

AGENDA
ATASCADERO MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING

March 11, 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:

February 17, 2026 - Regular Meeting Pages 1 - 4

REPORTS:

- Operations Report Pages 5 - 7
- Financial Report Pages 8 - 34
- Conservation Report (will be handed out at meeting)
- General Manager's Report Pages 35 - 37

OLD BUSINESS:

NEW BUSINESS:

- Private Well, 9540 Santa Barbara Rd (Action) Pages 38 - 46
- High-Use Billing Adjustment, 5765 Cascabel Rd (Action) Pages 47 - 59
- State Hospital, Permit to Issue Shares (Action) Pages 60 - 72
- Budget Assumptions, FYE 04/30/2027 (Discussion) Pages 73 - 85
- Cross-Connection Control Policy Revisions (Action) Pages 86 - 90
- Online Payments Fee (Action) Pages 91 - 92

EXECUTIVE SESSION:

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
ATASCADERO MUTUAL WATER COMPANY

February 17, 2026

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 4:27 p.m., President Frank Platz presiding. Others present were Vice President Brien Vierra, Directors Leroy Davis, Robert Jones, Jackie Lerno, General Manager John Neil, and Assistant Secretary Susan Jordan. Secretary Cheryl Powers was absent.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF MINUTES:

A motion was made and seconded to approve the meeting minutes of December 9, 2025; the motion carried 5 to 0.

The following reports were reviewed:

OPERATIONS REPORT:

The Chief Operator reported well levels are rising due to the rain we have experienced this year. Well 1B and 3A are under the influence of surface water making them inoperable at this time. Quinn completed the in-frame engine rebuild on Well 19.

FINANCIAL REPORT:

The financial reports for the period ending December 2025 were available for review. The General Manager (GM) reported that water sales revenue is \$900,000 below projections. Approximately \$2,000,000 has been received related to the PFAS complaint. A second installment in the amount of \$293,000 is expected to be received shortly, with additional future payments.

The GM also reported that working capital totals \$10.5 million, an increase compared to the prior year, with a significant portion of these funds being used toward construction of the treatment facility. Strategies to borrow for other projects will be discussed with the budget for next year focusing on long-term cash flow.

CONSERVATION REPORT:

The Conservation report was available for review. The Conservation Manager reported on the ongoing partnership with other north county water purveyors for radio messaging. Upcoming outreach activities and events were discussed, along with updates on the school presentations. It was noted that the contractor providing the school presentations is selling their business after 30 years to a local company. The transition has not yet occurred; however, services are expected to continue as usual.

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

RAINFALL:

Total rainfall received for the period July 1 through January 31 was 14.21 inches, recorded at the weather station at 6575 Sycamore Rd.

WELL LEVELS:

The static water level (SWL) at the northerly end of the main well field was 19.1 feet below ground surface (BGS) at the end of January, up from 38.3 feet BGS at the end of December. Groundwater levels last year at this time were at 32.9 feet BGS.

NACIMIENTO WATER PROJECT:

AMWC is not currently taking delivery from the Nacimiento Water Project. The Lake was at 50.1% capacity with 189,290 acre-feet (af) of storage on January 31, up from 35.1% capacity on November 30. Current releases from the lake are 60 cubic feet per second (119 af per day).

PFAS TREATMENT:

Staff is preparing bid packages for the pre-purchase of equipment with long lead times, including standby generators, motor control centers, and related switchgear. Staff is also responding to comments from the City's plan review of the ground improvement plans.

NEXT MEETING DATES AND TIMES:

The next Regular meeting is scheduled for March 11, 2026, at 4:30 p.m.

NEW BUSINESS:

CELLULAR SITE LEASE EXTENSION CROWN CASTLE SANTA ANA TANK:

AMWC has an existing cellular lease with Crown Castle at the Santa Ana Tank property, which expires April 1, 2043. The current rent is \$3,746 per month with a 4% annual escalation, and the lessee may terminate without penalty. Crown Castle's representative, MD7, has proposed either a 20-year extension with reduced rates or a lump sum payment for a perpetual lease. The proposed changes are intended to improve site performance and potentially attract additional tenants, with AMWC receiving a 50% revenue share. The board discussed net present value analyses prepared by the General Manager comparing both MD7's proposals to the existing lease.

A motion was made and seconded to reject both MD7's proposals and continue to operate under the terms of the existing lease. The motion carried 5-0

CELLULAR SITE LEASE REVISION, T-MOBILE, PINE MOUNTAIN:

AMWC has an existing cellular lease with Crown Castle (T-Mobile) at the Pine Mountain Tank property, which expires March 11, 2033. The current rent is \$3,554.91 per month with a 4% annual escalation, and the agreement includes a 50% revenue share for additional tenants and allows termination without penalty. Crown Castle's representative, MD7, has proposed a 25-year lease extension with reduced rates and escalator, and the addition of right-of-refusal language. The proposed changes are intended to improve site performance and help attract additional tenants, with AMWC receiving a 50% revenue share. The board discussed a net present value analysis prepared by the General Manager comparing MD7's proposal to the existing lease.

A motion was made and seconded to reject MD7’s proposal and to direct the General Manager to make a counteroffer to MD7 that would add two five-year renewal terms to the existing lease, extending the expiration date of the existing lease to March 11, 2043. The motion carried 5-0

CELLULAR SITE LEASE AMENDMENT, T-MOBILE, PINE MOUNTAIN:

T-Mobile has requested to expand its lease area at the Pine Mountain Tank property by approximately 160 square feet to accommodate improvements associated with an emergency standby generator, increasing the total lease area from 371 to 531 square feet. The proposed amendment includes an additional \$346 per month in rent, with a 4% annual escalation, for the remaining term of the existing lease, which expires March 10, 2033. T-Mobile would be responsible for obtaining all required City permits. The General Manager noted that the Board approved a similar lease amendment for another cellular site lease on the property in February 2023.

A motion was made and seconded to authorize the General Manager to negotiate and execute a lease amendment with T-Mobile to expand the existing lease site by approximately 160-square-foot on the Pine Mountain Tank property. The motion carried 5-0.

CELL SITE LEASE PURCHASE, LANDMARK DIVIDEND:

AMWC has three existing cellular leases, and Landmark Dividend submitted a proposal to acquire the leases. Following Board direction at the December Board meeting, Landmark Dividend revised its offer to include a lump sum payment of \$2,150,000, an increase in AMWC’s sublease revenue share to 60%, and an extension of the lease terms through April 1, 2051. The board discussed a net present value analysis prepared by the General Manager comparing Landmark’s proposal to the existing leases.

A motion was made and seconded to reject Landmark’s proposal and continue to operate under the existing leases. The motion carried 5-0

CROSS CONNECTION CONTROL POLICY REVISIONS:

AMWC is required to implement and enforce a Cross-Connection Control Plan to protect the public water supply, in accordance with State regulations that became effective July 1, 2024. The Board adopted a compliant plan in May 2025 to prevent backflow and protect the distribution system from contamination. To encourage timely compliance, and in addition to existing remedies for shareholder non-compliance with the Cross-Connection Control Policy, the GM recommends establishing a Backflow Prevention Assembly (BPA) compliance fee. Vice President Vierra expressed concern regarding potential State-imposed financial liability resulting from shareholder non-compliance and recommended that any such costs be passed on to the responsible shareholder.

The Board unanimously agreed to table the item and directed staff to revise the policy per the Board’s discussion.

ONLINE PAYMENTS FEE:

AMWC currently does not charge a fee for online payments; however, due to increased use and rising processing costs, Secretary Powers noted that implementing a convenience fee may be reasonable to help offset these expenses.

The GM’s recommendation is for the Board to consider implementing a small convenience fee for customers who use a credit card to make payments that are processed through AMWC’s portal.

The Board unanimously agreed to table the item until the next meeting and directed staff to return with options for recovering online payment fees (i.e convenience fees).

ANNUAL MEETING AND RECORD DATES:

The Board adopted the following resolution:

BE IT RESOLVED: That, the annual meeting date be set for May 13, 2026, at 5:30 p.m., at the Atascadero Mutual Water Company office, 5005 El Camino Real, Atascadero, CA, and;

RESOLVED FURTHER, that the Record Date be set for March 17, 2026, and;

RESOLVED FURTHER, that the five people to be listed as the Board’s nominees on the Notice of the 2026 Annual Shareholders Meeting be: Leroy R. Davis, Robert M. Jones, Jackie M. Lerno, D. Frank Platz, and Brien C. Vierra.

RESOLVED FURTHER, that D. Frank Platz and Leroy R. Davis be appointed as proxies to vote the shares represented by proxy at the 2026 Annual Shareholders Meeting in the proxy to be distributed to shareholders of record.

The meeting was adjourned at 5:11 p.m.

Assistant 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.

D. Frank Platz, President

Leroy R. Davis, Director

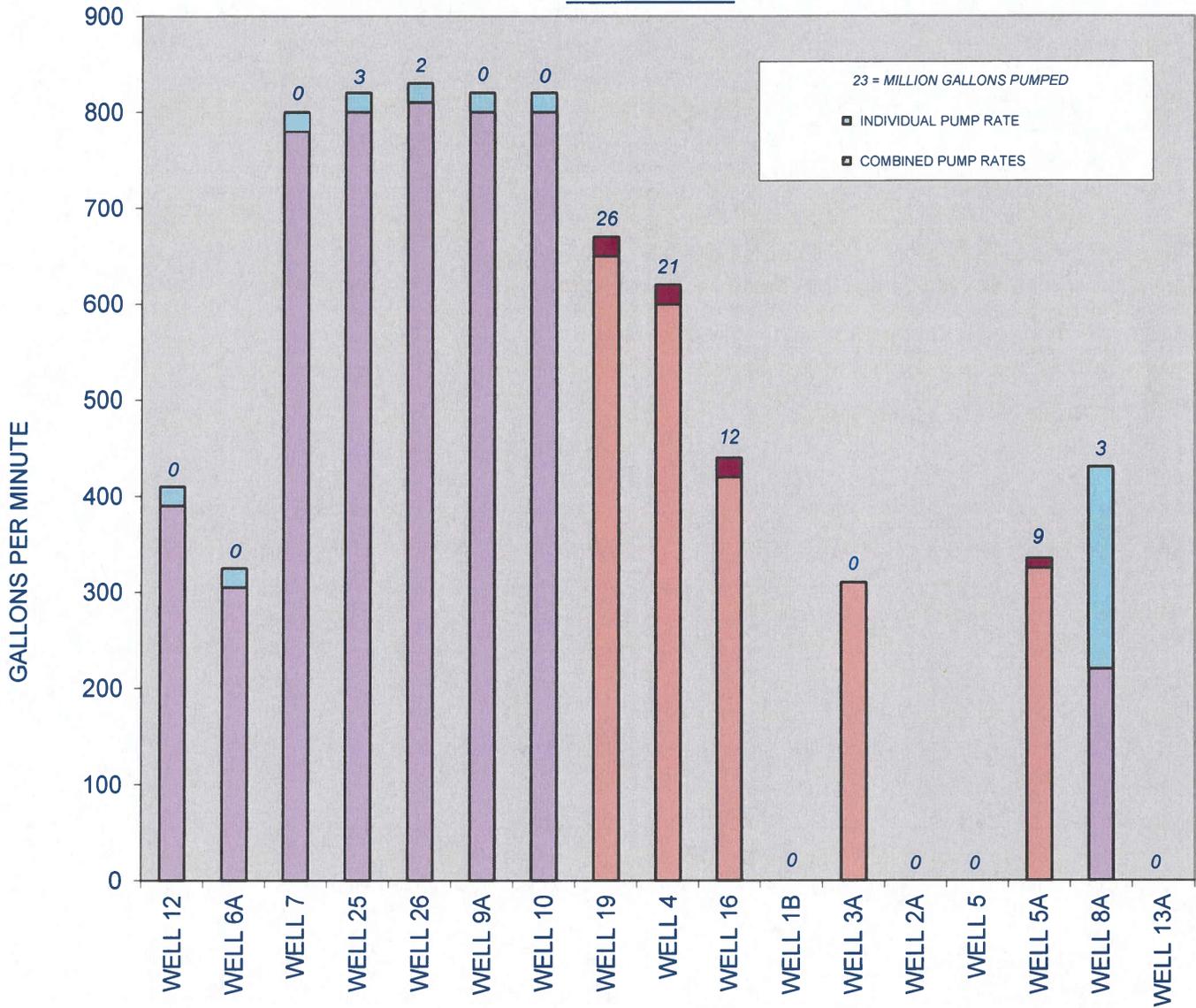
Brien C. Vierra, Vice President

Robert M. Jones, Director

Jackie M. Lerno, Director

02/28/26

WELL REPORT



TOTAL PRODUCTION CAPABILITY 10.382 MGD (TOTAL OF COMBINED PUMP RATES IF OPERATED 24/7)

SHALLOW WELL FIELD
 DEEP WELL FIELD

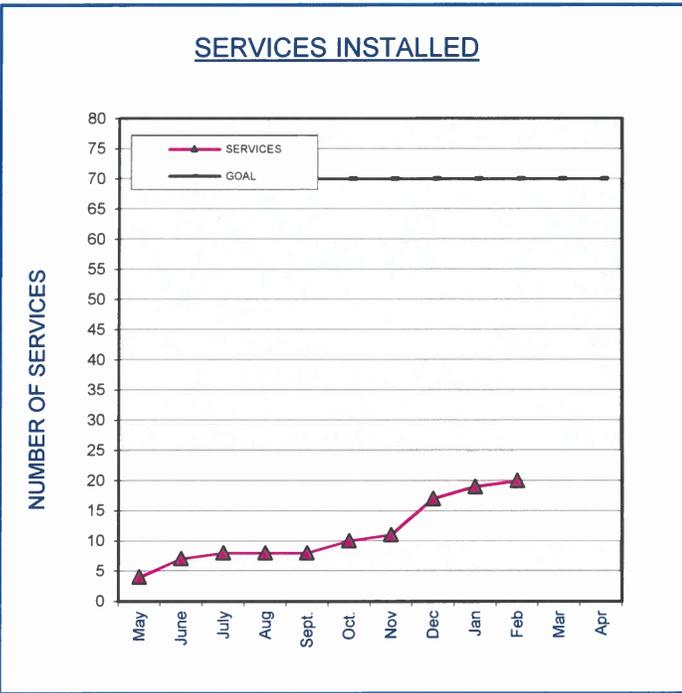
COMBINED PUMP RATES: THE CURRENT PUMP RATE CAPACITY OF A WELL ASSUMING THAT WELL AND ADJOINING WELLS HAVE BEEN PUMPING AT THEIR OPTIMUM RATE FOR THE PAST 30 DAYS (OPTIMUM MEANS NOT PUMPING BELOW PERFORATIONS, WITHIN SAND SEPARATOR SPECS, AND REASONABLE PUMP EFFICIENCY)

INDIVIDUAL WELL PUMP RATES: THE CURRENT PUMP RATE CAPACITY OF A WELL ASSUMING THAT THE WELL HAS BEEN PUMPING AT ITS OPTIMUM RATE FOR THE PAST 30 DAYS BUT ADJOINING WELLS ARE NOT BEING PUMPED.

