

**MINUTES OF REGULAR MEETING**  
**BOARD OF DIRECTORS**  
**ATASCADERO MUTUAL WATER COMPANY**

**March 10, 2010**

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 6:30 p.m., President Jackie Lerno presiding. Others present were Directors Brien Vierra and Leroy Davis, Vice-President Frank Platz, General Manager John Neil, and Secretary Cheryl Powers. Director Robert Jones was absent.

**PUBLIC COMMENT:**

There was no public comment.

**APPROVAL OF MINUTES:**

A motion was made and seconded to approve the minutes of the regular meeting of February 10, 2010. The motion carried 4 to 0.

*The following reports were reviewed:*

**OPERATIONS REPORT:**

The Operations reports were available for review. The General Manager reported that the aquifer is full and that three of the wells are currently out of service for repairs and maintenance.

**FINANCIAL REPORT:**

The Financial reports for February were available for review. The General Manager reported that, overall, revenues and expenses are as coming in as budgeted, and that staff is currently working on next year's budget.

**CONSERVATION REPORT:**

The Conservation report was available for review. The Conservation Manager reported on upcoming projects, as well as the status of ongoing conservation programs.

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

**RAINFALL:**

Total rainfall for the current rain year as of today is 23.23 inches, and that the effect of the abundant rainfall on the well levels has been dramatic.

**CARPENTERS' LOCAL UNION 150:**

The Carpenters' Union is continuing to picket at AMWC's business office.

**NACIMIENTO WATER PROJECT (NWP):**

Reservoir level at Lake Nacimiento is 55% full. A summary of the draft budget prepared by the County for FY 2010-2011 for the NWP project was presented, and the General Manager noted that the estimates appear high. He will attend the financial committee meeting tomorrow, where the proposed

budget will be reviewed and discussed. AMWC plans to take its allocated 2,000 acre feet for the first two years of the project, and then will adjust the amount taken depending on rainfall patterns.

**NWP RECHARGE & RECOVERY BASINS:**

Bids for the drilling of the recovery wells are due March 11. Fugro anticipates at least 90% of water in recovery wells will be captured by AMWC wells.

**FACILITY EXPANSION:**

Design of the administrative building is continuing. A presentation regarding interior finishes will be made later in the meeting.

**TECHNOLOGY IMPROVEMENT PROGRAM:**

Design of the customer information system is nearly complete, and the customer service data is being transferred into the new system.

**NEXT MEETING DATE AND TIME:**

The next meeting is scheduled for April 14, 2010, at 6:30 p.m.

*The following old business was discussed:*

**FACILITY EXPANSION:**

Frank Seiple, project architect, and Jennifer Thompson, interior designer, presented samples of proposed interior finishes, including flooring, fabric, countertops, and paint, for review and comment. The set-up options for the Board room were also discussed, as well as lighting options, the lobby layout, and HVAC issues.

*The following new business was discussed:*

**CAPITAL PROJECTS LIST:**

The General Manager presented and reviewed the capital projects list for FYE 4/30/11.

**ASSESSMENT OF LATE FEES:**

The General Manager explained that during the design sessions for the new customer information system, staff discussed the time between the "service to" date and the date late fees are assessed; currently, late fees are not assessed until approximately 45 days after the service date. Staff is proposing that a due date be established to occur 28 days from the billing date, which would reduce the lag time between the billing date and the date late fees are assessed by approximately 12 days. A motion was made and seconded to adopt the recommended revisions to Board Policy No. 1.2.13, Late Payment Fee, per the revision attached to the agenda item. The motion carried 4 to 0.

**CROSS-CONNECTION CONTROL:**

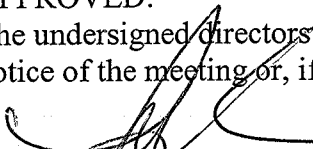
The General Manager reported that AMWC's current cross-connection control policy needs to be revised to clarify when cross-connection control devices are required to be installed by shareholders, as well as requirements for installing devices when property use changes or when a potential contamination hazard is discovered by AMWC. A motion was made and seconded to adopt the recommended revisions to Board Policy No. 1.2.22, Cross Connection Control, per the revision attached to the agenda item. The motion carried 4 to 0.

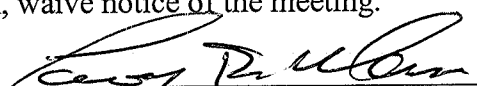
The meeting was adjourned at approximately 8:00 p.m.

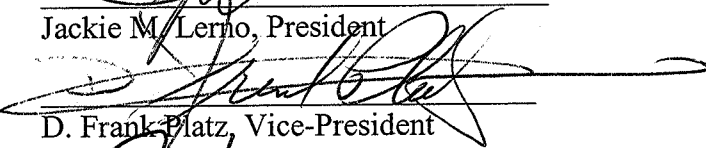
  
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Cheryl J. Powers, Secretary

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.

  
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Jackie M. Lerno, President

  
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Leroy R. Davis, Director

  
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D. Frank Platz, Vice-President

  
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Robert M. Jones, Director

  
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Brian C. Vierra, Director