

AMADOR WATER AGENCY

Board of Directors Meeting

12800 Ridge Road, Sutter Creek, CA 95685

September 24, 2009

9:00 a.m.

Website Address: www.amadorwa.com

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

2. **ADDITIONS TO AGENDA**

Items added to the agenda must be approved by the Board pursuant to Government Code Section 54954.2.

3. **PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA**

Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of Amador Water Agency; however, any matter that requires action will be referred to Staff for a report and action at a subsequent Board meeting. Please note there is a five (5) minute time limit per person.

4. **CONSENT AGENDA**

Items listed on the consent agenda (see attached) are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

5. **AMADOR WATER SYSTEM**

A. Amador County Jail

1. Discussion and direction regarding water and wastewater services for the proposed County Jail Site in the Martell area

B. Amador Water System Financial Plan Scope of work

1. Discussion and direction regarding completion of a scope of work to update the AWS Financial Plan.

6. **AGENCY GENERAL**

A. 50th Anniversary Celebration

1. Review and discussion of the Agency's special event

B. Facilities Tour (to commence approximately 10:30 a.m. or as soon as possible thereafter)

1. Lone Water Treatment Plant and Distribution System

2. Camanche Water and Wastewater Systems

7. **COMMITTEE MEETING REPORTS**
 - A. **CAMRA**
 - B. **Personnel Committee Meeting**
 - C. **Joint Water Committee Meeting**

8. **GENERAL MANAGER'S MONTHLY REPORT** - General discussion of various issues for informational and communication purposes. Discussion only, no formal action will be taken. Any matter requiring action will be placed on an upcoming agenda for consideration.

9. **BOARD OF DIRECTOR DISTRICT REPORTS** - The Board Members may report on various activities, meetings, etc. that they have been involved in within their respective districts. Discussion only, no formal action will be taken. Any matter requiring action will be placed on an upcoming agenda for consideration.

10. **UPCOMING AGENDA ITEMS**
 - October 8, 2009**
 - Small Diameter Pipeline
 - GM Job Description
 - Prop 1A Securitization
 - LaMel Water System staff analysis of merging with AWS
 - October 22, 2009**
 - To be determined
 - October 26, 2009**
 - La Mel Rate Hearing
 - October 29, 2009**
 - Wastewater ID #1 Rate Hearing
 - October 27, 2009 (Needs to be rescheduled to first week of November)**
 - Budget Review, Project Status and Vacancy Status
 - November 2, 2009**
 - Lake Camanche Wastewater Rate Hearing
 - November 12, 2009**
 - ARSA Initial Review
 - December 10, 2009**
 - ARSA Final Decision

11. **FUTURE AGENDA TOPICS** -This item is to provide the Board Members an opportunity to request items to be placed on future agendas.

12. **CLOSED SESSION** may be called for the following matters

Pursuant to Government Code Section 54957.6 -Conference with Labor Negotiators (Gene Mancebo and Karen Gish) – Department Heads, Management Group, AWA Employee Association, and Confidential Group Negotiations

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14. **ADJOURNMENT** - Next Regular Board Meeting – October 8, 2009

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, then please contact Cris Thompson at (209) 223-3018 or (209) 257-5281 (fax). Requests must be made as early as possible, and at least two-full business days before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Amador Water Agency Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 12800 Ridge Rd, Sutter Creek CA 95685

BOARD OF DIRECTORS

Terence W. Moore, President Bill Condrashoff, Vice President Debbie Dunn Don Cooper Gary Thomas

AMADOR WATER AGENCY

CONSENT AGENDA September 24, 2009

Items listed on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

1. MINUTES

- A. Approval of Special Board Meeting Minutes of June 8, 2009- Budget Workshop
- B. Approval of Special Board Meeting Minutes of June 16, 2009- Budget Workshop
- C. Approval of Special Board Meeting Minutes of June 19, 2009- Budget Workshop & Approval

***** DATES TO REMEMBER *****

September 21, 2009 Joint Water Committee Mtg- AWA offices 1 p.m.

