AGENDA
ATASCADERO MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING

July 8, 2026, 4:30 P.M.
5005 El Camino Real
Atascadero, California

PUBLIC COMMENT:

The Board invites members of the public in attendance at the meeting to address any subject that is not on the agenda. If they wish to address an item that is on the agenda, the Board will consider their comments at the time the agenda item is discussed.

APPROVAL OF MINUTES:

June 10, 2026 - Regular Meeting	Pages 1 - 3

REPORTS:

• Operations Report	Shared at meeting
• Financial Report	Pages 4 - 30
• Conservation Report	Shared at meeting
• General Manager's Report	Pages 31 - 33

OLD BUSINESS:

• Cell Site Lease Purchase, Landmark Dividend (Action)	Pages 34 - 38

NEW BUSINESS:

• High-Use Billing Adjustment, 9223 Lucinda Lane (Action)	Pages 39 - 42
• Policy Revision, Wise & Beneficial Use of Water Policy (Action)	Pages 43 - 54
• Grant of Easement, Nacimiento Water Project (Action)	Pages 55 - 70
• Annual Audit	Page 71

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
ATASCADERO MUTUAL WATER COMPANY

June 10, 2026

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 4:28 p.m. President Frank Platz presiding. Vice President Brien Vierra; Directors Leroy Davis, Robert Jones, and Jackie Lerno; General Manager John Neil; and Assistant Secretary Susan Jordan were also present. Secretary Cheryl Powers was absent.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF MINUTES:

A motion was made and seconded to approve the Regular meeting minutes of May 13, 2026; and carried 5 to 0. A motion was made and seconded to approve the Annual meeting minutes of May 13, 2026; and carried 5 to 0.

The following reports were reviewed:

OPERATIONS REPORT:

The Chief Operator reported that, since the last meeting, video inspection of Well 6A identified a hole in the column pipe at 23.3 feet. A contractor from Bakersfield was contacted to perform the repair. The contractor recommended conducting its own video inspection before proceeding, at a cost of $1,200 for the pre-repair inspection and $1,200 for the post-repair inspection. During the contractor's inspection, a second hole was identified at 125.7 feet. The additional repair increased the cost by $4,200.

The contractor installed two five-foot mild steel corrugated swedges to repair the damaged areas. Installation took approximately four hours. Staff noted that this is an older repair method and that newer hydraulic swedge methods are also available. A follow-up video inspection is scheduled for the following Monday to verify the condition of the repairs. F&T has the necessary parts available and is scheduled to reinstall the pump on June 16, with the goal of returning the well to service the following week.

The Chief Operator also reported that Well 1B currently has a water level of approximately 150 feet, while 151 feet is needed for operation. Changes to the creek bottom caused by the 2023 high-flow event resulted in the water not receding beyond 150 feet as early as in previous years. Well 3A appears to be viable, as river flow conditions have shifted and are supporting the well.

Wells near the shop are maintaining stable water levels. However, Well 16, Well 19, and Well 4 in the deeper well field have dropped approximately three feet over the past month due to increased pumping needed to maintain production while other wells were out of service. Well 5A has been returned to service following pipe replacement and cleaning and is operating well.

FINANCIAL REPORT:

The GM noted that water revenue estimates were very close to actual results and that, overall, budget-to-date figures were also tracking closely with projections. Total expenses were 6.5% lower than budgeted f. The income statement showed that total expenses increased only 0.6% compared to the prior year. The balance sheet reflected working capital of approximately $10.769 million, which is close to the $11 million starting point used in preparation of the budget for FYE 04/30/2027. Revenues are currently coming in as expected. The GM noted that the effects of the rate increase will be reflected in upcoming billing cycles.

CONSERVATION REPORT:

The Conservation Manager (CM) reported on the radio outreach program and provided updates on the Water Education School Program, landscape programs, rebate tracking, and upcoming events.

The Manager's Report was available for review as follows:

RAINFALL:

Total rainfall received for the period July 1 through May 31 was 20.53 inches, recorded at the weather station at 6575 Sycamore Rd. The long-term average cumulative rainfall for this period is 17.52 inches.

WELL LEVELS:

The static water level (SWL) at the northerly end of the main well field was 29.5 feet below ground surface (BGS) at the end of May, down from 19.9 feet BGS at the end of April. Groundwater levels last year at this time were at 26.3 feet BGS.

NACIMIENTO WATER PROJECT:

The lake was at 58.0% capacity with 220,438 acre-feet (af) of storage on May 31, down from 63.0% capacity on April 30. Current releases from the lake are 264 af/per day.

AMWC is not currently taking delivery from the Nacimiento Water Project.

PFAS TREATMENT:

The GM reported that the nesting bird survey for the PFAS Treatment project has been completed, with no nesting birds identified. AMWC has obtained an encroachment permit for the new driveway to the facility and has completed the Stormwater Pollution Prevention Plan.

A required pre-construction meeting with the stormwater pollution prevention professional has been completed or is being finalized, as required by the plan and the City. A certified, qualified storm water prevention plan practitioner will conduct weekly site visits and provide monthly billing for those services. Staff also reported that a local contractor is reviewing the most current plans and is willing to provide a detailed cost estimate for the water treatment plant. Review of pre-procurement bid packages for long lead-time items has been finalized, with comments provided to the design team for incorporation before the packages are released for bid.

PERMIT TO ISSUE SHARES, PASEO PALOMA II:

The GM reported that work will not proceed until a recorded copy of the grant deed is received. The deed is reportedly in process, and the GM anticipates receiving it in the near future.

NEXT MEETING DATES AND TIMES:

The next Regular meeting is scheduled for June 10, 2026, at 4:30 p.m.

OLD BUSINESS:

NEW BUSINESS:

HIGH-USE BILLING ADJUSTMENT, 8735 CASANOVA ROAD:

The shareholder of 8735 Casanova Road requested a 12-month payment plan to pay the remaining balance of their high-use bill. The GM recommended that the Board approve Alternative 2, granting the shareholder's request.

A motion was made by Leroy Davis to grant the shareholder a 12-month payment plan, followed by a second motion from Robert Jones and carried 5 to 0.

APPOINTMENT OF OFFICERS:

A motion was made by Jackie Lerno and seconded by Brien Vierra to approve the appointment of corporate officers as shown below effective at the close of the June 10, 2026, meeting, with their terms ending June 2027. The motion carried 5 to 0. The newly appointed officers will be seated at the regular July 2026 Board meeting:

- President, Brien Vierra
- Vice President, Leroy Davis
- Treasurer, Frank Platz
- Secretary & Assistant Treasurer, Susan Jordan
- Assistant Secretary, Lorraine Halderman

CELL SITE LEASE PURCHASE:

The GM reported that Landmark Dividend sent another letter of interest to AMWC to purchase AMWC's existing cell site leases.

The Board discussed the offer and determined that it was lower than desired. The Board directed the General Manager to continue discussions with Landmark and provide an update at the next Board meeting.

The meeting was adjourned at 4:57 p.m

Secretary, Susan Jordan

APPROVED:
The undersigned directors of the Company approve the foregoing minutes of directors and acknowledge notice of the meeting or, if notice was not properly given, waive notice of the meeting.

Brien C. Vierra, President

D. Frank Platz, Director

Leroy R. Davis, Vice President

Robert M. Jones, Director

Jackie M. Lerno, Director

ATASCADERO MUTUAL WATER COMPANY
FINANCIAL INFORMATION AS OF 05/31/2026

	BALANCE SHEET	CURRENT VALUE
CASH IN BANK (CHECKING)	$ 786,785.35	$ 786,785.35
CASH IN BANK (SAVINGS)	$ 507.51	$ 507.51
TOTAL CASH IN BANK	$ 787,292.86	$ 787,292.86
PETTY CASH FUND	$ 600.00	$ 600.00
E. JONES - CERTIFICATES OF DEPOSIT	$ -	$ -
E. JONES - CASH & MONEY MARKET	$ 2,274.12	$ 2,274.12
FUNDS IN TRANSIT		
WATER RESOURCE DEVELOPMENT ACCOUNT	$ 2,274.12	$ 2,274.12
E. JONES - CERTIFICATES OF DEPOSIT	$ 5,586,000.00	$ 5,575,194.36
E. JONES - CASH & MONEY MARKET	$ 823,985.23	$ 823,985.23
E. JONES - BONDS	$ 3,124,864.15	$ 3,089,549.50
FUNDS IN TRANSIT		
INVESTMENT ACCOUNT	$ 9,534,849.38	$ 9,488,729.09
TOTAL CASH AND INVESTMENTS	$ 10,325,016.36	$ 10,278,896.07
WATER	$ 1,266,671.69	
MISCELLANEOUS	$ 14,014.37	
TOTAL ACCOUNTS RECEIVABLE	$ 1,280,686.06	

SAMPLE OF CURRENT CD AND SECURITIES RATES:

TERM	Current	Last Month
13-WK T BILL	3.630% (6/4/26)	3.600% (5/21/26)
26-WK T BILL	3.665% (6/4/26)	3.615% (5/21/26)
3-MO CD	3.90%	
6-MO CD	3.90%	
1-YR CD	4.00%	
2-YR CD	4.10%	

AMOUNTS MATURING BY QUARTER (Investment & Water Resources Development (Capital) Accounts):

	Cash/MM/Mutual Funds	2nd/2026	3rd/2026	4th/2026	1st/2027	2nd/2027+	TOTAL
WRD	2	-	-	-	-	-	2
INVESTMENT	824	838	2,597	1,443	1,521	2,266	9,489
TOTAL	826	838	2,597	1,443	1,521	2,266	9,491

Edward Jones
MAKING SENSE OF INVESTING

Portfolio for Atascadero Mutual Water Co

Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Period Apr 25 - May 29, 2026

ATASCADERO MUTUAL WATER CO
ATTN WATER RESOURCE DEVELOPMNT
P O BOX 6075
ATASCADERO CA 93423-6075

Do you receive our newsletter?

Where's the market heading? How can I prepare for the unexpected? What will retirement look like for me? Our monthly newsletter helps answer these questions, keeping you informed about investing topics most relevant to your goals. Visit edwardjones.com/newsletter to read the latest articles and ask your local branch team to sign you up to receive our Perspective newsletter in your email inbox every month.

Think long term

Whether it's the economy, government policy or market fluctuations, there will always be headlines that can distract you from your investment strategy. A short-term market decline is normal and usually doesn't change your long-term goals. Your financial advisor can help you measure your portfolio's performance as you progress toward your goals rather than in day-to-day fluctuations.

Portfolio Summary

Total Portfolio Value

$9,491,003.21

1 Month Ago	$8,713,125.18
1 Year Ago	$5,629,903.87
3 Years Ago	$3,377,427.77
5 Years Ago	$5,153,146.48

Overview of Accounts

Accounts	Account Holder	Account Number	Value 1 Year Ago	Current Value
Corporate Account Select	Atascadero Mutual Water Co	[redacted]	$557.65	$2,274.12
Corporate Account Select	Atascadero Mutual Water Co	[redacted]	$5,629,346.22	$9,488,729.09
Total Accounts			**$5,629,903.87**	**$9,491,003.21**

Although account information is provided on this page, it does not guarantee an actual statement was produced. Refer to your account statement for the exact registration and more specific details regarding each account.

Overview of Other Products and Services

Loans and Credit	Account Number	Balance	Approved Credit	Available Credit	Interest Rate
Amount of money you can borrow for Atascadero Mutual Water Co	[redacted]	$0.00	$6,095,515*	$6,095,515	5.75%

* Your approved credit is not a commitment to loan funds. It is based on the value of your investment account which could change daily. The amount you may be eligible to borrow may differ from your approved credit. Borrowing against securities has its risks and is not appropriate for everyone. If the value of your collateral declines, you may be required to deposit cash or additional securities, or the securities in your account may be sold to meet the margin call. A minimum account value is required if you have loan features on your account. Your interest will begin to accrue from the date of the loan and be charged to the account. Your interest rate will vary depending on the assets under care of your Edward Jones Pricing Group. For more information on how your interest rate is calculated, contact your financial advisor or please visit: www.edwardjones.com/disclosures/marginloans

Important disclosures; such as Statement of Financial Condition, Conditions that Govern Your Account, Account Safety, Errors, Complaints, Withholding, Free Credit Balance, Fair Market Value or Terminology; relating to your account(s) are available on the last page of this package or at www.edwardjones.com/statementdisclosures.

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Atascadero Mutual Water Co

Consolidating accounts can simplify your life

By consolidating all your accounts, even those outside Edward Jones, you and your financial advisor can have a more streamlined view of your financial picture. This can make it easier to see your progress toward your goals - not to mention reduce your number of statements and tax forms. Ask your financial advisor about account consolidation today.

Corporate - Select

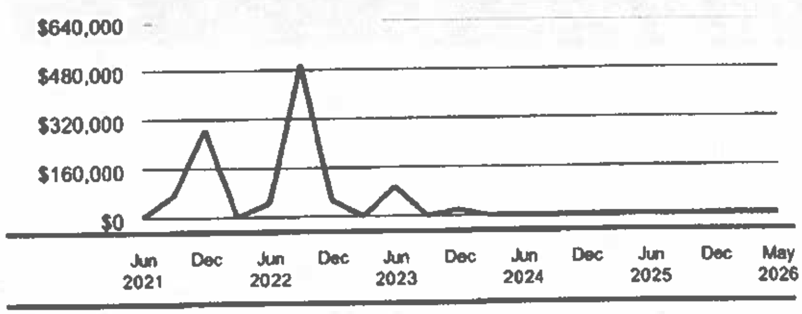
Portfolio Objective - Account: Preservation of Principal

Account Value

$2,274.12

1 Month Ago	$2,206.07
1 Year Ago	$557.65
3 Years Ago	$73,372.78
5 Years Ago	$590,366.57

Value of Your Account



Value Summary

	This Period	This Year
Beginning Value	$2,206.07	$2.103.22
Assets Added to Account	347,890.33	759 447.11
Assets Withdrawn from Account	-347,890.33	-759,447.11
Fees and Charges	0.00	0 00
Change In Value	68.05	170.90
Ending Value	**$2,274.12**	

For more information regarding the Value Summary section, please visit www.edwardjones.com/mystatementguide .

Rate of Return

	This Quarter	Year to Date	Last 12 Months	3 Years Annualized	5 Years Annualized
Your Personal Rate of Return for Assets Held at Edward Jones	0.11%	0.36%	1.13%	1.20%	0.62%

Edward Jones
MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Rate of Return (continued)

Your Personal Rate of Return: Your Personal Rate of Return measures the investment performance of your account It incorporates the timing of your additions and withdrawals and reflects commissions and fees paid. Reviewing Your Personal Rate of Return is important to help ensure you're on track to achieving your financial goals.

The performance of your investments is tracked since they have been held in the current account, but no earlier than Jan.1, 2009. This also includes investments you owned during this time period but have since sold. Certain events, including a transfer of an investment between accounts, share class conversion, or change in an investment's identification code (CUSIP) caused by a corporate action, will impact the time frame over which the investment's rate of return is calculated.

Rate of Return information on account statements uses the dollar-weighted calculation. Information used to calculate performance may have been obtained from third parties and Edward Jones cannot guarantee the accuracy of such information.

For the most current information, contact your financial advisor or visit edwardjones.com/performance.

