

# RESPONSES TO 2011-2012 GRAND JURY FINAL REPORT



AMADOR COUNTY CONSERVATOR'S OFFICE  
AMADOR COUNTY HEALTH AND HUMAN SERVICES

AMADOR WATER AGENCY



CITY OF IONE

CRIMINAL JUSTICE  
— AMADOR COUNTY DETENTION FACILITY  
— MULE CREEK STATE PRISON  
— PINE GROVE YOUTH CONSERVATION CAMP





OFFICE OF  
**BOARD OF SUPERVISORS**

810 COURT STREET \* JACKSON, CA 95642 (209) 223-6470 \* FAX (209) 257-0619



September 25, 2012

The Honorable David S. Richmond, Presiding Judge  
Amador County Grand Jury  
P.O. Box 249  
500 Argonaut Lane  
Jackson, CA 95642

Re: 2011-2012 Grand Jury Report - Response by the Amador County Board of Supervisors

Dear Judge Richmond:

The Amador County Board of Supervisors appreciates the opportunity to respond to the 2011-2012 Grand Jury Report. The report reflects a tremendous amount of effort on behalf of the grand jurors. The Board of Supervisors appreciates the dedication of each member of the grand jury and thanks them for their service.

Listed below you will find agency responses as well as the Board of Supervisors' response to each finding and recommendation for which the Board of Supervisors was requested to respond to in the 2011-2012 Grand Jury Report.

**Amador County Conservator's Office**

**FINDINGS**

**Finding #1:** The Grand Jury finds that following the 2004 embezzlement, security measures have not improved and the potential still exists for further financial loss either by misappropriation of funds or accident.

**Department Response:** The respondent **agrees**. As a result of the recent Gallina audit Laura Thill and Jim Foley have written a new Policy and Procedure to address the concerns regarding the financial processes of the Conservator's department. (Please see attached, Exhibit A).

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #2:** The Conservator's office is inadequately staffed.

**Department Response:** The respondent **agrees**. The current economic environment has created financial crises that must be addressed and the Conservator's Office has had to cut its budget as the number of hours worked increased from 36 to 40 hours weekly. This has resulted in the budget being pared to a minimum - including only 2 staff.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #3:** Due to inadequate staffing, it is difficult to adhere to proper procedures for the verification of a client's assets.

**Department Response:** The respondent **disagrees**. When assets are to be marshaled the Deputy Conservator or Program Manager can obtain information via regular mail or in person. This process, in most cases, is efficient and does not require additional staffing.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #4:** The Conservator and Behavioral Health offices share two unsecured hallways which creates a lack of security.

**Department Response:** The respondent **agrees** with the statement but not the conclusion. Yes, the Conservator's office shares the same hallways but they are secured externally by electronic locks that are card activated. Behavioral Health staff always escort any clients that are brought behind the locked doors. There have never been any incidents that resulted from the shared hallway. All items that are stored / secured for the conservatees are locked in a separate room to which only the Program Manager has access.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #5:** Transportation, including out-of-county placements, is provided by a single staff member which creates a potential risk for both client and staff member.

**Department Response:** Again, the respondent **agrees** with the statement but not the conclusion. Clients are transported by a single staff member. When there is a concern about safety, a caged car is utilized and facility staff assist with entering and bailiffs assist with exiting the car. This is then

reversed on the other leg of the transport. In extreme cases probation can be utilized to do the transport for the Conservator's Office.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #6:** Clients who are transported may have behavioral health issues and can be dangerous.

**Department Response:** The respondent **agrees**. See response to finding #5 above.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

## RECOMMENDATIONS

**Recommendation # 1:** At a minimum, in order to reduce the risk of physical injury and / or financial loss, the Conservator's Office should hire two more staff members.

**Department Response:** This recommendation has not yet been implemented.

However as stated in response to Finding #2 current financial resources to do so are not available. If such resources become available this will be a high priority.

**Recommendation # 2:** All transportation of clients should be provided by two staff members. Clients that pose a risk should be transported in a vehicle with a security cage.

**Department Response:** This recommendation will not be implemented.

Transports have been handled safely as indicated in response to Finding # 5. If a deputy Conservator feels that a transport is particularly dangerous the Program Manager will be the second person.

**Recommendation # 3:** A secured separation should exist between the Conservator and Behavioral Health offices.

**Department Response:** This recommendation will not be implemented. Please see the response to Finding # 4 above.

**Recommendation # 4:** The Amador County Internal Control Manual, as it pertains to the Conservator's Office needs to be updated.

**Department Response:** This recommendation will not be implemented.

The Amador County Internal Control Manual was written in 2007 by the Auditor's Office. It is still in effect and can be updated by that office as they deem necessary.

**Recommendation # 5:** The 2007/2008 Amador County Grand Jury recommended, "To avoid out-of-county placements for Amador County clients, it is recommended the Board of Supervisors actively pursue new facilities within the county. Since the board has not addressed this situation, we resubmit the recommendation.

**Department Response:** This recommendation has not yet been implemented.

The Conservator's Office will continue to place appropriately whether in or out of county. If facilities are developed within the county they will be utilized.

## **Amador County Health and Human Services**

### **FINDINGS**

**Finding #1:** The Grand Jury finds that based on the CCR and her resume, the current HSD does not have the required education to oversee these departments.

**Department Response:** Respondent **agrees**, it appears that the Department of Mental Health did not thoroughly review her application and approved it. The current Interim Health and Human Services Director holds a MSW / LCSW with nearly 30 years of experience in the human services field.

**Response by Board of Supervisors:** The Board of Supervisors **agrees** with the response by the Department Head.

**Finding #2:** The Grand Jury finds that based on the CCR and her resume, the current HSD did not have the required medical experience in each of the departments to qualify for this position.

**Department Response:** Respondent **agrees**, see #1 above.

**Recommendation # 2:** The Grand Jury recommends that the Public Health and Behavioral Health should remain as separate departments with separate Directors.

**Response to Recommendation # 2:** The recommendation has been implemented, with a separate Director for Public Health and Behavioral Health, all being overseen by the HHS Director, who doubles as the Behavioral Health Director.

Thank you for allowing the Amador County Board of Supervisors the opportunity to respond to the 2011-2012 Grand Jury Report. Hopefully the information contained within this response addresses any questions or concerns the Grand Jury may have regarding the policies, procedures, and functions of services being provided by Amador County. Should there be remaining questions please do not hesitate to contact County Administrative Officer Chuck Iley or me.


Sincerely,




Louis Boitano  
Chairman, Amador County  
Board of Supervisors

c: Mr. Chuck Iley, County Administrative Officer  
Mr. Greg Gillott, County Counsel  
The Honorable Martin Ryan, Sheriff-Coroner  
Mr. Jim Foley, Health Services Director  
Amador Ledger-Dispatch Newspaper  
Amador Community News  
Hometown Radio  
TSPN  
file

EXHIBIT A

<b>Amador County Health and Human Services Public Administrator, Public Guardian, Public Conservator POLICIES &amp; PROCEDURES MANUAL</b>	<b>Number</b>
	<b>1</b>
<b>Section: Public Administrator/Guardian/Conservator</b>	<b>Title: Incoming Mail</b>
<b>Effective Date: June 5, 2012</b>	
<b>Issued By: Laura L. Thill, Program Manger</b>	
<b>Approved By: Jim Foley, Director Health and Human Services</b> 	

<b>POLICY</b>	It is the policy of the Public Administrator/Guardian/Conservator's (PA/PD/PC) Office to have all incoming U.S. mail delivered to the Department of Social Services.
<b>PROCEDURE</b>	<ol style="list-style-type: none"><li>1. The Department of Social Services will receive and open all incoming U.S. mail, keeping a log of checks and cash received. The Finance Assistant keeps a copy of the check log and will use it to reconcile bank deposits.</li><li>2. The Finance Assistant picks up mail daily from Social Services, stamps each piece of mail with date received stamp and distribution stamp, then places the mail into the appropriate staff's mail folder.</li><li>3. Staff reviews mail, indicates on distribution stamp how it is to be handled, and returns said mail to the Finance Assistant to carry out instructions.</li></ol>

<b>Amador County Health and Human Services Public Administrator, Public Guardian, Public Conservator POLICIES &amp; PROCEDURES MANUAL</b>	<b>Number</b>
	1
<b>Section: Public Administrator/Guardian/Conservator</b>	<b>Title: Bank Deposits and Bank Reconciliations</b>
<b>Effective Date: June 5, 2012</b>	
<b>Issued By: Laura L. Thill, Program Manger</b>	
<b>Approved By: Jim Foley, Director of Health and Human Services</b> 	

<b>POLICY</b>	It is the policy of the Public Administrator/Guardian/Conservator's (PA/PG/PC) Office to provide fiscally responsible services by processing bank deposits and bank reconciliations appropriately.
<b>PROCEDURE</b>	<p><b>Incoming Checks:</b></p> <p>1. The Finance Assistant picks up checks and check log from the Department of Social Services and makes 2 copies of each check received. 1 copy is filed into the financial case file and 1 copy is reserved to attach to the <u>daily</u> bank deposit report.</p> <p><b>Bank Deposits:</b></p> <p>1. The Finance Assistant prepares the deposits by separating checks by programs; Public Conservator, Public Administrator, Public Guardian, and Representative Payee. The Finance Assistant prepares deposit slips by listing the appropriate case number next to the deposit amount and endorsing the back of the check with appropriate program stamp. The deposit slip and checks are placed into a bank bag.</p> <p>2. The Finance Assistant delivers the bank bag to Social Services and it is taken by courier via the 2:30 pm Auditor's run to the Bank of Amador.</p> <p>3. The courier delivers the bank bag containing the bank deposit receipt to the Public Conservator's office.</p> <p>4. If the deposit is not ready in time for the Auditor's run, it is given to the Manager to take to the bank. The Manager delivers the bank bag and bank deposit receipt to the Finance Assistant.</p> <p>5. The Finance Assistant verifies the deposit amount(s) by reviewing the deposit slip and the copies of checks deposited. The amounts are entered into the appropriate accounts within the Panoramic system.</p> <p>6. The Finance Assistant submits bank deposit report to the Manger for review. The Manager reviews, initials, and dates the report.</p>