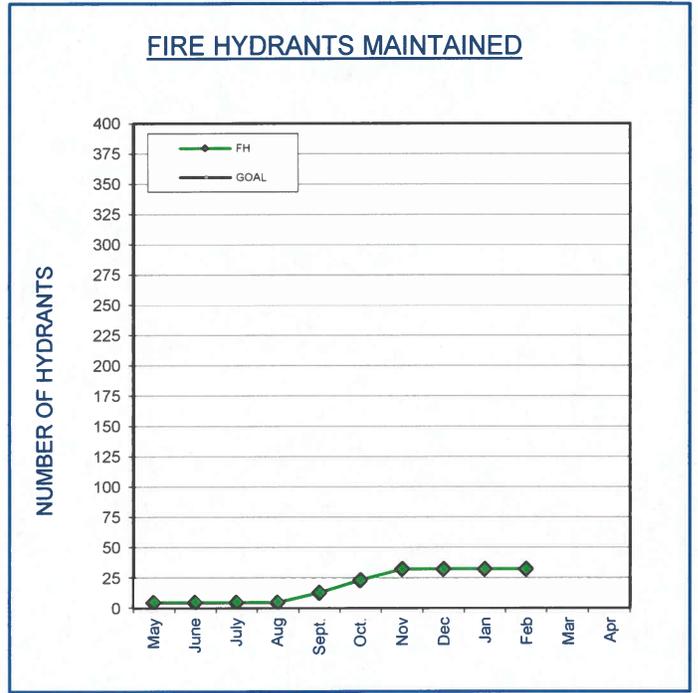
OPERATIONS STATUS

FYE 04/30/26

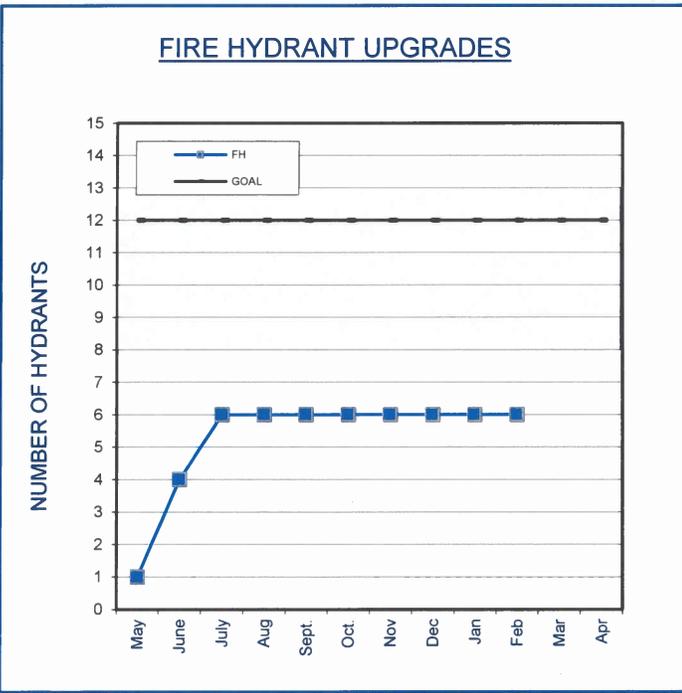
SERVICES INSTALLED



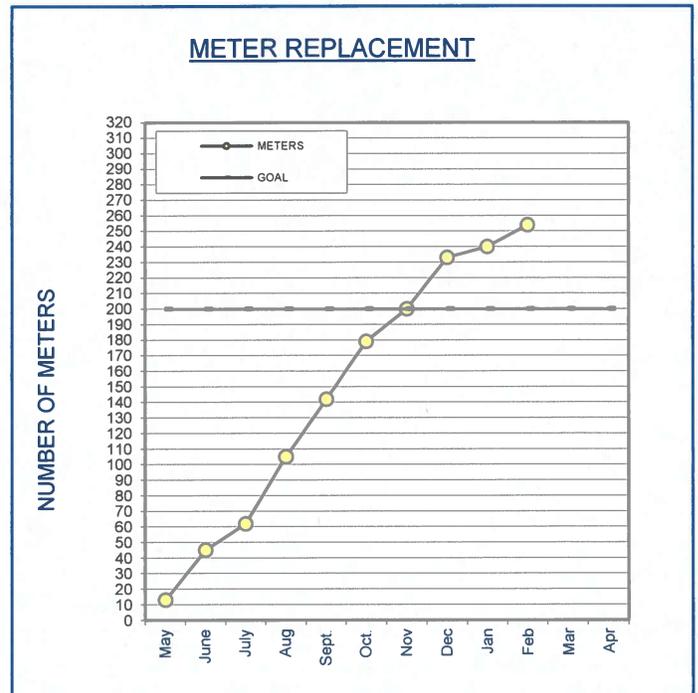
FIRE HYDRANTS MAINTAINED



FIRE HYDRANT UPGRADES



METER REPLACEMENT

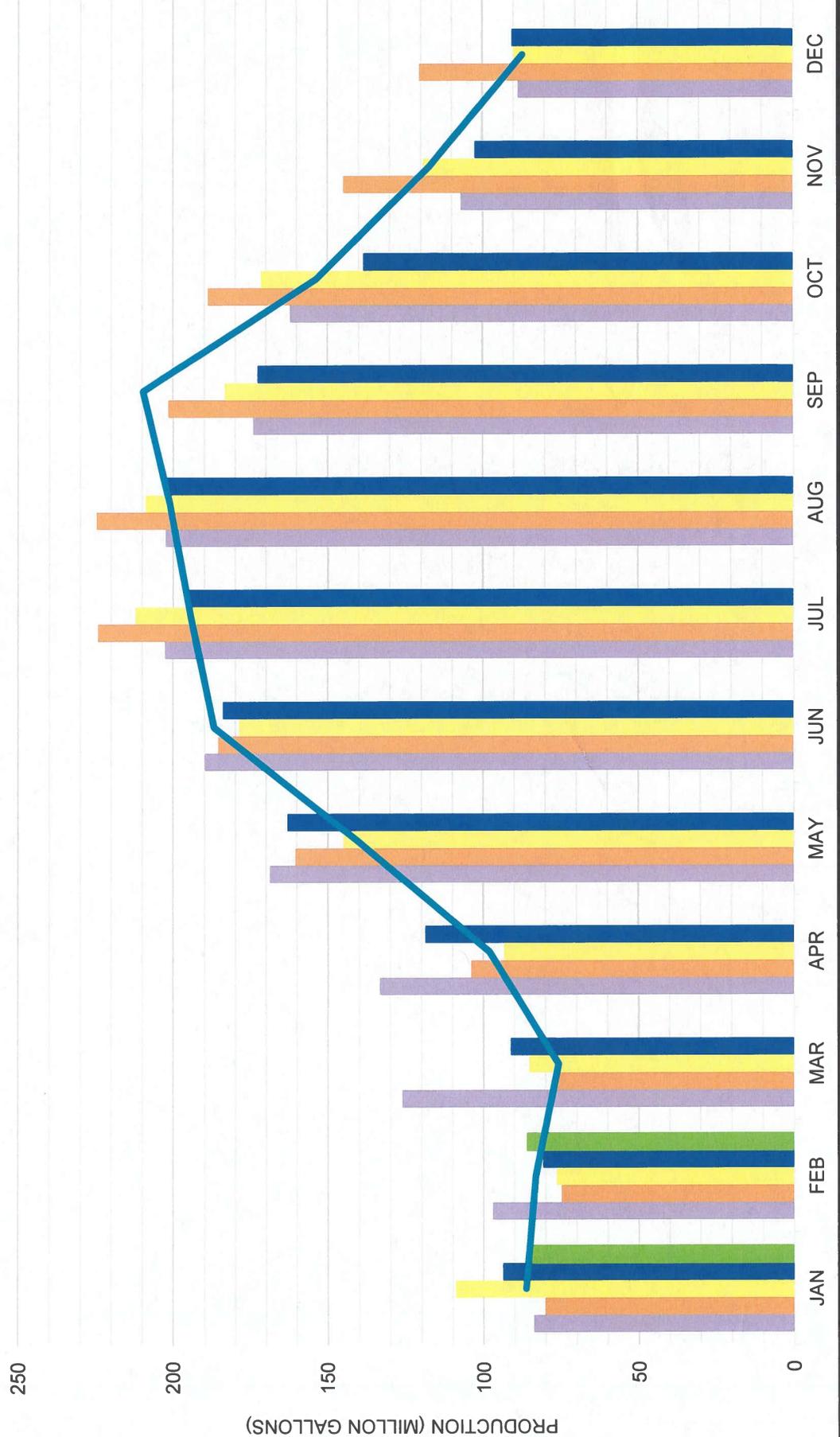


NOTE: Goals are for FYE 04/30/26 budget.

OTHER NOTES:

ATASCADERO MUTUAL WATER COMPANY ACTUAL PRODUCTION VS. 2026 PROJECTED

■ 2022 PRODUCTION
 ■ 2023 PRODUCTION
 ■ 2024 PRODUCTION
 ■ 2025 PRODUCTION
 ■ 2026 PRODUCTION
 — 2026 PROJECTED



ATASCADERO MUTUAL WATER COMPANY
FINANCIAL INFORMATION AS OF 01/31/2026

	<u>BALANCE SHEET</u>	<u>CURRENT VALUE</u>
CASH IN BANK (CHECKING)	\$ 598,358.80	\$ 598,358.80
CASH IN BANK (SAVINGS)	\$ 507.50	\$ 507.50
TOTAL CASH IN BANK	\$ 598,866.30	\$ 598,866.30
PETTY CASH FUND	\$ 600.00	\$ 600.00
E. JONES - CERTIFICATES OF DEPOSIT	\$ -	\$ -
E. JONES - CASH & MONEY MARKET FUNDS IN TRANSIT	\$ 2,190.42	\$ 2,190.42
WATER RESOURCE DEVELOPMENT ACCOUNT	\$ 2,190.42	\$ 2,190.42
E. JONES - CERTIFICATES OF DEPOSIT	\$ 6,277,000.00	\$ 6,271,796.70
E. JONES - CASH & MONEY MARKET FUNDS IN TRANSIT	\$ 522,368.85	\$ 522,368.85
E. JONES - BONDS	\$ 1,211,509.90	\$ 1,198,381.39
INVESTMENT ACCOUNT	\$ 8,010,878.75	\$ 7,992,546.94
TOTAL CASH AND INVESTMENTS	\$ 8,612,535.47	\$ 8,594,203.66

WATER	\$ 942,102.03
MISCELLANEOUS	\$ 15,123.61
TOTAL ACCOUNTS RECEIVABLE	\$ 957,225.64

SAMPLE OF CURRENT CD AND SECURITIES RATES:

TERM	Last Month	Edward Jones
13-WK T BILL	3.570% (1/15/26)	2/18/2025
26-WK T BILL	3.490% (1/15/26)	
3-MO CD	3.80%	
6-MO CD	3.80%	
1-YR CD	3.75%	
2-YR CD	3.85%	

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

	<u>1st/2026</u>	<u>2nd/2026</u>	<u>3rd/2026</u>	<u>4th/2026</u>	<u>1st/2027+</u>	<u>TOTAL</u>
Cash/MM/Mutual Funds	\$0K	\$0K	\$0K	\$0K	\$0K	\$2K
WRD INVESTMENT	\$478K	\$1,919K	\$963K	\$1,443K	\$2,666K	\$7,991K
TOTAL	\$478K	\$1,919K	\$963K	\$1,443K	\$2,666K	\$7,993K

Atascadero Mutual Water Co

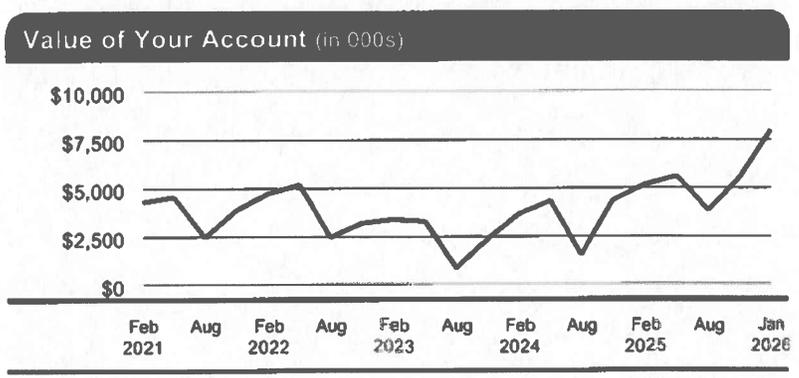
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Where's the market heading? How can I prepare for the unexpected? What will retirement look like for me? Our monthly newsletter helps answer these questions, keeping you informed about investing topics most relevant to your goals. Visit edwardjones.com/newsletter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

Corporate - Select

Portfolio Objective - Account: Preservation of Principal

Account Value	
\$7,992,546.94	
1 Month Ago	\$5,605,592.12
1 Year Ago	\$5,086,522.26
3 Years Ago	\$3,352,280.09
5 Years Ago	\$4,312,749.43



Value Summary		
	This Period	This Year
Beginning Value	\$5,605,592.12	\$5,605,592.12
Assets Added to Account	2,391,064.18	2,391,064.18
Assets Withdrawn from Account	0.00	0.00
Fees and Charges	0.00	0.00
Change In Value	-4,109.36	-4,109.36
Ending Value	\$7,992,546.94	

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
	0.14%	0.14%	3.43%	3.83%	2.40%

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 January 30, 2026)

	Value as of 01/30	Value as of 01/01	Dollar Change	% of Total Value
Assets Held at Edward Jones				
Cash, Insured Bank Deposit & Money Market funds	522,368.85	803,486.83	-281,117.98	6.54%
Certificates of deposit	6,271,796.70	4,802,105.29	1,469,691.41	78.47
Bonds	1,198,381.39	0.00	1,198,381.39	14.99
Total at Edward Jones	\$7,992,546.94	\$5,605,592.12	\$2,386,954.82	100%
Account Value	\$7,992,546.94	\$5,605,592.12	\$2,386,954.82	

Summary of Income

Income distributions from securities	This Period			This Year		
	Taxable	Tax-free	Total	Taxable	Tax-free	Total
Interest	\$16,327.74		\$16,327.74	\$16,327.74		\$16,327.74
Total	\$16,327.74		\$16,327.74	\$16,327.74		\$16,327.74

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 Jan 30, 2026)

additional details at www.edwardjones.com/access

Assets Held At Edward Jones

	Beginning Balance	Deposits	Withdrawals	Ending Balance
Insured Bank Deposit 1.35%	\$803,486.83	\$2,643,425.23	-\$2,924,543.21	\$522,368.85
		Amount on Deposit		
Program Bank Detail				
Capital One Na (Discover)		246,664.11		
State Street Bank and Trust Co		246,664.11		
Bokf National Association		28,062.57		
Old National Bank (Bremer)		145.87		
Stifel Bank and Trust		145.87		
Truist Bank		145.87		
Cibc Bank USA		125.41		
Pinnacle Bank (Synovus)		109.41		
Citibank NA		87.06		
Stifel Bank		74.70		
Bank of China		65.49		
Smbc Manubank		56.31		
M and T Trust Company		16.96		
Bk of New York Mellon		3.58		
Bank of Clarke		1.53		

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 [^]
Huntington Natl Bk Columbus Ohio DTD 02/12/2025 F/C 02/12/2026 FDIC Insured to Legal Limits Interest Rate: 4.2% CUSIP: 446438SP9 Estimated Yield: 4.19%	2/12/2026	239,000.00	239,021.51	4.07%

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
Bank New York Mellon Brokered Instl Ctf Dep Prog DTD 03/26/2025 F/C 03/26/2026 FDIC Insured to Legal Limits Interest Rate: 4.2% CUSIP: 06405VHV4 Estimated Yield: 4.19%	3/26/2026	239,000.00	239,095.60	3.62%
Bank India New York Brh DTD 04/24/2025 F/C 04/22/2026 FDIC Insured to Legal Limits Interest Rate: 3.85% CUSIP: 06279MFB3 Estimated Yield: 3.85%	4/22/2026	240,000.00	239,966.40	2.96%
Associated Bk Natl Assn Green Bay Wis DTD 04/23/2025 F/C 04/23/2026 FDIC Insured to Legal Limits Interest Rate: 3.85% CUSIP: 045491VP9 Estimated Yield: 3.85%	4/23/2026	240,000.00	239,964.00	2.97%
Citizens Progressive Bk Winnsboro La DTD 04/25/2025 FDIC Insured to Legal Limits Interest Rate: 3.9% CUSIP: 176544AL8 Estimated Yield: 3.90%	4/24/2026	240,000.00	239,992.80	3.04%
Fifth Third Bk Cincinnati Ohio DTD 04/29/2025 F/C 04/29/2026 FDIC Insured to Legal Limits Interest Rate: 3.95% CUSIP: 316777ZK0 Estimated Yield: 3.94%	4/29/2026	240,000.00	240,021.60	3.01%
Wells Fargo Bk N A Sioux Falls S D DTD 08/05/2025 F/C 05/05/2026 FDIC Insured to Legal Limits Interest Rate: 4.3% CUSIP: 949764RQ9 Estimated Yield: 4.29%	5/5/2026	240,000.00	240,264.00	2.22%
Bank Amer Na Charlotte NC DTD 08/06/2025 F/C 05/06/2026 FDIC Insured to Legal Limits Interest Rate: 4.25% CUSIP: 06051XZQ8 Estimated Yield: 4.24%	5/6/2026	240,000.00	240,235.20	2.17%

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value ^A	Rate of Return [*]
Hometrust Bk Asheville N C DTD 10/10/2025 F/C 05/11/2026 FDIC Insured to Legal Limits Interest Rate: 3.8% CUSIP: 43787PHG1 Estimated Yield: 3.80%	5/11/2026	239,000.00	238,971.32	1.16%
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	240,000.00	1.52%
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: 3.84%	7/15/2026	239,000.00	239,026.29	1.15%
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	243,685.24	-0.04%
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	239,952.00	1.51%
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	239,954.40	1.48%
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	242,696.25	-0.08%

Asset Details (continued)

Certificates of Deposit	Maturity Date	Maturity Value	Value^	Rate of Return*
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	239,728.80	0.67%
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	239,728.80	0.68%
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	239,635.20	0.62%
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	239,635.20	0.58%
Waterstone Bk Ssb Wauwatosa Wis DTD 11/24/2025 F/C 05/24/2026 FDIC Insured to Legal Limits Interest Rate: 3.45% CUSIP: 941886CE1 Estimated Yield: 3.46%	12/24/2026	240,000.00	239,299.20	0.35%
Enterprise Bk & Tr Clayton MO DTD 01/23/2026 F/C 02/23/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 29367SMV3 Estimated Yield: 3.60%	1/22/2027	249,000.00	248,633.97	-0.07%
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	240,761.41	-0.05%

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	244,732.95	-0.01%
Bankgloucester DTD 01/15/2026 F/C 07/15/2026 FDIC Insured to Legal Limits Interest Rate: 3.5% CUSIP: 06644RAN9 Estimated Yield: 3.51%	7/15/2027	245,000.00	244,032.25	-0.24%
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: 3.60%	7/16/2027	245,000.00	244,399.75	-0.15%
Kentland Bk Ind DTD 01/16/2026 F/C 02/16/2026 FDIC Insured to Legal Limits Interest Rate: 3.6% CUSIP: 490846AE2 Estimated Yield: 3.60%	7/16/2027	249,000.00	248,362.56	-0.11%

[^]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.

Government and Agency Securities	Maturity Date	Quantity	Value	Rate of Return [*]
United States Treas NTS DTD 03/15/2024 Interest Rate: 4.25% CUSIP: 91282CKE0 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.21%	3/15/2027	297,300.00	299,577.32	-0.08%
United States Treas NTS DTD 04/15/2024 Interest Rate: 4.5% CUSIP: 91282CKJ9 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.45%	4/15/2027	296,300.00	299,609.67	-0.06%

Asset Details (continued)

Government and Agency Securities	Maturity Date	Quantity	Value	Rate of Return*
United States Treas NTS DTD 05/31/2025 Interest Rate: 3.87% CUSIP: 91282CNE7 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 3.85%	5/31/2027	298,300.00	299,615.50	-0.04%
United States Treas NTS DTD 06/15/2024 Interest Rate: 4.62% CUSIP: 91282CKV2 Bond Rating: Aa1/AA+ Asset Category: Income Estimated Yield: 4.55%	6/15/2027	295,300.00	299,578.90	-0.05%

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

\$7,992,546.94

Asset Details (continued)

*Your Rate of Return for each individual asset above is as of January 30, 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.

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
Key Bk Natl Assn Ohio	07/01/2025	01/08	244,000	\$244,000.00	\$244,000.00	0.00
U S Bk Natl Assn Instl Ctf Dep	04/07/2025	01/15	240,000	240,000.00	240,000.00	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			\$803,486.83
	Additions	Subtractions	
Deposits and Transfers In	\$2,200,000.00		
Income	16,327.74		
Other Income	484,000.00		
Other Additions	191,064.18		
Total Additions			\$2,891,391.92
Withdrawals to Purchase Securities		-\$3,172,509.90	
Total Subtractions			-\$3,172,509.90
Ending Balance of Cash, Money Market funds and Insured Bank Deposit			\$522,368.85

Detail of Activity by Category

Additions - Deposits and Transfers In	Date	Where Invested	Quantity	Amount per share/rate	Amount
Business Ck#19720 Atascadero Mutual Water Compan	1/05	InsBankDep			\$2,200,000.00
Additions - Income	Date	Where Invested	Quantity	Amount per share/rate	Amount
Interest					
Key Bk Natl Assn Ohio Due 01/08/2026 4.200 %	1/08	InsBankDep	244,000	0.020942	5,109.96
Insured Bank Deposit Interest	1/14	InsBankDep	1,001.91		1,001.91
Douglas Natl Bk Douglas GA Due 11/16/2026 3.600 %	1/14	InsBankDep	240,000	0.003057	733.81
U S Bk Natl Assn Instl Ctf Dep Due 04/15/2026 4.000 %	1/15	InsBankDep	240,000	0.030136	7,232.88
Citizens Progressive Bk Due 04/24/2026 3.900 %	1/26	InsBankDep	240,000	0.003312	794.96
Insured Bank Deposit Interest	1/30	InsBankDep	1,454.22		1,454.22
Additions - Other Income	Date	Where Invested	Quantity	Amount per share/rate	Amount
Redemptions					
Key Bk Natl Assn Ohio 4.200 Due 01/08/26 Matured Security	1/08	InsBankDep	-244,000		244,000.00
U S Bk Natl Assn Instl Ctf Dep 4.000 Due 04/15/26 on 240000 Bonds	1/15	InsBankDep	-240,000		240,000.00
Additions - Other Additions	Date	Where Invested	Quantity	Amount per share/rate	Amount
Transfer from [REDACTED]	1/28	InsBankDep			191,064.18

Detail of Activity by Category (continued)

Subtractions - Withdrawals to Purchase Securities	Date	Source of Funds	Quantity	Amount per share/rate	Amount
Buys					
Bank Gloucester Due 07/15/2027 03.500% Jj 15 Yield 3.500 % to Maturity	1/15	InsBankDep	245,000	100	-245,000.00
Kentland Bk Ind Due 07/16/2027 03.600% Yield 3.600 % to Maturity	1/16	InsBankDep	249,000	100	-249,000.00
Waterstone Bk Ssb Wauwatosha Due 02/22/2027 03.400% Jj 20 Yield 3.400 % to Maturity	1/20	InsBankDep	245,000	100	-245,000.00
Bank Hapoalim B M New York Brh Due 07/16/2027 03.600% Jj 21 Yield 3.600 % to Maturity	1/21	InsBankDep	245,000	100	-245,000.00
Peoples Natl Bk Mt Vernon III Due 08/24/2026 03.550% Yield 3.550 % to Maturity	1/22	InsBankDep	244,000	100	-244,000.00
Enterprise Bk & Tr Clayton MO Due 01/22/2027 03.600% Yield 3.600 % to Maturity	1/23	InsBankDep	249,000	100	-249,000.00
1st Source Bk South Bend Ind Due 10/26/2026 03.600% Yield 3.600 % to Maturity	1/26	InsBankDep	243,000	100	-243,000.00
City Natl Bk Los Angeles Calif Due 01/26/2027 03.650% Yield 3.650 % to Maturity	1/26	InsBankDep	241,000	100	-241,000.00
United States Treas NTS Accrued Interest = 4,781.85 Yield 3.472 % to Maturity	1/30	InsBankDep	297,300	100.845677	-304,601.00
United States Treas NTS Accrued Interest = 3,919.46 Yield 3.487 % to Maturity	1/30	InsBankDep	296,300	101.181855	-303,726.25
United States Treas NTS Accrued Interest = 1,725.96 Yield 3.490 % to Maturity	1/30	InsBankDep	295,300	101.506311	-301,479.05
United States Treas NTS Accrued Interest = 1,937.11 Yield 3.493 % to Maturity	1/30	InsBankDep	298,300	100.489956	-301,703.60

Insured Bank Deposit Detail by Date

Beginning Balance on Jan 1					\$803,486.83
Date	Transaction	Description	Deposits	Withdrawals	Balance
1/07	Deposit		2,200,000.00		\$3,003,486.83
1/09	Deposit		249,109.96		\$3,252,596.79
1/14	Income	Insured Bank Deposit Interest	1,001.91		\$3,253,598.70
1/15	Withdrawal			-244,266.19	\$3,009,332.51
1/16	Withdrawal			-1,767.12	\$3,007,565.39
1/20	Withdrawal			-245,000.00	\$2,762,565.39
1/21	Withdrawal			-245,000.00	\$2,517,565.39
1/22	Withdrawal			-244,000.00	\$2,273,565.39
1/23	Withdrawal			-249,000.00	\$2,024,565.39
1/26	Withdrawal			-484,000.00	\$1,540,565.39
1/27	Deposit		794.96		\$1,541,360.35

Insured Bank Deposit Detail by Date (continued)

Date	Transaction	Description	Deposits	Withdrawals	Balance
1/29	Deposit		191,064.18		\$1,732,424.53
1/30	Income	Insured Bank Deposit Interest	1,454.22		\$1,733,878.75
1/30	Withdrawal			-1,211,509.90	\$522,368.85
Total			\$2,643,425.23	-\$2,924,543.21	
Ending Balance on Jan 30					\$522,368.85

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

Share your tax forms securely with your tax preparer

With Online Access, you can share your Edward Jones tax forms with a third party, such as your tax professional. Simply sign in, indicate the tax forms to share from the Documents screen and click "Send to Third Party." Your Edward Jones team can also share your tax forms at your instruction using the same secure electronic system. To learn more, contact your Edward Jones office.

