

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

**May 7, 2008**

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 6:00 p.m., President Leroy Davis presiding. Others present were Vice-President Robert Jones, Directors Jackie Lerno, Frank Platz, and Brien Vierra, General Manager John Neil, and Secretary Cheryl Powers.

**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 April 9, 2008. The motion carried 5 to 0.

*The following reports were reviewed:*

**OPERATIONS REPORT:**

The Operations Report was available for review. The General Manager reported that all scheduled maintenance has been performed on the wells and water levels are still good. He also reported that water sales have been close to what was projected, and that wells are about at the maximum of what we can produce.

**FINANCIAL REPORT:**

The Financial reports for March were available for review. The General Manager noted that extra funds were kept in the cash/money market account of the investment account to cover the cost of the San Marcos Tank roof replacement and that most of those payments have now been covered. Staff is aggressively working to invest any funds currently in the cash/money market accounts to meet the criteria set by the Board. He also reported that the year-end fund balances were slightly above what he projected and that some connection fees are still coming in.

**CONSERVATION REPORT:**

The Conservation Manager reported that she is currently involved in many community outreach programs and that the "Water Fest" program held in the Sunken Gardens May 2<sup>nd</sup> was a great success and attendees seemed to enjoy the event and all of the activities offered. She also reported 24 washing machines were rebated last month through the high-efficiency clothes washer program. She will announce the winners of the Water-Conserving Landscape contest at the Annual Meeting.

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

**NACIMIENTO WATER PROJECT (NWP):**

The General Manager reported that the project is progressing and access to Camp Roberts is close to being approved. It appears that the "Report of Availability" needed to proceed will be ready by the

end of June, which is the time anticipated in the project schedule. One of the Board members discussed his recent visit to the intake structure, and there was discussion regarding the scope of the construction and specifications of the structure.

**NWP RECHARGE/RECOVERY BASIN:**

The City has accepted the application for this project and approved a CUP, and the negative declaration will be recorded May 9. The project was well received by the Planning Commission, but the Commission did impose some conditions regarding mitigation of environmental impact issues; the General Manager is working with an archaeologist who will oversee those issues.

**EAST RIVER WELLS:**

The archaeological and biological surveys were completed and no significant issues were found. Staff has applied for the Fish & Game and Corp. of Engineer permits required for the river crossing.

**FACILITY EXPANSION:**

Staff resubmitted the revised CUP on April 14 and has not received a response yet. An agreement has been signed with an interior designer who will be working with staff and the architect to refine the floorplan.

**PERSONNEL EVENTS:**

Marc Hazuka resigned his position as a Water Distribution Operator to work for the City of Paso Robles, and Chandra Calloway-Schmit resigned her position as Customer Account Specialist Trainee to work as a psychiatric technician. Debbie Vial and Laura Ervine were hired as Customer Account Specialist Trainees.

**SAN MARCOS TANK ROOF REPLACEMENT:**

The tank is back in service and the project went smoothly.

**EL CAMINO REAL CAST IRON MAIN REPLACEMENT:**

An agreement has been signed with the Wallace Group to design a replacement of the cast iron main in El Camino Real between Rosario Avenue and Atascadero Creek. Staff is attempting to complete this work prior to the City's improvement plans for the area.

**NEXT MEETING DATE AND TIME:**

The next meeting is scheduled for June 11, 2008, at 6:30 p.m.

***The following new business was discussed:***

**GRANT OF EASEMENT, 6575 SYCAMORE AVENUE, APN 028-111-003:**

The General Manager asked that the Board authorize the President to execute an easement deed over lots 11, 12, and 12A, Pine Mountain Park, APN 028-111-003, granting a 15-foot wide easement to Pacific Gas & Electric Company that is in substantial conformance to Attachment A of the agenda report. He explained that granting the easement will allow PG&E to relocate existing lines so they will not interfere with the facility expansion.

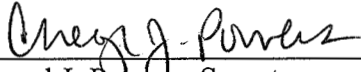
There was discussion regarding the size of the easement, and the General Manager suggested that 15 feet from centerline is the standard width used for these types of easements. The Board questioned whether any power lines would be located in an area where structures are anticipated in the future, and the General Manager indicated that he does not believe they would be based on the information currently

available for the proposed water treatment facility. A motion was made and seconded to approve the General Manager's recommendation as presented. The motion carried 5 to 0.

**APPOINTMENT OF ELECTION INSPECTORS FOR ANNUAL MEETING:**

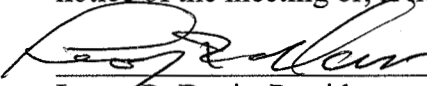
A motion was made and seconded to appoint Don Vert, John Hollenbeck, and James Corey to act as inspectors of election, and to appoint Don Vert as Chairperson of the inspectors, for the Annual Meeting of Shareholders to be held on May 7, 2008, at 7:00 p.m., at the Atascadero Mutual Water Company office located at 5005 El Camino Real, Atascadero, California. The motion carried 5 to 0.

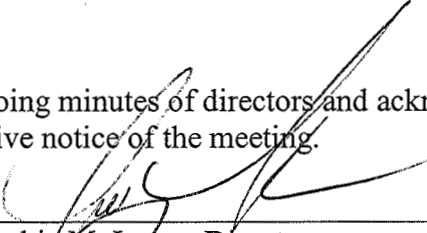
The meeting was adjourned at approximately 6:35 p.m

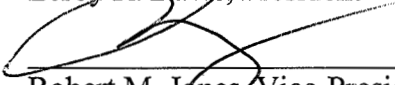
  
Cheryl J. Powers, Secretary

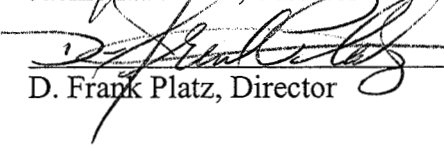
**APPROVED:**

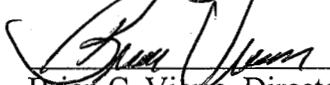
The undersigned directors of the Company approve the foregoing minutes of directors and acknowledge notice of the meeting or, if notice was not properly given, waive notice of the meeting.

  
Leroy R. Davis, President

  
Jackie M. Lerno, Director

  
Robert M. Jones, Vice-President

  
D. Frank Platz, Director

  
Brian C. Viera, Director