

RIVER PINES P.U.D. REQUESTS MERGER WITH AMADOR WATER AGENCY

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(Sutter Creek) The River Pines Public Utilities District (RPPUD) Board has requested the Amador Water Agency take over all RPPUD water and wastewater facilities, citing the strain of managing and maintaining complex, critical infrastructure.

At last week's AWA Board meeting, RPPUD General Manager Candi Bingham gave a presentation to AWA Directors on the RPPUD Board request and recent work to overhaul the River Pines water system.

AWA has been providing operational and emergency support to RPPUD since the year 2000 and RPPUD contracted with the Water Agency to provide 24-7 field and regulatory operations beginning April 11, 2017. Bingham told AWA Directors that the RPPUD was interested in completely dissolving, and transferring ownership of the water and wastewater facilities to AWA.

AWA Directors voted to begin a review of the RPPUD facilities and financial health as part of a due diligence process. If approved by AWA directors, the process of absorbing the district will take several months and will include more public hearings. The Local Agency Formation Commission (LAFCO) will need to approve the merger and give residents of River Pines the opportunity to protest the move, if they wish.

RPPUD Board Chair Cathy Landgraf told AWA Directors that recent improvements to their system have been fully funded by state grants and that RPPUD is operating "in the black." However, Landgraf said operating public infrastructure, meeting state regulations, and recruiting and keeping RPPUD board members and staff have become very difficult for the small community of under 400 residents.

"We are here to help if the River Pines community wants this, and as long as the RPPUD doesn't represent a liability to our current customers," said AWA General Manager Gene Mancebo. "That's why a thorough due diligence review by AWA and the public LAFCO transfer processes are in place."

AWA's review will include an assessment of how RPPUD water and wastewater rates would be affected by the proposed merger.

- AWA Directors received a clean bill of health after the annual Agency financial audit conducted by the independent accounting firm of Leaf and Cole. Auditor Michael Zizzi summarized the 2015-2016 audit report at Thursday's meeting, noting that the Agency saw an approximate \$27,000 drop in cash and cash equivalents from the end of 2015 to the end of 2016. According to AWA General Manager Gene Mancebo, the relatively small reduction in the Agency's cash position reflects the impact of reduced water sales revenue due to water conservation by customers during that fiscal year, balanced by cost controls in place at the Agency to address the reduction in operating funds.

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