Portfolio Summary

Total Portfolio Value

\$7,994,737.36

1 Month Ago	\$5,607,695.34
1 Year Ago	\$5,086,875.88
3 Years Ago	\$3,352,429.88
5 Years Ago	\$4,445,176.03

Easily access your tax forms

You can view, print and download your Edward Jones tax forms in Online Access. Ask your Edward Jones team for details. Consolidated 1099 Tax Statements labeled "Figures Not Final" can be viewed and printed but not imported or downloaded. All forms will be finalized and available for download by March 15.

Overview of Accounts

Accounts	Account Holder	Account Number	Value 1 Year Ago	Current Value
Corporate Account Select	Atascadero Mutual Water Co	[REDACTED]	\$353.62	\$2,190.42
Corporate Account Select	Atascadero Mutual Water Co	[REDACTED]	\$5,086,522.26	\$7,992,546.94
Total Accounts			\$5,086,875.88	\$7,994,737.36

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		\$0.00	\$5,035,342*	\$5,035,342	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.

Atascadero Mutual Water Co

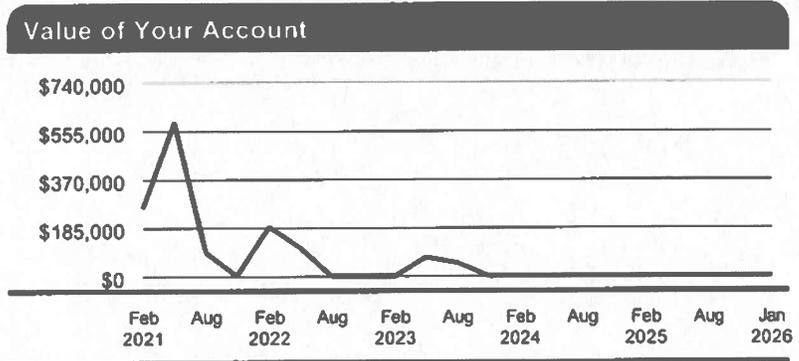
Understanding your statement

Your statement should reflect what's important to you in language you can understand. The clearer it is, the more empowered you'll be to make decisions for your future. You can find some helpful tips at edwardjones.com/mystatementguide or by reaching out to your financial advisor.

Corporate - Select

Portfolio Objective - Account: Preservation of Principal

Account Value	
\$2,190.42	
1 Month Ago	\$2,103.22
1 Year Ago	\$353.62
3 Years Ago	\$149.79
5 Years Ago	\$132,426.60



Value Summary		
	This Period	This Year
Beginning Value	\$2,103.22	\$2,103.22
Assets Added to Account	191,064.18	191,064.18
Assets Withdrawn from Account	-191,064.18	-191,064.18
Fees and Charges	0.00	0.00
Change In Value	87.20	87.20
Ending Value	\$2,190.42	

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
	0.10%	0.10%	1.10%	1.22%	0.40%

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 January 30, 2026)

	Value as of 01/30	Value as of 01/01	Dollar Change	% of Total Value
Assets Held at Edward Jones				
Cash, Insured Bank Deposit & Money Market funds	2,190.42	2,103.22	87.20	100.0%
Total at Edward Jones	\$2,190.42	\$2,103.22	\$87.20	100%
Account Value	\$2,190.42	\$2,103.22	\$87.20	

Summary of Income

Income distributions from securities	This Period			This Year		
	Taxable	Tax-free	Total	Taxable	Tax-free	Total
Interest	\$87.20		\$87.20	\$87.20		\$87.20
Total	\$87.20		\$87.20	\$87.20		\$87.20

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 Jan 30, 2026)

additional details at www.edwardjones.com/access

Assets Held At Edward Jones

	Beginning Balance	Deposits	Withdrawals	Ending Balance
Insured Bank Deposit 1.35%	\$2,103.22	\$191,151.38	-\$191,064.18	\$2,190.42

Asset Details (continued)

Program Bank Detail	Amount on Deposit		
M and T Trust Company	2,189.34		
Bank of Clarke	1.08		

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	\$2,190.42
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*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.

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Summary of Activity

Beginning Balance of Cash, Money Market funds and Insured Bank Deposit			\$2,103.22
	Additions	Subtractions	
Deposits and Transfers In	\$191,064.18		
Income	87.20		
Total Additions			\$191,151.38
Other Withdrawals and Transfers Out		-\$191,064.18	
Total Subtractions			-\$191,064.18
Ending Balance of Cash, Money Market funds and Insured Bank Deposit			\$2,190.42

Detail of Activity by Category

Additions - Deposits and Transfers In	Date	Where Invested	Quantity	Amount per share/rate	Amount
Business Ck#19786 Atascadero Mutual Water Compan	1/14	InsBankDep			\$191,064.18
Additions - Income	Date	Where Invested	Quantity	Amount per share/rate	Amount
Interest					
Insured Bank Deposit Interest	1/14	InsBankDep	1.01		1.01
Insured Bank Deposit Interest	1/30	InsBankDep	86.19		86.19
Subtractions - Other Withdrawals and Transfers Out	Date	Source of Funds	Quantity	Amount per share/rate	Amount
Transfer to [REDACTED]	1/28	InsBankDep			-191,064.18

Insured Bank Deposit Detail by Date

Beginning Balance on Jan 1					\$2,103.22
Date	Transaction	Description	Deposits	Withdrawals	Balance
1/14	Income	Insured Bank Deposit Interest	1.01		\$2,104.23
1/16	Deposit		191,064.18		\$193,168.41
1/28	Withdrawal	Insured Bank Deposit Transfer		-191,064.18	\$2,104.23
1/30	Income	Insured Bank Deposit Interest	86.19		\$2,190.42
Total			\$191,151.38	-\$191,064.18	
Ending Balance on Jan 30					\$2,190.42

Atascadero Mutual Water Company

For the Period Ending January 31, 2026

Budget Report

Description	Budget	Period Budget	Period Actual	YTD Budget	YTD Actual	Remaining Budget	% Used
Operating Revenue							
Water Sales	12,507,000	679,661	785,171	10,833,811	10,027,690	2,479,310	80%
Service Chgs	1,12,000	9,333	19,449	84,000	179,815	(67,815)	161%
Service Income	15,000	1,250	200	11,250	3,420	11,580	23%
Meter Installation Fees	200,000	16,666	21,861	150,000	82,751	117,249	41%
Connection Fees (WRD)	686,000	57,166	19,600	514,500	480,200	205,800	70%
Nacimiento Surcharge Fees (WRD)	646,000	53,833	53,889	484,500	484,650	161,350	75%
PFAS surcharge	355,000	29,583	19,153	266,250	299,856	55,144	84%
Total	14,521,000	847,492	919,323	12,344,311	11,558,382	2,962,618	80%
Non-Operating Revenue							
Misc income	5,000	416	390	3,750	3,800	1,200	76%
SGMA Grant Revenue	29,000	2,416	-	21,750	29,736	(736)	103%
Rental Income	203,000	16,916	17,502	152,250	155,386	47,614	77%
Interest Income	50,000	4,166	16,327	37,500	142,686	(92,686)	285%
Interest Income (WRD)	-	-	87	-	349	(349)	0%
Gain/Loss on Sales	5,000	416	4,500	3,750	(4,907)	9,907	-98%
PFAS Settlement Revenue	-	-	-	-	1,794,310	-	0%
Total	292,000	24,330	38,806	219,000	2,121,360	(35,050)	726%
Revenue	14,813,000	871,822	958,129	12,563,311	13,679,742	2,927,568	92%
Plant Operations Expenses							
Employee salaries & wages	1,823,000	151,916	144,661	1,367,250	1,341,604	481,396	74%
Capitalized wages & benefits	(149,000)	(12,416)	(17,169)	(111,750)	(184,782)	35,782	124%
Employee benefits	440,200	36,683	35,227	330,150	331,431	108,769	75%
Accrued Sick Leave Exp	3,000	250	-	2,250	13,701	(10,701)	457%
Other employee expense	26,000	2,166	1,856	19,500	19,244	6,756	74%
Utility charges	16,000	1,333	1,065	12,000	13,031	2,969	81%
Repairs and Maintenance	837,000	69,750	82,819	627,750	789,853	47,147	94%
Outside services	57,000	4,750	217	42,750	18,600	38,400	33%
Other expense	172,600	14,383	16,502	129,450	124,680	47,920	72%
PFAS Treatment	80,000	6,666	5,214	60,000	55,494	24,506	69%
Variable energy, chemicals	1,830,000	152,500	85,708	1,372,500	1,318,860	511,140	72%
Plant Operations Expenses	5,135,800	427,981	356,100	3,851,850	3,841,716	1,294,084	75%

Atascadero Mutual Water Company

For the Period Ending January 31, 2026

Budget Report

Description	Budget	Period Budget	Period Actual	YTD Budget	YTD Actual	Remaining Budget	% Used
Non-Plant Operations Expenses							
Employee salaries & wages	1,077,000	89,750	82,185	807,750	847,648	229,352	79%
Employee benefits	250,200	20,850	18,521	187,650	185,688	64,512	74%
Accrued Sick Leave Exp	39,000	3,250	840	29,250	19,840	19,160	51%
Other employee expense	6,000	500	209	4,500	5,476	524	91%
Insurance	140,000	11,666	11,399	105,000	103,043	36,957	74%
Utility charges	17,000	1,416	1,940	12,750	12,227	4,773	72%
Property Taxes	85,000	7,083	7,727	63,750	67,711	17,289	80%
Repairs and Maintenance	42,000	3,500	12,034	31,500	29,531	12,469	70%
Outside services	332,000	27,666	31,235	249,000	258,403	73,597	78%
Conservation program & rebates	16,000	1,333	156	12,000	10,587	5,413	66%
Other expense	204,000	17,000	13,856	153,000	155,074	48,926	76%
Other office expense	283,000	23,583	24,023	212,250	220,616	62,384	78%
Non-Plant Operations Expenses	2,491,200	207,597	204,125	1,868,400	1,915,844	575,356	77%
Non-operating expense							
Income Tax Expense	20,000	1,666	3,274	15,000	19,646	354	98%
Governing Expense	33,000	2,750	2,500	24,750	22,500	10,500	68%
Nacimiento Water Project	2,608,150	217,345	217,345	1,956,112	1,956,228	651,922	75%
NWP O&M	917,232	76,436	76,003	687,924	650,689	266,543	71%
NWP Variable Electric	220,000	18,333	-	165,000	64	219,936	0%
Steinbeck Quiet Title Action	7,500	625	503	5,625	13,299	(5,799)	177%
SGMA Compliance	50,000	4,166	2,787	37,500	4,937	45,063	10%
PFAS Loan Interest	525,000	43,750	-	393,750	-	525,000	0%
Non-operating expense	4,380,882	365,071	302,412	3,285,661	2,667,363	1,713,519	61%
Depreciation Expense							
Depreciation Expense	1,430,000	119,166	123,397	1,072,500	1,144,425	285,575	80%
Revenue Total	14,813,000	871,822	958,129	12,563,311	13,679,742	2,927,568	92%
Expense Total	13,437,882	1,119,815	986,034	10,078,411	9,569,348	3,868,534	71%
Net Income (Loss)	1,375,118	(247,993)	(27,905)	2,484,900	4,110,394	(940,966)	

Atascadero Mutual Water Company

Income Statement

For the Period Ending January 31, 2026

Description	Current Fiscal YTD	Prior Fiscal YTD
Operating Revenue		
Water Sales	10,027,691	9,909,770
Service Chgs	179,815	148,704
Service Income	3,420	3,617
Meter Installation Fees	82,752	345,497
Connection Fees (WRD)	480,200	343,000
NWP Surcharge	484,651	483,346
PFAS surcharge	299,857	310,622
Total	11,558,385	11,544,555
Non-Operating Revenue		
Misc income	3,801	3,997
SGMA Grant Revenue	29,737	13,206
Rental income	155,387	159,917
Interest income	142,686	106,349
Interest Income (WRD)	349	349
Gain/loss on Sales	(4,908)	24
PFAS Settlement Revenue	1,794,310	-
Total	2,121,362	283,843
Total Revenue	13,679,747	11,828,398
Expenses		
Production & Treatment		
Employee salaries & wages	479,164	431,408
Capitalized wages & benefits	(24,310)	(15,949)
Employee benefits	117,879	126,900
Accrued Sick Leave Exp	8,114	10,534
Other employee expense	2,617	3,709
Utility charges	8,015	7,488
Repairs and Maintenance	259,271	213,611
Outside services	18,341	42,373
Other expense	73,655	58,937
PFAS Treatment	55,494	52,749
Variable energy, chemicals	1,318,860	1,320,173
Total	2,317,100	2,251,932
Transmission & Distribution		
Employee salaries & wages	862,441	762,876
Capitalized wages & benefits	(160,472)	(101,683)
Employee benefits	213,552	186,367
Accrued Sick Leave Exp	5,588	-
Other employee expense	16,627	16,880
Utility charges	5,016	4,498
Repairs and Maintenance	530,583	477,822
Outside services	260	1,775
Other expense	51,026	75,157
Total	1,524,621	1,423,692
Total Plant Operations Expenses	3,841,721	3,675,624

Atascadero Mutual Water Company

Income Statement

For the Period Ending January 31, 2026

Description	Current Fiscal YTD	Prior Fiscal YTD
Non-Plant Expense		
Office		
Employee salaries & wages	620,238	546,239
Employee benefits	143,408	132,376
Accrued Sick Leave Exp	19,841	2,854
Other employee expense	5,188	3,188
Insurance	103,044	96,373
Utility charges	12,227	12,259
Property Taxes	67,712	63,216
Repairs and Maintenance	25,967	21,944
Outside services	255,868	239,540
Other expense	79,780	69,592
Other office expense	184,691	186,835
Total	1,517,964	1,374,417
Technology		
Employee salaries & wages	190,638	171,035
Employee benefits	38,799	35,835
Other employee expense	193	261
Repairs and Maintenance	3,564	713
Outside services	2,535	6
Other expense	58,745	41,587
Other office expense	33,406	22,652
Total	327,880	272,090
Conservation		
Employee salaries & wages	36,772	32,211
Employee benefits	3,481	2,487
Other employee expense	95	261
Outside services	-	205
Conservation program & rebates	10,587	8,633
Other expense	16,550	12,154
Other office expense	2,520	3,152
Conservation	70,005	59,103
Total Non-Plant Operations Expenses	1,915,849	1,705,610

Atascadero Mutual Water Company

Income Statement

For the Period Ending January 31, 2026

Description	Current Fiscal YTD	Prior Fiscal YTD
Plant & Non-Plant Depreciation	1,144,426	1,088,493
 Non-Operating Expense		
Income Tax Expense	19,647	17,451
Governing Expense	22,500	22,500
Nacimiento Water Project	1,956,228	1,958,946
NWP O&M	650,690	717,134
NWP Variable Electric	64	-
Steinbeck Quiet Title Action	13,299	20,483
SGMA Compliance	4,938	5,017
Total	2,667,366	2,741,532
Revenue Total	13,679,747	11,828,398
Expense Total	9,569,362	9,211,259
Net Income (Loss)	4,110,385	2,617,139

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

Atascadero Mutual Water Company

For the Period Ending January 31, 2026

Balance Sheet

Description	Current Fiscal YTD	Prior Fiscal YTD
Assets		
Cash In Checking - PacPremier	598,358	243,414
Petty Cash Fund-AMWC	600	600
Cash In Savings - Pac Premier	507	507
Water Resource Develop. Fund-	2,190	353
Money Market Certificates-AMWC	8,010,878	5,085,137
Account Receivable	942,102	872,676
Allowance for Uncollectible	(19,892)	(23,704)
Deposit Receivable-AMWC	12,333	11,767
Rent Receivable-AMWC	300	300
Other Receivable	556,525	509,316
Accounts Receivable -Misc AR	15,123	20,212
Inventory - Material-AMWC	714,147	674,079
Prepaid Ins. - Medical	34,962	33,093
Prepaid Ins - Commercial	22,798	21,265
Prepaid - PropertyTaxes-AMWC	38,639	36,787
Prepaid - Misc-Vendor	82,010	93,476
Prepaid Income Tax (FTB)	983	4,985
Prepaid NWP Debt Service	1,086,729	1,087,018
Prepaid NWP O&M account	385,207	751,035
Total Current Assets	12,484,499	9,422,316
Working Capital	10,477,769	7,621,401
Fixed Assets		
Land -AMWC	3,392,745	3,392,745
Structures & Improvements-AMWC	4,724,063	4,659,860
Well Equipment-AMWC	8,847,086	8,845,194
Booster Pumping Equipment-AMWC	4,419,209	4,378,916
Treatment Plant Equipment-AMWC	106,692	106,692
Transmission & Distribution-	37,633,407	36,505,363
Storage Tanks-AMWC	8,484,708	8,484,708
SCADA System-AMWC	1,605,046	1,605,046
Machinery & Equipment-AMWC	1,716,498	1,683,562
Vehicles-AMWC	1,778,083	1,631,006
Office Equipment-AMWC	2,681,941	2,624,880
Construction In Progress-AMWC	3,231,900	2,422,776
Total Fixed Assets	78,621,378	76,340,748

Atascadero Mutual Water Company

For the Period Ending January 31, 2026

Balance Sheet

Description	Current Fiscal YTD	Prior Fiscal YTD
Accumulated Depreciation		
Acc Dep-Structures & Improv	(1,903,573)	(1,806,334)
Acc Dep-Well Equipment-AMWC	(3,737,490)	(3,561,880)
Acc Dep-Booster Pumping Equip-	(2,436,277)	(2,300,935)
Acc Dep-Treatment Plant Equip-	(51,485)	(41,616)
Acc Dep-Transmission & Dist-	(14,709,071)	(14,038,956)
Acc Dep-Storage Tanks-AMWC	(3,238,095)	(3,115,498)
Acc Dep-SCADA System-AMWC	(1,091,903)	(1,046,777)
Acc Dep-Machinery & Equipment-	(1,295,929)	(1,188,323)
Acc Dep-Vehicles-AMWC	(1,043,862)	(964,535)
Acc Dep-Office Equipment-AMWC	(2,529,435)	(2,497,214)
Total Accumulated Depreciation	(32,037,120)	(30,562,068)
Total Assets	59,068,757	55,200,996
Liabilities		
Account Payable-AMWC	192,311	213,915
Unapplied Customer Payments-	47,197	48,822
Accrued Salaries-AMWC	130,312	16,405
Accrued Benefits-AMWC	679,839	646,601
Accrued Taxes - Federal	883	900
Accrued Taxes - Payroll-State-	2,356	2,551
Accrued Taxes - Income Tax-FTB	-	4,986
Deposit for Meter installation	31,836	-
Deposits - Fire Hydrant Meters	18,380	20,200
Deposits for leases	1,500	3,000
Connect Fees-uninstalled mtrs-	151,900	132,300
Main Extens In Lieu-San Miguel	32,511	32,511
Unearned Cell Site Rent	3,558	4,645
Total Liabilities	1,292,583	1,126,836
Owner's Equity		
Capital Stock-AMWC	102,350	102,745
Contributed Capital-AMWC	3,088,714	3,088,714
Retained Earnings-AMWC	50,474,725	48,265,562
Current Income	4,110,385	2,617,139
Total Liabilities and Owner's equity	59,068,757	55,200,996