Summary of Assets (as of May 29, 2026)

	Value as of 05/29	Value as of 04/25	Dollar Change	% of Total Value
Assets Held at Edward Jones				
Cash, Insured Bank Deposit & Money Market funds	2,274.12	2,206.07	68.05	100.0%
Total at Edward Jones	**$2,274.12**	**$2,206.07**	**$68.05**	**100%**
Account Value	**$2,274.12**	**$2,206.07**	**$68.05**	

Summary of Income

	This Period			This Year		
Income distributions from securities	**Taxable**	**Tax-free**	**Total**	**Taxable**	**Tax-free**	**Total**
Interest	$68.05		$68.05	$170.90		$170.90
Total	**$68.05**		**$68.05**	**$170.90**		**$170.90**

Note: Your year-end tax documents (eg Form 1099) will provide specific classifications of your income distributions. Qualified (Q) dividends may be taxed at reduced rates. Nonqualified (N) dividends may be taxed at ordinary rates. A portion of your Partially Qualified (P) dividends may also be taxed at reduced rates. Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should review your specific situation with your tax or legal professionals

Asset Details (as of May 29, 2026)

additional details at www.edwardjones.com/access

Assets Held At Edward Jones

	Beginning Balance	Deposits	Withdrawals	Ending Balance
Insured Bank Deposit 1 35%	$2 206 07	$347,958 38	-$347,890.33	$2,274.12

Asset Details (continued)

Program Bank Detail	Amount on Deposit		
State Street Bank and Trust Co	2,235.53		
Cibc Bank USA	23.74		
Bk of New York Mellon	14.85		

Edward Jones Insured Bank Deposit Program (Bank Program) interest rates may vary and are impacted by the total amount paid on deposits by the banks, fees paid to Edward Jones, fees paid to a third party that assists in operating the Bank Program, and several additional factors including the use of a tiered schedule. The fee paid to Edward Jones by the Banks for serving as your agent may be as much as the Federal Funds Target - Upper Limit or 3.75% annually, whichever is greater, on your funds held in Deposit Accounts.

The FDIC insurance limit for all insurable capacities (e.g., individual, joint) is $250,000 per bank. By using multiple banks, the Bank Program can provide up to a maximum total amount of $5 million ($10 million for joint accounts of two or more people) in FDIC insurance. Funds held in the Bank Program are not protected by the Securities Investor Protection Corporation (SIPC).

Edward Jones is not a bank or FDIC-insured institution and deposit insurance only covers the failure of an insured bank. FDIC insurance for deposits held in the Bank Program is provided by the FDIC-insured banks that participate in the Program, on a "pass-through" basis which requires certain conditions to be met for coverage to apply. For a current list of the network of FDIC-insured banks participating in the Program, see edwardjones.com/bankdeposit.

For further information regarding the Bank Program, please review the Program Disclosure, which is available from your financial advisor or at edwardjones.com/bankdeposit.

Total Account Value	**$2,274.12**

*Your Rate of Return for each individual asset above is not available.

Your Rate of Return in the Asset Details section above measures the investment performance of each of your individual assets. It incorporates the timing of your additions and withdrawals and reflects commissions and fees paid. Reviewing your Rate of Return is important to help ensure you're on track to achieving your financial goals.

The performance of your investments is tracked since they have been held in the current account, but no earlier than Jan. 1, 2009. Certain events, including a transfer of an investment between accounts, share class conversion, or change in an investment's identification code (CUSIP) caused by a corporate action, will impact the time frame over which the investment's rate of return is calculated.

Information used to calculate performance may have been obtained from third parties and Edward Jones cannot guarantee the accuracy of such information.

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Edward Jones
MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Summary of Activity

	Additions	Subtractions	
Beginning Balance of Cash, Money Market funds and Insured Bank Deposit			**$2,206.07**
Deposits and Transfers In	$347,890.33		
Income	68.05		
Total Additions			**$347,958.38**
Other Withdrawals and Transfers Out		-$347,890.33	
Total Subtractions			**-$347,890.33**
Ending Balance of Cash, Money Market funds and Insured Bank Deposit			**$2,274.12**

Detail of Activity by Category

Additions - Deposits and Transfers In	**Date**	**Where Invested**	**Quantity**	**Amount per share/rate**	**Amount**
Business Ck#20244 Atascadero Mutual Water Co	5/14	InsBankDep			$347,890.33
Additions - Income	**Date**	**Where Invested**	**Quantity**	**Amount per share/rate**	**Amount**
Interest					
Insured Bank Deposit Interest	4/30	InsBankDep	26.9		26.90
Insured Bank Deposit Interest	5/29	InsBankDep	41.15		41.15
Subtractions - Other Withdrawals and Transfers Out	**Date**	**Source of Funds**	**Quantity**	**Amount per share/rate**	**Amount**
Transfer to [redacted]	5/21	InsBankDep			-347,890.33

Insured Bank Deposit Detail by Date

Beginning Balance on Apr 25 **$2,206.07**

Date	Transaction	Description	Deposits	Withdrawals	Balance
4/30	Income	Insured Bank Deposit Interest	26.90		$2,232.97
5/18	Deposit		347,890.33		$350,123.30
5/21	Withdrawal	Insured Bank Deposit Transfer		-347,890.33	$2,232.97
5/29	Income	Insured Bank Deposit Interest	41.15		$2,274.12
Total			**$347,958.38**	**-$347,890.33**	

Ending Balance on May 29 **$2,274.12**

Edward Jones
MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson. 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Atascadero Mutual Water Co

Many goals. One you.

Sure, you may be saving for retirement - or retired and working to ensure your money lasts. But we know those aren't your only goals. Maybe it's affording your first house, a vacation home, or a retirement community. Or maybe you just want to make sure your loved ones are taken care of should the unexpected happen. Whatever your goals, we can help you develop strategies to achieve them. Ask your financial advisor today.

Corporate - Select

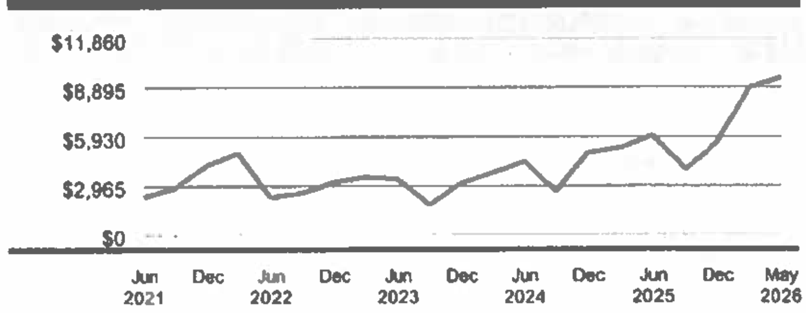
Portfolio Objective - Account: Preservation of Principal

Account Value

$9,488,729.09

1 Month Ago	$8,710,919.11
1 Year Ago	$5,629,346.22
3 Years Ago	$3,304,054.99
5 Years Ago	$4,562,779.91

Value of Your Account (in 000s)



Value Summary

	This Period	This Year
Beginning Value	$8,710,919.11	$5,605,592.12
Assets Added to Account	747,890.33	4,059,447.11
Assets Withdrawn from Account	0.00	-250,000.00
Fees and Charges	0.00	0.00
Change In Value	29,919.65	73,689.86
Ending Value	**$9,488,729.09**	

For more information regarding the Value Summary section, please visit www.edwardjones.com/mystatementguide .

Rate of Return

Your Personal Rate of Return for Assets Held at Edward Jones	This Quarter	Year to Date	Last 12 Months	3 Years Annualized	5 Years Annualized
	0.51%	1.15%	3.23%	3.68%	2.67%

Rate of Return (continued)

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Summary of Assets (as of May 29, 2026)

	Value as of 05/29	Value as of 04/25	Dollar Change	% of Total Value
Assets Held at Edward Jones				
Cash, Insured Bank Deposit & Money Market funds	823,985 23	1,316,748.55	-492,763.32	8.68%
Certificates of deposit	5,575,194.36	5,798,588.12	-223,393.76	58.76
Bonds	3,089,549 50	1,595,582.44	1,493,967.06	32 56
Total at Edward Jones	**$9,488,729.09**	**$8,710,919.11**	**$777,809.98**	**100%**
Account Value	**$9,488,729.09**	**$8,710,919.11**	**$777,809.98**	

Summary of Income

Income distributions from securities	This Period			This Year		
	Taxable	Tax-free	Total	Taxable	Tax-free	Total
Interest	$43,703.47		$43,703.47	$121,915.44		$121.915.44
Total	**$43,703.47**		**$43,703.47**	**$121,915.44**		**$121,915.44**

Note: Your year-end tax documents (eg. Form 1099) will provide specific classifications of your income distr butions. Qualified (Q) dividends may be taxed at reduced rates. Nonqualified (N) dividends may be taxed at ordinary rates. A portion of your Partially Qualified (P) dividends may also be taxed at reduced rates Edward Jones, its employees and financial advisors cannot provide tax or legal advice You should review your specific situation with your tax or legal professionals.

Asset Details (as of May 29, 2026)

additional details at www.edwardjones.com/access

Assets Held At Edward Jones

	Beginning Balance	Deposits	Withdrawals	Ending Balance
Insured Bank Deposit 1.35%	$1,075,979.24	$1,246,254.07	-$1,498,248.08	**$823,985.23**

Program Bank Detail	Amount on Deposit
Capital One Na (Discover)	246,782.63
Truist Bank	246,781.43
State Street Bank and Trust Co	244,547.10
Old National Bank (Bremer)	78,672.10
Bokf National Association	7,064.13
Stifel Bank and Trust	100.34
Cibc Bank USA	34.18
Wells Fargo Bank NA	3.32

Edward Jones Insured Bank Deposit Program (Bank Program) interest rates may vary and are impacted by the total amount paid on deposits by the banks, fees paid to Edward Jones, fees paid to a third party that assists in operating the Bank Program, and several additional factors including the use of a tiered schedule. The fee paid to Edward Jones by the Banks for serving as your agent may be as much as the Federal Funds Target - Upper Limit or 3.75% annually, whichever is greater, on your funds held in Deposit Accounts.

The FDIC insurance limit for all insurable capacities (e.g., individual, joint) is $250,000 per bank. By using multiple banks, the Bank Program can provide up to a maximum total amount of $5 million ($10 million for joint accounts of two or more people) in FDIC insurance. Funds held in the Bank Program are not protected by the Securities Investor Protection Corporation (SIPC).

Edward Jones is not a bank or FDIC-insured institution and deposit insurance only covers the failure of an insured bank. FDIC insurance for deposits held in the Bank Program is provided by the FDIC-insured banks that participate in the Program, on a "pass-through" basis which requires certain conditions to be met for coverage to apply. For a current list of the network of FDIC-insured banks participating in the Program, see edwardjones.com/bankdeposit.

For further information regarding the Bank Program, please review the Program Disclosure, which is available from your financial advisor or at edwardjones.com/bankdeposit.

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
Goldman Sachs Bk USA New York DTD 09/09/2025 F/C 06/09/2026 FDIC Insured to Legal Limits Interest Rate: 3.85% CUSIP: 38150V5V7 Estimated Yield: 3.85%	6/9/2026	240,000.00	**239,985.60**	2.77%
Ally Bk Sandy Utah DTD 04/30/2026 F/C 07/02/2026 FDIC Insured to Legal Limits Interest Rate: 3.75% CUSIP: 02007QBV2 Estimated Yield: 3.75%	7/2/2026	240,000.00	**239,956.80**	0.29%
Key Bk Natl Assn Ohio DTD 05/22/2026 F/C 07/02/2026 FDIC Insured to Legal Limits Interest Rate: 3.8% CUSIP: 49306SX35 Estimated Yield: 3.80%	7/2/2026	248,000.00	**247,970.24**	0.07%

Edward Jones
MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
Southstate Bk Natl Assn Winter Haven FL DTD 05/29/2026 F/C 07/02/2026 FDIC Insured to Legal Limits Interest Rate: 3.85% CUSIP: 84476JDP9 Estimated Yield: 3.85%	7/2/2026	249,000.00	**248,982.57**	-0.01%
Wells Fargo Bk N A Sioux Falls S D DTD 10/15/2025 F/C 07/15/2026 FDIC Insured to Legal Limits Interest Rate: 3.85% CUSIP: 949764SK1 Estimated Yield: 3.85%	7/15/2026	239,000.00	**238,945.03**	2.37%
Peoples Natl Bk Mt Vernon Ill DTD 01/22/2026 F/C 08/24/2026 FDIC Insured to Legal Limits Interest Rate: 3.55% CUSIP: 71123RGT4 Estimated Yield: 3.55%	8/24/2026	244,000.00	**243,748.68**	1.14%
Firstbank Puerto Rico Santurce Instl Ctf Dep Program DTD 09/08/2025 F/C 09/08/2026 FDIC Insured to Legal Limits Interest Rate: 3.8% CUSIP: 33767GKX5 Estimated Yield: 3.80%	9/8/2026	240,000.00	**239,836.80**	2.72%
Goldman Sachs Bk USA New York DTD 09/09/2025 F/C 09/09/2026 FDIC Insured to Legal Limits Interest Rate: 3.8% CUSIP: 38150V5T2 Estimated Yield: 3.80%	9/9/2026	240,000.00	**239,834.40**	2.67%
1st Source Bk South Bend Ind DTD 01/26/2026 F/C 10/26/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 33646CSN5 Estimated Yield: 3.60%	10/26/2026	243,000.00	**242,596.62**	1.06%
Bank Baroda New York Brh DTD 11/14/2025 F/C 11/13/2026 FDIC Insured to Legal Limits Interest Rate: 3.65% CUSIP: 06063HWU3 Estimated Yield: 3.65%	11/13/2026	240,000.00	**239,568.00**	1.79%

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
Toyota FINL Svgs Bk Henderson NV DTD 11/13/2025 F/C 11/13/2026 FDIC Insured to Legal Limits Interest Rate: 3.65% CUSIP: 89235MTL5 Estimated Yield: 3.65%	11/13/2026	240,000.00	**239,568.00**	1.80%
Douglas Natl Bk Douglas GA DTD 11/14/2025 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 259744EH9 Estimated Yield: 3.60%	11/16/2026	240,000.00	**239,503.20**	1.75%
Townebank Portsmouth VA DTD 11/18/2025 F/C 11/18/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 89214PFL8 Estimated Yield: 3.60%	11/18/2026	240,000.00	**239,498.40**	1.69%
Waterstone Bk Ssb Wauwatosa Wis DTD 11/24/2025 FDIC Insured to Legal Limits Interest Rate: 3.45% CUSIP: 941886CE1 Estimated Yield: 3.46%	12/24/2026	240,000.00	**239,196.00**	1.43%
Enterprise Bk & Tr Clayton MO DTD 01/23/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 29367SMV3 Estimated Yield: 3.60%	1/22/2027	249,000.00	**248,325.21**	0.99%
City Natl Bk Los Angeles Calif DTD 01/26/2026 F/C 01/26/2027 FDIC Insured to Legal Limits Interest Rate: 3.65% CUSIP: 178180HE8 Estimated Yield: 3.65%	1/26/2027	241,000.00	**240,416.78**	1.00%
First-Citizens Bk & Tr Co Raleigh N C DTD 02/18/2026 F/C 02/18/2027 FDIC Insured to Legal Limits Interest Rate: 3.7% CUSIP: 319477BA2 Estimated Yield: 3.70%	2/18/2027	240,000.00	**239,467.20**	0.80%

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
Waterstone Bk Ssb Wauwatosa Wis DTD 01/20/2026 F/C 07/20/2026 FDIC Insured to Legal Limits Interest Rate: 3.4% CUSIP: 941886CG6 Estimated Yield: 3.40%	2/22/2027	245,000.00	**244,421.80**	0.97%
Nebraskaland Bk North Platte NE DTD 03/30/2026 FDIC Insured to Legal Limits Interest Rate: 3.65% CUSIP: 63970MAL9 Estimated Yield: 3.66%	3/30/2027	249,000.00	**248,275.41**	0.32%
State Bk India New York N Y DTD 04/08/2026 F/C 04/08/2027 FDIC Insured to Legal Limits Interest Rate: 3.9% CUSIP: 856288FL4 Estimated Yield: 3.90%	4/8/2027	240,000.00	**239,786.40**	0.47%
Bankgloucester DTD 01/15/2026 F/C 07/15/2026 FDIC Insured to Legal Limits Interest Rate 3.5% CUSIP: 06644RAN9 Estimated Yield: 3.52%	7/15/2027	245,000.00	**243,593.70**	0.72%
Bank Hapoalim B M New York Brh DTD 01/21/2026 F/C 07/21/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 06251FDC0 Estimated Yield 3.61%	7/16/2027	245 000.00	**243,880.35**	0.82%
Kentland Bk Ind DTD 01/16/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 490846AE2 Estimated Yield 3 61%	7/16/2027	249 000 00	**247,837.17**	0.86%

^The values shown for CDs represent estimated values if sold prior to maturity Actual prices may be higher or lower. Generally, if held until maturity, the maturity value plus any accrued interest due will be credited to your account.

