

Minutes of the Meeting
of the Board of Directors of
Crestview Mutual Water Company
September 29, 2020

Convened Meeting

The meeting was called to order by Vice President Sol Chooljian on Tuesday, September 29, 2020, at 4:07 p.m. via Zoom video conference.

Attendance and Quorum

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

Directors Absent: None

Staff/Counsel Present: Robert Eranio – Consulting General Manager
Lauri Marino – Office Manager
Gregory Patterson – Corporate Counsel: Musick, Peeler & Garrett

Shareholder's Public Forum

Laurie Bennett (Valley Vista Drive), David Silkey (Alviso Drive), Geoffrey Mosdale (Ashdale Court), Roger Chittum (Ashdale Court), Mike Rolls (Alviso Drive), and Christine Cohen (La Patera Drive) were present to observe the meeting. Discussion ensued regarding shareholder participation during the public forum of regular Board meetings. The Board agreed that questions provided in advance can be answered in a timely manner. Robert Eranio noted that multiple questions were received from Roger Chittum that are in the process of being answered, as Board input is required. Further discussion ensued. The Board discussed placing questions and answers on the Company's website so that all shareholders can refer to them. Mike Rolls inquired about the process of filling Board vacancies. Discussion ensued regarding Crestview's bylaws, internal procedures, and the need to fill vacancies in a timely manner to conduct Company business.

Resolution to Seat Laurie Bennett as Board Member

On a motion made by Sol Chooljian and seconded by Roger Whitlock, the Board approved with four ayes the following:

Resolved, that the Board accept the nominating committee's recommendation to appoint Laurie Bennett to fill the current vacancy on the Board of Directors of Crestview Mutual Water Company.

Selection of Officers of the Board

Discussion ensued regarding current Officer vacancies. On a motion made by Sol Chooljian and seconded by Roger Whitlock, the Board unanimously approved the following:

Resolved, that the Officers of the Board of Directors are as follows: Sol Chooljian – President; Roger Whitlock – Vice-President and Secretary; Doug Off – Treasurer; Alma Quezada – Director; Laurie Bennett – Director.

Approval of Minutes

The minutes of the August 25, 2020 meeting were presented. On a motion made by Sol Chooljian and seconded by Doug Off, the Board approved with four ayes and one abstention the following:

Resolved, that the minutes of the meeting of the Board of Directors of August 25, 2020 be accepted as presented.

The minutes of the Executive Session of the meeting of August 25, 2020 were presented. On a motion made by Doug Off and seconded by Roger Whitlock, the Board approved with three ayes and two abstentions the following:

Resolved, that the minutes of the Executive Session of the meeting of the Board of Directors of August 25, 2020 be accepted as presented.

General Manager's Report

Shareholder Responses – Steven Muro (Avocado Place) was appreciative of Crestview's response to his questions. Christine Cohen (La Patera Drive) authorized that the answers to her questions can be posted on Crestview's website.

PSPS Events – Robert Eranio reported that at peak system demands, Crestview would have only one day of water in the system during a power outage during fire season.

Well #4/Well #6 – There is now 6-7 feet of water above the pump at Well #4. Negotiations are taking place with Cal-American to bring in an outside water supply. Cal-American will supply the upper zone, with Well #6 supplying the lower zones. The two source waters are incompatible, with distinct water quality variations. An increase in organics has been observed with water sampling. Crestview's reservoirs will be washed out over the winter.

Well #7 – Crestview continues to work with the State Water Resources Control Board and the Los Angeles Regional Water Quality Control Board to mitigate septic setback issues. Staff hopes to have feedback by the end of September. Discussion ensued. New design for the building and landscape are in process.

Well #7 Alternatives & Water System Optimization Study

Robert Eranio suggested that an outside consultant evaluate Crestview's water system and infrastructure to identify possible alternatives if the Well #7 project does not move forward. An internal analysis has already been completed. Greg Patterson stated that an outside party could review Crestview's analysis and support the Board's actions. This action could validate the efficacy of the direction the Company is taking, and could enhance Crestview's administrative record. Further discussion regarding this topic will take place in Executive Session.

Well #7 Siting and Alternative Scenarios

Robert Eranio gave a brief history regarding the choice of location for Well #7, and why Alviso Drive was the preferred location. Sol Chooljian noted that the Company has communicated the dire need for a replacement for Well #4, and further commented on the Company's mission statement and the need for self-sufficiency. Discussion ensued regarding the higher costs to purchase water, and the health and safety issues without a backup power source at the proposed Well #7 site. Sol Chooljian noted that we have no control over the outcome of Board of Supervisors hearing, and it may take many months to find an outside expert to conduct a system analysis.

Annual Shareholders Meeting Discussion

Staff and Greg Patterson worked together to come up with a way to move forward and have a virtual meeting. Discussion ensued regarding the challenges of handling proxies. Further discussion ensued. The date of November 10, 2020 was set; shareholders will be noticed with the water bills.

Monthly Financial Review

Doug Off reported on the sound financial state of the Company. The cash assets on the balance sheet are \$2.7M now, vs. \$1.9M last year; this increase is attributed to the loan from Community Bank of Santa Maria. Company expenses are tracking close to budget.

Adjournment

On a motion made by Roger Whitlock, seconded by Alma Quezada, approved unanimously, the regular meeting was adjourned at 5:51 p.m.

Next Meeting

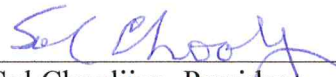
The next meeting of the Board of Directors will be held on Tuesday, October 27, 2020 at 4:00 p.m. via Zoom video conference.

Submitted by,


Lauri Marino, Office Manager

Approved by,


Roger Whitlock, Vice President / Secretary


Sol Chooljian, President