

ECONOMIC DOWNTURN SPURS AWA TO LOOK AT REDUCING WATER HOOK-UP FEES

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Contact: Gene Mancebo, General Manager
Amador Water Agency, 209-223-3018

(*Sutter Creek*) Amador Water Agency Directors voted Thursday to review water hook-up fees on the Amador Water System that serves the majority of AWA customers.

In 2007 the Water Agency set hook-up (or “participation”) fees, currently at \$11,300, that include costs to build a new Regional Water Treatment Plant. Now with the slowed economy, the Water Agency will not be building that plant in the foreseeable future. AWA staff has proposed reducing the hook-up fee for single family homes for new customers to \$8000.

“We’ve been criticized recently for “giving away assets” by lowering fees, but the Water Agency should not charge for something it is not building,” said AWA General Manager Gene Mancebo. “The economy doesn’t look like it’s turning around anytime soon. The Water Agency is now planning to purchase used water treatment equipment, refurbish and install it with Agency crews at much lower costs. The fees should be reduced to reflect the actual costs.”

While Mancebo acknowledged that the Agency is under pressure to increase revenue to cover rising costs, he said, “This is simply doing what’s right for customers.”

Directors discussed whether the Agency should reduce the fee without a review of future costs for water treatment. Director Gary Thomas moved that the Agency retain a consultant to review participation fees on the Amador Water System and to continue charging the current participation fee until the study is completed. If the study concludes that the current participation fee is now too high, customers who pay the fee between November 10, 2011 and when a new fee is approved will receive a refund of the difference.

The motion passed on a 3- 2 vote with Directors Molinelli and Manassero opposed. A participation fee study could cost approximately \$30,000, according to Mancebo.

In other AWA news:

- Controller Marvin Davis reviewed the Agency’s budget at Thursday’s Board meeting. First quarter revenue, expenses and cash flow are on track with the fiscal year budget, though revenues are still down due to mild weather, home foreclosures and the general economic slowdown.

- Directors held their annual election of officers for 2010. District 2 Director Gary Thomas will serve as Board President and District 1 Director Paul Molinelli, Vice President. New officers will assume their positions at the first Board meeting in December.
- Directors approved filling a vacant staff position on the construction crew. The Utility II position will be advertised internally before offering it to the public at large. The positions filled outside of existing staff will fall under the Agency's new reduced salary and benefits program. Also, two temporary workers will be hired to provide traffic control for a major construction project planned on Broad Street in Sutter Creek.
- Directors voted to put a leak detection project into the Agency budget for 2012 -2013 fiscal year. The water conservation project on the Amador Water System will be paid for by a \$228,198 state grant and \$76,467 In Agency matching funds. Proceeding with the project is a requirement for the Agency to receive an additional \$533,000 grant under the same state program for repairs on the Lake Camanche water system.

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