

AMADOR WATER AGENCY

Board of Directors

Regular Meeting

July 12, 2007

MINUTES

Directors Present: Terence W. Moore, President
John P. Swift, Vice President
Heinz Hamann
Dan Brown
David S. Thomas

Directors Absent: None

Staff Present: Gene Mancebo, Manager of Engineering & Planning
Michael Lee, Financial Services Manager
Chris McKeage, Operations Manager
Stephen A. Kronick, Agency Counsel
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.

STAFF REPORTS - E&P Manager Mancebo, Financial Services Manager Lee, and Operations Manager McKeage updated the Board on the various activities they have been involved in within their respective areas of responsibility and answered any questions from the Board.

PUBLIC COMMENT – Mr. Rob Aragon, of JTS Communities updated the Board regarding the status of the new water tank in Lone and that JTS has been working with Ryland homes and the Agency to get this project completed. Mr. Pete Bell, of the Foothill Conservancy addressed the Board and updated them on the Conservancy's new membership to the Mokelumne River Forum. Mr. Bell proposes that the Board direct staff to support the idea of a companion study for conservation. Jerry Sherman, Mayor of the City of Lone, addressed the Board regarding the backwash water issue in

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lone. He proposes to have a committee to discuss the current costs that taking the backwash water from the Agency brings to the City and the gap between the costs incurred and what the Agency is paying under the current agreement. President Moore stated that Manager Abercrombie will be in touch with the new City Administrator to schedule a meeting to work on the issue. Mr. Sherman also stated that the water pressure has a significantly dropped in lone and asked that it be looked into. Krista Clem of the Mokelumne Bluffs project addressed the Board regarding the proposed new Participation fees. She stated that due to another meeting she needed to attend she would like to be heard on the proposed increase during public comment. Ms. Clem gave her ideas for potential cost sharing in addition to other suggestions for an agreeable participation fee and asked the Board to put off the adoption of the participation fee increase until more people can meet and discuss the issue and alternative ideas. President Moore thanked the members of the public for their comments.

CONSENT AGENDA

MOTION: It was moved by Director Swift, seconded by Director Hamann, and unanimously carried to approve the Consent Agenda with the exception of items 2.A which was removed for discussion and 3.A.

Manager Mancebo asked that Item 2.A be pulled for discussion. Manager Mancebo gave a brief review of the project and answered questions of the Board. Counsel Kronick suggested the item be continued to allow time for further research into this annexation request.

AGENCY GENERAL- ACWA's BluePrint for California Water- Manager Mancebo gave a brief overview of the request from ACWA to support the BluePrint for California Water and recommended the adoption of Resolution 2007-20.

MOTION: It was moved by Director Hamann, seconded by Director Swift, and unanimously carried to adopt Resolution 2007-20 supporting ACWA's Blueprint for California Water with direction given to staff to send a letter of support to our local legislators.

AMADOR WATER SYSTEM- Amador Water System Participation Fees- Proposed Participation fee adjustment- Discussion and possible adoption of Resolution No. 2007-21

Financial Services Manager Lee explained to the Board the methodology behind the proposed Participation fee increase for the Amador Water System. He stated that historically we have just updated the 2004 study however now we are adding new facilities so the methodology needed to be adjusted. The inclusion of the potential new water treatment plant and the payment of the Amador Water System Transmission Pipeline construction. Director Hamann asked for more clarification of the information provided in the staff report and requested that information given to the Board and the public be clearer with legends explaining the meaning of columns being used and definitions of terminology. Director Thomas asked if the new methodology is used by other entities. Manager Mancebo stated that this was discussed with consultant Bob Reed, and he stated that some other entities are using the methodology. Director

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Moore stated that he agreed with Director Hamann that the information was not as clear as it should be. He feels that those points of buy in and incremental fee needs to be clearer before adoption of the new fees. Mr. Rob Aragon addressed the Board regarding consolidated facility districts (CFD) and participation fees; he described the components that are critical to the success of the current and future projects. That JTS and others endorse the fee but suggest a fee derived from a collaborated effort with developers and the Agency. He states that JTS endorses the CFD idea. Mr. Aragon requests more time on the decision to increase participation fees. Mr. Chris Austin representing BIA also suggested more time, and expressed concerns for compliance with the law and reflecting the methodology. He echoed the sentiment that everyone work together for the understanding and support of the fees. Counsel Kronick asked questions of Mr. Austin for clarification of the letter sent to the Board by the BIA. Reeder Sutherland representative, agrees that the fee increase is warranted, request a closer look be given. Stephanie McNair, addressed the Board, she also agrees the information is confusing, and feels that CFD's and infrastructure are needed for the future growth of the County. The Board asked questions of staff for clarification. Counsel Kronick suggested that we continue this item to the August 9, 2007 meeting. Director Thomas suggested looking at adopting the fees with the intention of revisiting the fees after a CFD is potentially entered into. Director Brown also agreed that the information was not clear and suggested a workshop for a better understanding of the calculations and process involved in raising the participation fees. Director Moore suggested that this item be continued to the August 9, 2007 with direction given to staff to meet with the developers and their representatives and schedule a workshop if appropriate.

RECESS was called at 10:20 a.m. **SESSION RESUMED** at 10:35 a.m.

AGENCY COUNSEL REPORT

State Legislative Report- Counsel Kronick updated the Board on the various bills in the legislative process that were previously reporting on. He answered questions of the Board for clarification.

COMMITTEE MEETING REPORTS

CAMRA Meeting Report- Director Brown attended the meeting; Mr. Pete Bell was the speaker. There was a discussion of the Joint Powers Agreement (JPA) needing updates and changes. Copies of the JPA were given to the Board to bring back with suggested changes. This will need to be agendized for future meeting.

The remaining committee reports were carried over to the July 26, 2007 meeting due to time constraints.

Session Recessed at 11:05 a.m. **Session resumed** at 11:20 a.m.

FUTURE AGENDA TOPICS –There were no items requested

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CLOSED SESSION was called at 11:20 a.m. for the following matters

- A. Pursuant to Government Code Section 54956.9(a) – Existing Litigation – Conference with Agency Counsel
1. Amador Water Agency vs. Kenneth Perano, as Trustee of the Ernest W. Perano Exemption Trust, et al. Case No. 06-CV4189
 2. Amador Water Agency vs. Zelda Mondani, Case No. 06-CV4173
 3. Bruce A. Roen and Debra J. Roen vs. Amador Water Agency, et al. Amador County Superior Court Case No. 07CV4727
 4. Amador Water Agency, et al vs. Derania Case No. 06-CV-4604

OPEN SESSION resumed at 11:45 a.m.

MOTION It was moved by Director Swift, seconded by Director Brown to direct staff to utilize Counsel Kronick as lead counsel for the Roen case.

Ayes: Director Terence W. Moore, Director John P. Swift, Director Dan Brown, and Director Heinz Hamann
Noes: None
Abstain: Director David S. Thomas
Absent: None

ADJOURNMENT - President Moore adjourned the meeting at 11: 45 a.m.

Cris L. Thompson
Clerk of the Board of Directors

Approved: _____