Edward Jones
MAKING SENSE OF INVESTING

Asset Details (continued)

Government and Agency Securities	Maturity Date	Quantity	Value	Rate of Return*
United States Treas NTS DTD 06/30/2021 Interest Rate: 0.87% CUSIP: 91282CCJ8 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 0.87%	6/30/2026	300,000.00	**299,319.00**	0.14%
United States Treas NTS DTD 06/30/2024 Interest Rate: 4.62% CUSIP: 91282CKY6 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.62%	6/30/2026	299,300.00	**299,503.52**	0.16%
United Sts Treas Bills DTD 01/02/2026 F/C 07/02/2026 CUSIP: 912797TF4 Bond Rating: None Asset Category: Income	7/2/2026	300,000.00	**299,067.00**	0.28%
United Sts Treas Bills DTD 07/10/2025 F/C 07/09/2026 CUSIP: 912797RF6 Bond Rating: None Asset Category: Income	7/9/2026	300,000.00	**298,851.00**	0.26%
United States Treas NTS DTD 07/15/2023 Interest Rate: 4.5% CUSIP: 91282CHM6 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.49%	7/15/2026	300,000.00	**300,276.00**	-0.04%
United States Treas NTS DTD 03/15/2024 Interest Rate: 4.25% CUSIP: 91282CKE0 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.23%	3/15/2027	297,300.00	**298,281.09**	0.87%
United States Treas NTS DTD 04/15/2024 Interest Rate: 4.5% CUSIP: 91282CKJ9 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.47%	4/15/2027	296,300.00	**297,891.13**	0.82%

Edward Jones
MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Asset Details (continued)

Government and Agency Securities	Maturity Date	Quantity	Value	Rate of Return*
United States Treas NTS DTD 05/15/2024 Interest Rate: 4.5% CUSIP: 91282CKR1 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.47%	5/15/2027	200,000.00	**201,076.00**	0.42%
United States Treas NTS DTD 05/31/2025 Interest Rate: 3.87% CUSIP: 91282CNE7 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 3.87%	5/31/2027	298,300.00	**298,219.46**	0.75%
United States Treas NTS DTD 06/15/2024 Interest Rate: 4.62% CUSIP: 91282CKV2 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.59%	6/15/2027	295,300.00	**297,417.30**	0.71%

Asset Details (continued)

Government and Agency Securities	Maturity Date	Quantity	Value	Rate of Return*
United States Treas NTS DTD 06/30/2025 Interest Rate: 3.75% CUSIP: 91282CNL1 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 3.75%	6/30/2027	200,000.00	199,648.00	0.40%

Estimated Yield
The Estimated Yield (EY) in the preceding section compares the anticipated earnings on your investments in the coming year to the current price of the investments. It is based on past interest and dividend payments made by the securities held in your account. Changes in the price of a security over time or in the amount of the investment held in your account will cause the EY to vary. The EY is only an estimate and cannot be guaranteed by Edward Jones or the issuers of the securities. Your actual yield may be higher or lower than the estimated amounts. Estimates for any securities that have a return of principal or capital gain may be overstated. Income cannot be estimated for any securities that do not have an annual payment amount or frequency available at the time of estimation. Yield to Maturity is typically reported for Zero Coupon Bonds as these securities do not have an annual payment.

Bond rating(s) displayed are supplied by third party credit rating agencies Standard & Poor's (S&P), Moody's and Fitch. The bond ratings shown are the highest of several possible credit ratings assigned by S&P, Moody's or Fitch for a particular bond and may reflect factors in addition to the credit quality of the issuer, such as bond insurance or participation in a credit enhancement program. For more details regarding third party credit rating agency ratings and methodologies, contact your financial advisor or visit www.edwardjones.com/bondcreditratings.

S&P requires we inform you: (1) Ratings are NOT recommendations to buy, hold, sell or make any investment decisions and DO NOT address suitability or future performance; (2) S&P DOES NOT guarantee the accuracy, completeness, or availability of any ratings and is NOT responsible for results obtained from the use of any ratings. Certain disclaimers related to its ratings as are more specifically stated at http://www.standardandpoors.com/disclaimers.

Edward Jones Fixed Income research reports may exist for certain bonds/issuers held in your account. You may obtain copies of the research reports through Online Access or from your financial advisor.

Total Account Value	$9,488,729.09

*Your Rate of Return for each individual asset above is as of May 29, 2026. Returns greater than 12 months are annualized.

Your Rate of Return in the Asset Details section above measures the investment performance of each of your individual assets. It incorporates the timing of your additions and withdrawals and reflects commissions and fees paid. Reviewing your Rate of Return is important to help ensure you're on track to achieving your financial goals.

The performance of your investments is tracked since they have been held in the current account, but no earlier than Jan. 1, 2009. Certain events, including a transfer of an investment between accounts, share class conversion, or change in an investment's identification code (CUSIP) caused by a corporate action, will impact the time frame over which the investment's rate of return is calculated.

Information used to calculate performance may have been obtained from third parties and Edward Jones cannot guarantee the accuracy of such information.

For the most current information, contact your financial advisor or visit www.edwardjones.com/performance.

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MAKING SENSE OF INVESTING

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Summary of Realized Gain/Loss

	This Year
Short Term (assets held 1 year or less)	$0.00
Long Term (held over 1 year)	0.00
Total	**$0.00**

Summary totals may not include proceeds from uncosted securities or certain corporate actions.

Detail of Realized Gain/Loss from Sale of Securities

	Purchase Date	Sale Date	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
Fifth Third Bk Cincinnati	04/21/2025	04/29	240,000	$240,000.00	$240,000.00	0.00
Wells Fargo Bk N A Sioux Falls	07/29/2025	05/05	240,000	240,000.00	240,000.00	0.00
Bank Amer Na Charlotte NC	07/29/2025	05/06	240,000	240,000.00	240,000.00	0.00
Hometrust Bk Asheville N C	10/06/2025	05/11	239,000	239,000.00	239,000.00	0.00

Cost basis is the amount of your investment for tax purposes and is used to calculate gain or loss upon sale or other disposition of a security. It is not a measure of performance. The cost basis amounts on your statement should not be relied upon for tax preparation purposes. Cost basis information may be from outside sources and has not been verified for accuracy. Refer to your official tax documents for information about reporting cost basis. Consult a qualified tax advisor or an attorney regarding your situation. If you believe the cost basis information is inaccurate, contact Client Relations.

Summary of Activity

Beginning Balance of Cash, Money Market funds and Insured Bank Deposit			**$1,316,748.55**
	Additions	**Subtractions**	
Deposits and Transfers In	$400,000.00		
Income	43,703.47		
Other Income	959,000.00		
Other Additions	347,890.33		
Total Additions			**$1,750,593.80**
Withdrawals to Purchase Securities		-$2,243,357.12	
Total Subtractions			**-$2,243,357.12**
Ending Balance of Cash, Money Market funds and Insured Bank Deposit			**$823,985.23**

Detail of Activity by Category

Additions - Deposits and Transfers In	Date	Where Invested	Quantity	Amount per share/rate	Amount
Business Ck#20267 Atascadero Mutual Water Co	5/14	InsBankDep			$400,000.00

Detail of Activity by Category (continued)

Additions - Income	**Date**	**Where Invested**	**Quantity**	**Amount per share/rate**	**Amount**
Interest					
Fifth Third Bk Cincinnati Due 04/29/2026 3.950 %	4/29	InsBankDep	240,000	0.0395	9,480.00
Insured Bank Deposit Interest	4/30	InsBankDep	844.78		844.78
Nebraskaland Bk North Platte Due 03/30/2027 3.650 %	4/30	InsBankDep	249,000	0.0031	771.90
Wells Fargo Bk N A Sioux Falls Due 05/05/2026 4.300 %	5/05	InsBankDep	240,000	0.032161	7,718.79
Bank Amer Na Charlotte NC Due 05/06/2026 4.250 %	5/06	InsBankDep	240,000	0.031787	7,629.04
Hometrust Bk Asheville N C Due 05/11/2026 3.800 %	5/11	InsBankDep	239,000	0.022175	5,299.91
Douglas Natl Bk Douglas GA Due 11/16/2026 3.600 %	5/14	InsBankDep	240,000	0.002958	710.14
United States Treas NTS	5/15	InsBankDep	200,000	0.0225	4,500.00
Kentland Bk Ind Due 07/16/2027 3.600 %	5/18	InsBankDep	249,000	0.002958	736.77
Waterstone Bk Ssb Wauwatosa Due 12/24/2026 3.450 %	5/26	InsBankDep	240,000	0.017108	4,105.97
Enterprise Bk & Tr Clayton MO Due 01/22/2027 3.600 %	5/26	InsBankDep	249,000	0.002958	736.77
Insured Bank Deposit Interest	5/29	InsBankDep	1,169.4		1,169.40

Additions - Other Income	**Date**	**Where Invested**	**Quantity**	**Amount per share/rate**	**Amount**
Redemptions					
Fifth Third Bk Cincinnati 3.950 Due 04/29/26 Matured Security	4/29	InsBankDep	-240,000		240,000.00
Wells Fargo Bk N A Sioux Falls 4.300 Due 05/05/26 Matured Security	5/05	InsBankDep	-240,000		240,000.00
Bank Amer Na Charlotte NC 4.250 Due 05/06/26 Matured Security	5/06	InsBankDep	-240,000		240,000.00
Hometrust Bk Asheville N C 3.800 Due 05/11/26 Matured Security	5/11	InsBankDep	-239,000		239,000.00

Additions - Other Additions	**Date**	**Where Invested**	**Quantity**	**Amount per share/rate**	**Amount**
Transfer from [redacted]	5/21	InsBankDep			347,890.33

Subtractions - Withdrawals to Purchase Securities	**Date**	**Source of Funds**	**Quantity**	**Amount per share/rate**	**Amount**
Buys					
United Sts Treas Bills Yield 3.310 % to Maturity	4/28	InsBankDep	300,000	99.405853	-298,217.56
Ally Bk Sandy Utah Due 07/02/2026 03.750% Yield 3.750 % to Maturity	4/30	Cash	240,000	100	-240,000.00
United Sts Treas Bills Yield 3.337 % to Maturity	4/30	InsBankDep	300,000	99.355237	-298,065.71

Detail of Activity by Category (continued)

Subtractions - Withdrawals to Purchase Securities	Date	Source of Funds	Quantity	Amount per share/rate	Amount
United States Treas NTS Accrued Interest = 4,856.39 Yield 3.355 % to Maturity	5/07	InsBankDep	299,300	100.180423	-304,696.40
United States Treas NTS Accrued Interest = 964.43 Yield 3.345 % to Maturity	5/13	InsBankDep	300,000	99.672459	-299,981.81
Key Bk Natl Assn Ohio Due 07/02/2026 03.800% Yield 3.800 % to Maturity	5/22	InsBankDep	248,000	100	-248,000.00
United States Treas NTS Accrued Interest = 4,959.94 Yield 3.345 % to Maturity	5/28	InsBankDep	300,000	100.145233	-305,395.64
Southstate Bk Natl Assn Winter Due 07/02/2026 03.850% Yield 3.850 % to Maturity	5/29	InsBankDep	249,000	100	-249,000.00

Insured Bank Deposit Detail by Date

Beginning Balance on Apr 25 **$1,075,979.24**

Date	Transaction	Description	Deposits	Withdrawals	Balance
4/27	Deposit		240,769.31		$1,316,748.55
4/28	Withdrawal			-298,217.56	$1,018,530.99
4/30	Income	Insured Bank Deposit Interest	844.78		$1,019,375.77
4/30	Withdrawal			-288,585.71	$730,790.06
5/01	Deposit		771.90		$731,561.96
5/06	Deposit		247,718.79		$979,280.75
5/07	Withdrawal			-57,067.36	$922,213.39
5/12	Deposit		244,299.91		$1,166,513.30
5/13	Withdrawal			-299,981.81	$866,531.49
5/15	Deposit		710.14		$867,241.63
5/18	Deposit		404,500.00		$1,271,741.63
5/19	Deposit		736.77		$1,272,478.40
5/22	Deposit		99,890.33		$1,372,368.73
5/27	Deposit		4,842.74		$1,377,211.47
5/28	Withdrawal			-305,395.64	$1,071,815.83
5/29	Income	Insured Bank Deposit Interest	1,169.40		$1,072,985.23
5/29	Withdrawal			-249,000.00	$823,985.23
Total			**$1,246,254.07**	**-$1,498,248.08**	

Ending Balance on May 29 **$823,985.23**

Account Holder(s) Atascadero Mutual Water Co
Account Number [redacted]
Financial Advisor(s) Nazaree Jackson, 805-466-2348, 7560 Morro Road, Atascadero, CA 93422

Statement Date Apr 25 - May 29, 2026

Pending Trades

Date	Description	Settlement Date	Total Amount
5/28	Pending buy of Ives Bk Danbury Conn 72,000.00 @ 100.00	6/2/2026	$72,000.00

Atascadero Mutual Water Company

Budget Report — ***For the Period Ending May 31, 2026 (Pre-Audit)***

Description		Budget	Period Budget	Period Actual	YTD Budget	YTD Actual	Remaining Budget	% Used
Operating Revenue								
Water Sales		12,734,000	876,850	1,018,541	1,427,034	1,018,541	11,715,459	8%
Service Chgs		133,000	11,083	18,064	11,083	18,064	114,936	14%
Service Income		5,000	416	550	416	550	4,450	11%
Meter Installation Fees		100,000	8,333	13,104	8,333	13,104	86,896	13%
Connection Fees (WRD)		529,000	44,083	137,200	44,083	137,200	391,800	26%
Nacimiento Surcharge Fees (WRD)		648,000	54,000	53,902	54,000	53,902	594,098	8%
PFAS surcharge		2,130,000	177,500	29,309	177,500	29,309	2,100,691	1%
	Total	**16,279,000**	**1,172,265**	**1,270,670**	**1,722,449**	**1,270,670**	**15,008,330**	8%
Non-Operating Revenue								
Misc income		5,000	416	2,812	416	2,812	2,188	56%
SGMA Grant Revenue		75,000	6,250	-	6,250	-	75,000	0%
Rental Income		202,000	16,833	17,822	16,833	17,822	184,178	9%
Interest Income		200,000	16,666	43,703	16,666	43,703	156,297	22%
Interest Income (WRD)		-	-	41	-	41	(41)	0%
Gain/Loss on Sales		5,000	416	-	416	-	5,000	0%
PFAS Settlement Revenue		-	-	405,780	-	405,780		0%
	Total	**487,000**	**40,581**	**470,158**	**40,581**	**470,158**	**422,622**	97%
Revenue		**16,766,000**	**1,212,846**	**1,740,828**	**1,763,030**	**1,740,828**	**15,430,952**	10%
Plant Operations Expenses								
Employee salaries & wages		2,010,000	167,500	141,055	167,500	141,055	1,868,945	7%
Capitalized wages & benefits		(149,000)	(12,416)	(16,125)	(12,416)	(16,125)	(132,875)	11%
Employee benefits		478,000	39,833	36,870	39,833	36,870	441,130	8%
Accrued Sick Leave Exp		3,000	250	-	250	-	3,000	0%
Other employee expense		26,500	2,208	1,217	2,208	1,217	25,283	5%
Utility charges		16,000	1,333	2,263	1,333	2,263	13,737	14%
Repairs and Maintenance		898,000	74,833	96,580	74,833	96,580	801,420	11%
Outside services		59,000	4,916	10,010	4,916	10,010	48,990	17%
Other expense		172,500	14,375	15,068	14,375	15,068	157,432	9%
PFAS Treatment		80,000	6,666	3,399	6,666	3,399	76,601	4%
Variable energy, chemicals		1,840,000	153,333	120,354	153,333	120,354	1,719,646	7%
Plant Operations Expenses		**5,434,000**	**452,831**	**410,691**	**452,831**	**410,691**	**5,023,309**	**8%**

Atascadero Mutual Water Company

Budget Report

For the Period Ending May 31, 2026 (Pre-Audit)

