

**MINUTES OF THE ANNUAL MEETING
OF THE SHAREHOLDERS OF
CRESTVIEW MUTUAL WATER COMPANY**

March 27, 2018

Convened Meeting

The Annual Shareholders Meeting of Crestview Mutual Water Company was called to order by President Norm Fahnoe at 6:00 P.M. at the Las Posas Country Club, 955 Fairway Drive, Camarillo.

Attendance and Quorum

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

Directors Absent: Roger Whitlock – Secretary

Staff Present: Robert Eranio – Consulting General Manager
 Lauri Marino – Office Manager
 Durrell McAdoo – Water Treatment Operator
 Rafael Medina – Water Treatment Operator

After a count of those shareholders present and proxies collected, it was determined that a quorum was present (1,249.4 required, 1,271.08 received).

President Norm Fahnoe (Estaban Drive) started the meeting by thanking Crestview's Staff and welcomed those shareholders present. Interested owners are invited to attend the monthly Board meetings, usually held on the fourth Tuesday of the month at the corporate office location at 328 Valley Vista Drive. He then introduced staff and board members.

Announce Appointment and Inspectors of Election

Robert Eranio and Lauri Marino were announced as the inspectors of election. President Fahnoe advised that the ballot count would be completed at the Company office.

Review Voting Procedures and Agenda

Treasurer Doug Off certified that the notice of meeting was properly mailed as required by the by-laws of the Company. President Fahnoe then reviewed the nomination and election procedures.

President Fahnoe stated that the current Board has agreed to stand for reelection, along with candidate Jim Lingl (Estaban Drive). No additional motions were made. President Fahnoe then closed the nominations and advised that the results of the election would be reported to all Shareholders by U.S. mail.

Approval of Minutes

President Fahnoe then asked for a motion to approve the minutes from the 2017 Shareholders meeting. On a motion by Jim Lingl and seconded by Steve Blois (Valley Vista Drive), the Shareholders in attendance unanimously approved the following:

Resolved, that the Minutes of the 2017 Shareholders meeting minutes be approved.

Ratification of Acts of Directors

President Fahnoe asked for a motion to approve the acts of the Board of Directors since the last annual meeting; detail of each act was included in the mailing to the shareholders prior to the meeting. Discussion ensued. On a motion made by Harry Albaugh (Crestview Avenue) and seconded by Jacqueline Pease Waters (Vientos Road), the Shareholders unanimously approved the following:

Resolved, that all purchases, contracts, contributions, compensations, acts, decisions, proceedings, elections, and appointments by the Board of Directors since the annual meeting of the shareholders of the company on March 28, 2017 are hereby approved and ratified.

President's Report

President Fahnoe referred to his letter to all Shareholders dated February 28, 2018. While Company expenses are lower than in prior years, Crestview is experiencing lower water sales due to extended periods of drought, forcing conservation. President Fahnoe expressed appreciation to Crestview Shareholders and their conservation efforts. The Smart Meter Replacement Program has been a great success and is complete. President Fahnoe stated that Crestview is considering managing the water system for the Saticoy Country Club. For the moment, Crestview has been hired to draft a feasibility study for taking over their system operation. Jim Lingl asked if the Board would consider a committee of Shareholders that are not Board members. Considerable discussion ensued. Michaela Brown (Otero Court) noted that the Company has no website and that more information should be made available to new Shareholders about Crestview operations. Discussion ensued regarding setting up a Company website. The Board agreed that it would be worthwhile. Alma Quezada (Lopaco Court) asked about Saticoy Country Club's well that needs to be abandoned. President Fahnoe stated that Saticoy Country Club would be responsible for that expense. Harry Albaugh noted that once the feasibility study is complete, Saticoy will own the report as intellectual property, and can shop it with others to take over their operations. Discussion ensued about current Company infrastructure projects. Vice President Sol Chooljian (Encino Ave) commented that the Calleguas Intertie project, which would allow Crestview to serve Calleguas and vice-versa in the event of an emergency, came to fruition because of the highly-valued positive relationship between the two agencies. Calleguas is fully funding this project.

Crestview Accountant's Report

Treasurer Doug Off reported that Lindsay and Company CPA has completed an annual review for the Company for the fiscal year ended 2017 with no exceptions or qualifications noted, and that summary financial statements were included in the mailing to Shareholders. Treasurer Off noted that there is no requirement for an external review, but as a manner of prudent management, the Company continues this practice. Per AB54 requirements, Crestview has been building capital reserves to fund future capital projects, and as such, the Company will not need to assess shareholders to complete the upcoming Well #7 project.

Superintendents Report

Robert Eranio thanked the attendees for the questions and comments; they are greatly appreciated. Robert gave a report on local groundwater conditions. Unfortunately, there has been a lack of recovery in groundwater levels in spite of all the rain. The levels are 5 feet below where they were last year; Well #4 is 80 feet below sea level and Well #6 is 100 feet below sea level. The recent rain provided 9" of recovery; a normal winter would provide 20 feet of recovery. Robert encouraged Shareholders to install irrigation controllers that respond to weather changes, in addition to taking advantage of the Smart Meter technology to identify water leaks on their properties. Rebates are available from Metropolitan Water for water-saving devices at bewaterwise.com. Crestview is currently receiving State water; in next four to six weeks, Crestview's wells will start. The weather pattern will continue to be dry. Robert noted that the contract with Calleguas for the emergency intertie has been signed, and the project will go to bid in May. When complete, Crestview will have 8 ways to move water around the district. This project will alleviate outages and inconvenience to Crestview's Shareholders. Even though it benefits both districts, Calleguas is paying for the project. Steve Blois commented that this is a testament to Calleguas' comfort level with Crestview's management. Finally, Robert reported that the design process for Well #7 will begin in September 2018.

Shareholder's Questions

A question was asked about Board Members; specifically, who may serve on the Board of Directors. Vice-President Chooljian replied that per Crestview's bylaws, Board Members do not have to be shareholders of the Company.

Jim Lingl asked about water quality, which is particularly noticeable when water sources are switched. Robert Eranio noted that well water is much harder and highly mineralized compared to imported water. He noted that sometimes complaints are received. He further stated that the water should not change color and must comply with State and Federal water quality standards.

David Reid (Cerro Crest Drive) reported that his residence experiences low pressure every morning for half an hour. Robert responded that he would investigate the possible cause and report back to him.

Jim Lingl asked if Calleguas water can be injected into our wells. Robert replied that our wells are not plumbed to receive water in that manner. He also noted that Crestview's wells are not the only draw on the aquifer; other pumpers draw water from the same source.

Adjournment

On a motion made by Jim Lingl, seconded by Chris Ann Albaugh (Crestview Avenue) and approved unanimously, the meeting was adjourned at 7:10 P.M.

Respectfully submitted,



Roger Whitlock, Secretary

Approved by,



Sol Chooljian, Vice President