call to Order – Executive Session at 8:05 p.m.

1. Executive Closed Session

The Board in Executive Closed Session discussed the following matters:

- Personnel Matters – No decisions were made; nothing to report.
- Well #7 Siting Review Workshop – No decisions were made; nothing to report.
- Third-Party Contracts – No decisions were made; nothing to report.

2. Adjournment of Executive Session

On a motion made by Director Laurie Bennett, seconded by Director Alma Quezada, and approved unanimously, the Executive Session was adjourned at 8:55 p.m.

Shareholders in Attendance:

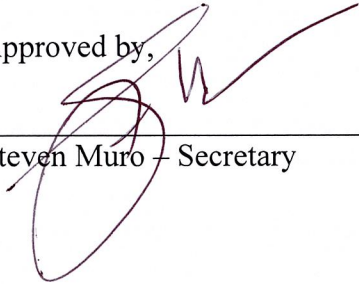
Chittum, Roger/Susan
Duron, John/Carol
Gao, Youping/Ruby
Ono, Christopher
Rolls, Mike
Staker, Kevin

Submitted by,



Lauri Marino – Office Manager

Approved by,



Steven Muro – Secretary



Frank Mezzatesta – President