Description	Budget	Period Budget	Period Actual	YTD Budget	YTD Actual	Remaining Budget	% Used
Non-Plant Operations Expenses							
Employee salaries & wages	1,096,000	91,333	89,175	91,333	89,175	1,006,825	8%
Employee benefits	282,000	23,500	21,334	23,500	21,334	260,666	8%
Accrued Sick Leave Exp	39,000	3,250	840	3,250	840	38,160	2%
Other employee expense	6,000	500	-	500	-	6,000	0%
Insurance	150,000	12,500	12,726	12,500	12,726	137,274	8%
Utility charges	20,000	1,666	1,113	1,666	1,113	18,887	6%
Property Taxes	96,000	8,000	7,727	8,000	7,727	88,273	8%
Repairs and Maintenance	52,000	4,333	1,199	4,333	1,199	50,801	2%
Outside services	389,000	32,416	33,938	32,416	33,938	355,062	9%
Conservation program & rebates	16,000	1,333	2,274	1,333	2,274	13,726	14%
Other expense	286,000	23,833	11,654	23,833	11,654	274,346	4%
Other office expense	283,000	23,583	24,936	23,583	24,936	258,064	9%
Non-Plant Operations Expenses	**2,715,000**	**226,247**	**206,916**	**226,247**	**206,916**	**2,508,084**	**8%**
Non-operating expense							
Income Tax Expense	20,000	1,666	-	1,666	-	20,000	0%
Governing Expense	33,000	2,750	2,500	2,750	2,500	30,500	8%
Nacimiento Water Project	2,609,000	217,416	217,345	217,416	217,345	2,391,655	8%
NWP O&M	1,141,000	95,083	77,041	95,083	77,041	1,063,959	7%
NWP Variable Electric	232,000	19,333	-	19,333	-	232,000	0%
Steinbeck Quiet Title Action	15,000	1,250	441	1,250	441	14,559	3%
SGMA Compliance	175,000	14,583	4,524	14,583	4,524	170,476	3%
PFAS Loan Interest	348,000	29,000	-	29,000	-	348,000	0%
Non-operating expense	**4,573,000**	**381,081**	**301,851**	**381,081**	**301,851**	**4,271,149**	**7%**
Depreciation Expense	1,430,000	119,166	126,962	119,166	126,962	1,303,038	**9%**
Revenue Total	**16,766,000**	**1,212,846**	**1,740,828**	**1,763,030**	**1,740,828**	**15,430,952**	**10%**
Expense Total	**14,152,000**	**1,179,325**	**1,046,420**	**1,179,325**	**1,046,420**	**13,105,580**	**7%**
Net Income (Loss)	**2,614,000**	**33,521**	**694,408**	**583,705**	**694,408**	**2,325,372**	**27%**

Atascadero Mutual Water Company

Income Statement — *For the Period Ending May 31, 2026 (Pre-Audit)*

Description		Current Fiscal YTD	Prior Fiscal YTD
Operating Revenue			
Water Sales		1,018,541	1,014,310
Service Chgs		18,065	9,395
Service Income		550	15
Meter Installation Fees		13,104	15,066
Connection Fees (WRD)		137,200	58,800
NWP Surcharge		53,902	53,786
PFAS surcharge		29,310	30,727
	Total	1,270,672	1,182,098
Non-Operating Revenue			
Misc income		2,812	24
SGMA Grant Revenue		-	29,215
Rental income		17,823	17,198
Interest income		43,703	64,353
Interest Income (WRD)		41	158
PFAS Settlement Revenue		405,781	-
	Total	470,160	110,948
	Total Revenue	1,740,832	1,293,045
Expenses			
Production & Treatment			
Employee salaries & wages		54,163	69,238
Capitalized wages & benefits		(5,144)	(2,661)
Employee benefits		13,335	16,283
Utility charges		830	837
Repairs and Maintenance		32,428	6,214
Outside services		7,760	-
Other expense		7,965	8,381
PFAS Treatment		3,400	1,776
Variable energy, chemicals		120,354	119,243
	Total	235,091	219,311
Transmission & Distribution			
Employee salaries & wages		86,892	123,875
Capitalized wages & benefits		(10,981)	(21,616)
Employee benefits		23,536	26,720
Other employee expense		1,217	1,581
Utility charges		1,433	261
Repairs and Maintenance		64,153	36,212
Outside services		2,250	-
Other expense		7,103	3,901
	Total	175,602	170,934
	Total Plant Operations Expenses	410,693	390,245

Atascadero Mutual Water Company

Income Statement — *For the Period Ending May 31, 2026 (Pre-Audit)*

Description		Current Fiscal YTD	Prior Fiscal YTD
Non-Plant Expense			
Office			
Employee salaries & wages		64,738	88,446
Employee benefits		16,367	19,606
Accrued Sick Leave Exp		840	1,223
Other employee expense		-	259
Insurance		12,727	11,849
Utility charges		1,114	1,045
Property Taxes		7,728	7,358
Repairs and Maintenance		1,150	1,381
Outside services		33,938	39,130
Other expense		7,244	8,573
Other office expense		20,206	19,175
	Total	166,053	198,046
Technology			
Employee salaries & wages		19,353	27,487
Employee benefits		4,104	5,384
Repairs and Maintenance		49	3,262
Outside services		-	434
Other expense		7,543	5,727
Other office expense		4,450	1,729
	Total	35,500	44,023
Conservation			
Employee salaries & wages		5,083	5,685
Employee benefits		864	453
Conservation program & rebates		2,274	1,528
Other expense		(3,132)	2,597
Other office expense		280	280
Conservation		5,369	10,544
Total Non-Plant Operations Expenses		206,922	252,613

Atascadero Mutual Water Company

Income Statement — *For the Period Ending May 31, 2026 (Pre-Audit)*

Description	Current Fiscal YTD	Prior Fiscal YTD
Plant & Non-Plant Depreciation	126,963	125,164
Non-Operating Expense		
Governing Expense	2,500	2,500
Nacimiento Water Project	217,346	217,404
NWP O&M	77,042	150,207
Steinbeck Quiet Title Action	442	8,294
SGMA Compliance	4,525	-
Total	301,853	378,405
Revenue Total	1,740,832	1,293,045
Expense Total	1,046,431	1,146,427
Net Income (Loss)	694,401	146,619

Note: Salaries and wages and pension benefits for the Current Fiscal Year include two payroll cycles in May versus three payroll cycles in the Prior Fiscal Year.

Atascadero Mutual Water Company

Balance Sheet — *For the Period Ending May 31, 2026 (Pre-Audit)*

Description	Current Fiscal YTD	Prior Fiscal YTD
Assets		
Cash In Checking - Columbia	786,785	450,620
Petty Cash Fund-AMWC	600	600
Cash In Savings - Pac Premier	507	507
Water Resource Develop. Fund-	2,274	557
Money Market Certificates-AMWC	9,534,849	5,643,886
Account Receivable	1,266,671	1,145,077
Allowance for Uncollectible	(25,127)	(19,822)
Deposit Receivable-AMWC	19,235	18,613
Rent Receivable-AMWC	300	300
Other Receivable	642,985	556,525
Accounts Receivable -Misc AR	14,014	7,537
Inventory - Material-AMWC	727,016	735,176
Prepaid Ins. - Medical	39,135	35,754
Prepaid Ins - Commercial	127,267	113,992
Prepaid - PropertyTaxes-AMWC	7,728	7,357
Prepaid - Misc-Vendor	90,986	68,837
Prepaid NWP Debt Service	217,345	217,403
Prepaid NWP O&M account	77,041	150,207
Total Current Assets	13,529,611	9,133,126
Working Capital	11,226,465	7,016,753
Fixed Assets		
Land -AMWC	3,392,745	3,392,745
Structures & Improvements-AMWC	4,703,866	4,724,063
Well Equipment-AMWC	8,545,838	8,847,086
Booster Pumping Equipment-AMWC	3,930,817	4,388,202
Treatment Plant Equipment-AMWC	106,692	106,692
Transmission & Distribution-	37,976,533	37,621,037
Storage Tanks-AMWC	8,461,249	8,484,708
SCADA System-AMWC	809,097	1,605,046
Machinery & Equipment-AMWC	1,845,894	1,716,498
Vehicles-AMWC	1,981,954	1,815,105
Office Equipment-AMWC	613,765	2,669,354
Construction In Progress-AMWC	3,525,561	1,744,823
Total Fixed Assets	75,894,011	77,115,359

Atascadero Mutual Water Company

Balance Sheet	*For the Period Ending May 31, 2026 (Pre-Audit)*	
Description	**Current Fiscal YTD**	**Prior Fiscal YTD**
Accumulated Depreciation		
Acc Dep-Structures & Improv	(1,915,754)	(1,838,080)
Acc Dep-Well Equipment-AMWC	(3,515,445)	(3,620,178)
Acc Dep-Booster Pumping Equip-	(1,989,977)	(2,344,988)
Acc Dep-Treatment Plant Equip-	(54,794)	(44,880)
Acc Dep-Transmission & Dist-	(14,933,707)	(14,254,015)
Acc Dep-Storage Tanks-AMWC	(3,254,741)	(3,155,370)
Acc Dep-SCADA System-AMWC	(277,019)	(1,062,237)
Acc Dep-Machinery & Equipment-	(1,141,637)	(1,225,586)
Acc Dep-Vehicles-AMWC	(1,085,487)	(1,001,732)
Acc Dep-Office Equipment-AMWC	(472,766)	(2,507,814)
Total Accumulated Depreciation	(28,641,327)	(31,054,880)
Total Assets	60,782,295	55,193,605

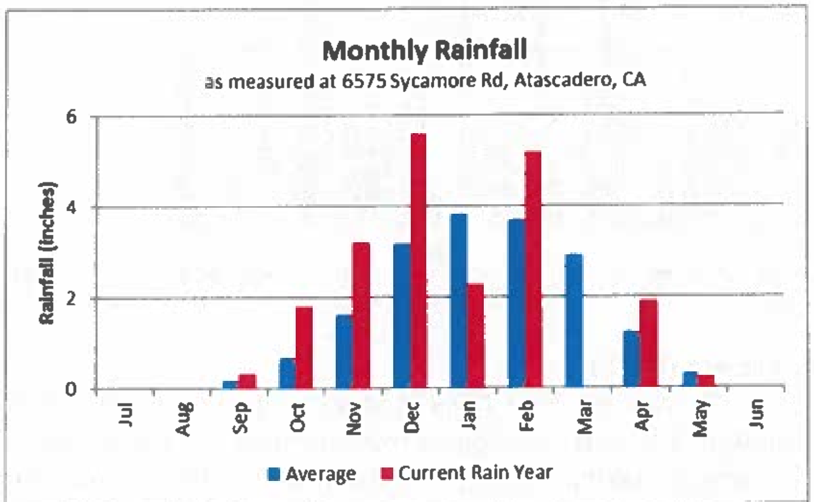
Liabilities		
Account Payable-AMWC	285,332	256,982
Unapplied Customer Payments	42,374	51,979
Accrued Salaries-AMWC	40,798	130,312
Accrued Benefits-AMWC	684,904	679,839
Accrued Taxes - Federal	7	-
Accrued Taxes - Payroll-State-	19	-
Accrued Taxes - Income Tax-FTB	-	4,533
Deposit for Meter installation	109,868	62,240
Deposits - Fire Hydrant Meters	21,110	20,200
Deposits for leases	1,500	3,000
Connect Fees-uninstalled mtrs-	357,700	132,300
Main Extens In Lieu-San Miguel	32,511	32,511
Unearned Cell Site Rent	7	7,301
Total Liabilities	1,576,130	1,381,197
Owner's Equity		
Capital Stock-AMWC	102,350	102,350
Contributed Capital-AMWC	3,290,706	3,088,714
Retained Earnings-AMWC	55,118,708	50,474,725
Current Income	694,401	146,619
Total Liabilities and Owner's equity	60,782,295	55,193,605

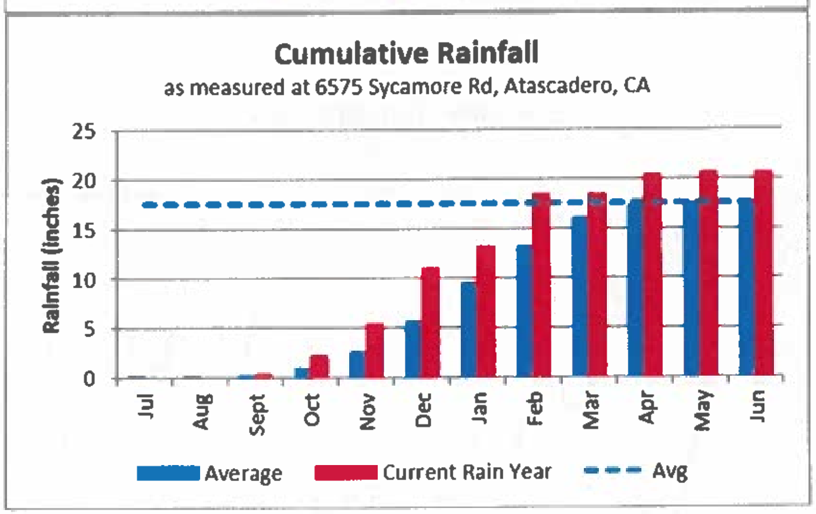
MONTHLY REPORT BY GENERAL MANAGER
July 2026
THE FOLLOWING ITEMS ARE FOR INFORMATION ONLY

REPORT ITEMS - CHANGE OF STATUS:

Rainfall:

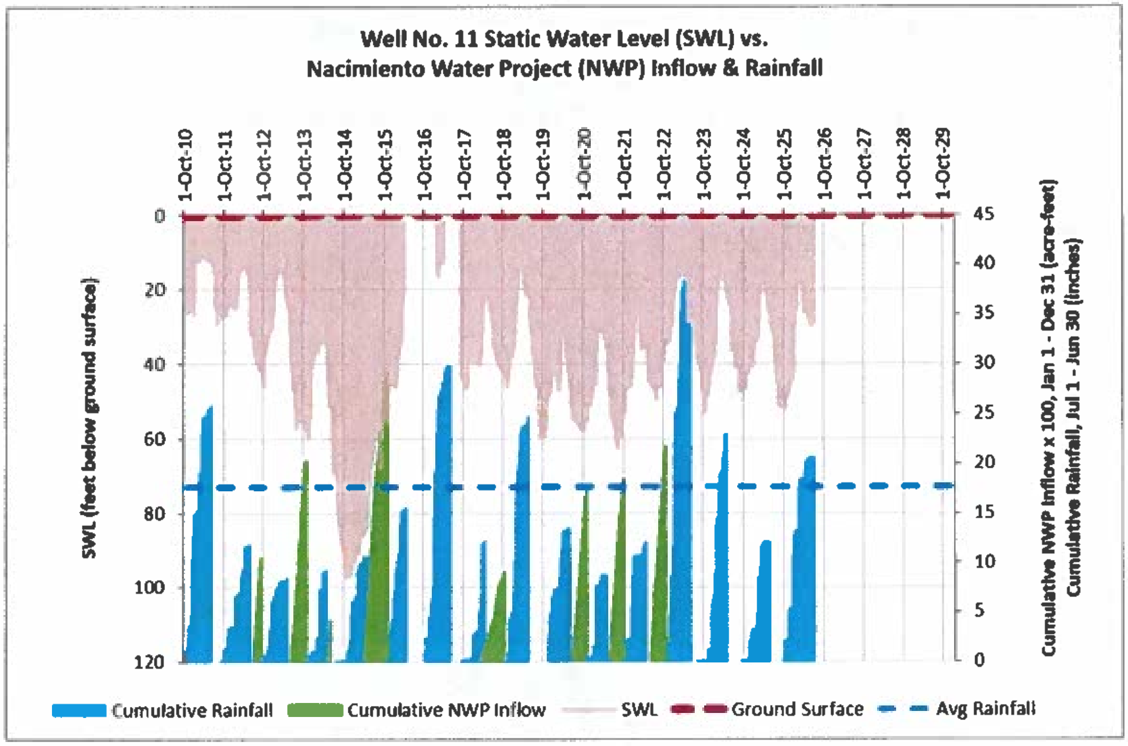
Cumulative rainfall for the rain year ending June 30 is 20.53" at the rain gage at 6575 Sycamore Rd. The long-term average cumulation for this period 17.56".





