

Amador Water Agency

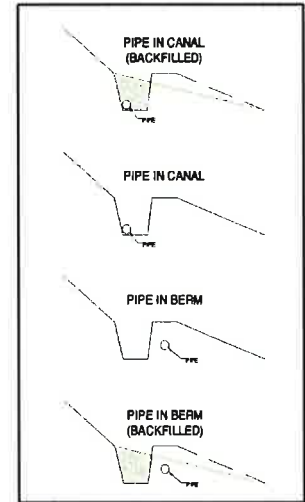
October 23, 2008

Re: UPDATE Installation of Small Diameter Pipeline in the Amador Canal

Dear Property Owner and Customer:

The Agency has committed to keeping you, property owners and customers, informed on the small diameter pipeline project's progress and how it may affect you, your residence and your property. This multi-year project will place a small pipeline in the Amador Canal as part of the previously approved Amador Transmission Pipeline Project.

EIR Addendum Challenged by Mr. Ken Berry: Addendum No. 4, an environmental study recently approved by Amador Water Agency's Board of Directors, evaluated four options for installing the small diameter pipeline in the Amador Canal. The Water Agency desires flexibility in the installation of the small diameter pipeline through different installation methods to address landowners' preferences and site conditions. (see diagram at right).



Mr. Ken Berry, relying on information provided by Mr. Bill Condrashoff, decided to file suit against the Agency challenging its approval of the Addendum based not on the adequacy of the evaluation of the four methods to install the small diameter pipeline, but on a completely unrelated issue concerning flows in Jackson Creek. His lawsuit specifically asks the Court:

- "To compel the Agency to maintain flows in the Amador Canal sufficient to maintain historic flows in Jackson Creek until adequate alternative mitigation measures are developed and implemented."
- The lawsuit also asks the court to suspend further activities by the Agency on the Amador Transmission Project that "have an effect on the amount of water in Jackson Creek."

Addendum No. 4 provides for a total of four options for placing the small diameter pipeline along the canal.

Mr. Berry's lawsuit does not say how these subjects are related to the Agency working with landowners along the Amador Canal nor does it address the installation of the small pipeline.



Lawsuit could add even more legal costs to the Amador Transmission Pipeline Project.

The Agency is disappointed in Mr. Berry's action and its potential impact on all of our ratepayers, as well as on the property owners along the Amador Canal. Mr. Berry's lawsuit appears to be an attempt to reopen the final EIR on the Amador Transmission Pipeline Project – an approved document hundreds of pages long that took years of study, legal review and public comment on a myriad of potential impacts of the Project on the environment.



Examples: Top: Small pipe in the bottom of the Canal. Above: Canal backfilled and reseeded.

The EIR on the Pipeline Project was approved and a settlement accord reached with Protect Historic Amador Waterways (PHAW) which agreed to drop its lawsuit over the adequacy of the EIR. Mr. Condrashoff apparently was a member of PHAW at the time of the settlement.

AWA's Board of Directors discussed Mr. Berry's lawsuit and heard comments from the public at its October 9 Board meeting. The Board now has a couple of options:

- Fight the litigation to preserve the options to fill in the Canal as landowners have requested; OR
- Rescind its approval of Addendum No. 4 and limit landowners' options for the installation of the small diameter pipeline along their properties.

Opposing this lawsuit on behalf of the Canal property owners could have a real financial impact on ALL Amador Water System ratepayers. The PHAW lawsuit and associated delays on the Amador Water Transmission Pipeline Project inflated the Project cost by \$9 million – about \$3.00 a month for every Amador Water System customer for the next 30 years.



Keeping water in the Canal, as Mr. Berry demands – even temporarily -- also would be costly since the Agency would likely lose \$300,000 a year in water conservation payments from PG&E – that's an additional 9 percent rate increase for all Amador Water System customers, if Mr. Berry prevails.

Water Agency Directors have repeatedly expressed their commitment to respect property owners' desires for options for placing the raw water pipeline in the Amador Canal as conditions allow – nevertheless, the Directors represent and therefore must consider all of the Amador Water Agency ratepayers. If Mr. Berry's lawsuit forces Addendum No. 4 to be rescinded, the only approved option for you, the property owners, will be to place the pipe in the empty Canal with no backfill.

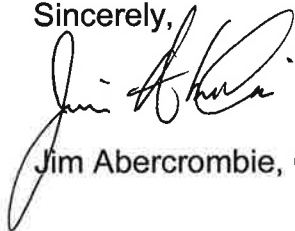
Agency Designs Wildlife Hydration Station: Barry Birge, head of the Agency's construction department, has designed and built a prototype wildlife hydration station for use along the lower Ridge Road section of the Amador Canal. Sutter Creek native and retired science and vocational agriculture professor, Joe Aparicio, offered suggestions for AWA's watering station concept. *"The design appears to meet the basic requirements necessary to provide water to wildlife living along the old Amador Canal. I look forward to seeing these hydration stations installed along the old Amador Canal,"* commented Aparicio after seeing Birge's prototype.

Generally, watering stations will be spaced about a half-mile apart along the lower Ridge Road section of the Canal at the landowner's request. Specific locations are still to be determined. The Agency will install, own and maintain the watering stations and the Agency will pay for the water used for wildlife. Please contact Tammy Hebrard at 209-257-5297 if you are interested in having a wildlife hydration station installed on your property.

Wildlife hydration stations in the middle and upper sections of the Canal will be provided through the Amador County Watershed Stewardship Project. The Amador Community Foundation is administering the project funded by a grant from Sierra Nevada Conservancy and the Agency's PHAW settlement. If you are interested in a hydration station on property on the middle/upper sections of the Canal or in the Watershed project, please contact Ellie Routt, Amador Community Foundation, 209-419-2861.

The Agency will continue to keep you informed through further communications. If you have any questions or concerns, please do not hesitate to call Tammy Hebrard at 209-257-5297 or Sue Tearpak at 209-257-5231. Thank you for your suggestions and cooperation on this important project.

Sincerely,



Jim Abercrombie, General Manager



AWA's Barry Birge shows off the features of the wildlife hydration station he designed with suggestions from Joe Aparicio. The concrete basin is shallow at one end for birds and small animals, and deeper at the other end for deer and larger animals. A wooden cover protects the float and valves, and offers shade for small fish. The sample hydration station is installed in the Demonstration Garden at the Water Agency office.