

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
ATASCADERO MUTUAL WATER COMPANY

March 5, 2008

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 6:30 p.m., President Leroy Davis presiding. Others present were Directors Frank Platz, Jackie Lerno, and Brien Vierra, General Manager John Neil, and Secretary Cheryl Powers. Vice President 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 13, 2008. The motion carried 4 to 0.

The following reports were reviewed:

OPERATIONS REPORT:

The Operations Report was available for review. The General Manager reported that all wells are operational and water levels are good.

FINANCIAL REPORT:

The Financial reports for January were available for review. The General Manager reported that water revenue and meter sales are close to what was projected in the budget, and that he will present a 5-year cash flow projection at the next meeting. He also reported that investments have been made according to the guidelines set, but more cash has been left uninvested to cover the projected costs associated with the San Marcos Tank roof replacement.

CONSERVATION REPORT:

The Conservation Report was available for review. The Conservation Manager reported that all Conservation programs are doing well and that she is working on many community outreach programs.

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

NACIMIENTO WATER PROJECT (NWP):

The project is underway, but there are some issues with obtaining an easement at Camp Roberts that could delay the project. The General Manager will look into making arrangements for the Board to visit the intake structure at Lake Nacimiento.

NWP RECHARGE AND RECOVERY BASINS:

The project will go before the Planning Commission in early April. The preliminary design is complete, the perc tests that were done were much better than anticipated, and the water quality is good.

EAST RIVER WELLS:

The archaeological survey was done and was clean and the biological survey is underway; both surveys are required to meet the CEQA requirements and to amend the water supply permit from the Department of Public Health. Staff has also initiated an aerial survey of the property.

UNION NEGOTIATIONS:

Negotiations will be discussed in Executive Session.

FACILITY EXPANSION:

The revised application was submitted to the City last week, and staff hopes it will go to the Planning Commission in mid-April, after public review and issuance of a negative declaration by the City.

SAN MARCOS TANK ROOF REPLACEMENT:

Demolition is done and the dome will be installed next week.

NEXT MEETING DATE AND TIME:

The next meeting is scheduled for April 9, 2008, at 6:30 p.m.

DEMONSTRATION OF GIS/COMPUTER SYSTEM:

Lorraine Halderman explained to the Board how redundant AMWC's paperwork flow is with the current systems in place, and that a new integrated system could eliminate a tremendous amount of work. She demonstrated this by showing the Board examples of how various tasks currently involve many steps that could be reduced if AMWC had software that could integrate GIS, an asset maintenance program, and a Customer Information System instead of separate software for each system.

QUITCLAIM DEED, 4525 SYCAMORE AVENUE:

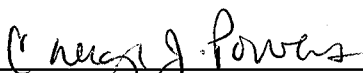
The General Manager requested that the President execute a Quitclaim Deed relinquishing the existing 12-foot access easement over Lot 15, Block H, APN 028-021-002, with the understanding that a 20-foot-wide access and utility easement would be granted to AMWC across Lot 15, Block H. The motion carried 4 to 0.

The following new business was discussed:

CAPITAL PROJECTS LIST, 08/09:

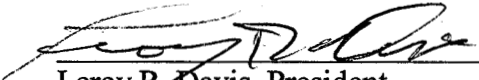
The General Manager reviewed the capital projects list and discussed specific items that he would like to include in the 2008/2009 budget. He reported that he will present the financial information related to the capital projects at the next Board meeting.

The meeting was adjourned.


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.



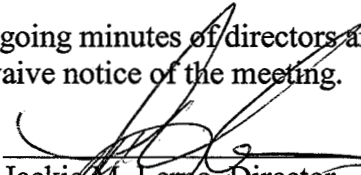
Leroy R. Davis, President



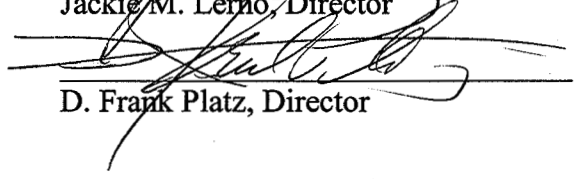
Robert M. Jones, Vice-President



Brian C. Vierra, Director



Jackie M. Lerno, Director



D. Frank Platz, Director