	<p><b>Automatic/Direct Deposits:</b></p> <ol style="list-style-type: none"><li>1. The Finance Assistant and Manager receive automatic/direct deposit report(s) from the Bank of Amador monthly.</li><li>2. The Finance Assistant reviews the direct deposit report(s) and enters the amounts into the appropriate accounts within the Panoramic system. The Finance Assistant will create a bank deposit.</li><li>3. The Finance Assistant submits the bank deposit report to the Manager for review, initial, and date.</li></ol> <p><b>Bank Deposit Reconciliations:</b></p> <ol style="list-style-type: none"><li>1. The Finance Assistant will reconcile bank accounts monthly. The Finance Assistant will sign and date the bank reconciliation cover sheet and submit reconciliations to the Manager for review.</li><li>2. The Manger will review reconciliations to insure that any differences in the reconciliation are investigated and corrected. The Manager will sign and date the reconciliation cover sheet and return it to the Finance Assistant.</li><li>3. The Finance Assistant will store reconciliations with others in the corresponding fiscal year. At the end of each fiscal year the reconciliations will be placed in a marked container and transferred to the Public Conservator's property room.</li></ol>
--	--

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION: HUMAN RESOURCES	TRAVEL	
ISSUE DATE: April 23, 2013		
PAGE NO: 1 of 9		

**PURPOSE**

To establish uniform guidelines for persons authorized to travel on County business.

**SCOPE**

Travel policies apply to all County officials, employees, and eligible advisory board/commission/committee members. Each Department Head is responsible for ensuring that employees, prior to departure on their next business trip, review this policy to understand its intent and requirements.

**DEFINITIONS**

The following definitions will govern the interpretation and use of this policy.

1. Authorization: Authority given an officer or employee to perform travel necessary in accomplishment of official duties.
2. County: The County of Amador.
3. County Vehicle: A motor vehicle owned or leased by the County of Amador.
4. Intra-County Travel: Travel performed entirely within the County.
5. Official Travel: Travel by an officer or employee while in the performance of official duties of the County as directed or authorized by proper authority.
6. One-day Travel: Out-of-county travel which is completed in one (1) day and does not require overnight lodging.
7. Inter-County Travel: Travel between Amador and other counties within the State of California.
8. Out-of-State Travel: Travel with destination or route outside the State of California.
9. Private Auto: A vehicle owned and/or provided by officer or employee for use in official travel.
10. Administrative Committee: The Administrative Committee is the Chairman and the Vice Chairman of the Board of Supervisors.

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION: HUMAN RESOURCES	TRAVEL	
ISSUE DATE: April 23, 2013		
PAGE NO: 2 of 9		

**POLICY**

It is the policy of the Board of Supervisors of the County of Amador that any officer or employee who is required to travel in the performance of his or her duties and in the service of the County will be reimbursed for his or her own actual and necessary expenses within the fiscal year in which they occur, within the maximum rate limits, for subsistence, transportation, and business expenses. It is further the policy of the Board of Supervisors to establish maximum rates of reimbursement for such expenses. In circumstances where an appointed Department Head that reports to either the County Administrative Officer or the Board of Supervisors is traveling, all Department Head travel approvals identified herein must be from the County Administrative Officer. Elected Department Heads are responsible for approving their travel and the travel of their employees in compliance with this policy.

1. All travel requests must be submitted on the official County travel request form, accompanied by all documentation relative to the request. These forms should be available in each department or may be accessed through the Amador County Intranet program on your computer.
2. All travel must be recommended for approval by the responsible Department Head or his/her delegate. Travel other than one-day travel utilizing County vehicles must be approved in advance.
3. All Department Heads may authorize travel in accordance with certain official duties (*i.e.*, testifying before the Legislature).
4. Travel will not be authorized unless sufficient unencumbered funds are available in the department's travel budget to pay the cost of such travel. All travel costs will be borne by the authorizing department.
5. Proof of insurance for each employee requesting travel must be attached with each travel request wherein the traveling employee is using his/her own personal vehicle. By signature of each Department Head, said Department Head is certifying that such required proof of insurance is on file in his/her department.
6. All arrangements for conferences, conventions, training, and overnight stays involving air fare and car rentals require approval by the Department Head.
7. Transportation for official travel will be carefully selected to insure the most economical

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION: HUMAN RESOURCES	TRAVEL	
ISSUE DATE: April 23, 2013		
PAGE NO: 3 of 9		

means available and will conform to the policies as outlined herein.

1. Travel expenses will include, but not necessarily be limited to, the following:
  - A. Subsistence Expenses: Subsistence expenses consist of the charges for meals, lodging, and their attendant expenses incurred while in travel status.
  - B. Transportation Expenses: Transportation expenses consist of the charges for commercial carrier fares, private car mileage allowances, emergency repairs to County vehicles, overnight and day parking of County vehicles or privately owned vehicles, bridge and road tolls, necessary taxi, bus, or streetcar fares, and other charges essential to the transport from and to the employee's work place.
    - (1) When available and suitable, County vehicles will be used for all travel. A private vehicle may be used when a suitable County vehicle is not available.
    - (2) When suitable County vehicles are not available, the officer or employee authorized to travel may use his/her private automobile for official travel and, when so doing, will be entitled to reimbursement from the County at the same rate as allowed by the Internal Revenue Service. Reimbursement must be claimed within the fiscal year it is incurred.
  - C. Commercial Travel:
    - (1) When, because of distance or time involved, it is not practical to use motor vehicle transportation, commercial surface or air transport may be used, but when used, reimbursement for such travel will be made only for the shortest travel distance on the lowest usual rate available for the mode of travel used during that time of day/week.
    - (2) All domestic air travel will be in coach class. Also, the lowest possible fare may require a stopover or change of plans, and this will be chosen over a higher cost direct flight. No upgrades in seating or to allow for priority boarding will be reimbursed.
    - (3) Travel arrangements should be made as far in advance as possible to take

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION: HUMAN RESOURCES	TRAVEL	
ISSUE DATE: April 23, 2013		
PAGE NO: 4 of 9		

advantage of the most economic rate. Discounts are generally available only when tickets are purchased at least 21 days in advance. Every effort should be made to take advantage of excursion fares.

- (4) If there are penalties associated with changing reservations, the County will pay for these, provided the County required the change or the change was beyond the control of the employee. Penalties or cancellation charges incurred for any other reason will be the responsibility of the employee. This includes changes to get on an earlier flight.

- D. Privately-Owned Aircraft: If a County employee elects to use his or her privately-owned aircraft for authorized travel, he or she may do so only with the approval of the County Administrative Officer. Reimbursement for such travel will not exceed the cost of commercial air fare for the same trip, or the cost of mileage reimbursement when traveling by automobile, whichever is less. Employees are required to carry, at the employee's expense, public liability and property damage insurance at the minimum required by law.
- E. Privately-Owned Vehicle: If a suitable County vehicle is available for travel and an officer or employee, for personal reasons, elects to use his or her private automobile for authorized inter-county travel, ***he or she may do so only with approval of the Department Head.*** Employees are required to carry, at the employee's expense, public liability and property damage insurance at the minimum required by law. The employee will be reimbursed at the same mileage rate as allowed by the Internal Revenue Service. Such reimbursement will not exceed the cost of commercial air fare for the same trip, or whichever is less. Reimbursement must be claimed within the fiscal year it is incurred.
- F. Travel to and from Terminals: Travel to and from airport terminals will be by the least costly method available consistent with business requirements (e.g., airport bus, or taxi, air commuter, or personal automobile (including parking or storage fees). On trips of more than one day's duration, long-term parking must be used and receipts must be attached to the expense report.

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION:	HUMAN RESOURCES	TRAVEL
ISSUE DATE:	April 23, 2013	
PAGE NO:	5 of 9	

- G. **Intra-County Travel:** With Department Head approval, business related travel in a privately-owned vehicle that occurs entirely within the boundaries of the County may be authorized for reimbursement under certain circumstances.
- H. **Baggage Expenses:** Charges imposed by a carrier on personal luggage that exceed weight or other established limitations will be borne by the employee, unless the Department Head who authorizes the trip approves a particular exception. The County will pay any charges for business materials that an employee is specifically authorized to carry in or as part of his/her personal luggage.
- I. **Business Expenses:** Business expenses consist of the charges for business telephone calls, emergency equipment or supply purchases, and all other authorized charges necessary for completion of official business functions.
- J. **Meals:** Only **actual costs** may be claimed for meals and their attendant expenses. Claims in excess of the allowable amounts will not be paid; except that meals attended as part of a conference may be reimbursed at actual cost. **Under no circumstances will the County reimburse any employee for the cost of any alcoholic beverage.**

9. **Reimbursement**

A. **Mileage and Transportation**

- (1) Reimbursement for each mile traveled on county business is authorized at the same rate allowed by the Internal Revenue Service.
- (2) Travel between home and office is **not** reimbursable, with the exception of members of the Board of Supervisors who may claim reimbursement for such travel.
- (3) Travel from office to office and return, on county business, is reimbursable.
- (4) Travel between a home and county business destination (excluding office) may be only partially reimbursable. Only the mileage in excess of the usual home/office round trip commute is reimbursable, with the exception/s noted above in section 9.A.(2).