September 22, 2009 Special Board Meeting 9:00 a.m. Facility Tour

October 2, 2009 EBMUD Pardee BBQ

BOARD OF DIRECTORS

Terence W. Moore, President Bill Condrashoff, Vice President Debbie Dunn Don Cooper Gary Thomas

**AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
June 08, 2009
9:00 a.m.**

MINUTES

Directors Present: Terence W. Moore, President
Bill Condrashoff, Vice President
Debbie Dunn
Don Cooper
Gary Thomas

Directors Absent: None

Staff Present: Jim Abercrombie, General Manager
Michael Lee, Financial Services Manager
Chris McKeage, Operations Manager
Barry Birge, Construction Superintendent
Gene Mancebo, Manager of Engineering
Cris L. Thompson, Clerk of the Board

WORKSHOPS ARE NOT RECORDED

CALL TO ORDER – President Moore called the Special Board meeting to order at 9:05 a.m.

BUDGET WORKSHOP

Discussion of Agency Budget

1. 2008/2009 Employee Time Allocation (Actuals)
2. Review of 2009/10 CIP
3. Fixed Asset Review
4. Review of Cash Reserves
5. Review of proposed Budget by system

ADJOURNMENT- President Moore adjourned the meeting at 4:09 p.m. with direction Given to staff to schedule the next budget workshop for June 16, 2009, 9:00 a.m.

Cris L. Thompson
Clerk of the Board of Directors
Approved: _____

**AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
June 16, 2009
9:00 a.m.**

MINUTES

Directors Present: Terence W. Moore, President
Bill Condrashoff, Vice President
Debbie Dunn
Don Cooper
Gary Thomas

Directors Absent: None

Staff Present: Jim Abercrombie, General Manager
Michael Lee, Financial Services Manager
Chris McKeage, Operations Manager
Barry Birge, Construction Superintendent
Gene Mancebo, Manager of Engineering (10:00 a.m.)
Karen L. Gish, Acting Clerk of the Board

WORKSHOPS ARE NOT RECORDED

CALL TO ORDER – President Moore called the Special Board meeting to order at 9:03 a.m.

BUDGET WORKSHOP

Discussion of Agency Budget

1. 2008/2009 Employee Time Allocation (Actuals)
2. Review of 2009/10 CIP
3. Fixed Asset Review
4. Review of Cash Reserves
5. Review of proposed Budget by system

ADJOURNMENT- President Moore adjourned the meeting at 3:45 p.m. with direction given to Staff to schedule the next budget workshop for June 19, 2009, 9:00 a.m.

Cris L. Thompson
Clerk of the Board of Directors
Approved: _____

**AMADOR WATER AGENCY BOARD OF DIRECTORS
Special Board Meeting
June 19, 2009**

MINUTES

Directors Present: Terence W. Moore, President
Bill Condrashoff, Vice President
Debbie Dunn
Don Cooper
Gary Thomas

Directors Absent: None

Staff Present: Jim Abercrombie, General Manager
Michael Lee, Financial Services Manager
Chris McKeage, Operations Manager
Barry Birge, Construction Superintendent
Gene Mancebo, Manager of Engineering (10:00 a.m.)
Karen L. Gish, Human Resources Coordinator
Cris Thompson, Clerk of the Board

CALL TO ORDER – President Moore called the reconvened Special Board meeting to order at 9:05 a.m.
(RM-A 0:026-

PUBLIC COMMENT (RM-A 0:1:59- 7:03)

Damon Wyckoff, President of the Employees Association addressed the Board

BUDGET WORKSHOP

Review of options presented

(RM-A 7:24-1:10:47)

RECESS was called at 10:59 a.m. **SESSION RESUMED** at 11:08

DISCUSSION CONTINUED

(RM-B 0:01-50:43)

Public Comment / Questions

Ms. Maggie Hamilton (RM-B 59:05- 60:39)

Mr. David Evitt (RM-B 60:42- 65:17)

RECESS was called at 12:20 p.m. **SESSION RESUMED** at 1:05 p.m.

