

AMADOR WATER AGENCY

Board of Directors
Regular Meeting
February 26, 2009

MINUTES

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

Directors Absent: None

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

CALL TO ORDER – President Moore called the meeting to order at 9:00 a.m.

ADDITIONS TO THE AGENDA – There were no additions to the agenda.

PUBLIC COMMENT –Mr. Wendell Peart addressed the Board and read comments into the record (attached). Mr. Peart asked for a definition of “Fair Share” and asked for a response to his questions.

Manager Abercrombie commended staff members for their efforts on two recent line breaks and water outages that occurred in the past two weeks. Water Production Supervisor Doug Yardley, Distribution Supervisor Lance Roberts, Purchasing Agent Connie Fritz and Construction Superintendent Barry Birge were in attendance and received appreciation from the Board, Manager Abercrombie and the department heads.

President Moore stated that Closed Session Item Number 12.B will be held over to the March 12, 2009 Regular Board Meeting.

CONSENT AGENDA

MOTION: It was moved by Director Condrashoff and seconded by Director Dunn and unanimously carried to approve the consent agenda.

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AGENCY GENERAL Legislative Agenda Discussion and possible direction regarding Washington D.C. trip to meet with Legislators. Manager Abercrombie briefed the Board on the Federal appropriations process and the past trips made to Washington D.C. to meet with lobbyists, Legislators and their staff members to explain Agency projects and solicit support. These meetings aid in the efforts to receive grant monies from Federal appropriations. These meetings have resulted in the Agency receiving appropriations for the Buckhorn Water Treatment Plant, and a \$3 million dollar authorization for the environmental review and preliminary engineering work for the Regional Wastewater and recycling project. He also stated that the trip is usually made in the spring, and the total cost for the trip is roughly \$5000.00. Director Moore also shared some past history on the Agency's lobbying and legislative efforts and the benefits of going to Washington to meet face to face. Director Condrashoff stated that he was glad to have this presentation and discussion for a better understanding of what the purpose of the trip is and feels this is a good thing to do. Director Dunn reiterated how important it is to meet with our elected officials to gain support, as did Director Cooper.

AMADOR WATER SYSTEM- Tanner and lone Water Treatment Plants Discussion and direction to request proposals to complete an Interim Capacity Study for the Tanner and lone Water Treatment Plant expansion(s).

Engineering and Planning Manager Mancebo briefed the Board on the Engineering Committee Meeting that was held on February 13, 2009. He stated that they met to discuss the need for the Tanner/ lone Water Treatment Plant Interim Capacity Facility Study to evaluate possible means for achieving additional water treatment capacity and extend the life of the plants. There is a draft RFP attached to the staff report detailing the scope of work to send out to consultants. Manager Mancebo stated that previously the Board approved moving forward with the environmental review and design for the proposed Regional water treatment plant funded by a CFD (community facilities district), however with the state of the economy and lack of development, staff would like to study the possibility of some increased interim capacity improvements at the existing plants. He stated that funding for this study would come from reserves. He also stated that staff does not feel that this will be permanent solution, but it could certainly meet the demands until such time as a new facility is needed. Director Cooper stated that he would like to bring up the topic of avoiding costs, and ask if the study could include conservation incentives for the customers to assist with the excess demands. Manager Abercrombie stated that staff has run a couple of scenarios regarding the big customers and high demand; he said that staff would take the scope of work and craft language in the scope to try to capture the demand side management concept in the study. Director Condrashoff suggested the cost savings be focused to smaller customers. He also expressed his concern that the developers pay the costs for increased capacity based on new development instead of the burden being on the current rate payers. Managers Abercrombie, McKeage, and Mancebo answered questions of the Board for clarification.

Mr. Bart Weatherly of Sutter Creek addressed the Board regarding water rates and his concern that current rate payers are subsidizing future growth. He asked questions of

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Manager Mancebo regarding the capacity demand on peak days and stated that it seemed we are stretched thin. He asked that if we are stretched now, how it is the Agency has will serves out for large projects like Gold Rush. Manager Mancebo stated that Gold Rush does not have a will serve, and typically if at the time they apply for water service, the Agency does not have capacity, they would be issued a conditional will serve, being conditional on facility improvements to create increased capacity to meet their demands.

Mr. Mike Kirkley of Sutter Creek addressed the Board, and asked questions regarding the participation fee structure and costs to the developers to pay for interim capacity. He also made conservation suggestions to benefit the customers.

After further general discussion the following action was taken:

MOTION: It was moved by Director Dunn, seconded by Director Thomas and unanimously carried to authorize staff direction to request proposals to complete an Interim Capacity Study for the Tanner and Lone Water Treatment Plant expansion(s) with suggested changes to the RFP.

