MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
ATASCADERO MUTUAL WATER COMPANY

June 10, 2026

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

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF MINUTES:

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

The following reports were reviewed:

OPERATIONS REPORT:

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

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

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

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

FINANCIAL REPORT:

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

CONSERVATION REPORT:

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

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

RAINFALL:

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

WELL LEVELS:

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

NACIMIENTO WATER PROJECT:

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

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

PFAS TREATMENT:

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

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

PERMIT TO ISSUE SHARES, PASEO PALOMA II:

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

NEXT MEETING DATES AND TIMES:

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

OLD BUSINESS:

NEW BUSINESS:

HIGH-USE BILLING ADJUSTMENT, 8735 CASANOVA ROAD:

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

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

APPOINTMENT OF OFFICERS:

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

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

CELL SITE LEASE PURCHASE:

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

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

The meeting was adjourned at 4:57 p.m.

Susan Jordan

Secretary, Susan Jordan

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

Brien C. Vierra, President

D. Frank Platz, Director

Leroy R. Davis, Vice President

Robert M. Jones, Director

Jackie M. Lerno, Director