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION:	HUMAN RESOURCES	TRAVEL
ISSUE DATE:	April 23, 2013	
PAGE NO:	6 of 9	

B. Lodging

- (1) All lodging reimbursements require a receipt or copy of the hotel statement. Only the actual cost at single occupancy rates may be claimed for lodging and its attendant expenses. When an officer or employee is accompanied by another person, he or she will determine and note on the receipt the single occupancy rate. Claims in excess of \$85.00 per day will not be paid (excluding taxes and/or local fees), unless prior approval for a higher rate has been authorized on the advance travel request approved form and signed by the Department Head; or except that when lodging is specified as part of a conference, actual costs may be claimed. Employees are expected to use sound business judgment in selecting accommodations. In many cases a corporate rate is available, and you should request this rate when registering at the hotel.
- (2) If later arrival is guaranteed and the reservation must be canceled, the cancellation must be made within the time allowed. The County will not pay for no-shows, unless cancellation is caused by the County.
- (3) In-room movies and the use of mini-bars are considered personal expenses and, therefore, not reimbursable.

C. Meals: Reimbursement for necessary expenses (*excluding alcoholic beverages*) incurred while on official county business within California is authorized and limited to the following:

- (1) Breakfast may be claimed only when the travel was commenced the previous day of a trip of more than 24 hours. Breakfast may be claimed on the last fractional day of a trip of more than 24 hours if travel terminates at or after 9:00 a.m.
- (2) Lunch may be claimed on the first day if the trip begins at or before 9:00 a.m. and may be claimed on the last fractional day of a trip of more than 24 hours if the travel terminates at or after 2:00 p.m.
- (3) Dinner may be claimed if the trip ends at or after 7:00 p.m.

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION:	HUMAN RESOURCES	TRAVEL
ISSUE DATE:	April 23, 2013	
PAGE NO:	7 of 9	

Expense	Per Diem Rates
<b>Breakfast</b>	Up to \$10.00 (including tip)
<b>Lunch</b>	Up to \$14.00 (including tip)
<b>Dinner</b>	Up to \$24.00 (including tip)
<b>Full Day of Meals</b>	Meals for an entire day of travel will not exceed <b>\$48.00</b> (including tip), but may be aggregated to be spent on one or two meals for that day if the recipient so chooses.

- D. Tips: For expenses such as meals, taxi, etc., the gratuity should be limited to the accepted norm (generally 15%) and included in the amount reported. It is proper to show as “tips” gratuities to redcaps, skycaps, hotel porters, and bellhops (generally \$1.00 per bag).
- E. Attendant Expenses: Reasonable parking, official communications costs, and conference registration fees may be claimed at actual cost.
- F. Conventions, Conferences and Training: An employee will be entitled to the maximum allowances designated herein, unless attending a conference or training event which charged more for a specific meal or specific lodging. Where this is the case, the employee will be reimbursed the additional amount upon presentation of evidence (registration) of the higher charge.
- G. Out-of-State Travel
- (1) Requires prior approval of the County Administrative Officer.
  - (2) Estimates of costs associated with out-of-state travel will be completed and approved by the Department Head. Estimates should include lodging, meals, and transportation.
  - (3) All reimbursements (except per diem meal rates) are to be based upon actual receipts. ***Photocopies will not be accepted.***

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION:	HUMAN RESOURCES	TRAVEL
ISSUE DATE:	April 23, 2013	
PAGE NO:	8 of 9	

**PROCEDURES**

1. General Reimbursement: Complete and submit to the Auditor-Controller the proper claim form and indicate where registration or lodging costs were incurred. These forms are available on the Amador County Intranet site. Normally, reimbursement may be expected within seven (7) working days of submission to the Auditor-Controller.
  
1. Travel Advances: Any and all travel advances must be paid from the traveling employee's Department Fund, subject to approval by the Department Head.
  
1. Reimbursements
  - A. The County Auditor-Controller will pay County officers and employees who present proper claims for reimbursement of authorized travel expenses in the same fiscal year they are incurred.
  
  - A. Submit a claim to the Auditor-Controller within ten (10) days after return from a trip for travel, following the procedures listed below:
    - (1) If the incurred expenses exceed the amount of the travel advance, claim the net difference. The Auditor-Controller issues a warrant for that net amount.
  
    - (1) When incurred expenses equal the amount of the travel advance, submit a claim recording the details.
  
    - (1) If the travel advance was higher than the incurred expenses, complete a travel claim and repay the County for the difference.
  
1. Miscellaneous Expenses: Unexplained items labeled "miscellaneous" are not allowable items of expense. Some examples of items not considered allowable are: newspapers, magazines, movies, and shoe shines.

<b>COUNTY OF AMADOR</b>		Number
<b>POLICIES &amp; PROCEDURES MANUAL</b>		2-700
SECTION:	HUMAN RESOURCES	TRAVEL
ISSUE DATE:	April 23, 2013	
PAGE NO:	9 of 9	

**LIABILITY INSURANCE**

All officers and employees who use private automobiles and/or private aircraft for official travel and claim reimbursement for such travel, will file with the County Auditor-Controller *prior* to the travel being taken, a current proof of insurance from their insurance carrier showing possession of at least the minimum legal limits of liability insurance, as required by law and in the same form as required by the Department of Motor Vehicles to be carried in the vehicle. Any travel insurance purchased by an employee is at the personal expense of the employee.

**RESPONSIBLE DEPARTMENTS**

ADMINISTRATIVE AGENCY - County Administrative Officer (CAO)  
Human Resources

AUDITOR-CONTROLLER

**REFERENCES**

BOS Policy Resolution No. 97-255  
BOS Policy Resolution No. 99-56  
BOS Policy Resolution No. 02-040  
BOS Policy Resolution No. 03-634  
BOS Policy No. 2-700 dated December 9, 2003



# FOLLOW-UP REPORT

## Amador County Conservator's Office

### BACKGROUND

The 2011-2012 Grand Jury investigated the Amador County Conservator's Office (ACCO). The report detailed 17 facts, 6 findings, and 5 recommendations, relating to security, staffing, and procedures. Pursuant to Penal Code §933, a response on the findings and recommendations was required. The County Board of Supervisors (BOS) responded on September 25, 2012.

### DISCUSSION

The ACCO and the BOS agreed with 2 findings, partially agreed with 3 findings, and disagreed with 1 finding. Of the 2 findings the ACCO agreed with, the first finding offered an update to the policy and procedures to address the financial processes. The 2012-2013 Grand Jury verified that the new policy and procedures were implemented. The second finding was that the ACCO is inadequately staffed. Budget constraints in this economic environment have cut staffing to a minimum.

Of the 3 findings where the ACCO partially agrees, one regards security of the hallways. The 2012-2013 Grand Jury confirmed that no incidents have occurred that threatened security of persons, or any possessions locked in a separate secure area. The 2 other findings are transportation concerns. Both are addressed in the procedures using 2 staff, bailiffs, or probation officers. There have been no incidents reported of dangerous situations during transport. The ACCO and the BOS disagreed with the 1 finding about following proper procedures to verify clients' assets. The 2012-2013 Grand Jury could not verify the finding. No incidents where procedures were not followed have occurred.

The ACCO and the BOS responded that they would not be implementing 4 out of 5 recommendations. Two concerned transportation safety and building security. The ACCO did not see a need. The other 2 recommendations could not be funded. The County has handled countywide budget shortfalls by requiring all departments to reduce expenses. The 2012-2013 Grand Jury agrees that recommending additional staff and new facilities now is not fiscally responsible. The final recommendation made by the 2011-2012 Grand Jury has been addressed with the Policy and Procedure change "Bank Deposits and Bank Reconciliations" effective June 5, 2012.

### CONCLUSIONS

The 2012-2013 Grand Jury accepts the response and no further action is necessary.

\*The 2011-2012 Grand Jury report is available at [www.amadorcourt.org/gi-civil-grandJury.aspx](http://www.amadorcourt.org/gi-civil-grandJury.aspx)

# **FOLLOW-UP REPORT**

## **Amador County Health and Human Services Department**

### **BACKGROUND**

The 2011-2012 Grand Jury investigated the Amador County Health and Human Services Department (HHS) due to several employee complaints. The report detailed 8 facts, 5 findings, and 2 recommendations. These related to the qualifications of the existing Health Services Director (HSD) and position requirements. Pursuant to Penal Code §933, a response on the findings and recommendations was required. The County Board of Supervisors (BOS) responded on September 25, 2012.

### **DISCUSSION**

The HHS and the BOS agreed with 4 out of 5 findings. The County has hired an interim department head for the HHS, who possesses the necessary education requirements and medical experience. A finding addressing the Travel Policy now authorizes the Chief Administrative Officer the final approval of department heads' travel requests. The 2012-2013 Grand Jury verified that the new policy was implemented.

The HHS and the BOS responded that they would implement both recommendations. Changing the County Travel Policy and separating the positions of directors of the Public Health and Behavioral Health and the HHS have been implemented.

### **CONCLUSIONS**

The 2012-2013 Grand Jury accepts the response and no further action is necessary.

\*The 2011-2012 Grand Jury report is available at [www.amadorcourt.org/gi-civil-grandJury.aspx](http://www.amadorcourt.org/gi-civil-grandJury.aspx)

# AMADOR WATER AGENCY



---

## RESPONSE TO THE 2011-2012 AMADOR COUNTY GRAND JURY FINAL REPORT

AUGUST 31, 2012

August 31, 2012

Honorable David S. Richmond  
Presiding Judge  
Amador County Grand Jury  
P.O Box 249  
Jackson, Ca 95642

Re: Amador Water Agency Response to 2011/2012 Grand Jury Final Report

Dear Judge Richmond:

This letter serves as the Amador Water Agency's response to the 2011/2012 Grand Jury Final Report ("Final Report") regarding complaints placed by certain ratepayers and citizens of Amador County. We would like to thank the Grand Jury for their community service. We appreciate any insight that may help make the Water Agency a better operation; and we take their recommendations seriously.

