

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

**September 14, 2011**

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

**PUBLIC COMMENT:**

Shareholder Dick Hart stated that he wanted to address the refunded fees he received and that he feels he got short-changed. John Neil explained that the Board authorized the refund of the connection fees paid for the meter at 4600 Hidalgo Road. Mr. Hart mentioned the \$3,300 figure discussed at the July Board meeting, which he thought was the intended refund amount. In actuality, the \$3,300 figure included installation fees for the meter. Since this \$3,300 figure was so close to the \$3,255 connection fee that was implemented shortly after the time the Harts purchased their third water meter, staff assumed that was the connection fee paid by the Harts. When staff looked at the meter application the day after the July Board meeting, it was determined that the connection fee the Harts paid was actually \$2,130 and the installation fee was \$1,180, for a total of \$3,310. This was explained in a letter Mr. Hart received with the refund check of \$2,130.

Mr. Hart explained that they are now asking the Board to consider refunding half of the installation fee, since there were two meters installed at the same time and only one trench was dug to install both meters. He said they don't feel the Board explained that they would only be refunded the connection fee when it was discussed at the July meeting. One of the Board members read from the July minutes that the Board agreed to refund the Harts the original purchase price of the connection fee and to waive the disconnect fee for the service. Mr. Hart stated that they thought that was referring to all of the fees they paid and waiving the \$450 charge to kill the meter, and that they feel that they have been beaten down by the Board.

Darren Hart asked what the rationale for refunding the connection fee was, and it was explained that an exception was made for the Harts because it was determined that the third meter could never be used on the property under the current zoning. Dick Hart stated that he feels AMWC did not do its due diligence before it sold them the meter and that AMWC should not have sold them a meter they can't use; he also stated he did not do his due diligence either. A Board member suggested that the Harts speculated when they purchased the meter, and reported that AMWC did not have a policy in place at the time to not allow a meter to be purchased unless the owner had a building permit for the property.

Troy Hart stated that this has been a true experience for him and that the Harts expected to be able to have a heart-to-heart conversation with the Board regarding this matter, and that didn't happen. He feels there should be 4-year term limits for the Board members, and he stated that he would love to serve on the AMWC Board and that will be his goal. He feels others should be mentored and given the opportunity to serve on the Board. He also stated that the office and field staff has been fantastic to work with.

**APPROVAL OF MINUTES:**

A motion was made and seconded to approve the minutes of the regular meeting of July 20, 2011. 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 all wells are operational, and that AMWC now has a 20% contingency with the addition of Wells 25 and 26 and the Nacimiento water. He also noted that 16 new services have been installed so far this fiscal year, so it is likely the goal of 20 will be met.

**FINANCIAL REPORT:**

The financial reports for July were available for review. The General Manager reported that although water demand is down, revenue is more than budgeted, and that connection fee revenue is much higher than projected. He also noted that all expenses are lower than last year's and overall revenue is up approximately 20%.

**CONSERVATION REPORT:**

The Conservation Manager reported that the San Luis Obispo GardenSoft website, which will provide extensive information regarding drought-tolerant plants, will be live in November. She also reported on the many conservation events coming up in the next month, as well as the status of the home water surveys, indoor rebates, and landscape rebates. She noted that staff is still working with the City of Atascadero on their landscape irrigation efficiency, and the City's water usage is down 25% – 35%.

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

**WELL LEVELS:**

The water level of Monitoring Well No. 11 was 27 feet below ground surface on August 29.

**NACIMIENTO WATER PROJECT:**

As of September 1, Nacimiento Lake is at 80% capacity with a surface elevation of 785.65' and 300,650 acre-feet of storage. The Department of Public Health permit requires a 7-day travel time tracer study from the recharge basin to the recovery wells. AMWC began taking water on August 9 for the tracer study, but staff was unable to complete the study because the well motor failed and there have been problems with the electrical switchgear and pressure reducing valve at the Santa Ysabel pump station. The motor has since been repaired; however, the repairs to the pump station will not be completed in the near future, which will delay the tracer study until next year.

**PASO ROBLES BASIN GROUNDWATER MANAGEMENT PLAN (PRBGMP):**

The General Manager is on the steering committee of the PRBGMP and attended a meeting held August 25. He reported that the goal of the committee is for the stakeholders to work together to implement strategies to ensure the health of the basin, and that there appears to be little cooperation between the stakeholders thus far. He will meet with the committee chair and other purveyors to discuss programs that may be the most effective and a strategy for moving forward with them.

**ADMINISTRATIVE BUILDING DESIGN:**

Plans for the administrative building have been resubmitted to the City to keep the permit process alive.

**ASSEMBLY BILL NO. 54, SOLORIO:**

The General Manager will provide the Board with the latest draft of the bill prior to the next meeting.

**NEXT MEETING DATE AND TIME:**

The next meeting is scheduled for October 12, 2011, at 6:30 p.m.

*The following new business was discussed:*

**PAST DUE ACCOUNT, 4210 CAYUCOS AVENUE:**


The General Manager explained that the owners of this property were evicted by the bank in July 2010 and the property remained in their names until it was sold at a trustee's sale in June 2011. In accordance with Board policy, the account remained in the property owners' name until it sold at the June 2011 trustee's sale. The account accrued \$121 in standby fees during the 11 months it remained in their names, and the owners are asking that the past due amounts be waived. A motion was made and seconded to deny the request by King D. and Linda M. May to waive the past due amounts for the property they previously owned at 4210 Cayucos Avenue. The motion carried 4 to 0.

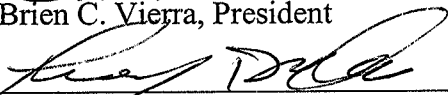
The meeting was adjourned at approximately 7:00 p.m.

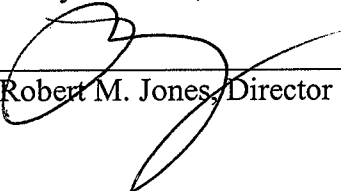
  
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Cheryl J. Powers, Secretary

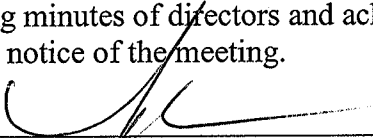
**APPROVED:**

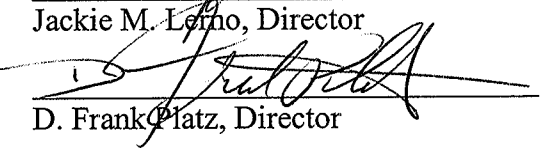
The undersigned directors of the Company approve the foregoing minutes of directors and acknowledge notice of the meeting or, if notice was not properly given, waive notice of the meeting.

  
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Brien C. Vierra, President

  
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Leroy R. Davis, Vice-President

  
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Robert M. Jones, Director

  
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Jackie M. Lerno, Director

  
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D. Frank Platz, Director