

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

**May 21, 2025**

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 4:30 p.m., President Jackie Lerno presiding. Others present were Vice President Frank Platz, Directors Leroy Davis, Robert Jones, 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 by Brien Vierra to approve the meeting minutes of April 16, 2025; the motion was seconded by Robert Jones and carried 5 to 0.

*The following reports were reviewed:*

**OPERATIONS REPORT:**

The Chief Operator reported that there are no updates to report.

**FINANCIAL REPORT:**

The financial reports for March 2025 were available for review. The General Manager reported that expenses are tracking as projected, and water sales revenue is higher than budgeted. He noted that working capital is \$7.3 million versus approximately \$5 million at the same time last year, and that cash is being accrued for the upcoming water treatment plant project.

**CONSERVATION REPORT:**

The Conservation Manager reported that the California Landscape Contractors Association is holding a meeting in Atascadero tomorrow night to talk about fire-safe landscaping. She also reported on the outreach and rebate program activity.

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

**RAINFALL:**

Total rainfall for the period July 1 through May 15 was 12.04" at the rain gage at 6575 Sycamore Rd.; the long-term average is 17.52".

**WELL LEVELS:**

The static water level (SWL) at the northerly end of the main well field, was 17.1 feet below ground surface (BGS) on April 28, down from 15.7 feet BGS on March 31.

**NACIMIENTO WATER PROJECT:**

The Lake was at 63.9% capacity with 241,490 acre-feet (af) of storage on May 9, down from 68.1% capacity with 257,405 af of storage on April 1. Current releases from the Lake are 621 af per day. Staff does not anticipate taking NWP water deliveries this year.

**PFAS TREATMENT:**

Staff met with the City's planning department staff to review the 60% design site plan. The City staff stated that the permitting would be administrative and agreed a grading permit could be issued so AMWC can begin the over-excavation and soil stabilization work.

**NEXT MEETING DATES AND TIMES:**

The next Regular meeting is scheduled for June 11, 2025, at 4:30 p.m.

**NEW BUSINESS:****CELL SITE LEASE EXTENSION, AT&T, PINE MOUNTAIN TANK:**

The General Manager reported that he was contacted by MD7, a representative for AT&T, regarding extending the current lease that expires March 1, 2028. The proposal received from MD7 offers three options to revise the lease, including two lump sum options and a 30-year extension with a reduced annual rate and escalation. The General Manager provided an analysis of the options as shown below:

Lump Sum Payments		
Option	Extension (years)	NPV
1	40	\$855,000
2	45	\$918,000

Monthly Payments				
Lease Term	Extension (years)	NPV Exist Lease <sup>1</sup>	NPV Option 3 <sup>2</sup>	Difference
05/25 - 03/28	n/a	\$155,233	\$149,639	(\$5,594)
05/25 - 03/43	15	\$933,920	\$783,247	(\$150,673)
05/25 - 03/53	25	\$1,435,196	\$1,114,252	(\$320,944)

<sup>1</sup>current rent = \$4,461, 4% annual escalation

<sup>2</sup>rent reduced to \$4,100/month on 8/1/25, 12% escalation every 5 years beginning 10/1/25

A motion was made by Frank Platz to respond to MD7 with a counteroffer adding three 5-year renewal terms to the existing lease; the motion was seconded by Robert Jones and carried 5 to 0.

**CROSS-CONNECTION CONTROL BOARD POLICY:**

The General Manager explained that the State Water Resources Control Board (SWRCB) updated its cross-connection control policy handbook, which is incorporated into the State of California's Drinking Water regulations, effective July 1, 2024. The handbook includes ten elements that must be addressed by water purveyors while enforcing cross-connection control regulations.

AMWC contracts with the County of San Luis Obispo to manage its cross-connection control program, which includes all elements of the policy except hazard assessments and public outreach and education. AMWC staff will need to perform hazard assessments and public outreach and education.

Staff updated AMWC's Cross-Connection Control Plan and Board Policy, as presented with the agenda item, to incorporate the requirements of the state's updated regulations and allow AMWC to enforce compliance. Staff expressed concern that the new requirement for shareholders with larger cross-control devices to upgrade the devices will be burdensome due to the high cost. In addition, most new commercial buildings will likely require cross-connection control devices.

Brien Vierra made a motion to adopt AMWC's proposed Cross-Connection Control Plan in substantial conformance with the plan document included with the agenda item, as well as the revisions to Board Policy No. 1.2.22 Cross Connection Control in substantial conformance with the revised version presented; the motion was seconded by Leroy Davis and carried 5 to 0.

**GRANT OF EASEMENT, PINE MOUNTAIN TANK SITE, 7125 SERENA COURT:**

The General Manager reported that Astound Broadband, Inc., submitted a request to AMWC for a perpetual easement across AMWC's Pine Mountain Tank property to allow it to connect city-operated facilities, such as the police/fire radio repeater. The City has a memorandum of understanding with AMWC that allows the radio repeater to reside on the property, however, a form of property right from AMWC is required to allow Astound to connect to the City's radio repeater.

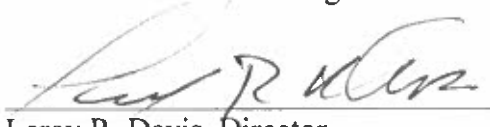
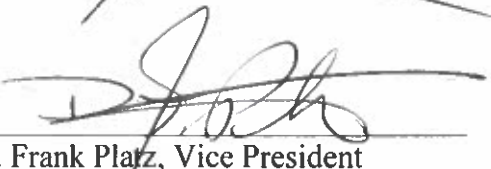
Astound has proposed it construct dark fiber optic facilities from the Pine Mountain Tank site to AMWC's maintenance yard in exchange for the property right it needs. Staff believes AMWC could benefit from the proposed facilities to create a private network for AMWC's SCADA system that currently uses its own radio repeater at the Pine Mountain Tank. The Board directed the General Manager to pursue a lease arrangement.

The meeting was adjourned at approximately 5:00 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.

  
Jackie M. Lerno, President  
Leroy R. Davis, Director  
D. Frank Platz, Vice President  
Robert M. Jones, Director  
Brien C. Vierra, Director