#### **INTRODUCTION**

In 2002, the Amador County Grand Jury recommended that AWA adopt a single rate for potable water and a single rate for waste water (pg 51, 2002 GJ Report). The Water Agency has responded to that recommendation by consolidating nine of eleven community wastewater systems in 2004, and in 2005, consolidating 5 water systems. The Water Agency plans to implement the recommended single treated water rate this year. This single water rate for all systems will help the Agency achieve financial stability and make Agency finances more simple for the public to understand.

We wholeheartedly support making our work as transparent as possible. We already have begun looking at more ways to do that, and plan to implement the most practical recommendations as soon as possible. These include reforming the financial accounting system and reports, increasing staff time to assist with timely responses to public information requests, and enhancing our website.

We continue to seek feedback and recommendations from the public. Recently, we re-instituted customer surveys and will expand those to cover all service areas. We also are considering ways to include public comment on our website, with monthly review by our Outreach Committee.

The unprecedented economic downturn has had a devastating impact on many businesses, communities, and families; and in turn, this has dramatically reduced revenues to the Water Agency. The Water Agency has struggled through this economic downturn. The Board of Directors and staff are very concerned about the financial condition of the Water Agency. Accordingly, the Board has made drastic cuts to the Water Agency budget in order to live within its means. Well over a million dollars have been cut from the budget, more than a third of staff has been reduced, furloughs implemented, and many other costs reduced. The Water Agency will continue look for ways to control costs while maintaining multiple systems, some now exceeding 40-years old, and serve the community with safe, reliable water and wastewater services.

The Water Agency has been reorganizing and restructuring over the past few years to respond to many of the same "big picture" issues addressed by the 2011/2012 Grand Jury. At this time, we appreciate the opportunity to add some clarification to the Facts and Findings and respond to the recommendations in the Final Report.

**COMMENTS ON THE GRAND JURY'S FACTS**

Facts 1 – 6.

*"2. The Agency serves both retail and wholesale customers.*

- *Retail Customers include individual businesses and citizens. Wholesale customers include cities of: Jackson, Pine Grove, and Sutter Creek."*

We agree with these facts, except (Fact 2) the Water Agency's wholesale customers include the cities of Jackson and Plymouth and the communities of Drytown, Pine Grove, Rabb Park, and Mace Meadows Water Association; and (Fact 4) the Water Agency is responsible for wastewater treatment in eleven communities, consolidated into three systems.

Fact 7.

*"The day to-day operations of the Agency are directed by a General Manager.*

- *The General Manager answers to the Board of Directors.*
- *The General Manager oversees 39 employees, reduced from a high of 66 employees in 2005."*

In 2008, the Water Agency was operating with 66 employees. In response to the downturn in the economy, the Water Agency began trimming its work force in multiple steps, and in 2011 reorganized staff to 39 employees. In addition, employees are now in their third year of concessions which include a pay freeze, hiring freeze, furloughs, reduced benefits, and a reduced benefit tier for new hires. Board members have eliminated their benefits and reduced their allowable compensation.

Fact 8.

*"The Agency maintains a website.*

- *The website is maintained by Agency staff.*
- *The website includes a sample bill.*
- *The website includes a single phone number for contact."*

The Water Agency phone number for direct contact or emergencies is displayed on every page of the Water Agency website. Direct line phone numbers and email addresses for all Board members and key AWA personnel are listed on the "AWA Contacts" page.

***See Attachment A: [www.amadorwater.org](http://www.amadorwater.org) Home Page, Director Profiles Page, Agency Contacts Page***

Facts 9-10. We agree with these facts.

Fact 11.

*"Restricted funds have been intermingled within other accounts*

- *Restricted funds are legally required to be used for a specific purpose."*

Restricted funds are legally required to be used for specific purposes. Water Agency restricted funds (primarily fees collected for new connections) have a specific general ledger (GL) number for each system and are accounted for through the financial accounting system. Cash is invested in a common fund as the law provides. The GL accounts provide detailed revenue and expense information. In 2004, two separate cash fund accounts for each system were combined to simplify a complex accounting system. However, the money from each account was used for purposes for which the money was collected. To better track funds paid by developers and how the money is spent on projects, these accounts should be returned to two separate accounts. Water Agency staff is in the process of reviewing and separating entries in order to reestablish the two GL accounts.

Fact 12.

*"Prior to 2010, interest bearing loans made between the Agency's water districts were not recorded."*

The Water Agency, under Government Code section 53601(e), is allowed to make loans between enterprise funds (or systems), as long as certain requirements are met. Interfund loans have been approved and memorialized by previous Boards of Directors since 1995.

All Water Agency cash revenue generated from Agency water and wastewater systems is deposited in a single commercial checking account with Bank of Amador. Portions of those funds then are invested in various interest bearing accounts, such as the Local Agency Investment Fund, until needed to meet expenses. The balance remaining in the Bank of Amador checking account is used to meet Agency day-to-day expenses. The Agency accounting system tracks the amount of cash for each system in various general ledger accounts. Just prior to and during the economic downturn, expenses in some of the enterprise systems exceeded revenues and cash funds available in their fund accounts. To correct this issue, the Water Agency approved various internal loans setting terms and conditions for the repayment of those funds. Several internal loans were approved in 2010

***See Attachment B: AWA Resolutions Memorializing Interfund Loans, dated 1995, 2000, 2004, 2005.***

Fact 13. We agree with this fact.

Fact 14.

*"According to the audit prepared by Leaf and Cole LLP for fiscal year 2010-2011, the Agency's long-term debt is \$35,716,330.00 and the total liabilities are \$38,314,288.00.*

- *On March 22, 2012, the audit was rejected by the Board of Directors."*

Based on the draft 2010-2011 audit, the Water Agency's asset value is \$100,601,653.00 with liabilities of \$38,314,288.00, leaving total net assets at \$62,287,365.00.

Regarding the Water Agency's draft 2010-2011 audit, staff and the auditors were directed by the Water Agency Board on March 22, 2012 as follows: "Direction was given to revise the audit report for better clarification based on the discussion and bring it back to a future meeting for approval and finalization." The revisions were suggested to more clearly identify restricted and non-restricted cash. Total cash would remain unchanged. The revised 2010-2011 audit will be reviewed by Water Agency Directors at an upcoming meeting.

***See Attachment C: Minutes of the March 22, 2012 AWA Board of Directors Regular Meeting.***

Fact 15.

*"The Agency requested a one-hundred fifty thousand dollar grant from the Board of Supervisors for the Camanche Water District.*

- *The Board of Supervisors made this grant contingent on a rate increase."*

In a May 23, 2011 letter to Supervisor Forster, Chair of the Amador County Board of Supervisors at the time, the Water Agency requested grant assistance of \$30,000 from the County Water Development Fund to rehabilitate Well #14 in the Lake Camanche Village area, based on estimates provided by Dunn Environmental and Fredericks Well Drilling. The Supervisors discussed the matter at their August 9, 2011 and August 23, 2011 meetings and passed a motion to provide a grant not to exceed \$150,000 for the Agency's Camanche water system. The Supervisors stipulated that the grant is to be solely used for Well #14 rehabilitation and other Camanche water facility infrastructure improvements. In addition, "The funds will

be made available only if an agency water rate increase affecting the Camanche water system for the purpose of substantially curing the current operational deficit of the system is adopted...”

**See Attachment D:**

- *May 23, 2011 Letter to Amador County Board of Supervisors*
- *Internal Memos Regarding the Condition of the Lake Camanche Village Water System*
- *Dunn Environmental Inc. Proposal for Repairs to Well #14*
- *Minutes of the August 9, 2011 and August 23, 2011 Amador County Board of Supervisors Meetings*

Fact 16. We agree with this fact.

Fact 17.

*“On May 13, 2010, the Agency obtained a loan for the GSL Project of nine hundred thousand dollars from the Amador County Board of Supervisors with a due date of December 31, 2010.*

- *The recitals for the loan state the Agency intends to use the money from the loan to reimburse itself for past work and to complete certain tasks before a funding agreement can be completed with the USDA.*
- *On November 30, 2010, the Board of Supervisors extended the due date for this loan to August 31, 2011.*
- *The Board of Supervisors subsequently agreed to a second extension, moving the due date to September 30, 2012.*
- *If the USDA grant is received, the Agency is required to use these funds to repay the loan to the Board of Supervisors.*
- *If the USDA grant is not received, the loan will be in default, which will require the Agency to seek other funding sources.”*

In reference to the Grand Jury’s last bullet, the loan will not be in default if the USDA grant and Loan are not received. It would require that the Water Agency seek other means to repay the borrowed funds. The County Board of Supervisors approved a loan extension to November 30, 2013, at their July 24, 2012 Board meeting. The Water Agency is proceeding with the Gravity Supply Line Project and the creation of a community facilities district in the CAWP water right service area to levy a special tax to pay the debt service on the USDA loan. If such is successful, it will result in a significant rate reduction to CAWP customers. It is planned that the County loan will be repaid through USDA project proceeds. If the GSL does not proceed, there will be a need for a rate increase to support the repayment of the County loan.

**See Attachment E: Agreement for Repayment of County Loan**

Fact 18.

*“The funds expended for the GSL Project have come from interdepartmental loans, Agency general funds, and a nine-hundred thousand dollar loan from the Board of Supervisors.*

- *On April 30, 2012, the Board of Directors voted unanimously to give another fifty thousand dollars from general funds to the General Manager for the GSL Project.”*

Expenses to date on the Gravity Supply Line Project have been paid through a combination of a \$900,000 loan from the County Water Development Fund, funds collected from ratepayers in the CAWP (Central Amador Water Project) system, and Agency general funds (primarily county property tax revenue). Several projects benefitting the CAWP retail and wholesale entities (including the GSL) contributed to the need for an internal loan.

Fact 19.