(RM-C 0:24 – 74:59)

RECESS was called at 2:20 p.m. **SESSION RESUMED** at 2:30 p.m.

(RM-D 0:00-75:37)

MOTION: (RM-D 75:37- 82:08) It was moved by Director Thomas, seconded by Director Cooper and unanimously carried to approve Option C with a budget of \$10,899,885 reflecting a 15% wastewater rate increase for Martell and 8% for all other systems, for fiscal year 2009/2010 which includes the CIP list and this also includes a contingency of the October or sooner meeting to follow up on budget issues such as grants, \$250,000 property tax seizure, and Prop 218 issues in addition to the five bullet contingencies given by Director Dunn. (attached)

General Discussion (RM-D 82:08-87:43)

ADJOURNMENT- President Moore adjourned the meeting at 4:01 p.m.

Cris L. Thompson
Clerk of the Board of Directors
Approved: _____

HAVE TO ASSUME

NEED DETAILS ON "A"

CONTINGENCY

REMOVED TODAY @ OCT 22

GET WITH COUNTY ON THIS

OCT. 22ND WILL FINIMIZE THE YEAR

ALL DEPARTMENTS GUESS EXPENSES & REVIEW OPPORTUNITIES TO WORK DIFFERENTLY/HIGHEST EFFICIENCY

RE-ESTABLISH STRATEGIC PLAN & OVER ALL WORK PLAN

BRING IN OUTSIDE EYES

STAFF REPORT

Amador Water System Financial Plan Scope of Work.

Requested Action:

Discussion and direction from Board on completion of a scope of work to update the AWS Financial Plan.

Background:

The AWS financial plan was last updated by the Reed Group in May 2007. The financial plan and water rate study includes a 10-year financial plan and water rate model using the current budget, CIP, and customer account and water use info.

The financial plan serves as a planning and management tool to ensure that the operations and capital improvement needs of the AWS can be met in a financially sound manner. I recommend the scope of work for this year's update include the following:

- Develop options for increasing water rates over the next three years with consideration of debt service coverage ratios.
- Develop options for increasing water rates over the next three years with consideration for our water conservation program including tiered pricing.
- Develop water rate schedules consistent with current cost of services analyses.
- Calculate the impact of consolidating La Mel Height's 60 customers into AWS.

The process and estimated timeline for updating the AWS financial plan is as follows:

- Proposal from The Reed Group-week of Nov 2, 2009
- Execute contract & begin providing information-week of Nov 9, 2009
- Review of draft financial plan-week of Dec 28, 2009

- Board workshop to discuss the draft plan-week of Jan 11, 2010
- Discuss preliminary rate projections with wholesale customers per contract-week of Jan 18, 2010
- Reed Group to make necessary changes and staff to begin preparing Prop 218 public notices by end of January 2010.

In addition, Bob could provide guidance or add to the scope of work, to update the AWS participation fee with respect to adding the Plymouth Pipeline and the costs of water conservation. These additions likely represent more substantial changes to our asset base than the change in the inflation index from the Engineering News-Record Construction Cost Index, 20-Cities Average which we currently use to escalate participation fees.

It is also important to reflect back on past financial plan projections and actual results, as we forecast assumptions in the current financial plan. Some of the assumptions made in our previous financial plan are reviewed below:

<u>Water Sales</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Financial Plan	\$3,386,630	\$3,831,000	\$4,334,000
Actual Sales	\$3,610,023	\$3,843,678	\$4,073,464
Production (000/gal)	1,481,024	1,373,312	1,280,150

<u>Operating Expense</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Financial Plan	\$3,898,411	\$4,444,450	\$5,323,194
Actual Expense	\$3,993,964	\$4,533,968	\$5,439,722

Prepared by: Michael J. Lee, Financial Services Manager