

**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