*“The ratepayers have rejected GSL projects in the past.”*

We disagree. There has not yet been a public vote on the Gravity Supply Line Project (“GSL”), but there will be one in the near future once a complete financial analysis has been completed and reviewed by the public. In 2010, the Water Agency proposed a rate increase over a three-year period for the CAWP Retail Water District. The rate increase was intended for multiple purposes which included correcting an ongoing operating deficit (which excluded any costs associated with the Gravity Supply Line Project), funding needed system improvements, and paying for a portion of the Gravity Supply Line Project. A majority of the ratepayers in the CAWP Retail Water District protested the proposed rate increase. This was not a vote on the Gravity Supply Line Project. With respect to the 2010 proposed rate increase, only about 18.5% of the increase was attributable to the GSL.

**See Attachment F:**

*Notice of Public Hearing Concerning Proposed Water Rate Changes for CAWP Retail Water District*

Fact 20.

*“Per Resolution No. 2012-04, the Agency modified how it would accept Proposition 218 rate protests from the rate payers.*

- *The Howard Jarvis Taxpayers Association sent a letter protesting the Agency's Proposition 218 resolution.”*

We agree. The Water Agency provided a reply to the Howard Jarvis Taxpayers Association letter, which is attached. The Water Agency counsel believes that the notice of hearing and protest procedures in Resolution No. 2012-04 are in compliance with Proposition 218. On July 26, 2012, Water Agency Directors modified the Water Agency’s Proposition 218 procedures. The new procedure will allow customers (property owners or tenants) to create their own written protest forms instead of using the Agency-supplied protest form.

**See Attachment G:**

*Resolution No. 2012-18 Adopting Amended Notice, Hearing and Protest Procedures for Compliance with Proposition 218.*

*Response letter to Howard Jarvis Taxpayers Association dated June 12, 2012*

Fact 21.

*“The Agency is in the process of creating two Community Facilities Districts (CFD).*

- *A CFD district must be approved by an election of two-thirds of the registered voters.*
- *If the CFD has fewer than twelve registered voters, approval by two-thirds of property-owners is required.*
- *The CFD for the AWS district will:*
  - *Provide immediate funds to decrease the Amador Transmission Pipeline (ATL) debt*
  - *Provide immediate funds to assist in future upgrades of water treatment plants.*
  - *Guarantee developers who participate a future connection regardless of water system capacity.*
  - *Be strictly voluntary.”*

We agree. On August 27, 2012, the Water Agency successfully formed a community facilities district (CFD) in connection with its Amador Water System primarily for the purpose of collecting a special tax which will be

used to pay a portion of the debt service on the Amador Transmission Project (ATP). This will reduce the current financial burden on existing ratepayers for payment of the ATP debt service. Property owners within the CFD also have the option to pay a special tax to pay for improvements that add capacity to the Water Agency's Tanner and lone water treatment plants ("Water Treatment Plant special tax"). The properties included in the CFD are all unimproved; and participation in the CFD by landowners is strictly voluntary and open to all landowners in the AWS service area.

In connection with the creation of the CFD for the Amador Water System, the Water Agency adopted Ordinance 2012-01 on April 26, 2012, providing an assurance that when a property owner applies to the Agency for water service or a will serve commitment pursuant to the Agency Water Code in connection with all or a portion of the property upon which the ATP special tax or the Water Treatment Plant special tax is levied, then, assuming the property owner is current in the payment of said special taxes, such application shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or water treatment plant capacity, as applicable. The property owners participating in the CFD are not guaranteed water service to their properties included in the CFD. If and when they apply for service, such service could be subject to a number of conditions, including the availability of water supply at such time.

The potential water demand associated with the properties included in the AWS CFD is equivalent to about 2000 Equivalent Dwelling Units("EDUs"), less than 1/10th of the capacity of the ATP(about 24,000 EDUs).

**See Attachment H:**

- *Ordinance No. 2012-1, Concerning the Proposed Community Facilities District for the AWS*
- *Resolution No. 2012-15, A Resolution of the Board of Directors of the Amador Water Agency Declaring Intention to Establish a Community Facilities District*
- *Resolution No. 2012-22, A Resolution of the Board of Directors of the Amador Water Agency to Form a Community Facilities District*
- *Resolution No. 2012-23, A Resolution to the Board of Directors of the Amador Water Agency Calling A Special Tax Election*
- *Resolution No. 2012-24, A Resolution to the Board of Directors of the Amador Water Agency Declaring Results of Special Tax Election, Determining Validity of Prior Proceedings, and Directing Recording of Notice of Special Tax Lien*

Fact 22.

*"Charges for water usage vary from district to district."*

We agree. The System-Wide Water Rate Schedule currently being proposed will create a single service charge and a single water commodity rate for all four Water Agency water systems. Water rates will still vary within service areas due to debt service on system specific improvements, and a proposed electrical surcharge within the CAWP Retail Water District. This will address the significant energy cost to pump water an elevation of about 1100 feet from PG&E's Tiger Creek Afterbay on the North Fork of the Mokelumne River to the Water Agency's Buckhorn water treatment plant in Pioneer. This surcharge would be eliminated if/when the Gravity Supply Line Project becomes operational.

**COMMENTS ON THE GRAND JURY FINDINGS:**

Finding 1.

*"The Grand Jury finds the Agency does not demonstrate commitment to public transparency."*

We strongly disagree. Directors and Agency staff are unequivocally committed to public transparency. Please refer to the Introduction above. The Water Agency appreciates suggestions for improving public transparency and public understanding of Water Agency work. The Water Agency's goal is to have transparency that goes above and beyond the mere legal obligations that apply to all public agencies. The Water Agency already has taken steps to make the website more accessible, to improve the complex financial accounting system that has developed over many years and to involve the public in rate decisions.

Finding 2.

*"Questions, concerns and emergencies are all routed through a single phone number."*

Please refer to Comment to Fact 8 above. Water Agency Department contact numbers are also available at the customer service desk. An automated phone program for outage updates and reporting problems is being considered.

Finding 3. We agree.

Finding 4.

*"The Grand Jury finds that currently there is no contingency plan to manage any of the following:*

- *Emergency Funds*
- *Debt Service*
- *Current Projects*
- *Future Projects"*

The Water Agency has several tools to manage both planned and unexpected financial needs. Debt service, current project and future project costs (in addition to cost of everyday operations) are included in mandated rate studies and financial plans conducted for each system in order to set rates. Reserve accounts are in place for repairs and unexpected expenses. The Water Agency regularly and successfully applies for state and federal grants – since 2006 over \$19 million in grants and project contributions have paid for major infrastructure improvements throughout the county. In the case of a disaster or major emergency, such as the collapse of the Amador Canal, the Water Agency can seek assistance from FEMA, the Amador County Water Development Fund, and even commercial lenders if Agency reserve funds are insufficient.

Finding 5.

*"The Grand Jury finds through direct observation during the Board of Directors meetings that a contentious and adversarial relationship frequently exists between the Board and the public."*

Water Agency Directors are committed to conducting public meetings with civility and respect for all parties. Meetings are noticed in accordance with the Brown Act. Meeting agendas, detailed packets, minutes and meeting recordings are available and provided on request; agendas and/or packets are e-mailed directly to about 150 members of the public and media outlets. We welcome all members of the public, ratepayers or not, to attend any Water Agency public meeting, to speak during public comment periods, and observe the demeanor of the Water Agency Directors.

Finding 6.

*"Due to the complexity of the budget, the Grand Jury finds it difficult for the public to understand."*

We agree. The Water Agency has consolidated nine wastewater improvement districts into one system and has consolidated five separate water districts in the Central Amador Water Project service area into one retail district. This follows the 2001-2002 Grand Jury report that recommended consolidation to simplify and reduce costs. The Water Agency is currently working on an Agency-Wide Water Rate structure which would further simplify the budget and accounting system. Additionally, the Water Agency is in the process of retaining an outside accounting firm to review the financial system and look for ways to improve the system and reporting, making the information more user-friendly and transparent. An outside accounting firm has responded to the Water Agency's request for proposals, and pursuant to Board direction, the Water Agency will proceed with the financial review once the 2010-2011 Audit is finalized and approved.

**See Attachment I:**

*Amador County 2001 – 2002 Grand Jury Final Report, Amador Water Agency chapter*

*Minutes of the June 14, 2012 Water Agency Board Meeting regarding outside accounting firm*

Finding 7.

*“The independent auditor found that due to the difference in data between the Agency’s budget and the audit, the Agency’s bank accounts have not been ‘truly reconciled.’”*

The purpose of the independent Agency audit is not to reconcile fiscal year accounting with the budget. The auditor’s responsibility is to express an opinion about whether “the financial statements prepared by AWA management are presented, in all material respects, in conformity with U.S. generally accepted accounting principles.” The Water Agency’s auditors, Leaf and Cole, found that 2010-2011 bank statements did not reconcile “to the penny” with Water Agency cash statements, resulting in differences totaling approximately \$50.00 over the Water Agency’s \$10 million annual budget. Water Agency Directors elected not to expend hours of staff time searching for and correcting these minor accounting errors.

**See Attachment J: Letter from Leaf & Cole, LLP, Memorandum on Bank Reconciliations**

Finding 8.

*“The practice of making interdepartmental loans increases the Agency’s overall debt.”*

Interfund lending does not increase the overall Agency debt because those loans are internal to the Water Agency as a whole. When reserves from System A are loaned to System B, total Agency assets do not change. It does affect the amount of internal debt.

Finding 9.

*“The Grand Jury finds that cost-cutting measures, including the reduction of staff and the cancellation of Board meetings, have had little-to-no effect on the long-term debt or the total liabilities of the Agency.”*

We disagree. Please see the Introduction above. Most long-term debt was incurred due to projects that pre-date the current economic downturn. Agency cost-cutting has significantly reduced operational costs and has been in response to drastic reductions in Agency revenue, due to business closures, vacant homes, and widespread reductions in water use. Reductions in staff and Director costs have made it possible for the Agency to meet those existing loan payments and have been critically important in stabilizing the Agency’s finances.

Finding 10.