Atascadero Mutual Water Company Water Revenue YTD

Fiscal Year 2026
Fiscal Period 10

For the Period May 1 - February 28

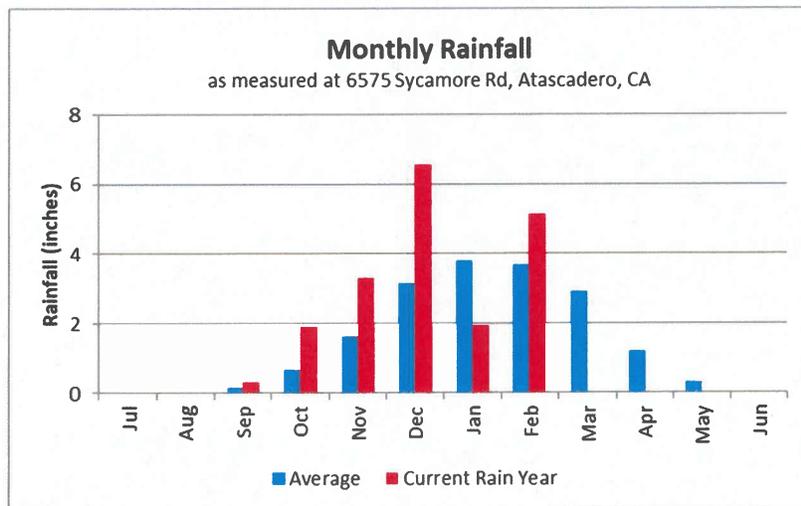
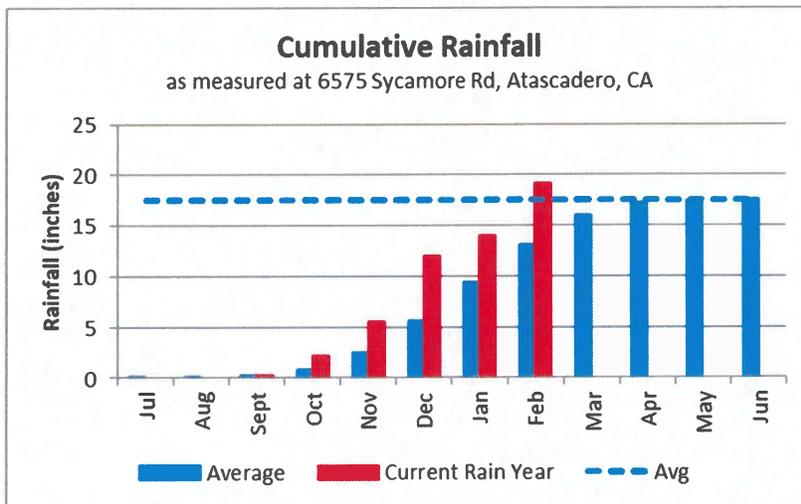
Description	FY 2026	FY 2025
Water Revenue (GL-1-00-41110)	\$ 10,885,131	\$ 10,697,574

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

REPORT ITEMS - CHANGE OF STATUS:

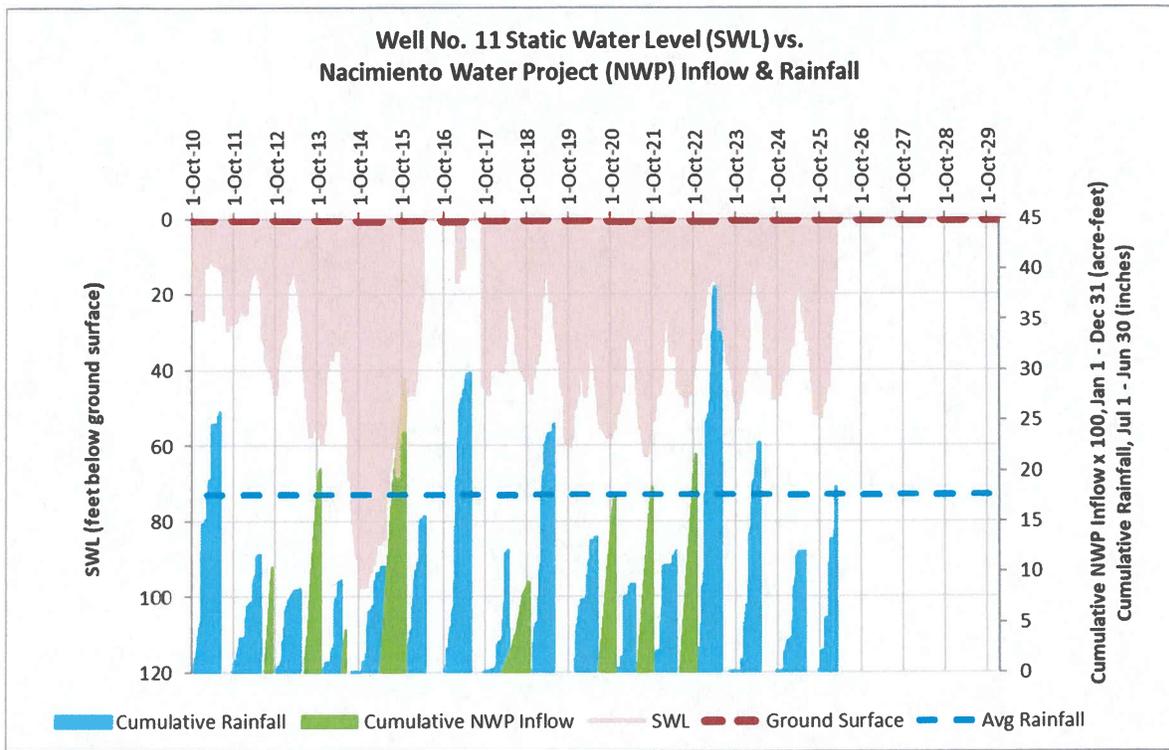
Rainfall:

Cumulative rainfall for the period July 1 – February 28 is 18.37” at the rain gage at 6575 Sycamore Rd. The long-term average cumulative rainfall for this period 13.09”.



Well Levels:

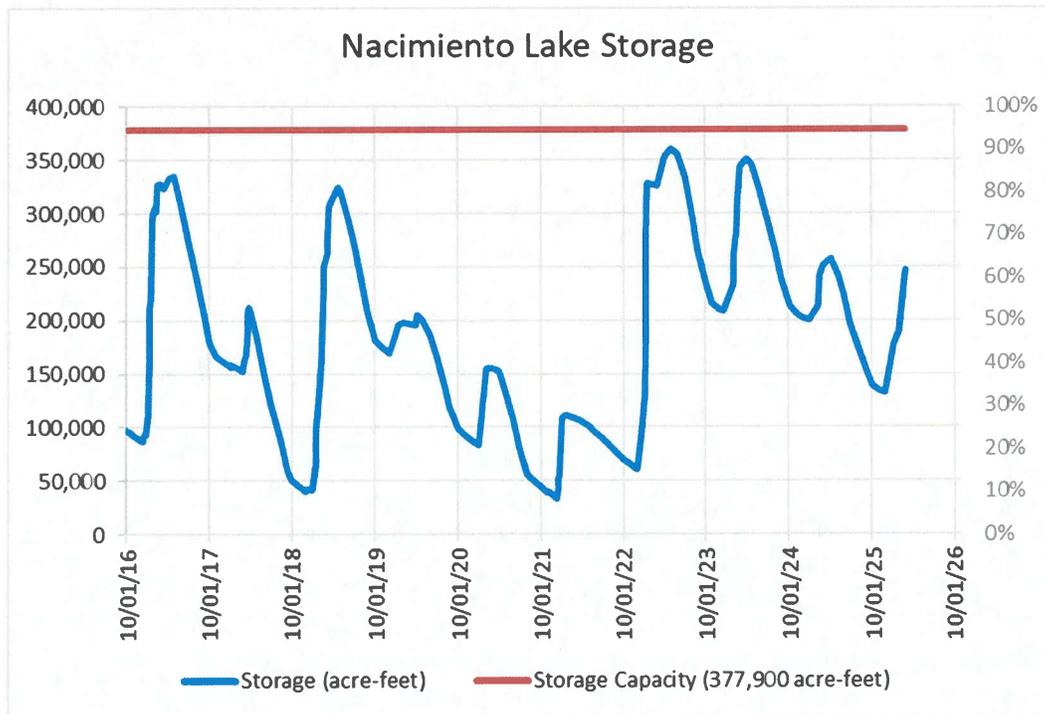
The static water level (SWL) at the northerly end of the main well field was 14.7 feet below ground surface (BGS) at the end of February, up from 19.1 feet BGS at the end of January. Groundwater levels at the end of February last year were at 24.7 feet BGS. The chart below shows how rainfall and water from the NWP affect groundwater elevations.



Nacimientto Water Project (NWP):

The lake was at 65.4% capacity with 247,300 acre-feet (af) of storage on February 28, up from 50.1% capacity on January 31. Current releases from the lake are 60 cubic feet per second (119 acre-feet per day).

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



PFAS Treatment:

Staff is soliciting proposals from earthwork contractors and contractors who specialize in rapid impact compaction. Bid packages for pre-purchasing some of the equipment that have long lead time such as standby generators, motor control centers, and other switch gear are complete.

ANNOUNCEMENTS:

Next Meeting Date: Regular Meeting, April 8, 2026, 4:30 p.m.

BOARD OF DIRECTORS AGENDA REPORT
March 11, 2026

ACTION ITEM

SUBJECT:

Private Well, 9540 Santa Barbara Road

G. M. RECOMMENDATION:

Deny shareholder's request to serve the property at 9540 Santa Barbara Road from a private well.

PREPARED BY:

John Neil

DISCUSSION:

On December 1, 2025, AMWC received an application from the shareholder to drill a private well on the property at 9540 Santa Barbara Road (APN 059-281-007, see Attachment A). The property is currently vacant. There is no water main fronting the property.

Staff denied permission to drill the well since it was staff's opinion that serving the property from a private well would not promote the orderly development of the AMWC water distribution system; one of the stated purposes of AMWC Policy 1.5.6, Restrictions on Private Wells (see Attachment B).

There are five properties along Santa Barbara Road that are not currently being served by AMWC (9450 Santa Barbara Road plus Parcels 1-4 shown on Attachment C). There is currently no water main fronting these properties. AMWC policy requires that to be served by AMWC a water main must front the property.

A ±270-foot extension of the 6-inch water main in Carmel Road could be constructed to serve the property at 9540 Santa Barbara Road. This main extension in the Random Oaks Zone would allow for the future orderly development of the water distribution system for the other properties along Santa Barbara Road shown on Attachment C. This main extension will ultimately connect to the existing main in Los Palos Road, eliminating a dead-end water main and improving system redundancy.

FISCAL IMPACT:

None

ATTACHMENTS:

- A. 12/01/2025 Private Well Application
- B. Policy 1.5.6, Restrictions on Private Wells

ATTACHMENT A



Private Well Application

12/01/2025

Delivery Method Email

Applicant Information

OWNER NAME: [REDACTED]
MAILING ADDRESS: 1035 La Costa Ct
Atascadero, CA, 93422
United States
CELL PHONE: [REDACTED]
BUSINESS: [REDACTED]
EMAIL [REDACTED]@gmail.com

County Parcel Information

PARCEL ADDRESS: 9540 Santa Barbara Rd APN: 059-281-007

Does AMWC currently provide water to the parcel?

No

Is there an existing well on the property?

No

Does the existing or the proposed new well serve more than one dwelling?

No

Does the existing or the proposed new well serve more than one APN?

No

Is there a backflow device installed at the water meter?

N/A

Planned Use (Check all that apply) Primary Single-Family Residential

Acknowledgment

- The undersigned hereby requests permission from Atascadero Mutual Water Company (AMWC) to drill and use a new or replacement private well on the following parcel of land within the AMWC service area.

Terms and Conditions

I understand that AMWC reserves the right to deny permission to drill and use any new or replacement private well within the AMWC service area. I understand that I will be required to enter into a written agreement with AMWC before drilling the proposed well, and the agreement will be recorded against the real property on which the well is drilled. I understand that if a water main fronts or is otherwise available to serve the property, I will be required to connect to the AMWC water system, and pay all fees required for such connection, *before drilling the proposed well.*

Refer to Policy [1.5.6 Restrictions on Private Wells.pdf](#)

I agree to the above Terms and Conditions

By checking this box and typing my name below, I agree to the terms and conditions of the Electronic Signature Agreement, and I am electronically signing my application.

Name: [REDACTED]

Property Owner

Date 12/01/2025

FOR AMWC USE ONLY

- Yes No Is the property in the AMWC service area?
- Yes No Does a water main front or is otherwise available to serve the property?
- Yes No Is the proposed well in an area of significant impact to AMWC wells?
- Yes No Is the property currently serviced by AMWC? Account No: _____

Permission to drill a new or replacement well is hereby Approved Denied

Conditions of Approval (check all that apply):

- Applicant shall connect to the AMWC system, and pay all fees for such connection, since a water main fronts or is otherwise available to serve the property.
- Applicant shall install and maintain an approved cross-connection device at the water meter. The device shall be inspected annually.
- Other Applicant shall design and construct a
water main extension along Carmel
Rd to serve the parcel or request a
main extension waiver from the
AMWC Board of Directors.

General Manager: J. Deniel

Date: 2/4/26

ATTACHMENT B

1.5.6 Restrictions on Private Wells (BP)

January 12, 2005 _____ Approved

PURPOSE

In 1914, the Colony Holding Company deeded all water rights within the Colony to AMWC. AMWC manages the water resources within its service area in a manner that most benefits its shareholders. Unrestricted drilling and development of private wells within the AMWC service area could violate AMWC's water rights, contaminate the groundwater, increase AMWC's pumping costs, and have other significant adverse impacts on AMWC's water resources.

The purpose of this policy is to protect the water resources of AMWC by restricting and/or placing conditions on the drilling and use of private water wells within the AMWC service area. It is also intended to promote the orderly development of the AMWC water distribution system. This policy applies not only to the drilling and development of private wells, but also to the development and use of water from springs and other sources within the AMWC service area.

The use by a shareholder of any water from a private well, spring, or other source is by permission of AMWC. The use by a shareholder of said water does not waive any water rights, enlarge the water rights of the shareholder, or admit that the shareholder possesses any right to the water.

POLICY

New wells: AMWC reserves the right to deny a shareholder permission to drill and use any new, private water well within the AMWC service area. AMWC may deny a shareholder permission to drill and use a new well if, in AMWC's sole discretion or opinion, the well may have a potential adverse impact on the quantity, quality, or recharge of the groundwater resources of AMWC.

If AMWC decides to grant a shareholder permission to drill a new, private well or a replacement for an existing well, the shareholder shall enter into a written **Private Well Agreement** with AMWC before drilling the proposed well. The agreement shall be recorded against the real property on which the well is drilled and shall require that the shareholder:

- A. Obtain a permit for the proposed well from the San Luis Obispo County Department of Environmental Health and promptly provide AMWC with a copy of the permit; and,
- B. Drill, use, and maintain the well in conformance with the permit, the California Well Standards, and all other rules, regulations, ordinances, and laws pertaining to the well; and,
- C. Sign a release that allows AMWC to obtain all information related to the well from the County of San Luis Obispo; and,
- D. Comply with all rules, regulations, ordinances, and laws regarding water quality and wellhead protection; and,
- E. Acknowledge that AMWC is granting permission to drill and use the well without waiving any water rights, enlarging the water rights of the shareholder, or admitting the shareholder possesses any right to the water; and,
- F. Connect to the AMWC system if and when a water main extension reaches the property frontage, and pay all connection, installation, recovery, and other fees that may be due. Upon

connection to the AMWC system, install and maintain an approved cross connection device at the water meter in conformance with the California Regulations Relating to Cross-connections (Title 17, Group 4, California Administrative Code); and,

- G. Minimize the use of the well during drought or other water shortage conditions to the same restrictions and prohibitions that may be imposed on other shareholders; and,
- H. Abandon the well in accordance with California Well Standards and Health Department Standards when no longer in use and promptly provide AMWC with written proof of such abandonment; and,
- I. Cease the transfer of water from a private well across property boundaries to serve other parcels if the parcels are not, or do not remain, under common ownership; and,
- J. Comply with all requirements and conditions of AMWC policy related to the drilling and use of private wells within the AMWC service area, such policy subject to change from time to time.

Existing wells:

Existing wells drilled and in use by shareholders before adoption of this policy, whether known or unknown to AMWC, exist by permission of AMWC. Shareholders may continue to use wells that existed before adoption of this policy subject to the prohibitions of this policy relating to the transfer, export, or other disposition of water. The use by a shareholder of water from an existing well does not waive any water rights, enlarge the water rights of the shareholder, or admit the shareholder possesses any right to the water.

Replacement wells:

Shareholders may drill and use a replacement for an existing well subject to the requirements for new wells then in effect.

Notwithstanding the above, shareholders may not drill and use replacement wells in those areas where private wells are prohibited under this policy, unless there is no water main fronting or otherwise available to serve the property.

Areas where private wells are prohibited:

Attachment A to this policy identifies properties where AMWC has determined that the drilling and use of private water wells will likely have a significant adverse affect on the quantity or quality of the groundwater resources of AMWC. These properties generally overlie the Atascadero Sub-basin and the alluvial deposits in, along, or adjacent to the Salinas River. AMWC will not grant shareholders permission to drill and use new wells on the properties identified on Attachment A. AMWC may modify Attachment A, from time-to-time, as new information on AMWC groundwater resources becomes available. AMWC shall be the sole judge of whether a proposed new well lies within such areas.

In addition to those areas shown on Attachment A, AMWC has determined that the drilling and use of private water wells in or adjacent to the creeks listed below could have a significant adverse affect on the groundwater resources of AMWC.

- Atascadero Creek
- Eagle Creek
- Graves Creek

- Paloma Creek

The creeks listed above are identified on the United State Geological Survey Quadrangle Maps and are collectively referred to hereinafter as "Creeks". AMWC will not grant any shareholder permission to drill and use any new well within 300 feet of either side of the Creeks. AMWC shall be the sole judge of whether a proposed new well lies within such an area.

AMWC, at any time, may revoke its permission to use existing wells on those properties identified on Attachment A and within 300 feet either side of the Creeks. AMWC may revoke its permission if, in the sole opinion of AMWC, the use of these wells has a significant adverse effect on the quantity or quality of the groundwater resources of AMWC.

Connection to AMWC system:

If a water main fronts, or is otherwise available to serve, a shareholder's property, the shareholder shall connect to the AMWC water system before AMWC will grant permission to drill a new well or replace an existing well. The shareholder shall pay all connection, installation, recovery, and other fees that may be due.

Upon connection to the AMWC system, the shareholder shall install and maintain an approved cross connection device at the water meter in conformance with the California Regulations Relating to Cross-connections (Title 17, Group 4, California Administrative Code) or abandon any existing wells on the property served.

Transfers of water:

AMWC prohibits shareholders from transferring water from a private well across property boundaries to serve other parcels. This prohibition includes the transfer of water across property boundaries to serve other parcels from any source, including AMWC wells.

Notwithstanding the above and with the exception of water produced from AMWC wells, shareholders may transfer water produced from a private well or other sources across property boundaries to serve other parcels within the AMWC service area, if the parcels served are, and remain, under common ownership. The shareholder shall immediately cease the transfer of water produced from the private well to any parcel that is sold or transferred to another shareholder.

Exports of water: AMWC prohibits the export of water produced from any source within the AMWC service area to areas outside the AMWC service area. This prohibition includes any water produced within the AMWC service area including water from AMWC wells, private wells, springs, or any other water source.

BACKGROUND

In 1914, the Colony Holding Company deeded all water rights within the Colony to AMWC. AMWC manages the water resources within its service area in a manner that most benefits its shareholders.

