

**AWA TO ASK CAMANCHE CUSTOMERS FOR RATE INCREASE AND REPAIR SURCHARGE
AMADOR COUNTY MAY FUND REPAIRS TO BROKEN WATER SYSTEM**

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(Sutter Creek) The Amador Water Agency Board of Directors voted to ask Lake Camanche Village customers for more money to repair and operate their aging water system, with the hope that Amador County also may pitch in to help with funding.

Customers will receive a rate increase notice for a one-year-only ten percent water rate increase to make up a current \$39,000 operating deficit, and a \$70 per residence surcharge to repair Camanche's out-of-service Well 14 and replace broken fire hydrants. If the Amador County Supervisors approve a grant for repairs from the county Water Development Fund, AWA directors will not assess the \$70 surcharge.

At Tuesday's board meeting, AWA General Manager Gene Mancebo said exploratory talks with two county supervisors raised the possibility of a grant from the Amador County Water Development Fund to pay for some of the infrastructure repairs needed on the Camanche system.

Mancebo said he spoke to Supervisors Richard Forster and John Plasse and they indicated they wanted Camanche residents to support a rate increase to get the system out of the red, and if they do, the county may contribute money for infrastructure repairs.

A 10 percent rate increase would mean about \$3.80 per month for a typical home. Lake Camanche Village customers currently pay the lowest water rates among AWA water customers.

"There has been no increase in water rates in the Camanche system in five years, and system costs were exceeding revenues even before the economic recession," said Mancebo. "We've reduced total labor costs in the Camanche system by nearly 40% and other operating costs more than 50% since the 2007/2008 fiscal year, but these reductions still are not adequate to balance the budget. We're continuing to look for ways to reduce expenses; in the meantime, fuel, chemicals, pipe materials, and other operating costs continue to climb."

The Lake Camanche Village water system was built by the subdivision's developer in the early 1970s and operated by Amador County until 2003, when the County asked AWA to take it over. Camanche's groundwater wells have a history of water quality problems, and AWA staff is particularly concerned about heading into summer with a major well out of service.

In addition to well issues, a number of fire hydrants are known to need replacement or repairs, and many service line pipes are failing and developing leaks. The service lines are made of an early form of plastic pipe that has become brittle and is developing cracks.

Also on Tuesday, the Amador Water Agency Board of Directors adopted a balanced agency-wide budget of \$10.4 million for the 2011-2012 fiscal year, but General Manager Gene Mancebo cautioned that projections show some individual systems running in the red, including the Lake Camanche water system.

The 2011/2012 budget assumes no increase over last year's dismal water sales, said Mancebo. Another blow to revenues is the closing of Preston Youth Correctional facility, which will cost the Agency approximately \$120,000 a year in water sales and indirect impacts of the closure.

To make up for reductions in revenue, a recent staffing reorganization cut the number of AWA managers in half and will save about \$300,000 this fiscal year. Another \$400,000 in employee concessions is anticipated to help balance the budget. Staff cuts and concessions are targeted to reduce labor costs by \$1.8 million this upcoming year as compared to 2008.

Mancebo credited AWA employees for ongoing belt-tightening and concessions in wages and benefits.

"Due to the recession in Amador County, the bottom has dropped out of revenue coming in to the Agency. At the same time, Agency employees continue to provide safe, high quality water and wastewater service to thousands of customers over hundreds of square miles," said Mancebo.

Directors said they will review the budget monthly.

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