*“The Agency has been working on the GSL Project since at least the late 1980s.”*

Engineers who designed the Central Amador Water Project (“CAWP”) system in the mid-1970s preferred a gravity supply line, but chose a pumped system due to an emergency situation (1977-1978 drought) and costs at the time. Moving to a gravity-fed system has been contemplated since the 1980s, but the cost was considered too high for CAWP ratepayers. The availability of extraordinary federal economic stimulus grant funds in 2009 created an opportunity to build a gravity supply line at this time with a commitment for approximately 40% of the project being paid by federal grant funds.

Finding 11.

*“The Agency cannot give an accurate accounting of monies spent to date on the GSL Project and can only estimate it to be one million four-hundred thousand dollars.”*

We disagree. There appears to have been a misunderstanding between the Grand Jury and the Water Agency regarding monies spent to date on the GSL. The Water Agency does know how much has been invested in the GSL and did provide that information. Water Agency staff was not in a position to provide this information when asked about the matter during a Board meeting, but did provide a current figure of monies spent to date on the GSL after the meeting. The total dollar amount expended on the GSL Project changes frequently as work to meet USDA grant requirements continues. This work includes easement agreements, negotiations and permits with other government agencies and PG&E, environmental surveys and reports, etc.

**See Attachment K:**

- *Letter of Conditions, USDA Rural Development*
- *May 3, 2012 E-Mail & GSL Cost To Date Memo*

Finding 12.

*“The USDA extension specifies that the CAWP CFD would be the boundaries of the CAWP service area. Both the Agency and its legal counsel have stated that the CAWP CFD boundaries are being worked on and will not necessarily conform to the CAWP service area as outlined in the USDA letter.”*

The proposed CAWP CFD boundary will be consistent with the CAWP water right service area, except it may not include properties with wells. The CAWP Retail Water District service area and CAWP wholesale service area boundaries are included within the CAWP water right service area.

Finding 13.

*“The Grand Jury finds that the Agency continues to make financial commitments to the GSL Project despite inadequate funding, ratepayers’ objections, and a Proposition 218 defeat in May 2010.”*

We disagree. Please see Comments to Facts 17, 18, 19 and 21 above. There has not been a public vote on the GSL Project to date. The GSL Project would be funded by a federal grant and a low-cost loan which will be repaid through a special tax levied in a proposed community facilities district which would be voted on as mentioned in Fact 21. It is planned that both improved and unimproved properties that can be served by CAWP will be included in the CAWP CFD. Two independent engineering reports have concluded that the existing raw water pump system needs to be replaced, and that the Gravity Supply Line is the least cost option.

Finding 14.

*“The CFD for the CAWP district may not be completed in time to have the grant funds available to repay the loan received from the Board of Supervisors, thus requiring a third extension of the loan’s due date.”*

Please see Comment to Fact 17. The Water Agency received an extension from the County Board of Supervisors to repay the loan changing the due date to November 30, 2013. The Water Agency intends to pay its obligation timely.

Finding 15.

*“The Grand Jury finds that the Agency has not effectively managed finances.*

- *The practice of making interdepartmental loans, borrowing money from the Board of Supervisors to repay those loans, and applying for grants from the USDA to repay the Board of Supervisors; creates a continuous cycle of borrowing and repayment without reducing the Agency’s overall indebtedness.*
- *The Agency commits to projects without adequate funding in place and without consent of ratepayers, which is detrimental to the financial stability of the Agency.*
- *The Agency’s long-term debt is approaching a level that is unmanageable.”*

Please see Comment to Facts 14, 17 and 18, and Findings 8 and 9. The Water Agency applied for the USDA grant for the GSL two years before its request for a “bridge loan” from the Amador County Water Development Fund. Three out of four Water Agency water systems have not had a rate increase for five or more years. Proposition 218 rate increase protests have prevented the generation of sufficient revenue to cover just day-to-day operations and maintenance in these systems. The Water Agency is obligated to not only pay its long-term debts for past infrastructure projects, but also to consider and plan for the future water needs of its customers when old water systems will likely fail to deliver the water that customers, firefighters and businesses need. In the case of the CAWP system, independent water engineers have stated that the system will likely suffer a major failure in the next five years and that it is past its useful life. The Water Agency is therefore obligated to the public to look for a new way to provide a reliable flow of water to its customers at the most affordable rate that it can find. The Water Agency believes that applying for and getting grants from the state and federal governments is a benefit to local ratepayers because it reduces the amount that they must pay for necessary infrastructure. In the last six years, the Water Agency has received \$19 million from these sources in grants and low-interest loans for its ratepayers. The Board of Directors does not believe that the Water Agency’s debt is unmanageable, nor is it approaching an unmanageable level. Based on the draft 2010-2011 audit, the Water Agency’s asset value is \$100,601,653.00 with liabilities of \$38,314,288.00, leaving total net assets at \$62,287,365.00.

Finding 16.

*“The CFD proposed for the AWS appears only to be beneficial to a select number of developers and may not make any substantial decrease in the ATL loan debt, contrary to Agency’s claims.”*

Please see Comment to Fact 21. Participation in the Amador Water System CFD was offered to all owners of undeveloped property within the AWS service area. Special taxes paid by participating property owners will benefit all AWS customers by reducing what they pay in connection with the debt service on the Amador Transmission Pipeline. It is anticipated that approximately \$120, 000 annually will be collected through the AWS CFD which will be used towards the Amador Transmission Pipeline debt service payment.

Finding 17. We agree.

**COMMENTS ON THE GRAND JURY RECOMMENDATIONS:**

Recommendation 1.

*“The Grand Jury recommends that the Agency strive for improved public relations and transparency with the ratepayers by providing clear and consistent information.”*

We agree. Please see the Introduction and Comments to Facts 8, 11 and 22, and Findings 5 and 6.

Recommendation 2.

*“The Grand Jury recommends that the Agency cease the practice of lending money from one district to another.”*

We disagree. Internal Loans are less expensive for the Water Agency’s ratepayers. The internal loans are legal and necessary at times due to particular circumstances. Short-term interfund lending benefits all Water Agency ratepayers when the loans are memorialized containing certain legal requirements and system reserves are repaid. Borrowing reserves when needed from a “sister” system is much less expensive than borrowing from a commercial lender.

Recommendation 3.

*“The Grand Jury recommends that the Agency allocate additional resources to the website in order to enhance transparency.”*

We agree. In 2011, the Water Agency website was completely redesigned and reorganized for ease of use. Online billing and payments, and a customer feedback link were added to the website in 2012. Board agendas, meeting packets, minutes, rate studies and many more documents related to current projects are posted on the website. Additions and improvements to the website are ongoing, using in-house staff to reduce costs. IT responsibilities at the Water Agency were transferred to the electrical department workload to save staffing cost, and the Water Agency’s current staffing level does not allow for a dedicated webmaster.

Recommendation 4.

*“The Grand Jury recommends that the Agency consider future projects only when there is adequate financing and funding available. This is critical to the stability of the Agency.”*

We agree. Please see Comments to Findings 4, 9 and 15. The Water Agency’s goal is to provide reliable water at the lowest cost. In the case of the GSL, a \$5 million grant and a source of funding have been identified prior to asking ratepayers if they are willing to pursue this project

Recommendation 5.

*“The Grand Jury recommends that the Agency focus on lowering long-term debt and liabilities before spending money they do not have.”*

Please see Comments to Fact 14. The Water Agency has an acceptable amount of debt, given the Water Agency’s mission to provide permanent infrastructure and long-term service commitments to Amador County communities for safe, reliable water. The Water Agency does not make land use decisions, but must be ready and able to respond to the water and wastewater requirements that will support land use decisions made by city and county governments. Long-term debt must be weighed carefully against the overall Water Agency infrastructure condition and demands. Strategic plans, master plans, and financial plans become important tools in this analysis.

Recommendation 6.

*"The Grand Jury recommends that the Agency recognize its fiduciary responsibility to the ratepayer by standardizing its accounting and budgeting practices."*

We agree. Please see Comment to Finding 6.

Recommendation 7.

*"The Grand Jury recommends that the Agency develop a contingency plan for:*

- *Emergency Funds*
- *Debt Service*
- *Current Projects*
- *Future Projects"*

We agree. Please see Comment to Finding 4.

We appreciate the opportunity to respond to the Grand Jury Report and welcome further discussions to help clarify any information or questions that may remain.

Sincerely,



Gary Thomas

Amador Water Agency Board President


[Customer Service](#)
[Administration](#)
[About AWA](#)
[Board of Directors](#)
[Conservation](#)
[News Room](#)

[Feedback](#)  
[Scheduled Meetings](#)  
[News Room](#)  
[Reports](#)  
[Job Opportunities](#)

## Amador Water Agency

### Sign up for Online Billing and Payment Services

**CLICK HERE!**

**NOTICE: By registering and logging into your account via this web page, you will be leaving the Amador Water Agency's website and going to an external website operated by a vendor. Before registering and logging in to use the specified bill viewing and payment services please review the Agency's [Internet Terms of Use Policy](#)**

Following the California Gold Rush, pioneer entrepreneurs built canals and reservoirs designed to move Mokelumne River water from the Sierras to the Amador mines to power their stamp mills. Those canals became the foundation of water service in Amador County.

In 1959, the Amador County Water Agency was formed as a public non-profit special district by the California Legislature and ratified by the voters of Amador County for the purpose of providing water, wastewater and storm drain services to Amador County.

In 1985 the Agency purchased the Amador Water System from Pacific Gas & Electric. Several more water and wastewater improvement districts have since elected to become part of the Agency.

In 1995, the Agency changed its name to the **Amador Water Agency**, to more clearly demonstrate that it operates independently from Amador County government.

Serving approximately 10,000 customers in Amador County today, the Agency is the primary provider of drinking water. In addition to residents and businesses in unincorporated areas, the Agency sells water to the cities of Ione, Jackson, Plymouth, Sutter Creek, Amador City and several special districts.