The 2002 Paso Robles Groundwater Basin Study confirmed the existence of the Atascadero sub-basin. The Basin Study concludes that projected extractions from the Atascadero sub-basin could

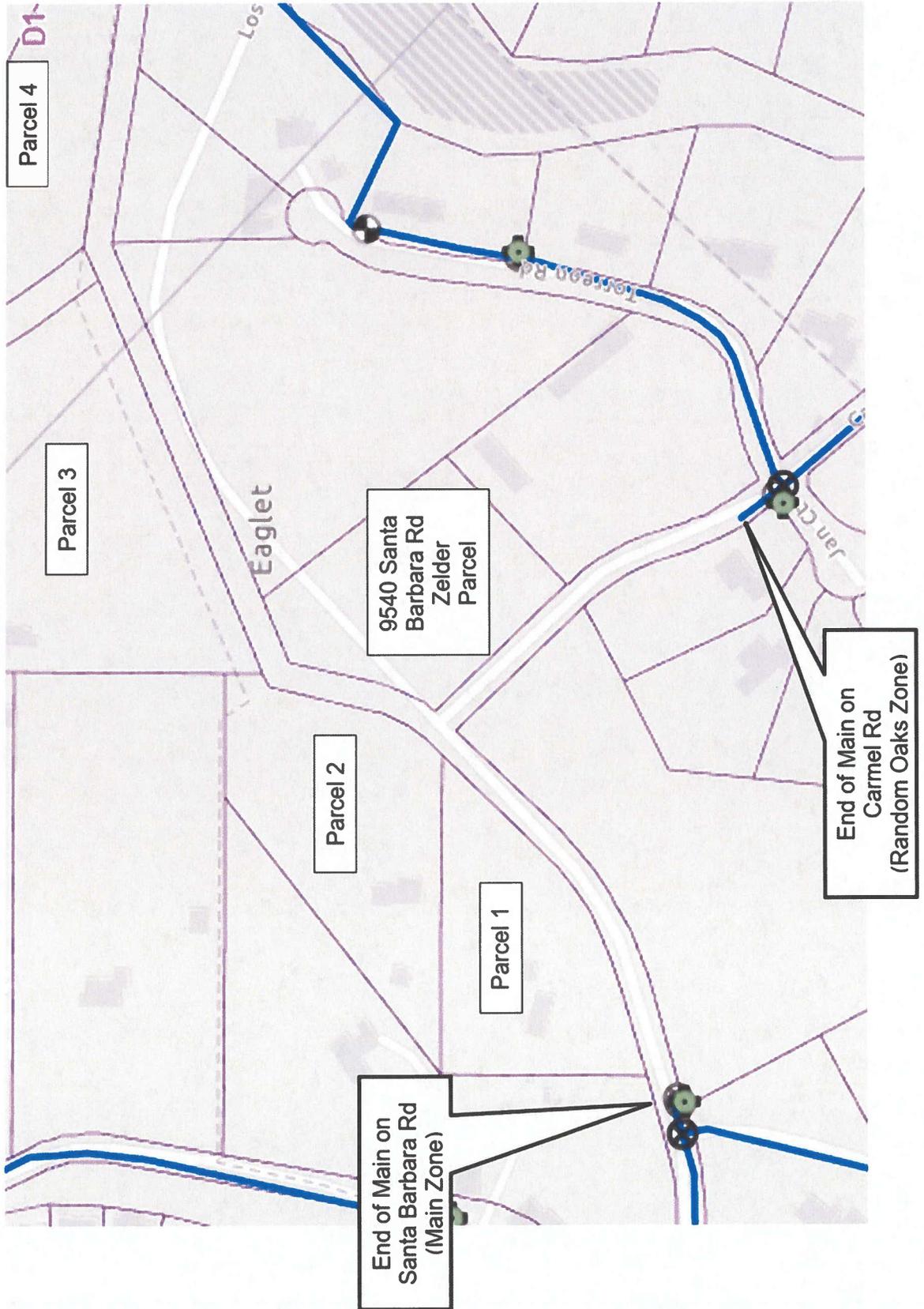
exceed its safe perennial yield. Due to its relatively small size, development of private wells within the sub-basin could have a significant effect on the amount of groundwater available for recharge of the sub-basin. Reduced recharge results in lower water levels in the aquifer from which AMWC extracts water for its shareholders. Lower water levels increases the cost of producing water for AMWC shareholders.

Private wells in the service area reduce groundwater recharge, reduce water levels in community wells, and may result in the inefficient wasteful use of water. The use of private wells can lead to a waste of a common resource that is detrimental to all shareholders.

A proliferation of private wells in the sub-basin increases the likelihood of contamination of the aquifer due to improper wellhead protection or improper abandonment. Private wells that penetrate zones containing poor-quality water, pollutants, or contaminants increase the potential for contamination of the aquifer and the community's water supply. Private wells have sanitary seal requirements that are significantly more relaxed than the seal requirements for community wells increasing the likelihood of contamination. Water from private wells could contaminate the community water supply if the well owner does not install and maintain the appropriate cross-connection control device or if the property owner does not maintain adequate wellhead protection measures.

Exporting of water from the AMWC service area can be a direct violation of AMWC's water rights

ATTACHMENT C



**BOARD OF DIRECTORS AGENDA REPORT
March 11, 2026**

ACTION ITEM

SUBJECT:

High-Usage Billing Adjustment, 5765 Cascabel Rd

G.M. RECOMMENDATION:

Approve a high-use billing adjustment for the property at 5765 Cascabel Road for the January 2026 billing period, less the adjustment previously granted for the May 2024 billing period per Alternative 4.

PREPARED BY:

John Neil

DISCUSSION:

On January 15, staff informed the shareholder of the subject property that the meter had registered unusually high use of water over the January 2026 billing period. The shareholder could not locate the leak and contracted with American Leak Detection.

American Leak Detection discovered a crack in the shareholder’s service line near a grove of oak trees. The leak from the cracked service line resulted in the high-use water bill shown below. The cracked pipe has been repaired.

High-Use Water Bill

Billing Period	Use (1,000 gal)	High-Use Bill
Jan 2026	182	\$2,048.14

Historic Water Use

Billing Period	Use (1,000 gal)
Jan 2024	7
Jan 2025	46
2-Yr Avg Use	26.5
2-Yr Avg Bill	\$204.14

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, 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.

On February 9, staff received an application for a high-use billing adjustment from the shareholder. Staff denied the application because the shareholder was previously granted a high-use adjustment within the past 24 months for the May 2024 billing period.

Billing Period	Use (1,000 gal)	Bill	High-Use Adjustment	Adjusted Bill
May 2024	83	\$693.66	(\$309.77)	\$383.89

The shareholder requests the Board grant special consideration for the January 2026 high water use due to the severity of the leak and the costs incurred by the shareholder to remedy the leak (see Attachment A).

ALTERNATIVES:

Alternative 1 – Deny request for any special consideration for the January 2026 high water use. The shareholder will not be eligible for another high-use adjustment until May 2026.

Alternative 2 - Allow the shareholder to pay off the high-use bill balance under a 12-month payment plan. Payments under the plan would be in addition to future monthly water charges incurred by the shareholder.

Alternative 3 – Grant the shareholder a second high-use adjustment within 24 months of the May 2024 adjustment. The shareholder will not be eligible for another high-use adjustment until May 2028. Allow the shareholder to pay off the adjusted bill balance under a 12-month payment plan per Alternative 2.

Jan 2026 High-Use Bill	2-year Average-Use Bill	Difference	High-Use Adjustment	Adjusted Bill
\$2,048.14	\$204.14	\$1,844.00	(\$922.00)	\$1,126.14

Alternative 4 – Grant the shareholder a high-use adjustment for the January 2026 billing period less the adjustment previously granted for the May 2024 billing period. The shareholder will not be eligible for another high-use adjustment until January 2028. Allow the shareholder to pay off the adjusted bill balance under a 12-month payment plan per Alternative 2.

High-Use Billing Adjustment Less May 2024 Adjustment

Jan 2026 High-Use Bill	Jan 2026 Adjustment	May 2024 Adjustment	Net Adjustment	Adjusted Bill
\$2,048.14	(\$922.00)	\$309.77	(\$612.23)	\$1,435.91

FISCAL IMPACT:

Alternative 1: No reduction in operating revenue.

Alternative 2: No reduction in operating revenue.

Alternative 3: A \$922.00 reduction in operating revenue.

Alternative 4: A \$612.23 reduction in operating revenue.

ATTACHMENTS:

A. Shareholder's 02/09/2026 request



ATASCADERO MUTUAL WATER COMPANY

5005 El Camino Real • Atascadero, CA 93422 • (805) 466-2428

APPLICATION FOR HIGH-USE ADJUSTMENT

Please Note - Shareholders must apply for a High-Use Adjustment within 30 days of receiving their first water bill that shows high use.

Account #: [REDACTED] Email Address: [REDACTED]@gmail.com
 Service Address: 5765 Cascabel Rd. Atascadero 93422
 Property Owner's Name: [REDACTED]
 Mailing Address: 5765 Cascabel Rd. Atascadero 93422
 Request Date: 2-9-2026 Date High Use Began: 1-15-26 ^{Approx.} Repair Date: 1-21-26

Describe in detail in the space below what was done to repair the cause of the high water use and what you intend to do to prevent similar occurrences in the future.

We had a leak that we were unaware of.
Attached you will find documentation of how we have
remedied the problem.
Thank you for your consideration of an adjustment.

Proof of the repair is required and must be submitted with this application (itemized invoice from plumber, itemized receipt for repair parts, or other supporting proof), along with a sketch of the property showing the exact location of the high use.

To qualify, the high use must be at least two (2) times the average use for the prior two years for the months under consideration. You will be notified as to whether or not you meet that criteria and are eligible for a High-Use Adjustment. A maximum of one month of unusually high use will be considered for an adjustment.

A High-Use Adjustment is not a credit of your entire bill. The adjustment amount will be 50% of the difference between the high water bill(s) and a water bill(s) based on average use.

Only property owners may request a High-Use Adjustment. Tenants must have the property owner submit an application on their behalf. A property is eligible for one High-Use Adjustment in a 24-month period.

As property owner and shareholder for the above-noted property, I hereby apply for a High-Use Adjustment. I confirm the above and attached information is true and accurate. I also hereby grant AMWC personnel right of access to the above-noted property to inspect the site of the leak to verify if adequate repairs were made.

Property Owner's Signature: [REDACTED] Date: 2-9-2026
 Telephone Number: [REDACTED]

John Neil

From: [REDACTED]@gmail.com>
Sent: Monday, February 9, 2026 2:10 PM
To: John Neil
Cc: Valerie Huff
Subject: Request for Special Consideration of High Usage Adjustment

Dear John,

One of the natural resources that is most dear to us is water. We are grateful for every drop and make every attempt to conserve throughout the year.

Therefore, it was a total shock when we were told that our water meter was spinning and spinning, with no apparent leak in sight and no loss of water pressure. We immediately turned off the water at the main and spent the next 6 days without water as we tried to find the location of the leak (along with help from the Leak Detectors and our handyperson).

Once the leak was located we immediately had it fixed and have been checking the meter every few days to make sure that all is well. We understand the two year rule however we would like to request a special consideration for this particular issue due to its severity and the extreme cost of this occurrence.

Thank you for your consideration.

[REDACTED]
[REDACTED]

PS Please let me know if you would like pictures of the property, the work in progress and the completed work.

CAUTION

EXTERNAL SENDER - STOP, ASSESS, AND VERIFY - Report all suspicious messages with the Phish Alert button and do not click links, open attachments, or provide credentials.

NOTES

AMWC technician came to our gate on January 15 reporting high water use to us. We gave him permission to turn off water at the meter.

We immediately walked around the house, down the main line all the way to the road to see if there was evidence of water leaking somewhere. There was nothing obvious. While one of us monitored the meter (off & on), the other walked the line to try to find the leak - no luck - no sound of water or water coming to the surface. We turned off the water for the night and called our handyman Martin Saenz to come help us on Jan. 16. Working together we still could not find the leak.

I called American Leak Detection on Fri., Jan. 16. Their technician came out on Sunday, Jan. 18. He walked the main line but could find nothing obvious either so he used their specialized equipment and discovered the leak buried deep under ground on our main line that runs up the hill through our neighbor's property. He marked the spot with a large orange X on top of the grass. The water was off at the meter.

Martin arrived Monday. Worked Monday, Tuesday, Wednesday (19, 20, 21) to dig up area around broken pipe, replace pipe, install control valves, create protective cover for valves.

Wednesday evening water was turned back on at meter - checked and all was ok. (Jan. 21)

NOTES

Our house

5765

shut off

shut off

Field

Neighbor's house

Leak shut off

Oak Trees

Field

Neighbor's house

Our driveway (shared by 4 houses)

Neighbor's driveway

Cascabel Rd.

5765

our water meter

--- Main water line



**AMERICAN
LEAK
DETECTION**

THE ORIGINAL LEAK SPECIALISTS

Job #16385609

Detection Report - Irrigation/Mainline

American Leak Detection of San Luis Obispo	
2081 Lopez Dr, Arroyo Grande, CA 93420 (805) 473-3644 Tax ID: 87-3650099	
Date 2026-01-21	
Customer Information	
Customer's Name [REDACTED]	Customer's Address 5765 Cascabel Road, Atascadero, CA 93422 USA
Customer's Phone [REDACTED]	
Billing Information	
Billing Party [REDACTED]	Billing Address 5765 Cascabel Road, Atascadero, CA 93422 USA
Billing Party's Phone [REDACTED]	Claim Number
Contact Information	
For any technical questions, please call your technician. For all other questions or to schedule another appointment, please call the office at (805) 473-3644. Your technician was Mark. He can be reached at (805) 245-2924.	
Leak Detection Report	
Picture of Job Site Front of house or building.	Customer Concerns Information collected by the office and the technician's instructions:
Property Size ≥ 1/2 acre	Approximate Length of Main Line ≥ 100 ft.

Material of Pipe <input checked="" type="checkbox"/> PVC <input type="checkbox"/> Cast Iron <input type="checkbox"/> ABS <input type="checkbox"/> PVC (with tracer wire) <input type="checkbox"/> CPVC <input type="checkbox"/> Copper <input type="checkbox"/> Other (See Technician's Notes)	Upon Arrival, Water Services to the Property were Turned Off
Upon Arrival, was there any Visible Water Showing Up? No	Was there an Irrigation Shut-Off Valve Present? Yes (See Report Photos)
Was there a Back-Flow or Hose Bib Present to Induce Air? Yes (Hose Bib)	How Many Irrigation Stations Present on the Property
Technician's Findings	
Property PSI	Results of the Pressure Test System lost pressure, indicating a leak on the system. - See Technician's Notes
Amount of pressure lost and over what period of time:	Was a Leak Found at this Time? Yes
Was Tracer Gas Needed to Find the Leak? No	
Technician's Notes	
Technician's Opinion of Cause	Technician's Opinion of Duration
Technician Findings The technician performed a complete discrimination leak detection. The technician found a leak on the long service line. The leak was located near a fallen dead tree on the main line. The technician marked the leak location with orange paint on site and showed the location to the homeowner.	Is a Follow Up Visit Needed?
Was the adjuster called and informed of the results of the detection?	
Report Photo	
Report Photo	
Estimate for Repair	
Name of Repair	Description of Repair
Accessibility The following item(s) must be moved/removed prior to the technician's arrival:	Price of Repair
Warranty	
Work and/or Material Provided	



AMERICAN LEAK DETECTION

American Leak Detection
San Luis Obispo
2081 Lopez Drive,
Ph (805) 473-3644
www.americanleakdetection.com
TAX ID: 87-3650099

Claim #/PO #
Invoice 16385609
Invoice Date 1/21/2026
Completed Date 1/21/2026

Billing Address

5765 Cascabel Road
Atascadero, CA 93422 USA

Job Address

5765 Cascabel Road
Atascadero, CA 93422 USA

Description of Work

Task #	Description	Total
R-IRRIGATION/MAINLINE	A complete leak detection testing the irrigation and/or mainline. This leak detection comes with a 30-day guarantee.	\$850.00

(Please see Report for details and pictures on the work performed. If you cannot locate your report, inform the office at (805) 473-3644 and the report will be provided to you promptly)

Member Price	\$850.00
Potential Savings	\$0.00
Sub-Total	\$850.00
Tax	\$0.00
Total Due	\$850.00
Balance Due	\$850.00

Payment Term DUE UPON RECEIPT

Thank you for choosing American Leak Detection - San Luis Obispo

Payment Term DUE UPON RECEIPT
Due Date 1/21/2026

Contractors are required by law to be licensed and regulated by the Contractor's State License Board. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, 9835 Goethe Road, Sacramento, CA 95827. Mailing Address: P.O. Box 26000, Sacramento, CA 95826.

GUARANTEE ON DETECTIONS: All leak locations and detection work is guaranteed for 30 days from the date of completion. We will re-test the system if it is reported within the above 30 day period that a leak still exists. American Leak Detection will not be liable for any consequential losses arising from inaccurate location in excess of the fee paid.

GUARANTEE ON REPAIRS: Minor repairs made by American Leak Detection are guaranteed for 30 days. Major repairs are guaranteed for 5 years. All repairs are guaranteed from date of completion for defects in workmanship only. IF ANY UNFORESEEN CIRCUMSTANCES ARISE DURING THE REPAIR PROCESS A CHANGE ORDER WILL BE WRITTEN.

NOTE: All repairs made by American Leak Detection include retesting for further leakage at no additional charge. Repairs made by others can be retested upon request. The testing will carry a minimum \$200 service charge.

PIPE CONDITION: If the pipe material is found to be in an advanced state of deterioration when exposed for line repair, this does not represent a breach of contract by American Leak Detection nor does it negate the client's responsibility to pay for said services. Fees for opening and closing the slab will still be due, even if a re-route is determined to be necessary.

American Leak Detection (ALD) is the leading leak detection company in the nation and we will, at all times, make every effort to accurately locate your leak(s) and ensure your complete satisfaction. However, leak detection is not an exact science and consequently, due to the numerous factors, known and unknown, involved in locating leaks, there will be times when the location of a leak is incorrectly identified. Most leaks will be located within several inches of their exact location but this can vary to within several feet, depending on soil conditions, construction methods, and other factors, known and unknown. ALD will not be responsible, financial or otherwise, for the possible inaccurate location of leaks due to the aforementioned known and unknown factors.

Due to the fact that in most cases only one leak can be located at a time on any particular plumbing line, it is very important that the system is rechecked after repairs have been completed. ALD cannot guarantee that additional leaks do not exist or that the identified leaks will not re-occur. Should the rare situation occur that we could not locate a leak that exists, we will attempt to provide you with the best alternatives to resolve the situation.

While performing leak detection tests our technicians may need to disconnect and remove toilets, turn off supply lines valves, isolation valves, water heaters, etc. In some cases, where these items have not been touched or manipulated in a long time, they may break and/or begin to leak. Also, in order for us to find and/or confirm some leaks it may be necessary for our technicians to cut holes in

Payment Completed.



Confirmation #09083D

\$850.00

AMOUNT PAID

You will receive an email confirmation shortly.

