

NOTICE CONCERNING PROPOSED WATER RATE INCREASE

At its meeting on April 8, 2021, the Atascadero Mutual Water Company (AMWC) Board of Directors adopted its operating budget for the upcoming fiscal year ending April 30, 2022. The budget included a 5-year forecast of revenues and expenses.

The forecast indicates that a rate increase is needed to offset increasing operational costs for electricity, natural gas, materials, and insurance. It is also needed to offset capital investment costs associated with the construction of a new booster pump station, new wells, and rehabilitation of existing wells.

AMWC's costs for compliance with government regulations and mandates has increased substantially for programs such as the Sustainable Groundwater Management Act, National Pollution Discharge Elimination System, Unregulated Contaminant Monitoring Rule, Urban Water Master Plan preparation, annual State Water Resources Board fees, among others.

In addition, AMWC anticipates incurring significant capital and operating costs for treating water to remove polyfluoroalkyl substances (PFAS) from wells that have concentrations of these contaminants above the response levels established by the California State Water Resources Control Board in February 2020.

The AMWC Board will be considering an increase to water rates at its meeting on May 12, 2021. The Board will be acting on the rate increase at its June 2021 meeting. The 5-year cash forecast prepared by AMWC staff indicates that an 8 – 10% increase in water sales revenue is needed to meet AMWC needs for working capital, resulting in a monthly increase of between \$4 and \$5 in the average water bill for a single-family residential customer.

As seen in the attached graph, AMWC shareholders currently enjoy some of the lowest water rates in the county. The rate increase will allow AMWC to continue to provide the excellent service its shareholders have come to expect.

Questions regarding the water rate increase may be directed to John Neil, General Manager, (805)464-5351, or jneil@amwc.us.

CENTRAL COAST AREA
COMPARABLE COST OF WATER
AS OF JULY 1, 2020
BASED ON AVERAGE MONTHLY USE IN ATASCADERO
(9,724 GALLONS/MONTH OR 1,300 CF/MONTH)

