

Atascadero Mutual Water Company
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Water Watch



July 2009

ATASCADERO MUTUAL WATER COMPANY

5-Year Capital Improvement Plan

AMWC's capital improvement plan for the upcoming fiscal year ending April 30, 2010, anticipates nearly \$6.4 million in expenditures. Projects include the construction of a new garage and storage building on Sycamore Avenue, design of a new administrative office, upgrading a pressure-reducing station on Balboa Road, constructing a main extension along Lake View Drive, replacing the roof on the Chalk Mountain Tank, constructing recharge basins and recovery wells for the Nacimiento Water Project, upgrading customer information and accounting software, and numerous other projects. The cost of these capital projects is in addition to the ongoing expenses associated with the operation and maintenance of AMWC's wells, booster stations, tanks, and distribution system.

Annual expenditures for capital projects in fiscal years ending April 30, 2011, through April 30, 2014, average \$5.4 million and include completing construction of a new administrative office, construction of a new well east of the Salinas River, upgrades to computer software and hardware, debt service for the Nacimiento Water Project beginning in fiscal year ending April 30, 2011, and numerous other projects.

AMWC Programs Help You Save Water and Money

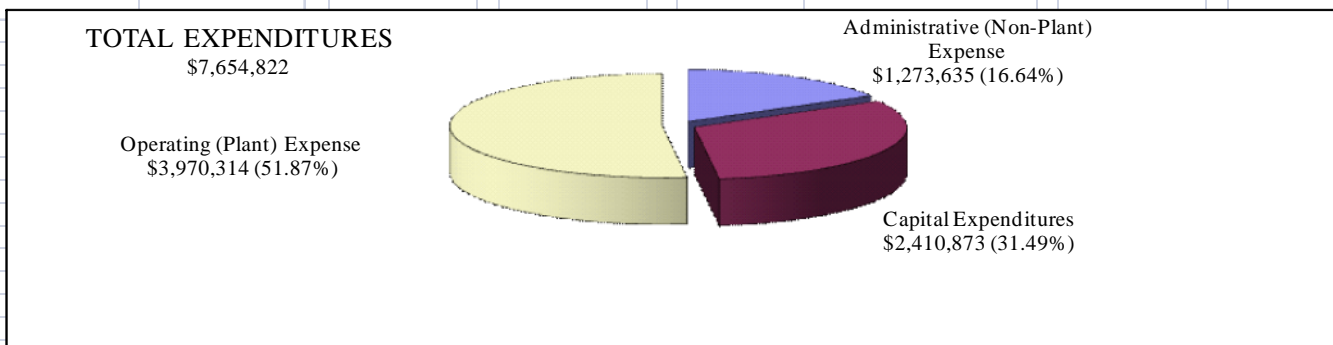
Summer's high temperatures can result in higher water bills. AMWC now offers six new landscape rebates, in addition to its free Home Water Survey program. Contact AMWC's Conservation Department at 461-7217, ext. 22, for more information or to schedule an appointment. Go to amwc.us and click on the Conservation link for more ideas.

AMWC would like to thank its customers for reducing their water use during the water shortage.
Our records show a 14% reduction in water demand in June compared to last year.

FINANCIAL STATEMENTS

BALANCE SHEETS	YEARS ENDED APRIL 30		STATEMENTS OF INCOME	YEARS ENDED APRIL 30	
	2009	2008		2009	2008
Current Assets			Revenue		
Cash and cash equivalents	\$ 2,470,437	\$ 2,235,696	Water sales	\$ 6,132,491	\$ 5,613,065
Short-term investments	5,856,000	5,623,000	Meter installation and connection fees	473,252	1,961,937
Accounts receivable, less allowance for doubtful accounts	680,815	561,109	Other revenue	239,566	183,747
Inventory	398,499	471,926		<u>6,845,309</u>	<u>7,758,749</u>
Prepaid expenses	94,238	77,027	Plant Operating Expenses		
	<u>9,499,989</u>	<u>8,968,758</u>	Salaries and wages	821,421	723,082
			Benefits	384,197	355,717
			Electricity and gas	801,755	766,904
			Insurance	101,656	96,090
			Plant repairs	435,208	550,136
Property and Equipment, net of accumulated depreciation	32,249,042	30,648,052	Depreciation	759,549	724,749
			Other plant expense	666,528	571,519
Long-term Investments	3,640,000	3,766,000		<u>3,970,314</u>	<u>3,788,197</u>
TOTAL ASSETS	<u>\$ 45,389,031</u>	<u>\$ 43,382,810</u>	Non-Plant Operating Expenses		
			Office salaries and wages	431,399	490,440
Current Liabilities			Benefits	156,294	133,615
Accounts payable	\$ 276,495	\$ 344,538	Meter reading and servicing	135,538	133,628
Customer deposits	55,942	72,317	Office	24,611	37,382
Accrued vacation and sick pay	103,696	88,265	Professional fees	55,984	58,773
Other accrued expenses	125,426	61,198	Insurance	24,749	23,171
	<u>561,559</u>	<u>566,318</u>	Depreciation	50,334	49,950
			Other non-plant expense	394,726	403,487
				<u>1,273,635</u>	<u>1,330,446</u>
Commitments and Contingencies					
			Operating income	1,601,360	2,640,106
Shareholders' Equity			Non-Operating Revenue	460,538	327,445
Common stock	107,363	107,373			
Contributed capital	2,465,826	2,465,826	Net income before income taxes	2,061,898	2,967,551
Retained earnings	42,254,283	40,243,293			
	<u>44,827,472</u>	<u>42,816,492</u>	Income Tax Expense	50,918	38,208
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 45,389,031</u>	<u>\$ 43,382,810</u>	NET INCOME**	<u>\$ 2,010,980</u>	<u>\$ 2,929,343</u>

**AMWC Note: The net income does not reflect the \$2,410,873 and \$2,105,336 spent for capital improvements in 2009 and 2008, respectively.



This information is obtained from AMWC's 2009 and 2008 financial reports audited by Caliber Audit & Attest, LLP. The complete report, including notes to financial statements, can be obtained at AMWC's office located at 5005 El Camino Real, Atascadero.

SECURITY OF RESERVES

AMWC invests all capital and operating reserves only in FDIC-insured bank certificates and government securities. Detailed investment guidelines have been established by the Board of Directors to ensure that the reserves are secure and are as close to 100% invested as possible. AMWC's Treasurer, General Manager, and Board of Directors review investments monthly.