Create an Account to save your payment information

Sign In for a 1-click checkout in the future

MARTIN SAENZ

1-21-2026

566956

Invoice

(805) 674-4715

SOLD TO		SHIP TO	
ADDRESS		ADDRESS	
CITY, STATE, ZIP		CITY, STATE, ZIP	
CUSTOMER ORDER NO.	SOLD BY	TERMS	F.O.B.
		DATE	

ORDERED	SHIPPED	DESCRIPTION	PRICE	UNIT	AMOUNT
		WATER LEAK FIX		\$	460 =
		SETUP TWO		\$	460
		CONTROL VALVES			
		1 1/2"			
		WATER DRAIN FIX		\$	320
		AND PAVED		\$	1,240 =

© 2010 5840

CS-15

ATASCADERO MUTUAL WATER COMPANY

WORK ORDER: 71242 VRFYFIX - Verify Leak has been Fixed

ADDRESS:

LOCATION: 5765 Cascabel Rd

WO INITIATED:	WO START-FINISH:	EQU I E	SUBMITTED:	E	SUPERVISOR:	ATU
2/9/2026 12:45:02 PM HUFF, VALERIE	2/9/2026 2:01:26 PM	HUFF, VALERIE	HUFF, VALERIE		CLARK, DAVE	Medium Open

ACCOUNT NUM:

MAP PAGE: B2

LABOR

DATE	HOURS	EMPLOYEE	TASK NAME	TRANS. DATE	TOTAL
TOTAL LABOR COST: \$0.00					

MATERIAL

ITEM	DESCRIPTION	MATERIAL SOURCE	TASK NAME	QTY	UNIT COST	TOTAL
TOTAL MATERIAL COST: \$0.00						

EQUIPMENT

DESCRIPTION	EQUIP SOURCE	HOURS	UNITS	C T	TOTAL
TOTAL EQUIPMENT COST: \$0.00					

TOTAL WORK ORDER COST: \$0.00

TASKS

ORDER	TASK DESCRIPTION	NAME	TASK ACTUAL START DATE	TASK STATUS	TASK COMMENTS
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CUSTOM FIELDS

FIELD NAME	FIELD VALUE
Meter Read	1114
Is Meter Spining?	NO

COMMENTS:

By HUFF, VALERIE : 2/9/2026 12:45:02 PM
VERIFY LEAK IS FIXED FOR POSSIBLE ADJUSTMENT

By KINMAN, KYLE : 2/9/2026 2:01:36 PM
Leak has been fixed

INSTRUCTIONS:

BOARD OF DIRECTORS AGENDA REPORT
March 11, 2026

ACTION ITEM

SUBJECT:

Atascadero State Hospital, Permit to Issue Shares

G.M. RECOMMENDATION:

Consider a request from the Atascadero State Hospital to initiate the process to annex Lots 7 and 8, Block 7, Eaglet No. 2 into the AMWC service area.

PREPARED BY:

John Neil

DISCUSSION:

The Atascadero State Hospital is requesting that AMWC provide water service to a multi-family residential project on portions of Lots 7 and 8, Block 7, Eaglet No. 2 (APN No. 045-461-003).

The project is located on approximately 2.89 acres, located at the southeast corner of El Camino Real and San Rafael Road. The site will be developed by: People's Self-Help Housing Corporation, a nonprofit public benefit corporation. The project consists of 88 multifamily homes, ranging from 1 bedroom to 3 bedrooms, with one unit for an onsite manager, along with common room facilities and outdoor amenities (see Attachments A and B).

Lots 7 and 8, Block 7, Eaglet No. 2 were never issued shares by AMWC. These lots were not included in the deed of conveyance of certain Eaglet properties to AMWC from Oscar Willett, trustee for the Atascadero Development Syndicate. The Board accepted the deed of conveyance at its meeting on April 18, 1929 (see Attachments C through E).

Staff has had several discussions with hospital staff informing them of the need to obtain a permit to issue shares from the Department of Corporations for AMWC to serve the property. Staff informed hospital staff of the process to obtain a permit to issue shares used by AMWC in previous annexations. Staff advised hospital staff of the requirement that the state deed water rights and related easements to AMWC as a condition of service.

The process used by AMWC in the two most recent annexations required the property owners to enter into cost payment agreements and memorandum of agreements with AMWC. The two most recent annexations were for certain railroad properties in 2003 and for a portion of the Eagle Ranch in 2010.

The cost payment agreement requires the owner to pay AMWC in advance a nonrefundable amount equal to the estimated cost to prepare an application package and apply for the permit to issue shares, with no guarantee that the Permit will be issued.

The memorandum of agreement requires the property owner to deed water rights and related easements to AMWC should the Department of Corporations approve the permit to issue shares. It also requires the property owner not to sell, transfer or otherwise dispose of

the property or any interest in the property without first obtaining the transferee's or successor in interest's written consent to abide by the terms of the memorandum of agreement and the cost payment agreement.

ALTERNATIVES:

1. Deny the request by the State Hospital for AMWC to initiate the process to annex a portion of the hospital property into the AMWC service area.
2. Approve the request by the State Hospital for AMWC to initiate the process to annex a portion of the hospital property into the AMWC service area, and direct staff to prepare the necessary agreements for AMWC to process an application for a permit to issue shares for the Board's consideration at a future meeting.

FINANCIAL IMPACT:

Staff time associated with preparing the cost payment agreement and memorandum of agreement. The property owner pays a non-refundable deposit to AMWC to cover the cost for processing the permit application estimated to be in the range of \$75,000 - \$100,000. The cost for the Eagle Ranch annexation was approximately \$51,000.

ATTACHMENTS:

- A. Proposed site plan
- B. Site Map
- C. 04/16/1929 letter from Oscar Willett
- D. 04/18/1929 board meeting minutes
- E. 04/15/1929 deed of conveyance

**ATTACHMENT B
SITE MAP**



725 CRESTON ROAD, SUITE C
PASO ROBLES, CA
805.239.3127

NCE
NORTH COAST
ENGINEERING

ATTACHMENT C

OSCAR L. WILLETT
ADMINISTRATION BUILDING
ATASCADERO, CALIFORNIA

April 16, 1929.

IN REPLYING REFER TO

AHW

Board of Directors,
Atascadero Mutual Water Company,
Atascadero, California.

Gentlemen:

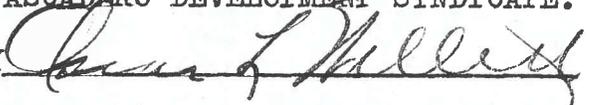
As Trustee for the Atascadero Development Syndicate, as defined in Case Number 8530 in the Superior Court of San Luis Obispo County, California, I hold title to approximately 179.87 acres of land in San Luis Obispo County, described in that certain deed from Jasper P. Gnesa to Oscar L. Willett, recorded August 8th, 1928, in Volume 54 of Official Records, page 192, and also in that certain deed from Jasper P. Gnesa to Oscar L. Willett, Trustee for the Atascadero Development Syndicate, recorded February 26th, 1929, in Volume 58 of Official Records, page 449, in the office of the County Recorder of San Luis Obispo County, California.

I hereby offer to transfer and convey to your corporation all the right, title and interest which I have in all the percolating and underground waters riparian to, in, or pertaining to all the land described in the aforesaid deeds of conveyance and all rights to pump or otherwise raise to the surface such water, and to convey the same by ditches, water pipes and other water conduits over, along and through said land, together with rights of way and easements, all as set forth in the attached deed of conveyance.

In consideration of the aforesaid transfer and conveyance you are to issue to me capital stock of your corporation in an amount equal to the acreage included in the aforesaid deeds of conveyance on the basis of five (5) shares to each acre, or issue the aforesaid shares to my nominees at such times as I may request it, the understanding being that my nominees shall be owners of land, described in the aforesaid deeds, and said stock when issued shall be appurtenant to said land and transferable only therewith on the aforementioned basis.

Yours very truly,

OSCAR L. WILLETT, TRUSTEE,
ATASCADERO DEVELOPMENT SYNDICATE.

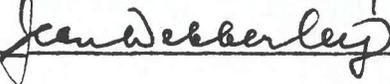
BY 

LC:LH

ACCEPTED:

ATASCADERO MUTUAL WATER COMPANY.

By  Pres.

By  Sec.

ADMINISTRATION BUILDING

ATTACHMENT D
Meeting Minutes
April 18, 1929

All the Directors present voted in favor, with the exception of
 Director Willett who did not vote, and the motion carried. X

There being no further business to come before the
 meeting, same was adjourned, sine die.

[Handwritten signatures on lines]

 E. D. Jarvis

 Wm. H. Fenschep

 W. C. [unclear]

 Oscar L. Willett

ATTEST: *Jean Webberley*

 Secretary
 ATASCADERO MUTUAL WATER COMPANY.

*One River State 4/18/29
to bank area*

DEED OF CONVEYANCE

LOUIS COHEN
ATTORNEY AT LAW
24 ADMINISTRATION BUILDING
ATASCADERO, CALIFORNIA

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THIS INDENTURE, made the ~~18th~~ day of April, in the year
Nineteen Hundred and Twenty Nine, between OSCAR L. WILLETT, widower,
and OSCAR L. WILLETT, Trustee for the Atascadero Development
Syndicate as defined in Case # 8530 in the Superior Court of San Luis
Obispo County, California, hereinafter called First Party, and
ATASCADERO MUTUAL WATER COMPANY, a California corporation, and having
its principal place of business at Atascadero, County of San Luis
Obispo, State of California, hereinafter called Second Party.

W I T N E S S E T H:

That the First Party, for and in consideration of the sum of
Ten Dollars (\$10.00) in lawful money of the United States of America,
to him in hand paid by the Second Party, the receipt whereof is
hereby acknowledged, and other considerations, adequate and valuable,
has granted, bargained and sold, conveyed and confirmed, and by these
presents does grant, bargain and sell, convey and confirm unto the
Second Party, and to its successors and assigns forever.

FIRST: All the right, title and interest which the First Party
has in all percolating and underground waters riparian to, in or
pertaining to, that certain tract of land hereinafter referred to
and particularly described, and also described in that certain deed
from Jasper P. Gnesa to Oscar L. Willett, recorded August 8th 1928,
in Vol. 54 of Official Records at page 192, and also in that certain
deed from Jasper P. Gnesa to Oscar L. Willett, Trustee for Atascadero
Development Syndicate, recorded February 26th 1929, in Vol. 58 of
Official Records at page 449, in the office of the County Recorder
of San Luis Obispo County, California.

SECOND: All rights to pump, or otherwise raise to the surface,
such waters, and to convey the same by ditches, water pipes, and
other water conduits, over, along and through said land at such
places and along such lines as are set forth in paragraph "THIRD"
hereof.

LOUIS COHEN
ATTORNEY AT LAW
304 ADMINISTRATION BUILDING
ATASADERO, CALIFORNIA

1 THIRD: The rights of way and easements for the construction
2 of, and the operation of said irrigation ditches, water pipes and
3 other water conduits, over, along and upon and through any and all of
4 the streets, roads, alleys, places, malls, parks and/or the rear and
5 side property lines of all parcels of land into which the First Party
6 has subdivided said tracts and into which said First Party, his suc-
7 cessors or assigns, may hereafter sub-divide the said tracts of land
8 hereinabove referred to and particularly described in those certain
9 deeds mentioned in paragraph "First" hereof.

10 FOURTH: Such other and additional rights of way and easements
11 for pumping plants, reservoirs, tanks, power lines, telephone lines,
12 and roadways to wells, tanks and reservoirs, now constructed or/and
13 which may be constructed hereafter upon the hereinbefore described
14 land, as may be reasonably necessary.

15 FIFTH: Such pumping plants, pipe lines, storage, power lines
16 and telephone lines, now constructed and to be hereafter built and
17 constructed by First Party for supplying and delivering to the herein-
18 before described land such water as may be reasonably necessary for
19 irrigation, domestic, business and/or municipal purposes.

20 SIXTH: All right, title and interest to any and all water fil-
21 ings heretobefore made by or assigned to, or which may hereafter be
22 made by or assigned to, said First Party, on or affecting said land.

23 SEVENTH: The lands of the said First Party as hereinabove
24 described are riparian to the waters of the Salinas River and other
25 streams and waters in, adjoining and bounding the same, and it is the
26 intention of said First Party to hereby transfer and convey all such
27 riparian rights to the Second Party.

28 EIGHTH: All wells, pumping machinery, pipe lines, tanks,
29 reservoirs and filing developments, situated upon any of the lands of
30 the First Party hereinbefore referred to and described as follows:-
31

PAGE TWO

All that certain parcel of land situate, lying and being in the County of San Luis Obispo, State of California, described as follows:

Being a portion of Eaglet Subdivision as per Maps of same on record in the office of the County Recorder of said County. Lots Four (4) to Twenty-Eight (28) inclusive, Lots Thirty-One (31) to Eighty Four (84), all in Block Two (2) Eaglet Number Two (2), as per Map of "Resubdivision of Lots 1, 2 and 3 in Block 5 Eaglet No. 1 and Block 2, Eaglet No.2" recorded in Book 2, Page 56 of Maps, Sheet 2; all of Blocks Three (3), Four (4), Five (5), Eight (8) and Lots Six (6) to Seventeen (17) inclusive of Block Six (6) of Eaglet Number Two (2), all as per Map of same recorded in Book 2, Page 38 of Maps in the office of the County Recorder of said County, and all being more particularly described as follows:

Beginning at the most Westerly corner of Lot Four (4) of the above described Block Two (2) Eaglet Number Two (2), said most Westerly corner being mentioned hereinafter as the true point of beginning and is more particularly described as follows: Beginning at the point of the intersection of the Easterly boundary of the California State Highway and the Southerly boundary of Block "MC", Map of Atascadero; running thence along the Easterly boundary of the California State Highway South $19^{\circ} 08'$ East for a distance of 1280.61 feet; thence on a curve to the left, whose radius is 1570 feet, through an angle of $11^{\circ} 10'$ for a distance of 305.97 feet; thence South $30^{\circ} 18'$ East for a distance of 90 feet to the true point of beginning. From this true point of beginning continuing along the Easterly boundary of the California State Highway which is the Westerly boundary of the above described Block Two (2) Eaglet Number Two (2), South $30^{\circ} 18'$ East 213.93 feet; thence continuing along the Westerly boundary of said Block Two (2), on a curve to the left whose radius is 1170 feet; through a central angle of $10^{\circ} 11'$ for a distance of 207.94 feet; thence along the Westerly boundary of Block Five (5) of the above described Eaglet Number Two (2), South $40^{\circ} 29'$ East 480.45 feet to an intersection with the centerline of a road which is the boundary between Blocks Five (5) and Six (6) of the above described Eaglet Number Two (2); thence along said centerline North $63^{\circ} 16'$ East 350 feet; thence $89^{\circ} 05'$ East 376.2 feet to the boundary of Block Eight (8) of the above described Eaglet Number Two (2); thence along said boundary South $44^{\circ} 38'$ West for a distance of 12 feet; thence on a curve to the left whose radius is 138.79 feet, through a central angle of $53^{\circ} 00'$ for a distance of 128.38 feet; thence South $8^{\circ} 22'$ East 227.75 feet; thence on a curve to the left whose radius is 133.13 feet through a central angle of $52^{\circ} 30'$ for a distance of 121.98 feet to an intersection with the centerline of a road which is the boundary between Lots Five (5) and Six (6) of the above described Eaglet Number Two (2); thence along the said centerline South $50^{\circ} 38'$ West 321.33 feet to the Easterly boundary of the California State Highway; thence along the said Easterly boundary of the California State Highway which is the Westerly boundary of the above described Block Six (6), South $40^{\circ} 29'$ East for a distance of 85.9 feet; thence on a curve to the right whose radius is 2330 feet through an angle of $5^{\circ} 55'$ for a distance of 240.6 feet; thence continuing along the Westerly boundary of said Block Six (6), South $34^{\circ} 34'$ East 624.6 feet to an intersection with the centerline of a road which is the boundary between Block Six (6) and Seven (7) of the above described Eaglet Number Two (2); thence along said

centerline North 55° 26' East 2361.7 feet; thence continuing along the above described centerline, the same being the boundary of the lands known as the Eaglet Ranch belonging to Geo. Ross, on a curve to the left whose radius is 201.73 feet through an angle of 120° 00' for a distance of 422.49 feet; thence continuing along the boundary of the lands of Geo. Ross, North 64° 34' West 400 feet; thence continuing along the boundary of the lands of Geo. Ross on a curve to the left whose radius is 956.1 feet through a central angle of 30° 48' for a distance of 513.95 feet; thence continuing along the property of Geo. Ross South 84° 38' West for 600 feet; thence continuing along the property of Geo. Ross N1° 25' West 600 feet; thence continuing along the property of Geo. Ross North 22° 31' West 390.7 feet; thence continuing along the property of Geo. Ross North 5° 21' West 616.89 feet; thence continuing along the property of Geo. Ross South 49° 11' West 499.75 feet; thence continuing along the property of Geo. Ross on a curve to the left whose radius is 117.64 feet through a central angle of 137° 51' for a distance of 282.93 feet; thence along the centerline of a road which is the most Northerly boundary of the above described Block Two (2) Eaglet Number Two (2), North 88° 40' West 200.6 feet; thence on a curve to the left whose radius is 150 feet through a central angle of 51° 30' for a distance of 134.82 feet; thence South 39° 50' West 20.5 feet; thence on a curve to the right whose radius is 160 feet, through a central angle of 53° 15' for a distance of 148.7 feet; thence North 86° 55' West 219.8 feet; thence South 37° 15' West 688.99 feet; thence on a curve to the right whose radius is 500 feet through a central angle of 12° 15' for a distance of 106.9 feet; thence South 49° 30' West 44.6 feet; thence on a curve to the left whose radius is 236.45 feet through a central angle of 10° 30' for a distance of 43.33 feet; thence along the Westerly boundary of Lot Eighty-Four (84) of the above described Block Two (2) Eaglet Number Two (2), South 52° 38' East 319.79 feet to the common corner of Lots Eighty-Four (84), Eighty-Five (85), Thirty (30) and Thirty-One (31) of the above described Block Two (2) Eaglet Number Two (2); thence along the Westerly boundary of the above described Lot Thirty-One (31) South 56° 49' East 289.3 feet to the centerline of a road which is the boundary between Blocks Two (2) and Five (5) of the above described Eaglet Number Two (2); thence along said centerline South 33° 11' West 100 feet; thence North 56° 49' West along the Easterly line of Lot Twenty-Eight (28) of the above described Block Two (2) Eaglet Number Two (2), 292.9 feet; thence along a line between Lots Twenty-Five (25), Twenty-Six (26), Twenty-Seven (27), Twenty-Eight (28) and Lots Eighty-Seven (87), Eighty-Eight (88) and Eighty-Nine (89) of the above described Block Two (2) Eaglet Number Two (2); South 35° 12' West for a distance of 200.12 feet to the Easterly line of Lot Twenty-Four (24) of the above described Block Two (2) Eaglet Number Two (2); thence along said Easterly line North 56° 49' West for a distance of 60 feet; thence South 59° 42' West 39.6 feet to the Westerly line of a fifteen foot alley as shown on the Map of the above described Block Two (2) Eaglet Number Two (2); thence along said alley North 30° 18' West a distance of 69.02 feet to the most Northerly corner of Lot Four (4) of the above described Block Two (2) Eaglet Number Two (2); thence along the line common to Lots Three (3) and Four (4) of said Block Two (2) Eaglet Number Two (2) West 134.04 feet to the true point of beginning. Be State Hospital properties traverse in acres, more or less.

Lots Two (2) and Ten (10) in Block One (1), Lots Five (5), Six (6) and Ten (10) in Block Seven (7) of Eaglet Number Two (2) as per Map recorded in Book 2, Pages 38 and 39 of Maps in the office of the said County Recorder. Lots One-B (1-B), One-C (1-C), One-D (1-D), One-E (1-E), One-F (1-F), One-G (1-G), One-H (1-H), One-K (1-K), One-L (1-L), One-M (1-M), One-N (1-N), Two-A (2-A), Two-B (2-B), Three-A (3-A), Three-D (3-D) and Three-E (3-E) in Block Five (5) as per Map of "Resubdivision of Lots 1, 2 and 3 in Block 5 Eaglet No. 1 and Block 2 Eaglet No. 2", recorded in Book 2, Page 56 of Maps

in the office of said County Recorder.

Lot Four (4) in Block Three (3) of "Eaglet Number One (1) Mitchell's Resubdivision Number One (1) of Lot Three (3)", as per Map recorded in Book 2, Page 25 of Maps in the office of the County Recorder of said County.

1 STATE OF CALIFORNIA)
2 County of San Luis Obispo)ss

3 On this 18th day of April, 1929, before me, R E Austin
4 _____, A Notary Public in and for the County of San Luis
5 Obispo, State of California, residing therein, duly commissioned and
6 sworn, personally appeared OSCAR L. WILLETT, a widower, personally
7 known to me to be the same person described in and whose name is
8 subscribed to the within and foregoing instrument and he acknowledged
9 to me that he executed the same.
10 Witness my hand and official seal the day and year in this
11 certificate first above written.

R E Austin
Notary Public in and for the County of
San Luis Obispo, State of California.

12 STATE OF CALIFORNIA)
13 County of San Luis Obispo)ss

14 On this 18th day of April, 1929, before me, R E Austin
15 _____, a Notary Public in and for the County of San Luis
16 Obispo, State of California, residing therein, duly commissioned and
17 sworn, personally appeared OSCAR L. WILLETT, known to me to be the
18 Trustee of the Atascadero Development Syndicate, and to be the person
19 whose name is subscribed to the within instrument, and acknowledged that
20 he executed the same as such trustee.
21 Witness my hand and official seal the day and year in this
22 certificate first above written.

