

PRESS RELEASE

NEW AWA BOARD MOVES FORWARD ON GRAVITY SUPPLY LINE PROJECT

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(Sutter Creek) The Amador Water Agency Board unanimously approved proceeding with all steps necessary to bid the Gravity Supply Line (GSL) project as soon as possible.

In-house engineering and other necessary work to prepare a bid packet is expected to take several weeks, with bidding scheduled to begin in April, 2011. If approved, construction could begin in late summer or early fall.

Once construction bids are opened, the Agency will have a firm cost to share with customers prior to considering a potential rate increase and weighing the cost vs. benefits of the project. Three other CAWP districts must also approve the final project financing.

In March, the Amador Water Agency Board of Directors gave approval for the GSL, a gravity-fed raw water pipeline to the Central Amador Water Project's (CAWP) water treatment system that is designed to greatly reduce the impacts of rising electricity costs on CAWP's budget.

That approval paved the way for the Agency to apply for a \$5.1 million federal grant and a low interest, 40-year loan for \$8.3 million to pay for the GSL. The loan payment would be offset by a reduction in energy costs.

AWA General Manager Gene Mancebo is hopeful that actual construction costs will be lower than initial estimates, citing other recent public works project bids that have come in as much as 50% lower than original engineering estimates. He said AWA staff will begin a series of upcountry meetings to share information with CAWP ratepayers in January.

The project approval was made by a Board that included three newly-elected Directors presiding at their first Board meeting: Paul Molinelli, Sr. (District 1), Robert Manassero (District 4), and Art Toy (District 5). After seating the three new Directors, the Board elected District 3 Director Don Cooper as Board president and District 2 Director Gary Thomas as Board vice president. Directors also received their committee assignments at the meeting; committee chairs will be listed on the Board of Directors page on the AWA web site.

Also at Thursday's meeting, Directors heard a summary of unexpected costs to the Agency resulting from snowstorms and power outages Thanksgiving weekend. AWA crews spent a total of

110 hours over the holiday weekend, responding to outages, running generators and fuel to pump stations, and clearing roads of snow to gain access to facilities. Staff reported \$2000.00 in diesel fuel cost to keep the Buckhorn water treatment system running on generators during approximately 24 hours of power outages that weekend. Distribution and construction staff were commended for exemplary service under hazardous conditions, and for preventing any major water outages for customers who were attempting to enjoy their Thanksgiving holiday weekend.

In other AWA Board action Thursday:

- The Board declined to approve contracting with a consultant to conduct a management efficiency study, proposed to assess whether the Agency can further reduce labor costs while continuing to deliver service and meet public health standards. Instead, the Board president appointed an ad hoc committee of Directors Manassero and Molinelli and staff to evaluate the Agency organizational structure and staffing levels, and make recommendations to the Board. Board discussion focused on cost savings and the ability of an in-house committee to act more quickly than an outside consultant. The motion against hiring a consultant passed on a 4-0 vote with Director Thomas recusing himself due to a conflict of interest.
- Resolutions recognizing Bill Condrashoff and Debbie Dunn for their two years of service on the Board were approved by the Board. Several members of the public spoke to thank the two outgoing Board members and present them with impromptu thank you gifts.

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