Well Levels:

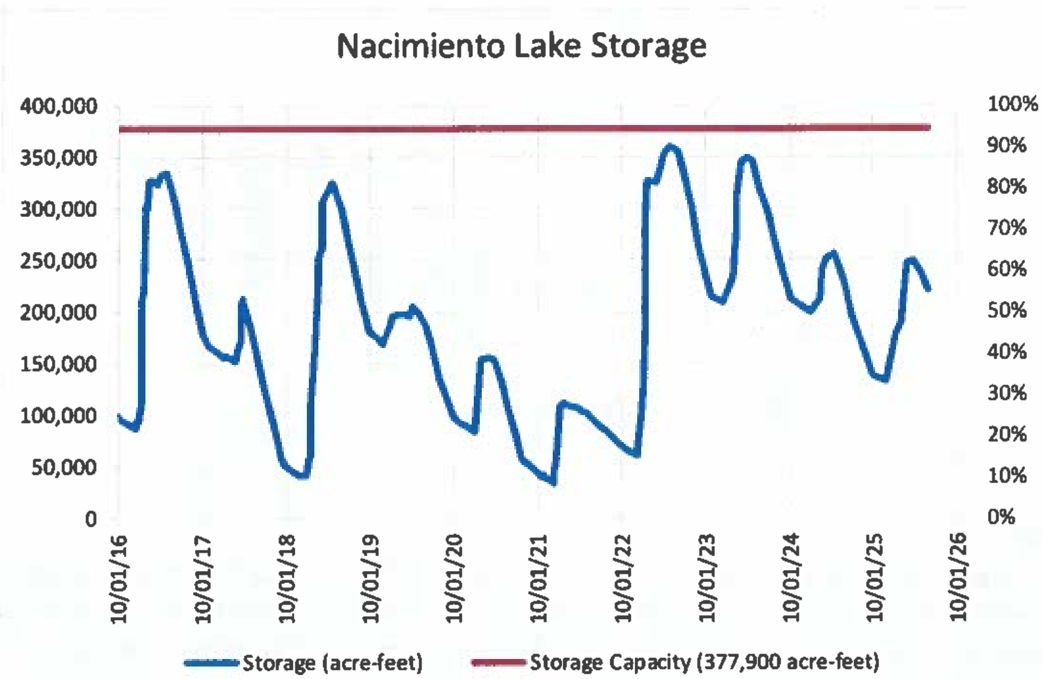
The static water level (SWL) at the northerly end of the main well field held steady at ±29 feet below ground surface (BGS) over the month of June. Groundwater levels at the end of June last year were at 31.3 feet BGS. The chart below shows the relationship between rainfall, NWP recharge, and groundwater elevations.



Nacimiento Water Project (NWP):

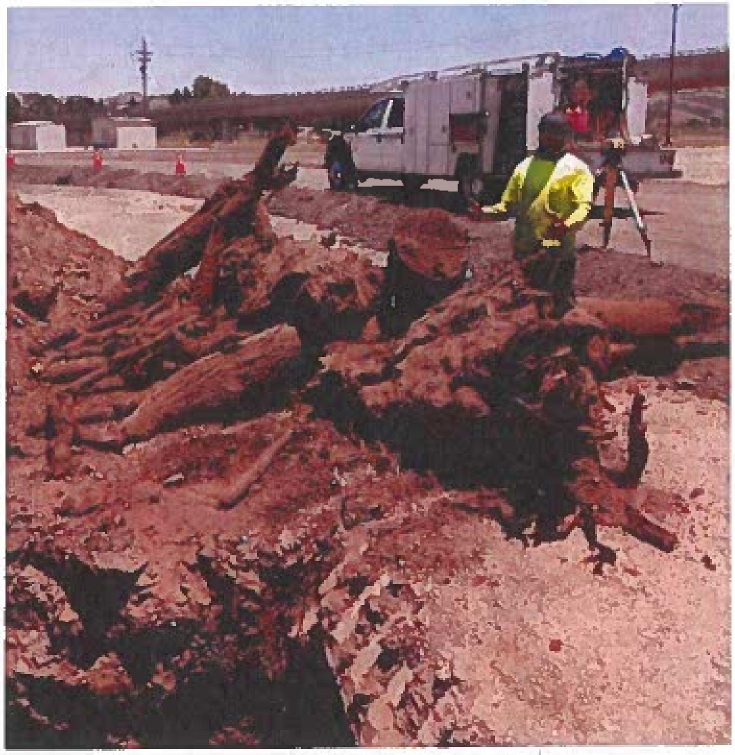
The lake was at 58% capacity with 220,438 acre-feet (af) of storage on May 31, down from 63% capacity on April 30. Current releases from the lake are 264 af/day.

AMWC is not currently taking delivery of water from the Nacimiento Water Project.



PFAS Treatment:

A new driveway has been constructed to access the corporate yard at the southerly end of the water treatment plant site. Over-excavation down to native sand is underway. The photograph below shows some of the debris that has been encountered during the excavation.



Permit to Issue Shares, Paseo Paloma II:

Staff is still waiting to receive a recorded copy of the grant deed that creates a separate parcel for the project before initiating any work related to preparing an application for a permit to issue shares.

<u>ANNOUNCEMENTS:</u>

Next Meeting Date: Regular Meeting, August 12, 2026, 4:30 p.m.

BOARD OF DIRECTORS AGENDA REPORT
July 8, 2026
ACTION ITEM

SUBJECT:

Cell Site Lease Purchase Agreement

G.M. RECOMMENDATION:

Consider the revised proposal from Landmark Dividend to purchase AMWC's cell site leases and provide direction to the General Manager.

PREPARED BY:

John Neil

DISCUSSION:

AMWC currently has three cellular site leases: two on the Pine Mountain Tank property and one on the Santa Ana Tank property. All leases are for a single carrier/single frequency. The existing lease agreements allow the lessee to terminate their leases for any reason and with no penalties. Table 1 summarizes the terms of the existing leases.

Table 1 – Existing Lease Terms

Lessee	Site	Monthly Rent a/o 07/01/2026	Annual Escalation	Years Remaining w/ all extensions	Expiration Date w/ all extensions	Sublessee Revenue Sharing Lessor/Lessee
Crown Castle (T-Mobile)	Pine Mtn	$3,697.11	4%	6.9	03/11/2033	50%/50%
AT&T	Pine Mtn	$4,639.52	4%	16.9	03/31/2043	50%/50%
Crown Castle	Santa Ana	$4,051.67	4%	16.9	04/01/2043	50%/50%
	TOTAL	**$12,408.59**				

At its June 2026 meeting, the Board rejected a lease purchase offer by Landmark. The Board felt the lump sum payment for a 15-year lease purchase option ($1.65 million) undervalued the worth of the existing leases. The net present value of the existing leases is $1.58 million, assuming the expiration dates shown in the table above.

On June 16, 2026, Landmark Dividend sent an email revising its proposed lump sum payment, term, and revenue sharing terms for the lease purchase as shown in the table below.

Table 2 – Landmark Dividend Revised Proposal Summary

Payment Terms	Payment Amount	Taxes*	Net Revenue	Sublessee Revenue Sharing Lessor/Lessee	Term (years)	Lease Purchase Expiration Date
Lump Sum	$1,725,000	($152,490)	$1,572,510	60%/40%	16	08/01/2042

*Corporate tax rate = 8.84%

FINANCIAL IMPACT:

Table 3 shows the net present value of the current leases, assuming the lessees utilize all renewal periods allowed under their current leases. Staff used a 6.5% discount rate for the analysis, which is the anticipated interest rate for the PFAS water treatment plant debt. Note the T-Mobile lease expires 10 years before the AT&T and Crown Castle leases.

Table 3 – NPV Current Leases (8/1/2026-8/1/2042)

Lessee	Site	NPV[1]	NPV Taxes[2]	NPV Net Revenue	Years Remaining w/ all extensions	Lease Expiration Date
Crown Castle (T-Mobile)	Pine Mtn	$270,169	($27,068)	$243,101	6.6	03/11/2033
AT&T	Pine Mtn	$739,200	($64,122)	$675,078	16.0	08/01/2042
Crown Castle	Santa Ana	$639,254	($50,433)	$588,821	16.0	08/01/2042
	TOTAL	**$1,648,623**	**($141,623)**	**$1,507,000**		

[1]Discount rate = 6.5% = estimated PFAS loan interest rate
[2]Corporate tax rate = 8.84%

Table 4 shows the net present value of the existing lease with the assumption that Crown Castle (T-Mobile) chooses to extend its current lease by two 5-year terms.

Table 3 – NPV Current Leases (8/1/2026-8/1/2042)
Assuming 10-year Extension to T-Mobile Lease

Lessee	Site	NPV[1]	NPV Taxes[2]	NPV Net Revenue	Lease Expiration Date	Lease Purchase Expiration
Crown Castle (T-Mobile)	Pine Mtn	$581,412	($55,449)	$525,963	03/11/2043	08/01/2042
AT&T	Pine Mtn	$739,200	($64,122)	$675,078	03/31/2043	08/01/2042
Crown Castle	Santa Ana	$639,254	($50,433)	$588,821	04/01/2043	08/01/2042
	TOTAL	**$1,959,866**	**($170,004)**	**$1,789,862**		

[1]Discount rate = 6.5% = estimated PFAS loan interest rate
[2]Corporate tax rate = 8.84%

ATTACHMENTS:

A. Revised Landmark Dividend Proposal, 06/16/2026
B. Landmark Dividend Proposal, 05/31/2026

From: Luke Prybylski <lprybylski@landmarkdividend.com>
Sent: Tuesday, June 16, 2026 11:56 AM
To: John Neil <jneil@amwc.us>
Subject: Re: Landmark Dividend Cellular Lease Purchase

Dear John,
After speaking with my team and reviewing the document you sent over, I am able to make an offer of $1,725,000 for a term of 16 years.
I was also able to get the 60% / 40% revenue-sharing structure approved, with 60% of future tenant revenue outside the currently leased area going to Atas Mutual Water Company and 40% going to Landmark Dividend.
I appreciate the time and effort that went into the report and the board's feedback. Please let me know if you have any questions or if there is anything further I can provide for the board's review.
Best regards,
Luke Prybylski

Luke Prybylski
Vice President, Acquisitions
646.503.6360 | Direct

LANDMARK
DIVIDEND

May 21, 2026

Terms of Agreement

Lease Information:
Seller/Site Owner: Atas Mutual Water Company
Mailing Address: PO BOX 6075
Atascadero, CA 93423-6075

Tenant	Current Rent	Escalation Rate	Site Address
Crown Castle	$4,051.68 Monthly	4.00% Annually	13655 Santa Ana Rd, Atascadero, CA 93422-7106
AT&T Mobility	$4,639.50 Monthly	4.00% Annually	7125 Serena Ct, Atascadero, CA 93422-4515
Crown Castle	$3,895.84 Monthly	4.00% Annually	7125 Serena Ct, Atascadero, CA 93422-4515

Premises and Assignment of Lease: The Premises shall be approximately the leased premises described by the existing cellular lease (the "Lease(s)") and a non-exclusive right for access and utility service. The Premises will be confirmed by a survey performed during due diligence. Landmark will be assigned the Lease(s) for the duration of the Term (as defined below). If the Lease terminates during the Term, Site Owner shall directly lease the Premises to Landmark for the remainder of the Term for the purpose of subleasing the Premises to wireless service providers.

Confidentiality: Site Owner agrees not to disclose any of the terms of this agreement to any unrelated third parties, except for its broker, agent, lawyers, consultants, bookkeepers and tax advisors, without Landmark's prior written consent for the later of one (1) year from the date of this document or the date on which both parties enter into a mutually acceptable purchase and sale agreement.

Exclusivity: Until the expiration of this agreement, Site Owner shall not, directly or indirectly, (a) offer the Lease(s) or the Premises for sale or assignment to any other person; (b) negotiate, solicit or entertain any offers to sell or assign any interest in the Lease(s) or the Premises to any other person; or (c) modify, amend, supplement, extend, renew, terminate or cancel the Lease(s).

The purchase price shall be the gross purchase price from which will be deducted:

- Prorated rent for the remainder of the month/year of closing
- If applicable, the next two months' of rent payments to account for the time it takes the tenant time to recognize Landmark as the new payee (Site Owner shall be entitled to receive and deposit the next two monthly rent checks after closing, provided however, if one or both rent checks are received by Landmark, Landmark will pay to Site Owner the sum of the rental revenue not received by Site Owner for the 2 months following closing once received by Landmark); and
- Transfer taxes.

Offer Expiration Date: June 25, 2026

* Landmark will complete a title search of the property on which the telecom site is located (the "Property") and perform any and all due diligence on the Property, including a survey of the Easement Area and site inspection at its sole cost and expense. Site Owner will provide Landmark with attorney comments to any of Landmark's transaction documents within five (5) days of the receipt of such documents. If there is a mortgage or lien on the Property, Site Owner agrees to use commercially reasonable efforts to obtain a non-disturbance agreement ("NDA") from the lender or lienholder. In the event the NDA cannot be obtained, Landmark may still close the transaction subject to a twenty percent (20%) reduction in the Purchase Price, provided the Property satisfies Landmark's loan-to-value calculation and Site Owner complies with Landmark's additional due diligence requests.

* Our signatures below acknowledge that these are the business terms upon which this transaction will be completed and authorizes Landmark to proceed with this transaction. Closing is subject to Landmark's receipt and evaluation of the document checklist items, completion of due diligence and final underwriting approval, and a mutually acceptable easement and purchase agreement. Landmark will endeavor to close this transaction within forty-five (45) days of its receipt of Site Owner's signature below or if that is not possible, within five (5) days of the receipt of all due diligence including any necessary NDAs or consents and

the expiration or waiver of any right of first refusal (the "ROFR") of any tenant. If Landmark does not close the transaction within ninety (90) days of the date of Site Owner's signature below, this agreement will expire unless extended by mutual written consent.

* For the purposes of this document, "Landmark" and "Site Owner" shall refer to and mean Landmark Dividend LLC and its affiliates and Site Owner and their respective affiliates, successors and/or assigns.

Additional Terms:

• Landmark and Site Owner also agree to share any future rent from carriers 50/50 (50% to Site Owner) who may require additional space outside of the ground lease. In the event an agreement is executed with a carrier for space outside of the ground lease, the parties shall enter into a mutually agreeable amendment to the easement contemplated herein to include such additional space.

Purchase Price and Term: Initial below

1. _______ Purchase Price: $1,650,000.00
Term: 180 Months
Type: Lump Sum

Please sign and date below and return at your earliest convenience

Approved by:

____
John Neil

Date: ______________________________
Phone: ______________________________
Email: ______________________________

____
Landmark Authorized Signatory

BOARD OF DIRECTORS AGENDA REPORT
July 8, 2026

ACTION ITEM

SUBJECT:
High-Usage Billing Adjustment, 9223 Lucinda Lane

G.M. RECOMMENDATION:
Grant shareholder's request for an adjustment to a high-use water bill for the property at 9223 Lucinda Lane per Alternative 3.

PREPARED BY:
John Neil

DISCUSSION:
On June 4, 2026, staff received a letter from the shareholder of the subject property requesting that the Board consider granting a second high-use adjustment in a 24-month period (see Attachment A).

The shareholder wrote that he has an issue with ground squirrels chewing on irrigation control valve wiring caused the valves to stay on for long periods of time resulting in the high-use water bill shown below.

High-Use Water Bill

Billing Period	Use (1,000 gal)	High-use Bill
Apr 2026	142	$1,518.34

Historic Water Use

Billing Period	Use (1,000 gal)
Apr 2024	8
Apr 2025	6
2-yr Avg Use	7
2-yr Avg Bill	$71.57

The Board has adopted a high-use billing adjustment policy that gives staff the ministerial authority to adjust a shareholder's water bill under to the following conditions:

- The high use must be at least two times higher than the average use for the same month for the two years immediately prior to the month being considered for an adjustment, and
- Only one high-use adjustment is allowed in a 24-month period for a property, and
- Only one month of high use is to be considered for an adjustment.
- The high-use adjustment is half the difference between the high-use bill and the two-year average bill for the month under consideration

- Allow shareholders to pay off the balance of the high-use water bill under a four (4) month payment plan.

The shareholder does not qualify for an adjustment to the high-use water bill shown above because the shareholder was previously granted a high use adjustment within the past 24 months as shown in the table below.