The Amador Water Agency is one of the major employers in Amador County and currently employs a work force of about 40 who are challenged to meet the growing service demands of a diverse county of 568 square miles, ranging in elevation from 200 to 9000 feet and including 5 cities and several unincorporated communities.

The Amador Water Agency owns and operates 11 small community wastewater systems.

Over the 50 years since its formation, the Amador Water Agency purchased the Amador Canal System from PG&E, in 1976 constructed the Central Amador Water Project and the Buckhorn Water Treatment Plant to provide water to hundreds of upcountry residents, updated the Tanner Water Treatment Plant, built the Ione Pipeline and a new water treatment plant and storage tanks in Ione, now provides treated water to Jackson, added new wells to the Lake Camanche Village and La Mel Heights systems, operates 10 small community water systems, completed the 9-mile-long Amador Transmission Pipeline and has completed the Plymouth Pipeline.

The Agency must be ready and able to respond to the water and wastewater requirements to support land use decisions made by city and county governments of Amador County.

#### Cost Saving Furlough Day Schedule

In an effort to help the Agency save money, Amador Water Agency employees have agreed to a package of salary and benefit reductions, including twelve furlough days over the 2012/2013 fiscal year.

The AWA office will be closed one Friday each month.

#### Upcoming Scheduled Furlough days:

June 15, 2012, July 27, 2012, August 24, 2012, September 21, 2012

**The Agency's New Website is continually being updated to better serve you!**

**To report website issues please call 209-257-5238 or email [cthompson@amadorwater.org](mailto:cthompson@amadorwater.org)**

#### AWA Website Policies

On Call and Emergency personnel are available 24 hours a day, 7 days a week by calling 209-223-3018

Amador Water Agency  
12800 Ridge Road  
Sutter Creek, CA  
95685 (209)223-3018

Hrs: 8:00 a.m. - 5:00 p.m.  
Monday - Friday  
Closed Weekends & Holidays

24 Hour Emergency Phone #  
[209-223-3018](tel:209-223-3018)

#### Announcements:

- **AWA AGENCY WIDE RATE STUDY - 8-13-12 ALTERNATE RATES PRESENTATION BY BOB REED, REED GROUP INC.**
- **CURRENT RATES**
- **PROPOSED RATES**
- **AWS CFD- PRESENTATION BY BLAIR AAS, SCI CONSULTING**
- **WHERE DOES YOUR WATER COME FROM MAP OF AWA SERVICE AREAS**
- **INDEPENDENT STUDY CONCLUDES UPCOUNTRY WATER PUMPING SYSTEM IS UNRELIABLE AND RISKS CATASTROPHIC FAILURE**
- **CAMP OPINION PAPER BY ROD SCHULER, P.E.**

**Mission Statement:**

To enhance the quality of life in Amador County by providing safe, reliable water, wastewater, conservation and reclamation services. We will accomplish this as a professional team dedicated to public transparency, community partnerships and excellent customer service.

**Vision Statement**

To ensure long term management of water resources and systems to meet Amador County needs and maintain financial solvency through responsible planning and management.

© Amador Water Agency

Amador Water Agency  
12800 Ridge Road  
Sutter Creek, CA 95685

Hours: 8:00 a.m. - 5:00  
p.m.  
Monday - Friday  
Closed Weekends &  
Holidays

Emergency Phone #  
209-223-3018

**Home Page**



**Board of Director Profiles**



Paul Molinelli Sr. was elected to the AWA board in 2010. He represents the City of Jackson and surrounding unincorporated areas. An Amador County resident for over 35 years, Paul currently serves as president and chairman of the board of ACES Waste Services, Inc. Paul chairs AWA's Policies and Jackson Outreach committees.

**2012 Committee  
Assignments**

**Agendas**

District 1: Jackson Area

Paul Molinelli  
Home Phone:  
223-2592

[pmolinelli@amadorwater.org](mailto:pmolinelli@amadorwater.org)

Mr. Molinelli has served as chair of the Amador County Energy Commission, the AB939 Solid Waste Advisory Committee and numerous other committees and service organizations, including the Motherlode Shriners. Paul and his wife Chris live in Jackson. His term will expire in December, 2014.



District 2: Lone, Carbondale,  
Lake Camanche and Amador  
City

Gary Thomas  
Home Phone:  
274-4024

Gary Thomas was elected to the AWA board in 2008. He represents Lone, Carbondale, Lake Camanche and Amador City. Mr. Thomas served two terms as an Lone City Councilman, served on Lone's Planning Commission and Parks and Recreation Committee, and on the Amador County Transportation Commission. He chairs AWA's Personnel Committee, and represents AWA on the Calaveras Amador Mokelumne River Authority, the Integrated Regional Water Management Plan and the Dry Creek Watershed Group.

Gary resides in Lone, where he has been active for many years in community service and youth coaching.

Email: [gthomas@amadorwater.org](mailto:gthomas@amadorwater.org)

Gary works at Mule Creek State Prison as an electrician and enjoys antiques, camping, and working on old cars. His AWA board term expires in December, 2012.



Rich Farrington was appointed to a vacancy on the AWA board in April 2012 to fill behind Don Cooper. He represents Volcano, Pioneer, Buckhorn and the UpCountry area. Farrington is a former Planning Commissioner, City Councilman, and Mayor of Ferndale, CA. He is a member of the Upcountry Community Council and chairs the Council's Fire Protection Committee.

Farrington has managed a private water system for a small subdivision for 17 years. He is retired from the US Forest Service where he served as an engineering geologist and civil engineer for 31 years.

Rich and his wife Susan live in Pioneer. They have owned property in the County for over 20 years. He enjoys fishing and backpacking. His term expires in December 2012.

District 3: Volcano, Pioneer & Buckhorn area

Rich Farrington  
Home Phone:  
209-295-7424



Robert Manassero was elected to the AWA board in 2010. He represents the City of Sutter Creek and the western Pine Grove area. An Amador County native, Robert has owned and operated Manassero Insurance Co. since 1966. His AWA committee assignments include the Personnel and Sutter Creek Outreach Committees.

Mr. Manassero lives in Sutter Creek with his wife Carolyn and their two sons. Among his many community activities and interests, Robert has served on the Amador County Fair Board for 15 years and enjoys hunting and camping. His term will expire in December, 2014.

District 4: Sutter Creek & Western Pine Grove area  
Robert Manassero  
Home Phone:  
304-2613

E-Mail:  
[rmanassero@amadorwater.org](mailto:rmanassero@amadorwater.org)



Art Toy was elected to the AWA Board in 2010. He represents Plymouth, Fiddletown, and portions of Amador City and Drytown. Art's 30-year career at the Lawrence Livermore National Laboratory concluded with assignments including Environmental Protection Group Leader, Health and Safety Department Head, and manager of two nuclear facilities. His AWA committee assignments include chairing the Engineering & Planning and Plymouth Outreach Committees.

District 5: Plymouth & Surrounding areas

Art Toy

**Home Phone:**  
**245-6175**  
**E-Mail:**  
**atoy@amadorwater.org**

Art and his wife Bonnie farm grapes and walnuts in Amador County's Shenandoah Valley, and own and manage a second vineyard in Livermore. His term ends in 2014.

**Mission Statement:**

To enhance the quality of life in Amador County by providing safe, reliable water, wastewater, conservation and reclamation services. We will accomplish this as a professional team dedicated to public transparency, community partnerships and excellent customer service.

**Amador Water Agency**

12800 Ridge Road, Sutter Creek, California  
Office Hours Mon - Fri. 8:00 a.m to 5:00 p.m.

**209-223-3018**

209-257-5281 (FAX)

© Amador Water Agency



Amador Water Agency  
12800 Ridge Road  
Sutter Creek, CA 95685

Hours: 8: a.m. - 5:00 p.m.  
Monday - Friday  
Closed Weekends &  
Holidays

Agency Directory  
[Emergency Phone #](#)  
209-223-3018



[Home Page](#)

[AWA Contacts](#)

### Amador Water Agency Staff

- **General Manager**
  - *Gene Mancebo*
  - 209-257-5245
  - [gmancebo@amadorwater.org](mailto:gmancebo@amadorwater.org)
- **Board Clerk/ Executive Secretary**
  - *Cris Thompson*
  - 209-257-5238
  - [cthompson@amadorwater.org](mailto:cthompson@amadorwater.org)
- **Human Resources/Office Manager**
  - *Karen Gish*
  - 209-257-5234
  - [kgish@amadorwater.org](mailto:kgish@amadorwater.org)
- **Controller**
  - *Marvin Davis*
  - 209-257-5240
  - [mDavis@amadorwater.org](mailto:mDavis@amadorwater.org)
- **Purchasing Agent**
  - *Connie Fritz*
  - 209-257-5250
  - [cfritz@amadorwater.org](mailto:cfritz@amadorwater.org)
- **Field Services Manager**
  - *Chris McKeage*
  - 209-257-5248
  - [cmckeage@amadorwater.org](mailto:cmckeage@amadorwater.org)
- **Engineering Supervisor**
  - *Erik Christeson*
  - 209-257-5242
  - [echristeson@amadorwater.org](mailto:echristeson@amadorwater.org)

**Mission Statement:**

To enhance the quality of life in Amador County by providing safe, reliable water, wastewater, conservation and reclamation services. We will accomplish this as a professional team dedicated to public transparency, community partnerships and excellent customer service.

