

## BUDGET CUTTING RESULTS IN IMPROVING FINANCIAL PICTURE FOR AWA

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*(Sutter Creek)* The Amador Water Agency's financial picture is improving at a slow pace. AWA Directors heard a year-end financial review for 2010 – 2011 at their Board meeting Thursday that showed an approximate \$80,000 increase in its cash position. Significant reductions in staffing and operating expenses last year are projected to continue to improve the Agency's financial health.

The detailed financial report covering approximately one million transactions showed that water and wastewater revenues were up slightly over the previous year. Salaries and benefits were reduced by about \$700,000, even with increased severance payments resulting from a major staffing reorganization and layoffs this year.

General Manager Gene Mancebo agreed that Agency-wide finances appear to be improving but reminded Directors that four of the Agency's systems continue to run in the red, and that needed replacement and repair projects are on hold.

Mancebo also warned the Board about "an expensive" pipe relocation project in Sutter Creek that will be required in order for the city to install new storm water pipes. Work on the water mains under Broad Street is complicated by the number of existing pipes and elementary school traffic.

More unexpected cost increases came with news that the State Water Resources Control Board has approved a 24 percent increase in wastewater permit fees this year. For AWA this will mean an increase in expenses of about \$12,000 or \$1.25 per month per customer. Mancebo called the regulatory fee hike, "Another example of increasing costs to the Water Agency and its customers. These can be significant when some of our systems have as few as five connections."

Also on Thursday, Directors tabled a decision on sending out a rate increase notice to Lake Camanche Village ratepayers, after Directors voted to hire a consultant to develop an Agency-wide water rate structure.

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