R E Austin
Notary Public in and for the County of
San Luis Obispo, State of California.

23 *Recorded in Vol 64 of Official Records*
24 *at page 462 on April 23, 1929*
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31

LOUIS COHEN
ATTORNEY AT LAW
404 ADMINISTRATION BUILDING
ATASCADERO, CALIFORNIA

**BOARD OF DIRECTORS AGENDA REPORT
March 11, 2026**

DISCUSSION ITEM

SUBJECT:

Budget assumptions for fiscal year ending April 30, 2027 (FY 2027)

G. M. RECOMMENDATION:

Review and discuss the assumptions to be used for preparing the budget for the fiscal FY 2027 and provide staff with direction.

PREPARED BY:

John Neil

DISCUSSION:

Below are some of the assumptions to be used by staff in the preparation of the draft budget for FY 2027.

Budget Assumptions

Assumption	Approved Budget 2026	Projected Year-end 2026	Proposed Budget 2027
Water sales (MG)	1,420	1,398	1,420
Water rate increase	5.0%	5.0%	15.0%
NWP deliveries (acre-feet)	1,000		1,000
NWP surcharge	\$5.00	\$5.00	\$5.00
PFAS surcharge (\$/1,000 gal) ¹	\$0.25	\$0.25	\$0.25
PFAS debt issuance			\$5,000,000
PFAS loan term (years)			20
PFAS loan rate			7.0%
PFAS debt service (P&I)			\$468,273
Connection fee/EDU	\$19,600	\$19,600	\$19,600
New connections as EDUs	45	24	27

Budget Assumptions Forecast

Assumption	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Water sales (MG)	1,420	1,420	1,420	1,420
Water rate increase	5.0%	5.0%	5.0%	5.0%
NWP deliveries (acre-feet)	2,000	2,000	2,000	2,000
NWP surcharge	\$5.00	\$5.00	\$5.00	\$5.00
PFAS surcharge (\$/1,000 gal) ¹	\$0.25	\$0.25	\$0.25	\$0.25
PFAS debt issuance	\$35,000,000			
PFAS loan term (years)	20			
PFAS loan rate	7.0%	7.0%	7.0%	7.0%
PFAS debt service (P&I)	\$3,746,183	\$3,746,183	\$3,746,183	\$3,746,183
Connection fee/EDU	\$19,600	\$19,600	\$19,600	\$19,600
New connections as EDUs	30	30	30	30

Water Sales: Water sales in FY 2027 are expected to be about equal to FY 2026 but still lower than the 5-year median of 1,468 MG. Sales in FY 2026 were lower due to above average rainfall and increasing rates. Water sales are expected to continue to trend lower than the historical averages due to increasing rates and the conservation awareness of AMWC's shareholders.

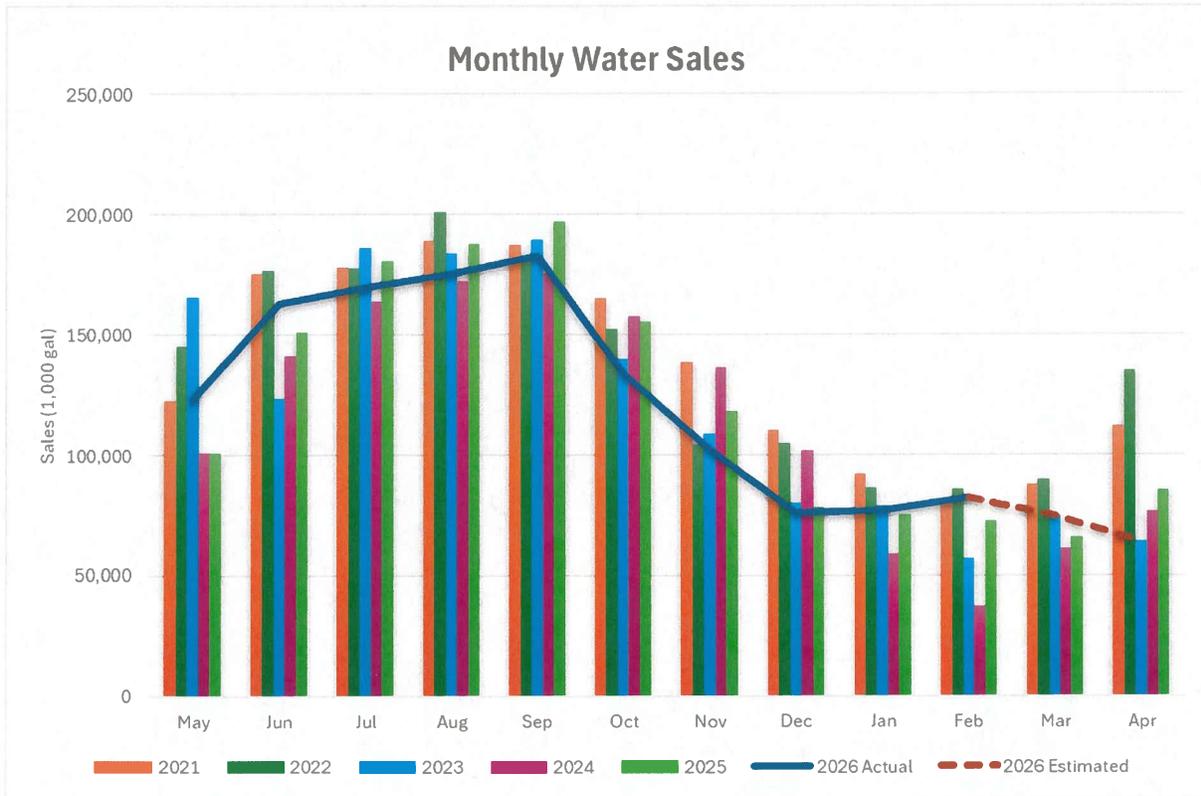
Water Sales & Surcharges

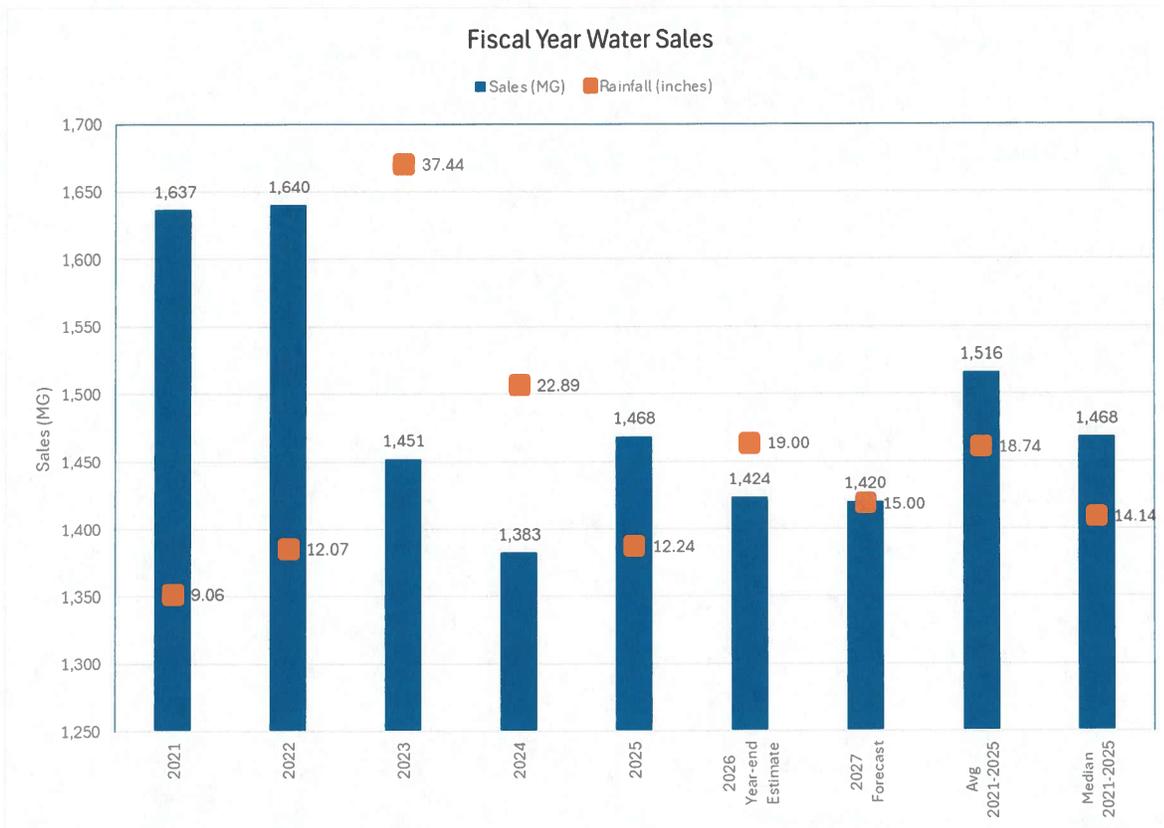
Description	FY 2026 Approved Budget	YTD a/o 02/28/26	Year-end Projection	FY 2027 Proposed Budget
Demand (MG)	1,420	1,285	1,424	1,420
Water Sales	\$12,507,000	\$10,885,083	\$12,217,000	\$14,040,000
NWP Surcharge	\$646,000	\$484,650	\$646,226	\$648,000
PFAS Surcharge	\$355,000	\$320,264	\$349,500	\$355,000
TOTAL	\$13,508,000	\$11,689,996	\$13,212,726	\$15,043,000

Water Sales & Surcharges Forecast

Description	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast
Demand (MG)	1,420	1,420	1,420	1,420
Water Sales	\$14,733,000	\$15,423,000	\$16,125,000	\$16,868,000
NWP Surcharge	\$649,000	\$651,000	\$653,000	\$655,000
PFAS Surcharge	\$355,000	\$355,000	\$355,000	\$355,000
TOTAL	\$15,737,000	\$16,429,000	\$17,133,000	\$17,878,000

The two charts below show trends in water use on a monthly and annual basis.





Water Rates: The fiscal impact in Attachment A assumes a 15% net revenue increase in FY 2027. An increase to water rates is needed to offset operating and capital investment costs for PFAS treatment and other large capital projects over the 5-year planning horizon such as replacing the Pine Mountain Tank, rebuilding the Random Oaks Booster station, recoating the Rojo Tank, and implementing an automatic meter reading (AMR) system. Staff will continue to evaluate the impact the proposed budget will have on rates as the budget is further refined. Current rates are shown in the tables below.

Water Use Rates

Water Use Rates	Current Rate*
Tier 1 (1,000 – 10,000 gal)	\$3.70
Tier 2 (11,000 – 25,000 gal)	\$5.40
Tier 3 (26,000 – 50,000 gal)	\$7.40
Tier 4 (51,000 – 75,000 gal)	\$8.30
Tier 5 (SFR only), >75,000 gal)	\$11.10
PFAS Surcharge	\$0.25

*Rates effective 06/15/2025

Ready-to-Serve Rates

Meter Size	FY 2026 Current Rate*
Standby	\$10.00
5/8	\$35.00
3/4	\$35.00
1	\$44.00
1-1/2	\$51.00
2	\$85.00
3	\$261.00
4	\$329.00
6	\$512.00
8	\$512.00
Fireline	\$27.00
Hydrant meter	\$112.00
Multi-unit SFR, MFR (rate per unit)	\$21.10
Motels (rate per unit)	\$7.90

*rates effective 06/15/2025

WRDR Revenue: Staff anticipates continued lower-than-average meter sales over the next five years. Since the cost of developing new water resources is relatively fixed at this time (i.e., debt service for the NWP), staff does not anticipate there will be a need to increase connection fees over the next five years.

Water Resource Development Revenue

WRDR Revenue	FY 2026 Approved Budget	FY 2026 Year-end Projection	FY 2027 Proposed Budget	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast
Meter Sales (as EDUs)	45	24	27	30	30	30	30
Connection Fee/EDU	\$19,600	\$19,600	\$19,600	\$19,600	\$19,600	\$19,600	\$19,600
Connection Fee Revenue	\$686,000	\$480,200	\$529,000	\$588,000	\$588,000	\$588,000	\$588,000
NWP Surcharge Revenue	\$646,000	\$538,552	\$648,000	\$650,000	\$652,000	\$653,000	\$655,000

EDU = Equivalent Dwelling Unit

Wages: Administrative employee wage increases are based on merit. Union employee wage increases consist of a minimum increase of 3% on December 1, 2026, plus a merit component of up to 4% under the agreement that became effective on December 1, 2023. Pay increases consider cost of living, promotions, and job performance. For budgeting purposes, the average pay increase over the next fiscal year is estimated at 5%.

Health Insurance: The premium for the health insurance plan will increase by approximately 7.4% in FY 2027. Approximately 4% is attributable to the annual increase related to employee age.

Energy Expenses: Natural gas and electricity make up about 31% of AMWC’s plant operating expenses. Staff will continue to evaluate how tensions in the middle east may affect energy costs.

PFAS Treatment: Continued capital expenses associated with the design and permitting of the treatment facility to remove PFAS are expected in FY 2027. Ground improvement work and pre-purchasing long lead time equipment will occur in mid FY 2027. Most capital expenses for construction of the treatment facility are expected to occur in FY 2028.

Staff is investigating options for the issuance of long-term debt to pay for the capital costs associated with treatment plant design and construction. Staff is using the assumptions shown in the table below for budget forecasting.

Description	Approved Budget 2026	Proposed Budget 2027	Forecast 2028
Principal Amount	\$30,000,000	\$5,000,000	\$35,000,000
Term	20 years	20 years	20 years
Interest Rate	7%	7%	7%
Annual Debt Service (P&I)	\$2,832,000	\$468,000	\$3,746,000

Nacimiento Water Project: AMWC did not take delivery of water from the NWP in FY 2026 and therefore did not incur variable energy expenses. Staff assumes AMWC may take delivery of 1,000 acre-feet in FY 2027, with an estimated variable energy cost of \$250,000.

Water System Repairs: Water system repairs make up about 13% of the plant operating expenses. Some of these expenses are preventative maintenance and can be anticipated, others are in response to situations outside of AMWC’s control. The budget figures for these repairs will be based on historical trends.

Sustainable Groundwater Management Act: Expenditures are anticipated for the efforts needed to prepare the annual report for the Atascadero Basin as required under the Sustainable Groundwater Management Act. The cost of preparing the annual report is shared on a pro-rata basis with the other Groundwater Sustainability Agency participants.

Engineering Services: Increases to engineering service expenses are expected in FY 2027 for preparation of 5-year updates to the Urban Water Management Plan (UWMP) required by

the Department of Water Resources and Risk and Resiliency Assessment (RRA) required by the Environmental Protection Agency.

UWMPs support long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. The information collected from UWMPs is used by local, regional, and state agencies for planning purposes.

RRAs assesses the risk to water systems from malevolent acts and natural hazards and the resilience of production, treatment, SCADA, distribution facilities, and other facilities.

Steinbeck Quiet Title Action: Continued expenditures are anticipated for legal fees associated with AMWC's defense in the Steinbeck quiet title action. The expenditures in FY 2027 are anticipated to be for continued monitoring of the case by AMWC's legal counsel.

Capital Investments: Staff is considering the capital projects shown in Attachment A for inclusion in the budget for FY 2027.

FISCAL IMPACT:

See Attachment A

ATTACHMENTS:

- A. Fiscal Impact (draft)
- B. 5-year Capital Investment Program (draft)

ATTACHMENT A – DRAFT FISCAL IMPACT

Revenue	Approved Budget	Projected Year-end	Proposed Budget	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
	2026	2026	2027	2028	2029	2030	2031
Water sales (MG)	1,420	1,398	1,420	1,420	1,420	1,420	1,420
Water rate increase	5.0%	5.0%	15.0%	5.0%	5.0%	5.0%	5.0%
Water sales	\$12,507,000	\$12,217,000	\$14,040,000	\$14,733,000	\$15,423,000	\$16,125,000	\$16,868,000
Other	\$590,000	\$716,016	\$580,000	\$350,000	\$350,000	\$350,000	\$350,000
Connection fees	\$686,000	\$529,000	\$529,200	\$588,000	\$588,000	\$588,000	\$588,000
NWP surcharge	\$646,000	\$718,069	\$648,000	\$649,000	\$651,000	\$653,000	\$655,000
PFAS treatment surcharge ¹	\$355,000	\$384,316	\$355,000	\$355,000	\$355,000	\$355,000	\$355,000
PFAS settlement	\$0	\$2,087,310	\$0	\$0	\$0	\$0	\$0
SGMA revenue	\$29,000	\$31,000	\$75,000	\$26,000	\$26,000	\$26,000	\$26,000
Total Revenue	\$14,813,000	\$16,682,712	\$16,227,200	\$16,701,000	\$17,393,000	\$18,097,000	\$18,842,000
Water Sales & Surcharges	\$13,508,000	\$13,212,726	\$15,043,000	\$15,737,000	\$16,429,000	\$17,133,000	\$17,878,000

Expenses ²	Approved Budget	Projected Year-end	Proposed Budget	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
	2026	2026	2027	2028	2029	2030	2031
Production & treatment	\$1,208,300	\$1,229,089	\$1,239,300	\$1,273,000	\$1,307,000	\$1,342,000	\$1,378,000
Transmission & distribution	\$1,997,500	\$1,977,885	\$2,020,000	\$2,075,000	\$2,131,000	\$2,189,000	\$2,248,000
Pumping variable energy	\$2,050,000	\$1,588,413	\$2,090,000	\$2,146,000	\$2,204,000	\$2,264,000	\$2,325,000
Administration	\$1,920,300	\$1,943,075	\$2,000,000	\$2,054,000	\$2,109,000	\$2,166,000	\$2,224,000
Technology	\$480,700	\$430,626	\$447,700	\$460,000	\$472,000	\$485,000	\$498,000
Conservation	\$90,200	\$89,515	\$91,200	\$94,000	\$97,000	\$100,000	\$103,000
Non-operating	\$60,500	\$76,465	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000
NWP debt service	\$2,608,150	\$2,610,000	\$2,608,150	\$2,608,150	\$2,608,150	\$2,608,150	\$2,608,150
NWP o&m	\$917,232	\$873,278	\$917,232	\$942,000	\$967,000	\$993,000	\$1,020,000
NWP variable energy	\$0	\$0	\$0	\$500,000	\$514,000	\$528,000	\$542,000
PFAS o&m	\$100,000	\$78,039	\$100,000	\$200,000	\$205,000	\$211,000	\$217,000
PFAS debt interest payment	\$525,000	\$0	\$347,930	\$2,774,870	\$2,705,689	\$2,631,580	\$2,552,192

SGMA compliance	\$50,000	\$5,925	\$175,000	\$180,000	\$185,000	\$190,000	\$195,000
Total Expenses	\$12,007,882	\$10,902,309	\$12,104,512	\$15,377,020	\$15,576,839	\$15,781,730	\$15,986,342
Net income (loss)	\$2,805,118	\$5,780,403	\$4,122,688	\$1,323,980	\$1,816,161	\$2,315,270	\$2,855,658
Capital investments	(\$10,825,100)	(\$2,000,000)	(\$7,451,500)	(\$36,254,300)	(\$3,253,800)	(\$3,129,000)	(\$3,004,600)
PFAS debt principal payment	\$0	\$0	(\$120,343)	(\$971,312)	(\$1,040,494)	(\$1,114,603)	(\$1,193,991)
PFAS debt issuance	\$0	\$0	\$5,000,000	\$35,000,000	\$0	\$0	\$0
Working Capital Year-end³	\$4,198,000	\$7,300,000	\$8,851,000	\$7,949,000	\$5,471,000	\$3,543,000	\$2,200,000
<i>1.25 x NWP Debt Service Reserves</i>	<i>\$3,261,250</i>						