High-Use Billing Adjustment

Billing Period	Use (1,000 gal)	Bill	High use Adjustment	Adjusted Bill
Jul 2024	147	$1,527.42	($599.76)	$927.66

ALTERNATIVES:

<u>Alternative 1</u> – Deny request for a second high-use adjustment. The shareholder will not be eligible for another high-use billing adjustment until July 2026.

<u>Alternative 2</u> – Allow the shareholder to pay off the high-use bill balance under a 12-month payment plan. Payment under the plan would be in addition to future monthly water charged incurred by the shareholder.

<u>Alternative 3</u> - Grant the shareholder a second high-use adjustment within 24 months of the July 2024 adjustment plus a 12-month payment plan per Alternative 2. The shareholder will not be eligible for another high-use adjustment until July 2028.

Second High-Use Billing Adjustment

Apr 2026 High-Use Water Bill	2-year Average-Use Water Bill	Difference	Apr 2026 High-Use Adjustment	Adjusted Bill
$1,518.34	$71.57	$1,446.77	($723.39)	$794.96

<u>Alternative 4</u> – Grant the shareholder an adjustment for the April 2026 high use less the adjustment previously granted for the July 2024 high use plus a 12-month payment plan per Alternative 2. The shareholder will not be eligible for another high-use billing adjustment until April 2028.

Second High-Use Billing Adjustment Less First Adjustment

Apr 2026 High-Use Water Bill	Apr 2026 High-Use Adjustment	Jul 2024 High-Use Adjustment	Net Adjustment	Adjusted Bill
$1,518.34	($723.39)	$599.76	($123.63)	$1,394.71

FISCAL IMPACT:

<u>Alternative 1</u>: No further reduction in operating revenue.

<u>Alternative 2</u>: No further reduction in operating revenue.

Alternative 3: A $723.39 reduction in operating revenue.

Alternative 4: A $123.63 reduction in operating revenue.

ATTACHMENTS:

A. Shareholder's 06/04/26 request

ATTACHMENT A

RECEIVED
JUN 04 2026
AMWC

[redacted]
9223 Lucinda Lane
Atascadero, CA 93422
[redacted]

Dear AMWC staff,

I'm writing to see if it is possible to bet a second adjustment on my water bill for my April 2026 invoice. It has been almost two years since my last adjustment. Unfortunately, I am very low on funds and I need help.

I have a ground squirrel issue at my property. They like to get into my valve box and chew on the wires. Sometimes this will make a valve stay on for days or weeks before anyone notices it. They also chew holes in my drip irrigation lines. We are constantly fixing leaks.

Please see what you can do to help me. Thank you.

[redacted]

BOARD OF DIRECTORS AGENDA REPORT
July 8, 2026

ACTION ITEM

SUBJECT:
Revision to Board Policy 1.1.1 Wise & Beneficial Use of Water Prohibiting Potable Water use for Non-functional Turf Irrigation in Compliance with AB 1572

CONSERVATION MANAGER RECOMMENDATIONS:
Adopt revisions to the Wise & Beneficial Use of Water which meets the minimum state compliance requirements.

PREPARED BY:
Jaime Hendrickson

DISCUSSION:
Over the past two decades, California has enacted several landmark policies to reduce water consumption and ensure sustainable water management. Among these is Assembly Bill 1572 (AB 1572), signed into law on October 13, 2023, which builds upon prior conservation efforts, including the Making Conservation a California Way of Life initiative established under Senate Bill 606 and Assembly Bill 1668 in 2018.

AB 1572 specifically addresses the wasteful use of potable water for irrigating nonfunctional turf (NFT) on commercial, industrial, and institutional (CII) properties, as well as common areas of homeowners' associations (HOAs) and community service organizations. Nonfunctional turf refers to decorative grass areas that do not serve a recreational or community purpose, such as turf in street medians, business parks, or office landscapes. The continued irrigation of these areas with potable water is no longer considered a sustainable practice.

The legislation phases in a statewide prohibition on potable water use for NFT irrigation according to the following schedule:

- January 1, 2027: Applies to all properties owned by local governments, local or regional public agencies, and public water systems.
- January 1, 2028: Extends to all other institutional, commercial, and industrial properties, including those in disadvantaged communities.
- January 1, 2029: Applies to common areas of homeowners' associations, common interest developments (CIDs), and community service organizations.
- January 1, 2031: Extends to public properties in disadvantaged communities, contingent on the availability of state funding for turf conversion programs.

In addition to the irrigation prohibition, AB 1572 requires public water systems to update their local ordinances, regulations, or policies by January 1, 2027, and communicate these requirements to their customers. Larger property owners, those with more than 5,000 square feet of irrigated area, will be required to certify their compliance with the State Water Resources Control Board beginning in 2030 and 2031, depending on their property type.

Given these requirements, the proposed update to the policy is necessary to ensure compliance with state law.

This action reflects our commitment to responsible water management and ensures that we remain compliant with state mandates while serving the best interests of our shareholders.

FISCAL IMPACT:

The adoption of this ordinance does not have an immediate impact on AMWC's budget. The ordinance itself fulfills the state-mandated requirement to prohibit potable water use for irrigating nonfunctional turf (NFT) and aligns with Assembly Bill 1572 (AB 1572) and Water Code § 10608.14.

However, there are potential indirect financial impacts to customers that may arise from customer compliance, enforcement, and implementation efforts over time. These may include:

- Compliance Costs: Commercial, industrial, and institutional (CII) property owners, as well as homeowners' associations (HOAs), will need to stop watering their nonfunctional turf. These customers may choose to modify their irrigation practices, transition to low water use landscaping, or remove existing NFT to meet the new requirements.
- Certification Requirements: Beginning in 2030 (for CII properties) and 2031 (for HOAs and CIDs), property owners with more than 5,000 square feet of irrigated area will need to certify compliance with the State Water Resources Control Board every three years.
- Enforcement Penalties: Noncompliance may result in civil penalties as authorized under Water Code § 1846 or other agency-imposed fines, depending on the enforcement framework established.

Any programs developed to support enforcement and implementation of this ordinance, including increased incentive programs for turf replacement, will follow the AMWC's normal budgetary approval processes.

At this time, no immediate financial obligations are being requested. Any future funding needs will be brought before the Board for approval.

ATTACHMENTS:

A. Revised Policy 1.1.1, Wise & Beneficial Use of Water (redlined)
B. Assembly Bill 1572

1.1.1 Wise & Beneficial Use of Water (BP)

Adopted: March 15, 2000

Revised: July 8, 2026

POLICY

AMWC prohibits the wasteful uses of water listed below to promote the wise & beneficial use and long-term conservation of water by its shareholders. Urban water purveyors are required to make these prohibitions permanent under the ~~Governor's Executive Order No. B-17-16 and subsequent~~Make Conservation a Way of Life initiative established under Senate Bill 606 and Assembley Bill 1668 in 2018. ~~regulations~~ Assembly Bill 1572 which specifically addresses nonfunctional turf was adopted by the State Water Resources Control Board on January 1, 2025.

A. *Irrigation and Plumbing leaks*~~: The~~*: The* escape of water through breaks or leaks within the water user's plumbing or distribution system for any substantial period of time within which such break or leak should reasonably have been discovered and corrected. It shall be presumed that a period of 24 hours after the water user discovers such leak or break, whichever occurs first, is a reasonable time within which to correct such leak or break.

B. *Run-off from landscaped surfaces:* ~~Watering of grass, lawns, ground-cover, shrubbery, open ground, crops and trees~~The application of potable water to outdoor spaces, including agricultural irrigation, in a manner or to an extent which allows ~~substantial~~ incidental ~~amounts of excess water to~~ run-off such that water flows onto adjacent property, non-irrigated areas, or hardscapes (private and public walkways, roadways, parking lots, or structures).

C. *Outdoor Watering Hours*~~: Overhead~~: Overhead watering of grass, lawns, ~~ground-cover~~groundcover, shrubbery, open ground, crops, and trees, including agricultural irrigation, between the hours of 10 a.m. and 5 p.m. Overhead watering is any method of irrigation in which water is sprayed under pressure through the air to the ground surface, including but not limited to the use of devices such as sprinklers.

D. *Irrigation After Rain Event*: ~~Watering of~~ The application of potable water to outdoor landscapes during and ~~up to~~within 48 hours after measurable rainfall.

E. *Washing of hard-surfaced areas:* Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, except under the following conditions: 1) to alleviate safety or sanitary hazards, and then only by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device; *or* 2) when a low-volume, high-pressure cleaning machine or a low-volume high-pressure water broom is used.

F. *Washing of Vehicles*~~: Using~~*: Using* a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

G. *Decorative Water Features*~~: The~~: The use of potable water in an ornamental fountain or decorative water features, except where water is part of ~~that do not recirculate the water~~a recirculating system.

H. *Irrigation of ~~Median Turf~~Nonfunctional Turf*: ~~Irrigation with potable water of ornamental turf on~~

~~public street medians.~~ The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

(1) All properties owned by the Department of General Services, beginning January 1, 2027.

(2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners' associations, common interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

~~1.~~ Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need

~~H.~~I. *New Construction Irrigation:* Irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems.

In the event any person, firm, partnership, association, corporation, or political entity is found by the Board of Directors to be in violation of any prohibition under this policy, the Board of Directors may impose a special water waste surcharge against such person's account and may temporarily or permanently discontinue or restrict, with a flow regulating device, water service to the affected property.

Before taking such action, the Board of Directors shall give any such person thirty (30) days written notice and an opportunity to be heard and protest against the finding of such violation and the imposition of such measures.

The Board may determine the terms and conditions of the discontinuance or restriction of service and may, in its sole discretion, establish the amount of such surcharges as will reasonably compensate AMWC and its customers for all loss of water and other damages incurred.

PURPOSE

The purpose of this policy is to ensure that AMWC shareholders are aware of the need to use AMWC's limited water resources wisely and efficiently. This policy is intended to conform with the requirement that urban water purveyors make these prohibitions permanent under the Governor's Executive Order No. B-17-16 and subsequent regulations adopted by the State Water Resources Control Board. AMWC is committed to the responsible management of potable water and promoting the goals of the Sustainable Groundwater Management Act (SGMA), by managing local water supplies, and by decreasing the unnecessary pumping of groundwater resources for use in wasteful applications.

Assembly Bill No. 1572

CHAPTER 849

An act to amend Sections 10540, 10608.12, and 10608.22 of, to add Section 110 to, and to add Chapter 2.5 (commencing with Section 10608.14) to Part 2.55 of Division 6 of, the Water Code, relating to water.

[Approved by Governor October 13, 2023. Filed with Secretary of State October 13, 2023.]

legislative counsel's digest

AB 1572, Friedman. Potable water: nonfunctional turf.

(1) Existing law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water.

This bill would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

(2) Existing law, the Integrated Regional Water Management Planning Act, authorizes a regional water management group to prepare and adopt an integrated regional water management plan in accordance with specified requirements, including, among other things, the identification and consideration of the water-related needs of disadvantaged communities in the area within the boundaries of the plan.

This bill would additionally require an integrated regional water management plan to address the identification and consideration of the water-related needs of owners and occupants of affordable housing, including the removal and replacement of nonfunctional turf.

(3) Existing law provides various findings and declarations of the Legislature related to sustainable water use and demand reduction. Existing law imposes various water use reduction requirements that apply to urban retail water suppliers, including a requirement that the state achieve a 20% reduction in urban per capita water use by December 31, 2020.

This bill would prohibit the use of potable water, as defined, for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities, as specified. The bill would authorize the State Water Resources Control Board to create a form for compliance certification and would require owners of covered properties to certify their compliance, as specified. The bill would authorize a public water system, city, county, or city and county to enforce these provisions, as specified. The bill would require the Governor's Office of Business and Economic Development to support small and minority-owned businesses that provide services that advance compliance with these provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 110 is added to the Water Code, to read:

110. (a) The Legislature hereby finds and declares all of the following:

(1) The use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem.

(2) The Governor reported in August 2022 that climate change will bring significant enduring reductions in California's water supply and that the state must take steps to respond to this reality.

(3) The State of Nevada enacted AB 356 in 2021 to prohibit the use of Colorado River water to irrigate nonfunctional turf on all properties except single-family residences by January 1, 2027.

(b) It is the intent of the Legislature that the irrigation of grasses for agricultural production shall not be limited by requirements to eliminate the use of potable water to irrigate nonfunctional turf.

(c) The Legislature hereby directs all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

SEC. 2. Section 10540 of the Water Code is amended to read:

10540. (a) A regional water management group may prepare and adopt an integrated regional water management plan in accordance with this part.

(b) A regional water management group may coordinate its planning activities to address or incorporate all or part of any of the following actions of its members into its plan:

(1) Groundwater management planning pursuant to Part 2.75 (commencing with Section 10750), groundwater sustainability planning pursuant to Part 2.74 (commencing with Section 10720), or other specific groundwater management authority.

(2) Urban water management planning pursuant to Part 2.6 (commencing with Section 10610).

(3) The preparation of a water supply assessment required pursuant to Part 2.10 (commencing with Section 10910).

(4) Agricultural water management planning pursuant to Part 2.8 (commencing with Section 10800).

(5) City and county general planning pursuant to Section 65350 of the Government Code.

(6) Stormwater resource planning that is undertaken pursuant to Part 2.3 (commencing with Section 10560).

(7) Other water resource management planning, including flood protection, watershed management planning, and multipurpose program planning.

(c) At a minimum, all plans shall address all of the following:

(1) Protection and improvement of water supply reliability, including identification of feasible agricultural and urban water use efficiency strategies.

(2) Identification and consideration of the drinking water quality of communities within the area of the plan.

(3) Protection and improvement of water quality within the area of the plan, consistent with the relevant basin plan.

(4) Identification of any significant threats to groundwater resources from overdrafting.

(5) Protection, restoration, and improvement of stewardship of aquatic, riparian, and watershed resources within the region.

(6) Protection of groundwater resources from contamination.

(7) Identification and consideration of the water-related needs of disadvantaged communities and owners and occupants of affordable housing, including the removal and replacement of nonfunctional turf, as defined in Section 10608.12, in the area within the boundaries of the plan.

(d) This section does not obligate a local agency to fund the implementation of any project or program.

SEC. 3. Section 10608.12 of the Water Code is amended to read:

10608.12. Unless the context otherwise requires, the following definitions govern the construction of this part:

(a) "Affordable housing" has the same meaning as defined in Section 34191.30 of the Health and Safety Code.

(b) "Agricultural water supplier" means a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding recycled water. "Agricultural water supplier" includes a supplier or contractor for water, regardless of the basis of right, that distributes or sells water for ultimate resale to customers. "Agricultural water supplier" does not include the department.

(c) "Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per

day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(d) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(e) "CII water use" means water used by commercial water users, industrial water users, institutional water users, and large landscape water users.

(f) "Commercial water user" means a water user that provides or distributes a product or service.

(g) "Common area" means that portion of a common interest development or of a property owned or managed by a homeowners' association or a community service organization or similar entity that is not assigned or allocated to the exclusive use of the occupants of an individual dwelling unit within the property.

(h) "Common interest development" has the same meaning as in Section 4100 of the Civil Code.

(i) "Community service organization or similar entity" has the same meaning as in Section 4110 of the Civil Code.

(j) "Community space" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for civic, ceremonial, or other community events or social gatherings.

(k) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(l) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(m) "Functional turf" means a ground cover surface of turf located in a recreational use area or community space. Turf enclosed by fencing or other barriers to permanently preclude human access for recreation or assembly is not functional turf.

(n) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier.

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

(o) "Homeowners' association" means an "association" as defined in Section 4080 of the Civil Code.

(p) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American

Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

(q) "Institutional water user" means a water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions.

(r) "Interim urban water use target" means the midpoint between the urban retail water supplier's base daily per capita water use and the urban retail water supplier's urban water use target for 2020.

(s) "Large landscape" means a nonresidential landscape as described in the performance measures for CII water use adopted pursuant to Section 10609.10.

(t) "Locally cost effective" means that the present value of the local benefits of implementing an agricultural efficiency water management practice is greater than or equal to the present value of the local cost of implementing that measure.

(u) "Nonfunctional turf" means any turf that is not functional turf, and includes turf located within street rights-of-way and parking lots.

(v) "Performance measures" means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users. Performance measures may include, but are not limited to, educating CII water users on best management practices, conducting water use audits, and preparing water management plans. Performance measures do not include process water.