RECESS was called at 10:20 a.m. **SESSION RESUMED** at 10:31 a.m.

IMPROVEMENT DISTRICTS-Wastewater Improvement District No. 12 (Martell)
Discussion and possible direction to authorize General Manager to execute Sutter Creek Wastewater Treatment Capacity Purchase Agreement- Manager Abercrombie briefed the Board on the agreement before them and stated that Counsel Kronick reviewed the draft and has some minor changes. He stated that the previous Board reviewed a term sheet between the Agency and the City of Sutter Creek and gave direction to Manager Abercrombie to draft an agreement that implements the term sheet. He stated that the agreement states that the Agency will invest \$750,000 to expand the Sutter Creek wastewater treatment plant and will receive an additional 60,000 gallons per day of capacity. The increased capacity needs are due to an increase in flows and an increase in concentrations in BOD's and TSS. Manager Abercrombie and Manager Mancebo answered questions of the Board for clarification. After discussion of the agreement, President Moore asked that this item be brought back to the Board and asked that Manager Abercrombie get clarification from the City of Sutter Creek on a couple of items in the agreement. No action was taken

Sutter Creek/ ARSA system overview- Presentation only- Manager Abercrombie and Manager Mancebo gave a brief history of the ARSA system. Mr. Mike Kirkley from Sutter Creek asked that the Board consider having one member sit on the ARSA board in place of one the Board of Supervisors. Manager Abercrombie said that this item would be brought back to a future meeting for further Board discussion, as it was not agendized today.

CLOSED SESSION was called at 11:05 a.m. for the following matters:

Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a) – Existing Litigation- Amador Water Agency vs. Kenneth Perano, as Trustee of the Ernest W. Perano Exemption Trust, et al. (Amador County Superior Court Case No. 06-CV4189)

OPEN SESSION RESUMED at 12:45 p.m. with direction given to staff.

RECESS was called at 12:45 p.m. SESSION RESUMED at 1:02 p.m.

Water Improvement District No. 7 (Lake Camanche)- Discussion and possible direction to authorize General Manager to execute an agreement with PBS&J for performing an environmental review of Water Supply Improvements for Lake Camanche. Manager Mancebo described the project to the Board. He briefed the Board on the need to prepare the necessary environmental review and related documents to be ready for construction by June 1, 2009, and be shovel ready to qualify for stimulus grant funds for this project. This work is proposed to be funded through operating revenues. Manager Mancebo answered questions of the Board for clarification. After discussion among the Board and Staff the following action was taken:

MOTION: It was moved by Director Cooper, seconded by Director Thomas and unanimously carried to authorize the General Manager to expend up to \$75,000 for the preparation of an environmental review, surveying, geotechnical evaluations, and other possible outside support activities to facilitate getting the Camanche Water System Improvement Project in a ready-to-construct status.

Director Thomas excused himself from the Engineering report discussion due to a potential conflict of interest regarding the discussion of the Claypit Rd/ EaglesNest Subdivision.

COMMITTEE MEETING REPORTS

Joint Water Committee Meeting (February 23, 2009)- Director Moore reported on the recent meeting that covered the standing agenda items. Items to note were; EBMUD is holding a public workshop to discuss their WSMP 2040 plan on the 16th of March. It was decided that water rights status be discussed at a future meeting, and the committee would like to get a list of existing developments to discuss for future water demands. Director Condrashoff also stated that there was a lengthy discussion of a water element in the General Plan. There was also some discussion of Wild and Scenic designation.

Mountain Counties Day at the Capital (February 10, 2009) - Director Dunn reported that this was a fun day; this was a send off for James Chatigny's retirement. In addition, this day is usually a meet and greet with legislators, but due to the budget crisis many were not available.

Engineering Committee Meeting (February 13, 2009) - Director Moore shared the items of discussion with the members of the Board. One item was the Claypit Rd discussion

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regarding private line that the Agency has no jurisdiction over. Director Condrashoff also shared that staff and the committee members looked at a map a tried to help find another solution for the homeowner's water issues. Director Condrashoff reported that developers from Lone attended the meeting for the Tanner and Lone expansion discussions.

GENERAL MANAGER'S MONTHLY REPORT – Manager Abercrombie reported on various issues on which he has been working. He focused on areas concerning safety, fiscal responsibility, community leadership efforts and infrastructure matters. The Board asked questions for information and clarification.

BOARD OF DIRECTORS DISTRICT REPORTS- The Board members reported on various activities they have been involved in within their respective areas of responsibility.

FUTURE AGENDA TOPICS-

Discussion of demand side management

CLOSED SESSION

ADJOURNMENT President Moore adjourned the meeting at 2:30 p.m.



Cris L. Thompson
Clerk of the Board of Directors

Approved: 409-09

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