ATTACHMENT B

5-Year Capital Investment Plan

Project	Description	Adopted Expenditures		YTD Expenditures	Proposed Expenditures	Forecast			
		2026	2/26/26	2027		2028	2029	2030	2031
20-901	PFAS Treatment Design	\$470,000	\$461,369	\$250,000					
23-601	Rojo Tank Repainting	\$425,000	\$4,686	\$425,000					
23-803	Well No. 5 Electric Motor Conversion	\$113,000	\$13,041	\$100,000					
24-104	Summit Hills Onsite Generator	\$110,000	\$45,375	\$300,000					
24-401	Valve Replacements, ECR & El Bordo	\$100,000	\$10,000	\$10,000					
25-101	Random Oaks Booster Station Upgrade	\$300,000	\$10,000	\$10,000					
25-102	Del Rio PRV Bi-Pass	\$10,000	\$10,000	\$10,000					
25-103	San Gabriel PRV Bi-Pass PRV	\$100,000	\$110,492	\$110,492					
25-104	San Marcos Onsite Generator	\$100,000	\$94,385	\$94,385					
25-105	Toloso Booster Onsite Generator	\$100,000	\$1,906	\$1,906					
25-203	Trench Shoring Box Purchase	\$120,000	\$14,876	\$14,876					
25-501	SCADA, replace PLCs, HMIs, & radios	\$10,000	\$1,087	\$1,087					
26-100	Booster Station Improvement Program	\$10,500	\$13,111	\$13,111					
26-101	Cencero Booster RTU Upgrade	\$4,500			\$5,000				
26-200	Shop Equipment Replacement Program	\$4,800			\$7,000				
26-201	Burrowing Rodent Eradicator	\$7,000			\$7,000				
26-202	Ice Machine Replacement	\$180,000			\$10,000				
26-203	Water Bottle Filling Station	\$12,000			\$75,000				
26-204	Replacement Backhoe (AB 32)	\$7,000			\$1,000				
26-205	Flat Bed Trailer Purchase	\$7,000			\$1,557				
26-206	PRV Ultrasonic Cleaner Purchase	\$10,000			\$30,093				
26-207	Wash Rack Steam Cleaner Purchase	\$75,000			\$11,000				
26-208	Track Mower Purchase	\$1,000	\$71,681	\$71,681	\$7,000				
26-210	Office Equipment Replacement Program	\$31,000			\$10,000				
26-211	Air Compressor Replacement	\$11,000			\$2,000				
26-220	Flow Meter Replacement Program	\$2,000	\$9,978	\$9,978	\$20,000				
26-240	Safety Equipment Replacement Program	\$20,000			\$10,000				
26-250	Water Loss Audit & Urban Water Use Objective Report	\$10,000			\$20,000				
26-300	Shop Heater Replacement	\$15,000	\$13,483	\$13,483	\$20,000				
26-302	Fence Construction Program	\$2,000			\$10,000				
26-303	Well Field Access Gate Replacement	\$2,000	\$1,133	\$1,133	\$15,000				
26-310	Gold Finch Rental Improvements	\$18,000	\$19,009	\$19,009	\$2,000				
26-320	Road Dust Control Program	\$55,000	\$2,612	\$2,612	\$18,000				
26-400	Main Upgrade Program				\$55,000				

ATTACHMENT B
5-Year Capital Investment Plan

Project	Description	Adopted Expenditures		YTD Expenditures	Proposed Expenditures	Forecast				
		2026	2/26/26			2027	2028	2029	2030	2031
26-410	Hydrant Upgrade Program	\$36,800	\$47,513							
26-420	Valve Replacement Program	\$52,500	\$36,560							
26-430	Hydrant Installation Program	\$21,000	\$29,240							
26-440	Air-Vac Installation Program	\$21,000	\$6,680							
26-450	Service Replacement Program	\$300,000	\$415,677							
26-460	Service Installation Program	\$200,000	\$83,376							
26-461	Sample Station Upgrades	\$14,000	\$12,370							
26-462	PRV Flow Meter Upgrades	\$25,000	\$16,616							
26-463	Atascadero Mall Main Replacement		\$79,144							
26-500	SCADA Upgrade Program	\$10,500								
26-510	Endpoint Replacement (PC/Tablet/Phone/Monitor)	\$30,000	\$4,761							
26-511	Network Infrastructure (Server/Networking/Camer)	\$80,000	\$8,394							
26-512	IT Tools/Equipment	\$5,000	\$917							
26-513	Server Licensing	\$30,000								
26-514	Springbrook CIS Upgrade		\$12,588							
26-600	Tank Improvement Program	\$10,500								
26-601	Pine Mtn Tank Replacement	\$500,000			\$500,000		\$4,000,000			
26-701	Unit 6 Replacement	\$150,000	\$134,239							
26-702	Unit 16 Utility Bed Replacement	\$40,000								
26-703	Fleet Dash Cameras	\$10,000			\$10,000					
26-704	Utility Bed Pickup Purchase		\$68,646							
26-800	Well Improvement Program	\$15,000								
26-801	Well No. 28 Drilling	\$140,000	\$12,606							
26-802	Well No. 14 Pump Replacement		\$28,056							
26-901	PFAS Treatment Plant Construction	\$5,000,000			\$2,000,000		\$30,000,000			
26-902	Well Field Electrical Upgrades (PFAS)	\$450,000			\$450,000					
26-903	Well No. 4 Upgrades (PFAS)	\$60,000			\$60,000					
26-904	Well No. 6A Upgrades (PFAS)	\$75,000			\$75,000					
26-905	Well No. 7 Upgrades (PFAS)	\$275,000			\$275,000					
26-906	Well No. 9A Upgrades (PFAS)	\$275,000			\$275,000					
26-907	Well No. 10 Upgrades (PFAS)	\$275,000			\$275,000					
26-908	Well No. 16 Upgrades (PFAS)	\$80,000			\$80,000					
26-909	Well No. 19 Upgrades (PFAS)	\$80,000			\$80,000					
26-910	Well No. 25 Upgrades (PFAS)	\$110,000			\$110,000					

ATTACHMENT B

5-Year Capital Investment Plan

Project	Description	Adopted Expenditures		YTD Expenditures	Proposed Expenditures	Forecast							
		2026	2026			2027	2028	2029	2030	2031			
26-911	Well No. 26 Upgrades (PFAS)	\$110,000			\$110,000								
27-100	Booster Station Improvement Program				\$10,000		\$10,300	\$10,600	\$10,900	\$11,200			
27-200	Shop Equipment Replacement Program				\$10,000		\$10,900	\$11,200	\$11,500	\$11,800			
27-201	Battery Tool Storage Unit				\$2,000								
27-202	Equipment Storage Awning				\$35,000								
27-203	AC Bin Cover Replacement				\$8,000								
27-204	8' x 10' Traffic Plates 4 each				\$11,000								
27-205	6' Shoring Boxes				\$9,000								
27-210	Office Equipment Replacement Program				\$1,000		\$1,000	\$1,000	\$1,000	\$1,000			\$1,000
27-240	Safety Equipment Replacement Program				\$2,000		\$2,100	\$2,200	\$2,300	\$2,400			
27-241	Anti-fall Harnesses & Lanyards				\$2,500								
27-250	Urban Water Master Plan Update				\$55,000								
27-251	Risk and Resiliency Assessment Update				\$26,000								
27-302	Fence Construction Program				\$10,000		\$10,300	\$10,600	\$10,900	\$11,200			
27-310	Gold Finch Rental Improvements				\$2,000		\$2,100	\$2,200	\$2,300	\$2,400			
27-320	Road Dust Control Program				\$20,000		\$20,500	\$21,100	\$21,700	\$22,300			
27-321	San Carlos Tank Road Reconstruction				\$100,000								
27-322	Pave Well 8A Entrance on Los Palos				\$15,000								
27-323	Sycamore Trail Parking Area - Grindings				\$6,000								
27-400	Main Upgrade Program				\$55,000		\$56,500	\$58,000	\$59,600	\$61,200			
27-410	Hydrant Upgrade Program				\$35,000		\$35,900	\$36,900	\$37,900	\$38,900			
27-420	Valve Replacement Program				\$55,000		\$56,500	\$58,000	\$59,600	\$61,200			
27-430	Hydrant Installation Program				\$20,000		\$20,500	\$21,100	\$21,700	\$22,300			
27-440	Air-Vac Installation Program				\$20,000		\$20,500	\$21,100	\$21,700	\$22,300			
27-450	Service Replacement Program				\$400,000		\$410,800	\$421,900	\$433,300	\$445,000			
27-460	Service Installation Program				\$200,000		\$205,400	\$210,900	\$216,600	\$222,400			
27-461	Sample Station Upgrade (2 ea)				\$26,000								
27-471	PRV Vault Replacement, Los Altos				\$12,000								
27-500	SCADA Upgrade Program				\$10,000		\$10,300	\$10,600	\$10,900	\$11,200			
27-501	Utility Technology Strategic Plan				\$75,000								
27-502	Utility Technology Modernization				\$200,000		\$250,000						
27-510	Endpoints (Computers/Tablets/Phones)				\$50,000								
27-511	Network Cabling Replacement/Labor (Office/Shop/Well)				\$70,000								
27-512	IT Infrastructure (Servers/Networking/Cameras)				\$150,000								

ATTACHMENT B

5-Year Capital Investment Plan

Project	Description	Adopted Expenditures		YTD Expenditures	Proposed Expenditures	Forecast				
		2026	2/26/26			2027	2028	2029	2030	2031
27-513	Server Licensing			\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
27-514	Server Licensing w/SA			\$60,000	\$60,000					
27-600	Tank Improvement Program			\$10,000	\$10,000	\$10,300	\$10,600	\$10,900	\$11,200	
27-601	Paint Chalk Mt. Tank Exterior			\$50,000	\$50,000					
27-700	Vehicle Replacement Program				\$0	\$0	\$0	\$0	\$0	\$0
27-701	Unit 19 Replacement			\$80,000	\$80,000					
27-702	Utility Bed Pickup Purchase			\$80,000	\$80,000					
27-800	Well Improvement Program			\$15,000	\$15,000	\$15,400	\$15,800	\$16,200	\$16,600	
27-801	Well 12 Casing Modification				\$110,000					
27-902	PFAS upgrades, Well 1B				\$60,000					
27-903	PFAS upgrades, Well 3A				\$130,000					
27-904	PFAS upgrades, Well 5A				\$40,000					
27-905	PFAS upgrades, Well 12				\$120,000					
28-201	Skid Steer Loader				\$110,000					
28-202	230 KW Generator				\$300,000					
28-203	Forklift Replacement (AB 32)				\$80,000					
28-204	Portable Booster Pump Purchase				\$125,000					
28-401	Santa Lucia, main extension to Laurel					\$150,000				
28-402	San Marcos main realignment above PRV					\$75,000				
28-403	Laurel/ Santa Lucia main zone adjustment piping					\$75,000				
29-451	Automatic Meter Reading (AMR) System					\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
30-470	PRV Upgrade Program					\$150,000				
TOTAL		\$10,825,100	\$1,907,258	\$7,451,500	\$36,254,300	\$3,253,800	\$3,129,000	\$3,004,600	\$3,004,600	\$3,004,600

BOARD OF DIRECTORS AGENDA REPORT

March 11, 2026

ACTION ITEM

SUBJECT:

Cross-Connection Control Policy Revisions

G.M. RECOMMENDATION:

Adopt revisions to Board Policy No. 1.2.22 Cross Connection Control in substantial conformance with Attachment A and adopt a \$50/month backflow prevention assembly compliance fee.

PREPARED BY:

John Neil

DISCUSSION:

AMWC has the responsibility to protect the public water supply through implementation and enforcement of a cross-connection control plan. Plan requirements are contained in the Cross-Connection Control Policy Handbook, which were incorporated into the State of California's Drinking Water Regulations and became effective July 1, 2024.

In May 2025, the Board adopted a Cross Connection Control Plan that conformed with State regulations. The objective of the plan is to prevent the occurrence of backflow into AMWC's water distribution system to protect customers from contamination or pollution from any water user's on-site hazards.

AMWC contracts with the County of San Luis Obispo Public Health Department's Environment Health Division to provide the necessary expertise and services needed to meet the State's cross-connection control requirements. Services provided by the County include preparation and maintenance of written survey reports, notices to water users, correction notices, and follow-up reports among other services.

Some shareholders fail to have their cross-connection devices tested at least annually as required by State Regulations. Staff recommends that the Board establish a compliance fee to be added to the shareholders water account for each month the shareholder fails to submit the required test results beyond the date of AMWC receiving a final notice from the County of a failure to inspect. The fee is intended to cover the costs incurred by AMWC for mailing notices, tracking testing compliance, and other cross-connection control plan administrative costs as well as encouraging the shareholder to comply with testing requirements.

The Board tabled this item at its meeting on February 17, 2026. The Board directed staff to modify the policy by adding language that would make shareholders liable for any fines and/or penalties levied by the State against AMWC if such fines and/or penalties are the result of shareholders' failure to comply with the State's cross connection control requirements.

FISCAL IMPACT:

Expenses for administering the cross-connection control plan have historically been approximately \$25,000/year, which include services provided by the County.

ATTACHMENTS:

- A. Revised Board Policy No. 1.2.22 Cross Connection Control (red-lined)

1.2.22 Cross-Connection Control (BP)

Adopted: November 8, 1995

Revised: ~~05/21/2025~~03/11/2026

PURPOSE - The purpose of this policy is to protect public health by preventing the backflow of liquids, gases, or other potentially hazardous substances into the Atascadero Mutual Water Company (AMWC) water distribution system from a shareholder's property by ensuring the proper installation, testing, and maintenance of backflow prevention assemblies (BPAs).

This policy was developed in accordance with the Cross-Connection Control Policy Handbook adopted by the California State Water Resources Control Board.

REQUIREMENTS - AMWC requires its shareholders to install, test (no less than once annually), and maintain BPAs at the following locations:

- Properties with dedicated fire line services
- Properties where substances that are harmful to health are handled under pressure and in a manner which could allow their entry into AMWC's water distribution system (e.g. medical offices, dental offices, mortuaries, car washes, dry cleaners, restaurants, etc.)
- Properties with dedicated landscape irrigation services
- Commercial properties with irrigation systems, swimming pools, or spas
- Properties with auxiliary water supplies (e.g. wells or other unapproved sources)
- Properties with private water booster pumps

Shareholders shall install BPAs as close as practical to the point of connection with the AMWC water distribution system in a location with unobstructed access, so the devices are readily accessible for testing and maintenance. AMWC shall have the final authority in determining the required location of BPAs.

If a shareholder owns a property that meets any of the descriptions noted above and a BPA was not installed with the original construction of the property, the shareholder shall install an approved BPA when AMWC discovers the property is out of compliance.

RESPONSIBILITIES – AMWC's Chief Operator is responsible for implementing and enforcing the cross-connection control program. AMWC contracts with the County of San Luis Obispo (County) to administer the program.

Shareholders shall only install BPAs that have been approved by AMWC. AMWC will maintain a list of approved BPAs.

Shareholders are responsible for installing, testing, maintaining, and repairing the BPAs that serve their properties and for complying with AMWC's cross-connection control program. Shareholders

shall not place BPAs back in service if the BPAs are not functioning as required. Shareholders shall obtain approval from AMWC prior to removing, relocating, or replacing BPAs.

Shareholders are responsible for having BPAs tested immediately after installation and at least annually thereafter by ~~a~~-certified BPA testers. The County will mail ~~a~~-first notices to shareholders advising them of the testing requirement.

The County will mail ~~a~~-second notices to shareholders if ~~the BPA test results are not posted on the County's~~ ~~does not receive~~ BPA web portal test results by the due dates noted in the first notices.

The County will mail ~~a~~-final notices to AMWC ~~if for those~~ shareholders that fail to submit the required BPA test results by the due date noted in the County's second notices.

Upon receipt of the County's final notices, AMWC will mail notices to shareholders advising them that they have 30 days from the date of the AMWC notice to have their BPAs tested and that they will be assessed BPA Compliance Fees for each month that BPA test results are not posted on the County's BPA web portal. BPA Compliance Fees are to cover the costs incurred by AMWC for mailing notices, tracking BPA testing compliance, and other cross-connection control plan administrative costs. BPA Compliance Fees will be added to shareholders' water accounts, which accounts are subject to AMWC's collection and shut-off policies.

Shareholders are liable for any fines and/or penalties levied by the State against AMWC if such fines and/or penalties are the result of shareholders' failure to comply with the State's cross connection control requirements. Any such fines and/or penalties will be added to shareholders' water accounts, which accounts will be subject to AMWC's collection and shut-off policies.

~~Shareholders must reimburse AMWC for all the costs AMWC incurs for enforcing the cross-connection control program. Compliance Charges will begin to accrue after AMWC receives a final notice to test BPAs from the County. AMWC will add a 50% administrative fee to the Compliance Charges. AMWC will add Compliance Charges to the shareholders' water accounts for the properties being tested. Shareholders' accounts shall be subject to AMWC's collection and shut-off policies.~~

REMEDIES – AMWC will shut-off the water service to a shareholder's property when AMWC discovers any of the conditions listed below or any other condition that creates a clear and immediate hazard to the potable water supply that cannot be immediately abated.

AMWC will shut off the shareholder's water service and lock off the service at the angle stop. The water service shall remain shut-off and locked-off until the shareholder corrects the violation to the satisfaction of AMWC. Shareholders' accounts will be assessed shut-off fees, turn-on fees, and other compliance charges as a result of any of the following conditions:

1. A shareholder fails to install or test a BPA or fails to repair or replace a faulty BPA by the date noted in the County's final notice to AMWC. AMWC will mail a written notice to the

shareholder advising the shareholder of the date AMWC intends to shut off the water service to the property.

2. A shareholder creates a direct or indirect connection between AMWC's water distribution system and a sewer or reclaimed water line. AMWC will make a reasonable effort to advise the shareholder of its intent to shut off the shareholder's water service.
3. A shareholder has an unprotected direct or indirect connection between AMWC's water distribution system and a system or equipment containing contaminants. AMWC will make a reasonable effort to advise the shareholder of its intent to shut off the shareholder's water service.
4. A shareholder has an unprotected direct or indirect connection between AMWC's water distribution system and an auxiliary water system on the shareholder's property (e.g. well or other unapproved sources). AMWC will make a reasonable effort to advise the shareholder of its intent to shut off the shareholder's water service.

BOARD OF DIRECTORS AGENDA REPORT
March 11, 2026

ACTION ITEM

SUBJECT: Online Payment Portal System Convenience Fee

G.M. RECOMMENDATION:

Approve charging a 3% Convenience Fee for the following types of payments made by AMWC customers: “one-time” payments (versus autopay) made on AMWC’s online payment portal, credit/debit card payments made in person or via telephone call to AMWC’s business office, and payments made using AMWC’s toll-free automated phone payment system.

PREPARED BY: Cheryl Powers

BACKGROUND:

At its meeting on February 18, 2026, the Board discussed charging processing fees to customers who pay via AMWC’s online payment system. The Board requested this item be brought back at the March 11 meeting with options for recovering online payment fees (i.e. convenience fees).

DISCUSSION:

Some clarification regarding the payments that would be subject to the fees as well as other options for payment follows:

Staff recently discovered that customers who use autopay via AMWC’s online payment system cannot be charged convenience/payment processing fees, as the system does not have the capability to pass along those fees to anyone signed up for autopay.

Fees would be charged to customers who use the following methods to pay their bill:

- Making one-time payments via AMWC’s online payment portal
- Calling the office to make payments using a credit/debit card
- Using a credit card to pay while in the office
- Using AMWC’s toll-free automated phone payment system using a credit/debit card

Customers can avoid paying convenience/payment processing fees if they pay using any of the following options:

- Cash or check
- AMWC’s ACH autopay option (payment is deducted from the shareholder’s bank account on the due date each month)
- Customer’s personal online banking payment system

Tenants cannot sign up for autopay, but they could avoid the fees using cash, check, or their personal online banking payment system.

AMWC is charged for processing credit card payments by both the credit card processing company (merchant) and AMWC's online payment system software company. The fee charged by the credit card processing company is approximately 1.6% per transaction, and the software company charges \$1.00 per transaction.

State regulations limit the service fees that utilities can charge customers to actual credit card processing costs that are true expenses to the utility. Staff's calculations show that charging a 3% (or less) processing fee would ensure that AMWC does not overcharge its customers.

If the Board approves charging a payment processing/convenience fee, staff will notify all customers of the date the fees will begin. The notification could include bill inserts, a separate mailing, a notice on the online payment portal site, and a notice on AMWC's website. Staff recommends giving customers notice to give them the opportunity to set up autopay with AMWC or use their online banking system.