(w) "Potable reuse" means direct potable reuse, indirect potable reuse for groundwater recharge, and reservoir water augmentation as those terms are defined in Section 13561.

(x) "Potable water" means water that is suitable for human consumption.

(y) "Process water" means water used by industrial water users for producing a product or product content or water used for research and development. Process water includes, but is not limited to, continuous manufacturing processes, and water used for testing, cleaning, and maintaining equipment. Water used to cool machinery or buildings used in the manufacturing process or necessary to maintain product quality or chemical characteristics for product manufacturing or control rooms, data centers, laboratories, clean rooms, and other industrial facility units that are integral to the manufacturing or research and development process is process water. Water used in the manufacturing process that is necessary for complying with local, state, and federal health and safety laws, and is not incidental water, is process water. Process water does not mean incidental water uses.

(z) "Public water system" has the same meaning as defined in Section 116275 of the Health and Safety Code.

(aa) "Recreational use area" means an area designated by a property owner or a governmental agency to accommodate human foot traffic for recreation, including, but not limited to, sports fields, golf courses, playgrounds, picnic grounds, or pet exercise areas. This recreation may be either formal or informal.

(ab) "Recycled water" means recycled water, as defined in subdivision

(n) of Section 13050.

(ac) "Regional water resources management" means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

(1) The capture and reuse of stormwater or rainwater.
(2) The use of recycled water.
(3) The desalination of brackish groundwater.
(4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(ad) "Reporting period" means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(ae) "Turf" has the same meaning as defined in Section 491 of Title 23 of the California Code of Regulations.

(af) "Urban retail water supplier" means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(ag) "Urban water supplier" has the same meaning as defined in Section 10617.

(ah) "Urban water use objective" means an estimate of aggregate efficient water use for the previous year based on adopted water use efficiency standards and local service area characteristics for that year, as described in Section 10609.20.

(ai) "Urban water use target" means the urban retail water supplier's targeted future daily per capita water use.

(aj) "Urban wholesale water supplier" means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

SEC. 4. Chapter 2.5 (commencing with Section 10608.14) is added to Part 2.55 of Division 6 of the Water Code, to read:

Chapter 2.5. Nonfunctional Turf

10608.14. (a) The use of potable water for the irrigation of nonfunctional turf located on commercial, industrial, and institutional properties, other than a cemetery, and on properties of homeowners' associations, common interest developments, and community service organizations or similar entities is prohibited as of the following dates:

(1) All properties owned by the Department of General Services, beginning January 1, 2027.

(2) All properties owned by local governments, local or regional public agencies, and public water systems, except those specified in paragraph (5), beginning January 1, 2027.

(3) All other institutional properties and all commercial and industrial properties, beginning January 1, 2028.

(4) All common areas of properties of homeowners' associations, common

interest developments, and community service organizations or similar entities, beginning January 1, 2029.

(5) All properties owned by local governments, local public agencies, and public water systems in a disadvantaged community, beginning January 1, 2031, or the date upon which a state funding source is made available to fund conversion of nonfunctional turf on these properties to climate-appropriate landscapes, whichever is later.

(b) Notwithstanding subdivision (a), the use of potable water is not prohibited by this section to the extent necessary to ensure the health of trees and other perennial nonturf plantings, or to the extent necessary to address an immediate health and safety need.

(c) The board may, upon a showing of good cause for reasons including economic hardship, critical business need, and potential impacts to human health or safety, postpone a compliance deadline in subdivision (a) by up to three years for certain persons, institutions, and businesses, and may create a form to be used for compliance certification to the board by property owners.

(d) Public water systems shall, by no later than January 1, 2027, revise their regulations, ordinances, or policies governing water service to include the requirements of subdivisions (a) and (b), as revised by the board pursuant to subdivision (c), and shall communicate the requirements to their customers on or before that date.

(e) (1) An owner of commercial, industrial, or institutional property with more than 5,000 square feet of irrigated area other than a cemetery shall certify to the board, commencing June 30, 2030, and every three years thereafter through 2039, that their property is in compliance with the requirements of this chapter.

(2) An owner of a property with more than 5,000 square feet of irrigated common area that is a homeowners' association, common interest development, or community service organization or similar entity shall certify to the board, commencing June 30, 2031, and every three years thereafter through 2040, that their property is in compliance with the requirements of this chapter.

(f) Noncompliance by a person or entity with this chapter or regulations adopted thereunder shall be subject to civil liability and penalties set forth in Section 1846, or to civil liability and penalties imposed by an urban retail water supplier pursuant to a locally adopted ordinance or policy.

(g) (1) A public water system, city, county, or city and county may enforce the provisions of this chapter.

(2) To avoid duplication of enforcement, any entity identified in paragraph (1) that is not a retail public water system shall notify the retail public water system 30 days prior to enforcement of the provisions of this chapter against a property served by such system.

(3) Nothing in paragraph (2) shall preclude enforcement by any entity identified in paragraph (1) once adequate notice is given.

(h) The department shall, when using funds appropriated for water conservation for turf replacement, prioritize financial assistance for nonfunctional turf replacement to public water systems serving disadvantaged communities and to owners of affordable housing.

(i) The department shall utilize the saveourwater.com internet website and outreach campaign to provide information and resources on converting nonfunctional turf to native vegetation.

(j) The Governor's Office of Business and Economic Development shall support small and minority-owned businesses that provide services that advance compliance with this chapter.

SEC. 5. Section 10608.22 of the Water Code is amended to read:
10608.22. Notwithstanding the method adopted by an urban retail water

supplier pursuant to Section 10608.20, an urban retail water supplier's per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use as defined in paragraph (3) of subdivision (c) of Section 10608.12. This section does not apply to an urban retail water supplier with a base daily per capita water use at or below 100 gallons per capita per day.

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BOARD OF DIRECTORS AGENDA REPORT
July 8, 2026

ACTION ITEM

SUBJECT:

Grant of Easement, Nacimiento Water Project

G. M. RECOMMENDATION:

Authorize the President to execute an Easement Deed and Right-of-Way Agreement granting temporary and permanent easements on and across portions of Parcels A and D of Parcel Map COAL-74-306 (APNs 034-434-001 & 004) to the San Luis Obispo County Flood Control and Water Conservation District for the realignment of the Nacimiento Water Project pipeline.

PREPARED BY:

John Neil

DISCUSSION:

The San Luis Obispo County Flood Control and Water Conservation District (District) is proposing a project to realign a portion of the Nacimiento Water Project pipeline (Pipeline) on the Happy Valley Ranch that was damaged during the winter storms of 2022/2023 (see Attachment A). The realignment will move the Pipeline from the east side of the Salinas River to the west side then south along Salinas Road. The Pipeline will reconnect to the existing Pipeline at Santa Clara Road. Moving this section of the Pipeline out of the floodplain reduces the likelihood of future failures due to flooding and restores essential water service to communities throughout San Luis Obispo County.

The District desires to purchase a permanent easement and temporary construction easements over portions of properties owned by AMWC. Both properties are mostly undeveloped riverbed and in areas designated by the Federal Emergency Management Agency as floodways (see Attachment B).

The pipeline will be constructed within a 30-ft wide construction easement. Upon completion of pipeline construction, a 15' wide permanent easement will be established with a centerline upon the actual location of the pipeline.

The value and form of the easements was estimated by an appraiser hired by the District.

Below are comments made by staff on a draft of the easement deed. These comments were incorporated in the final draft of the deed.

1. Grantor hereby reserves the right in gross to survey, install, construct, reconstruct, enlarge, lay, alter, operate, patrol, remove, replace, repair, and maintain facilities, consisting of existing and future underground water pipelines,

communication conduits and cables, electrical conduits and cables, and other facilities (Grantor Facilities) across the "Permanent Easement Area" described herein. Grantor Facilities include all facilities associated with Grantor's primary function as a community water supply. Grantor Facilities will cross the "Permanent Easement Area" as near as practicable to perpendicular.

2. Grantor hereby reserves the right to traverse freely over and temporarily park vehicles and equipment in the "Permanent Easement Area."

3. The District agrees not to sublet or sublease any part of the Permanent Easement for any other purpose.

4. District hereby acknowledges and understands that Grantor utilizes the Real Property for the purpose of pumping groundwater from existing and future wells on the Real Property and that said groundwater pumping may result in ground subsidence.

FISCAL IMPACT:

$2,700 operations revenue

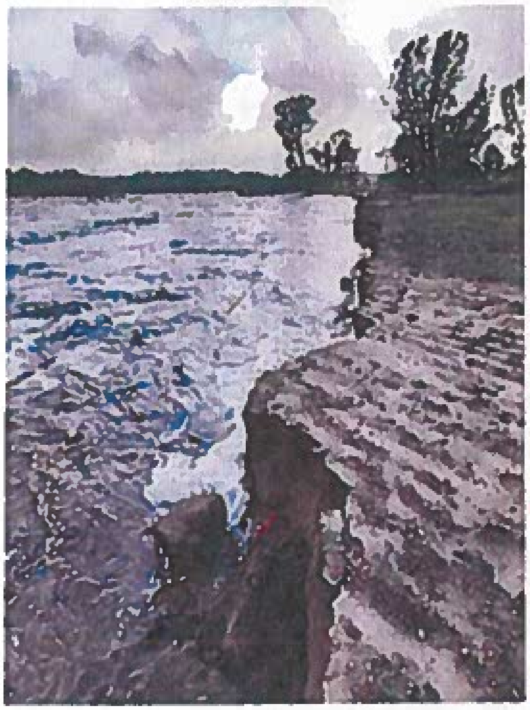
ATTACHMENTS:

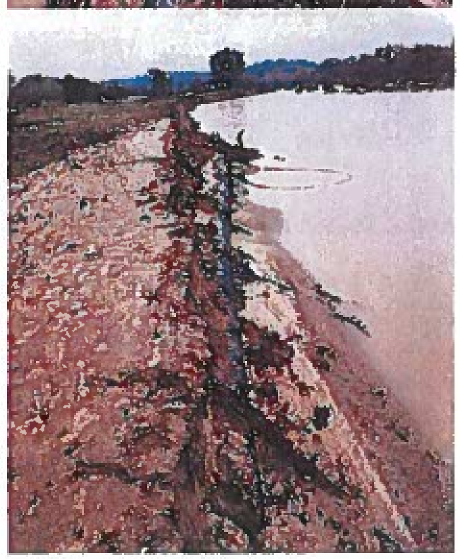
A. Storm Damage Photos
B. Easement Figures
C. Easement Deed
D. Right-of Way Exhibit

ATTACHMENT A
STORM DAMAGE PHOTOS

Taft/Davis Ranch

Approx 600 ft of erosion exposing pipe and fiber. Pipe sliding into riverbed. Erosion continuing, causing pipe shifting and pulling out of bank. Cathodic (STA 1892+00) damaged, fiber box (STA 1893+00) gone. Pipe completely separated in at least one location.





ATTACHMENT B
EASEMENT FIGURES

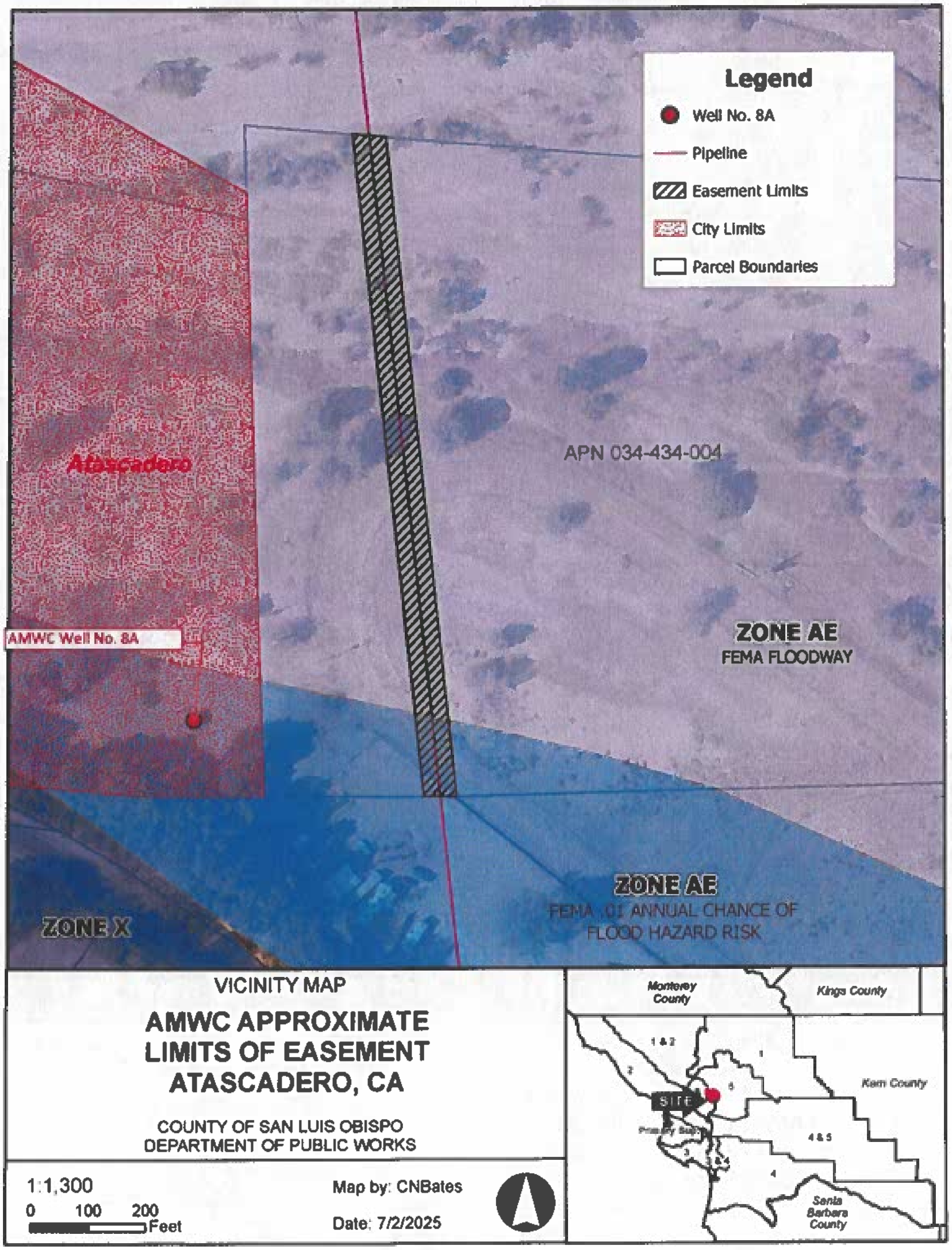


EXHIBIT D (pg 1 of 1)
TCE AREA
APN 034-434-004 (AMWC)
NWP UNIT G REPAIR
COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PUBLIC WORKS

1: 1,200
0 100 200 Feet

Map by: APEDRONI
Printed: 1/16/2026

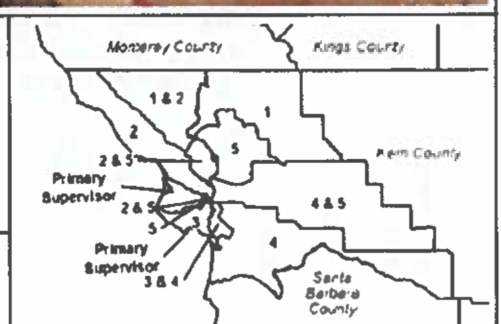


EXHIBIT 2 ACCESS AREA

NWP UNIT G REPAIR
ATASCADERO, CA

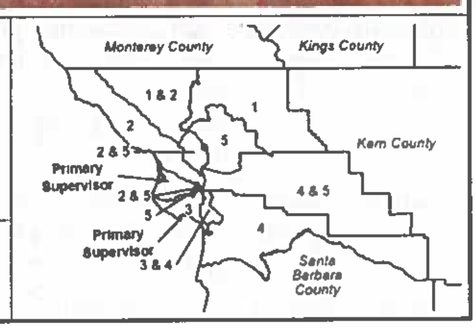
COUNTY OF SAN LUIS OBISPO DEPARTMENT OF PUBLIC WORKS

1: 1,200

0 100 200 Feet

Map by: APEDRONI

Printed: 5/12/2025



ATTACHMENT C
EASEMENT DEED

RECORDING REQUESTED BY:
Public Works Department
County of San Luis Obispo
County Government Center, Room 206
San Luis Obispo, CA 93408

WHEN RECORDED RETURN TO:
Public Works Department
County of San Luis Obispo
County Government Center, Room 206
San Luis Obispo, CA 93408

APN: 034-434-004 and -001 (portion)

THE UNDERSIGNED DECLARES
No recording fee per Government Code 6103 and 27383
No Documentary Transfer Tax per Revenue and Taxation Code 11922
Governmental agency acquiring title
No BUILDING HOME AND JOBS ACTS Fee per Government Code 27388.1(a)(2)
✓ Unincorporated San Luis Obispo County

San Luis Obispo County Flood Control and Water Conservation District

EASEMENT DEED No. 24-37.02

Nacimiento Water Project Pipeline Unit G Repair Project

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Atascadero Mutual Water Company, a California corporation, ("Grantor")

do(es) hereby GRANT to the

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ("District")

the following Permanent Easement, Temporary Construction Easement and related interests in real property as described herein within that certain real property in the County of San Luis Obispo, State of California, described in the attached Exhibit A (hereafter the "Real Property").

A. PERMANENT EASEMENT

Grantor hereby grants District a **Permanent Easement** in gross to survey, install, construct, reconstruct, enlarge, lay, alter, operate, patrol, remove, replace, repair and maintain District facilities, consisting of an underground water pipeline, communication conduits and cables, and related facilities, in the "Permanent Easement Area" described herein. These related facilities may include but are not limited to markers associated with the Nacimiento Water Project Pipeline Unit G Repair Project WBS 300695 ("Project"). The District agrees not to sublet or sublease any part of the Permanent Easement for any other purpose.

Grantor hereby reserves the right in gross to survey, install, construct, reconstruct, enlarge, lay, alter, operate, patrol, remove, replace, repair, and maintain facilities, consisting of existing and future underground water pipelines, communication conduits and cables, electrical conduits and cables, and other facilities (Grantor Facilities) across the "Permanent Easement Area" described herein. Grantor Facilities include all facilities associated with Grantor's primary function as a community water supply. Grantor Facilities will cross the "Permanent Easement Area" as near as practicable to perpendicular and shall not interfere with District's facilities in the "Permanent Easement Area."

Grantor hereby reserves the right to traverse freely over and temporarily park vehicles and equipment in the "Permanent Easement Area."

District hereby acknowledges and understands that Grantor utilizes the Real Property for the purpose of pumping groundwater from existing and future wells on the Real Property and that said groundwater pumping may result in ground subsidence.

The following facilities, marked with an "X", may be located above or partially above ground:

X	markers		test stations		pull boxes
	blowoff facilities		air/vacuum valves		energy recovery facilities
	pressure regulation valves		pipelines		Manholes
	turnouts		electrical conduits, cables, devices and termination boxes		communication conduits, cables, devices and boxes
	other related facilities				

The District facilities will be constructed and placed within the area described in Exhibit B and depicted in Exhibit C, attached hereto and incorporated by reference herein. The District shall have all required rights to construct and place District facilities in the areas described in Exhibit B and depicted in Exhibit C. The precise location of the permanent easement is not presently fixed. Upon completion of the construction of the District facilities, a 15' wide permanent easement with a centerline upon the actual location of the District facilities will become fixed (herein the "Permanent Easement Area"). This Permanent Easement shall be in, over, on, through, within, under, along and across the easement area.

The Permanent Easement described herein shall be subject to the following terms and conditions:

1. The facilities installed in the Permanent Easement Area collectively are referred to herein as "District Facilities." Plans for District Facilities as they exist from time to time shall be maintained at the District's principal offices. The underground water pipe, communication facilities and other underground facilities will be constructed and installed as one.

2. District shall have the right of ingress and egress for personnel, vehicles, and construction equipment to, from, and along the Permanent Easement Area at any time, including the right to use lanes, drives, rights-of-way, and roadways within the Real Property which now exist or which hereinafter may be constructed, as shall be convenient and necessary for the purpose of exercising the rights herein set forth; provided, however, that nothing herein shall prevent or limit Grantor's rights to close such roadways, lanes, or rights-of-way, and to provide District with comparable alternative access to the Permanent Easement Area, as deemed reasonable and mutually agreed to in writing by the Grantor and by the District. The District shall be responsible for repairing any

damages to any lanes, drives, rights-of-way, and roadways within the Real Property caused by District use thereof.

3. Grantor shall not conduct, or permit others to conduct, any activities within the Permanent Easement Area which damage District Facilities, including but not limited to digging, drilling, excavating, earthmoving, grading operations, ripping, stockpiling, or using (or permitting others to use) explosives. Grantor shall not store, or permit others to store, any explosives within or proximate to the Permanent Easement Area.

4. As the amount of earth or other fill over the District's Facilities can affect the structural integrity of these underground facilities, District shall have the right, but is not required, to maintain the height of earth or other fill over District's underground facilities. Grantor shall not temporarily or permanently modify, or allow others to in any way modify, the ground surface elevation in the Permanent Easement Area from the elevation established upon completion of construction of the District's Facilities without the District's written consent, which consent shall not be withheld unreasonably.

5. This Permanent Easement is subject to all existing fencing, canals, irrigation ditches, laterals, pipelines, roads, electrical transmission facilities, and communication lines existing on the date this easement is granted, and all future uses which do not directly or indirectly interfere with or endanger District's exercise of the rights described herein. Grantor may use the Permanent Easement Area for agricultural purposes which do not endanger the integrity of District Facilities; provided, however, that Grantor shall not install, plant, or construct, nor permit others to install, plant or construct, buildings, structures, roofs, walls, and other facilities of a permanent nature; trees; vineyards; and any earth cover or stockpile of material placed without the District's written consent.

6. No hazardous or toxic materials shall be stored within the Permanent Easement Area. It is the intent of this paragraph that the application of agricultural fertilizers, pesticides, and herbicides shall be allowed, so long as such application is consistent with applicable health standards, industry standards and governmental regulations. If the underlying fee owner of the Permanent Easement Area becomes aware of the storage or spillage of hazardous or toxic materials in violation of this paragraph, said owner shall immediately so advise the District.

7. District is further granted the right to discharge water into any and all streams, channels, and culverts traversed by District Facilities and to disburse trench spoils along, within, on, through and across the Permanent Easement Area. If any water dispersed by District damages the Grantor's property, then District shall be responsible for all repairs as well as any permitting costs to make said repairs.

B. TEMPORARY CONSTRUCTION EASEMENT

Grantor hereby grants to District a **Temporary Construction Easement** for the purposes of facilitating construction of District Facilities, including the right to place equipment and vehicles, pile earth thereon, and utilize said Temporary Construction Easement for all other related activities and purposes in, on, over, under, through, within, along and across that certain portion of the Real Property depicted in Exhibit D attached hereto and incorporated by reference herein (herein the "Temporary Construction Easement Areas"). Upon completion of said construction, said Temporary Construction Easement Areas will be generally restored to the condition that existed prior to construction, to the extent reasonably practical, unless otherwise agreed to in writing between Grantor and District.

This Temporary Construction Easement shall commence on August 1, 2026 and shall terminate on December 1, 2028 or upon the recordation of the Notice of Completion for said Project, whichever occurs first. The Temporary Construction Easement shall cover the total anticipated Project duration, with an actual use period of approximately three (3) months.

Grantor will be provided with written notice thirty (30) days prior to commencement of construction.

C. GENERAL TERMS AND CONDITIONS

In addition to the covenants, terms and conditions set forth above, the Permanent Easement and Temporary Construction Easement are also governed by the following covenants, terms and conditions.

1. The Temporary Construction Easement and/or Permanent Easement shall be binding to the Grantor and to the Grantor's successors and assigns, herein collectively referenced to as "Grantor".

2. The Grantor hereby warrants and represents that the Grantor has no reason to believe that any hazardous waste, extremely hazardous waste, or hazardous substance (as those terms are defined in sections 25117, 25115, and 25316 of the California Health and Safety Code) has come to be located on, beneath or within the Permanent Easement Area or Temporary Construction Easement Area. If Grantor ever becomes aware of the presence of any hazardous waste, extremely hazardous waste, or hazardous substance on, beneath, or within these areas, Grantor shall immediately so advise the District.

3. Grantor hereby warrants and represents that it is the sole owner of the Real Property, and that Grantor holds sufficient title in said property to fully grant to the District the Permanent Easement and Temporary Construction Easement described herein. Subsequent to the grant of this Easement Deed, Grantor shall not grant any easements of any kind whatsoever to others in, over, on, through, within, under and across the easement areas described herein without the prior written approval of the District, which approval shall not be withheld unreasonably.

4. In addition to any other legal or equitable remedies available to the District for violations of this Easement Deed, District shall have the right to do all things necessary and proper to remove, at Grantor's expense, any materials or objects within the Permanent Easement Area or Temporary Construction Easement Area which are in violation of the terms of this Easement Deed.

5. District reserves the right to assign this Easement Deed to another entity or public agency specifically for the purposes and under the terms and conditions described herein.

6. This Easement Deed may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same instrument.

GRANTOR: Atascadero Mutual Water Company, a California corporation

By: ______________________________ Date: __________________

Name: ______________________________

Title: ______________________________

ATTACHMENT C
RIGHT-OF-WAY AGREEMENT

PARCEL NO.: 24-37.02
APN: 034-434-004, 034-434-001 (Subject Property)
PROJECT: Nacimiento Water Project "Unit G" Realignment Project 300695
TITLE REPORT NO.: 4001-7202887

RIGHT OF WAY AGREEMENT (PARCEL NO. 24-37.02)

THIS AGREEMENT is made and entered into by and between

Atascadero Mutual Water Company, a California corporation

hereinafter called "Grantor", and

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

hereinafter called "District."

An Instrument in the form of Easement Deed No. 24-37.02 covering the property rights particularly described therein, has been executed concurrently with this agreement and delivered to District representatives. A copy of said Instrument is labeled "Exhibit 1" and is attached hereto and incorporated herein by this reference.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said Easement Deed and shall relieve the District of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement.

2. The District shall:

A. PAYMENT - Pay to the order of the Grantor the sum of TWO THOUSAND SEVEN HUNDRED DOLLARS ($2,700), as consideration in full for the real property interests being conveyed in the referenced Easement Deed, for the loss, replacement and moving of any improvements, and for entering into this agreement. Said sum shall be paid when title to said real property interests have vested in District.

B. MISCELLANEOUS COSTS - Pay all escrow, title insurance, and recording fees incurred in this transaction.

C. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bonds, demands and delinquent taxes due in any year except the year in which title to said real property interests have vested in District, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments which have become a lien when title to said real property interests have vested in District.

D. PROPERTY RESTORATION - Generally restore the surface of the easement areas described in this Right of Way Agreement and the referenced Easement Deed to the condition that existed prior to District's project construction, to the extent reasonably practical, except in areas where surface appurtenances such as markers, manholes, and access vaults may be located.

E. INDEMNIFICATION - Indemnify, and hold harmless Grantor from any and all claims, damages, costs, judgments, or liability caused by District or its officers, employees or agents specifically arising from District construction and restoration work on Grantor's property during the temporary access and temporary easement period specified in this Right of Way Agreement and the referenced Easement Deed, or as a result of District's operation of District facilities on Grantor's property.

F. RECORDATION OF INSTRUMENT - Accept the Easement Deed herein referenced and cause the same to be recorded in the office of the San Luis Obispo County Recorder at such time as when clear title can be conveyed to the District.

3. The Grantor:

A. TEMPORARY CONSTRUCTION ACCESS AREA - Permission is hereby granted to District or its contractor to enter upon Grantor's land where necessary within that certain area depicted on the map marked Exhibit 2, attached hereto and made a part hereof, for the purpose of accessing the existing pipeline easement for construction and construction support activities related to Project. This Temporary Construction Access Area (Access Area) shall commence on August 1, 2026 and shall terminate upon recordation of the notice of completion for the Project or December 1, 2028, whichever shall occur first. The amount shown in clause 2(a) herein includes, but is not limited to, full payment for said Access Area, including severance damages, if any. Upon completion of Project construction, the Access Area shall be generally restored to the condition that existed prior to construction, to the extent reasonably practical.

B. PAYMENT ON MORTGAGE OR DEED OF TRUST - Agrees that any or all monies payable under this Agreement up to and including the total amount of the unpaid principal and interest on the note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said mortgage(s) or deed(s) of trust, shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(s) entitled thereunder.

C. LEASE INDEMNIFICATION - Warrants there are no oral or written leases on all or any portion of the easement areas described in this Right of Way Agreement or the referenced Easement Deed, or if there are any such leases, Grantor agrees to hold the District harmless and reimburse District for any and all of its losses and expenses, including claims for crop damage relative to crops growing within the easement areas, occasioned by reason of any lease of said property held by tenant of Grantor.

D. DISTRICT SURFACE FACILITIES - Acknowledges that certain appurtenances related to District facilities may be placed upon the surface of the easement area, including but not limited to intermittent surface markers denoting the location of the District's pipeline(s), and other facilities appurtenant to the operation of District facilities.

E. PERMISSION TO ENTER - Hereby grants to the District, its agents and contractors, permission to enter upon the easement areas described in this Right of Way Agreement and in the referenced Easement Deed upon receipt of payment described in 2.A. for the purposes of preparation for and construction of the District's facilities, subject to all applicable terms and conditions contained in this agreement and the associated Easement Deed.

F. TITLE - Warrants and represents that (1) the Grantor has sufficient title in the Subject Property to fully convey to the District all of the property rights and interests described in the Easement Deed, subject to any mortgage, loan, required consent or other superior interest, and (2) that Grantor's title in the Subject Property shall not be compromised or transferred by any voluntary or involuntary transfer of any property interest, or the voluntary or involuntary creation of any lien, in the Subject Property to someone other than the District.

4. The Parties agree:

A. JUDGMENT IN LIEU OF DEED - In the event Grantor is unable to deliver title within a reasonable period of time in accordance with the terms of this agreement, the District may file an action in eminent domain to pursue the acquisition of the real property interests described in the referenced Easement Deed, and this agreement shall constitute a stipulation which may be filed in said proceedings as final and conclusive evidence of the total amount of damages for the taking, including all of the items listed in Section 1260.230 of the Code of Civil Procedure, regarding said property rights.

B. TITLE VI - The parties to this Agreement shall, pursuant to Section 21.7(a) of Title 49, Code of Federal Regulations, comply with all elements of Title VI of the Civil Rights Act of 1964. This requirement under Title VI and the Code of Federal Regulations is to complete the USDOT-Non- Discrimination Assurance requiring compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R. Part 21 and 28 C.F.R. Section 50.3.

C. ANTI-DISCRIMINATION - No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that is the subject of this Agreement.

D. ARTICLE HEADINGS - Article headings in this agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this agreement.

E. COMPLETE UNDERSTANDING - This agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This agreement may not be amended except in writing by the parties hereto or their successors or assigns.

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

GRANTOR: Atascadero Mutual Water Company, a California corporation

By: ______________________________ Date: __________________

Name: ______________________________

Title: ______________________________

DISTRICT:
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: ______________________________ Date: __________________

Name: ______________________________

Title: ______________________________

MAILING ADDRESS OF DISTRICT:
San Luis Obispo County Flood Control
and Water Conservation District
County Government Center, Room 206
San Luis Obispo, CA 93408

APPROVED AS TO FORM AND LEGAL EFFECT:

JON ANSOLABEHERE
County Counsel

By: ______________________________ Dated: ______________________, 20___
Deputy County Counsel

BOARD OF DIRECTORS AGENDA REPORT
July 8, 2026

ACTION ITEM

SUBJECT:

Annual Audit

G.M. RECOMMENDATION:

Approve the audited financial statements for the fiscal year ending April 30, 2026.

PREPARED BY:

John Neil

DISCUSSION:

The accounting firm Caliber Audit and Attest has completed the audit of the financial statements for fiscal year ending (FYE) April 30, 2026. AMWC bylaws require the distribution of the annual financial information to the shareholders within 105 days of the close of the fiscal year (August 13, 2026).

ATTACHMENTS:

A. Audited financial statements, FYE 04/30/2026 (to be distributed at meeting)