**Amador Water Agency**  
12800 Ridge Road, Sutter Creek, California  
Office Hours Mon - Fri. 8:00 a.m. to 5:00 p.m.  
**209-223-3018**  
209-257-5281 (FAX)

© Amador Water Agency



# ATTACHMENT "B"

## RESOLUTION NO. 95- 12

### OF THE BOARD OF DIRECTORS OF THE AMADOR COUNTY WATER AGENCY AUTHORIZING A TEMPORARY TRANSFER AND LOAN OF FUNDS FROM THE AMADOR WATER SYSTEM REPLACEMENT RESERVE ACCOUNT TO WATER AGENCY IMPROVEMENT DISTRICT NO. 1 CONCERNING THE SCADA SYSTEM PROJECT

WHEREAS, the Amador County Water Agency ("Water Agency") is planning the design, acquisition and installation of a Supervisory Control and Data Acquisition System ("SCADA System") and related water treatment facilities (hereinafter collectively referred to as the "Project") for the purpose of monitoring, alarming and controlling the Central Amador Water Project (Modified) ("CAWP") water system facilities;

WHEREAS, the SCADA System and the Project will benefit each of the CAWP contracting entities, including Water Agency Improvement District No. 1;

WHEREAS, each of the CAWP contracting entities will be responsible for a share of the capital costs of the SCADA System and Project;

WHEREAS, Improvement District No. 1's proportionate share of said capital costs is \$65,000;

WHEREAS, the fund accounts within Improvement District No. 1 are presently inadequate to fund said improvement district's share of the capital costs of the SCADA System and Project;

WHEREAS, the Water Agency has certain funds in its Amador Water System Replacement Reserve Account that are not currently needed for the purposes for which such fund was established;

WHEREAS, for a period not to exceed two years, the Water Agency desires to temporarily transfer and loan funds from the Amador Water System Replacement Reserve

Account to Improvement District No. 1 which funds will be used to pay said improvement district's share of the capital costs of the SCADA System and Project;

WHEREAS, the Water Agency intends that the sources of money to repay said loan will be rates, charges, assessments, and standby assessments and/or charges imposed on lands within Improvement District No. 1; and

WHEREAS, the Water Agency desires to make a temporary transfer and loan from the Amador Water System Replacement Reserve Account in the amount of \$65,000 to pay for Improvement District No. 1's share of the capital costs of the SCADA System and Project on the terms and conditions hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Amador County Water Agency hereby finds, determines and authorizes as follows:

1. The Board of Directors of the Water Agency finds and determines that (a) the Amador Water System Replacement Reserve Account funds transferred and loaned under and pursuant to the terms of this Resolution are not required for the immediate necessities of that fund, (b) such funds will be fully repaid well before they are required for the necessities of such fund, (c) there is a source of money available to ensure repayment of the loan provided hereunder, and (d) that the loan under this Resolution is wise and expedient and in the best interests of the Water Agency.

2. The General Manager of the Water Agency is hereby authorized and directed to transfer up to \$65,000 from the Amador Water System Replacement Reserve Account to Water Agency Improvement District No. 1 in order to pay said improvement district's share of the capital costs of the SCADA System and Project.

3. The General Manager of the Water Agency shall keep or cause to be kept detailed records of the funds so transferred in order that an accurate record of the liability to the Amador Water System Replacement Reserve Account can be ascertained and monitored.

4. The Amador Water System Replacement Reserve Account funds transferred and loaned hereunder, together with interest thereon, as provided below, shall be repaid in one lump sum payment on or before June 12, 1997. Such payment shall be made through the imposition of rates, charges, assessments, and standby assessments and/or charges on lands within Improvement District No. 1. Interest shall accrue on the transferred amount from the date of transfer at the rate which the Water Agency receives on its sums invested with the Local Agency Investment Fund, but in no event shall such interest rate be less than five percent (5%) per annum.

The foregoing Resolution was duly passed and adopted by the Board of Directors of the Amador County Water Agency at a regular meeting thereof held on the 13th day of June, 1995, by the following roll call vote:

AYES: Directors Bardin, Miller, Scott, Forster and Brown  
NOES: None  
ABSENT: None  
ABSTAIN: None

By: Bill Bardin  
President, Board of Directors

Attest:

By: Kimberly Lewis  
Kimberly Lewis,  
Clerk of the Board of Directors



**RESOLUTION NO. 2004-39  
OF THE BOARD OF DIRECTORS OF THE  
AMADOR WATER AGENCY AUTHORIZING A CONTINUATION OF A LOAN  
OF FUNDS FROM THE AMADOR WATER SYSTEM REPLACEMENT  
RESERVE ACCOUNT TO THE AMADOR WATER AGENCY GENERAL FUND FOR  
COSTS INCURRED TO CONSTRUCT THE PINE GROVE WASTEWATER  
COLLECTION FACILITIES**

WHEREAS, in 1998 through 2001, the Amador Water Agency ("Water Agency") planned, designed and constructed the Pine Grove Wastewater Collection Project for the benefit of the residents and businesses in the Pine Grove area within Wastewater Improvement District No. 8 as formed on November 30, 1998 by Resolution 98-47;

WHEREAS, pursuant to Resolution No. 2000-08, the Board of Directors of the Amador Water Agency authorized a temporary transfer and loan of funds totaling \$400,000 from the Amador Water System Replacement Reserve Account to the Amador Water Agency General Fund concerning the Project ("Loan") which was to be repaid by November 30, 2000;

WHEREAS, the low interest loan and grant funding received from the State of California, Department of Water Resources was inadequate to cover all of the Project costs and repay the entire AWS loan;

WHEREAS, pursuant to Resolution No. 2001-26, the Board of Directors of the Amador Water Agency authorized a loan of funds totaling \$184,608 from the Amador Water System Replacement Reserve Account to the Amador Water Agency General Fund for costs incurred to construct the Pine Grove Wastewater Project which was to be repaid by June 2016;

WHEREAS, the Amador Water Agency General Fund to date has repaid \$17,538 to the Amador Water System Replacement Reserve Account on account of the Loan, leaving a balance presently owing of \$167,070; and

WHEREAS, the Water Agency desires to extend the terms of the loan and repay the balance owing thereon on the terms and conditions hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Amador Water Agency hereby finds, determines and authorizes as follows:

1. The Board of Directors of the Water Agency finds and determines that (a) the balance owing on the Loan is still not required for the immediate necessities of the Amador Water System Replacement Reserve Account, (b) the balance owing on the Loan will be fully repaid well before it is required for the necessities of such fund, (c) there is a source of money available to ensure repayment of the Loan, and (d) that the Loan remains wise and expedient and in the best interests of the Water Agency.
2. The General Manager shall keep or cause to be kept detailed records of the Loan funds in order that an accurate record of the liability to the Amador Water System Replacement Reserve Account can be ascertained and monitored.

3. The Amador Water Agency General Fund shall pay the Amador Water System Replacement Reserve Account the principal sum of \$167,070.00 in twenty annual installments of \$8,353.50 each on June 1, beginning June 1, 2005, with interest thereon until payment of such principal sum has been discharged. Such installments and interest shall be paid through rates, charges, assessments, and/or standby charges or assessments imposed on customers and landowners within Wastewater Improvement District No.8.

4. Interest on unpaid principal shall be charged at a variable rate based on the PMIA average monthly yields as published by LAIF for the twelve months immediately preceding the applicable principal payment date. Interest shall be calculated on a monthly basis and paid annually on the same date that the annual principal payment is made. By way of example, the rate of interest for the month of January, 2004, is 1.528%; and the rate of interest for February, 2004 is 1.440%. Interest shall compute on the basis of a 360-day year composed of twelve 30-day months.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a regular meeting held on this 10th day of June, 2004, by the following vote:

AYES: Directors John P. Swift, Heinz H. Hamann, Terence W. Moore, Michael A. Johnson and Dan Brown

NOES: None

ABSENT: None

ABSTAIN: None

Signed and approved by me after its passage this 10th day of June, 2004.

  
\_\_\_\_\_  
John P. Swift, President  
Board of Directors

ATTEST:  
  
\_\_\_\_\_  
Kimberly A. Toppa  
Clerk of the Board of Directors

RESOLUTION NO. 2000-08

OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY  
AUTHORIZING A TEMPORARY TRANSFER AND LOAN OF FUNDS FROM  
THE AMADOR WATER SYSTEM REPLACEMENT RESERVE ACCOUNT TO THE  
AMADOR WATER AGENCY GENERAL FUND CONCERNING THE  
PINE GROVE WASTEWATER PROJECT

WHEREAS, the Board of Directors of the Amador Water Agency ("Water Agency") desires to provide a temporary transfer and loan of funds in the amount of up to \$400,000 from the Amador Water System Replacement Reserve Account to the Amador Water Agency General Fund for the Pine Grove Wastewater Project ("Project");

WHEREAS, the funds made available by the temporary transfer and loan will be used to pay the contractor for his work in constructing the Project;

WHEREAS, the Water Agency intends that the sources of money to repay the temporary transfer and loan will be grant funds and low interest loan funds from the State of California, Department of Water Resources which loan funds will be repaid through rates, charges, assessments, and standby assessments/or charges imposed on lands within the Project service area.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Water Agency hereby finds, determines and authorizes as follows:

1. The Board of Directors of the Water Agency finds and determines that (a) the Amador Water System Replacement Reserve Account funds transferred and loaned under and pursuant to the terms of this Resolution are not required for the immediate necessities of that fund, (b) such funds will be fully repaid well before they are required for the necessities of such fund, (c) there is a source of money available to insure repayment of the loan provided hereunder, and (d) the loan under this Resolution is wise and expedient and in the best interests of the Water Agency.
2. The General Manager of the Water Agency is hereby authorized and directed to transfer up to \$400,000 from the Amador Water System Replacement Reserve Account to the Amador Water Agency General Fund in order to provide the funding for contractor payments for the Project.
3. The General Manager of the Water Agency shall keep or cause to be kept detailed records of the funds to be transferred in order that an accurate record of the liability to the Amador Water System Replacement Reserve Account can be ascertained and monitored.
4. The Amador Water System Replacement Reserve Account funds transferred and

loaned hereunder, together with interest thereon, as provided below, shall be repaid as funding is received from the State, but no later than November 30, 2000. Such repayment shall be made through the disbursements from the State and through the imposition of rates, charges, assessments, and standby assessments and/or charges on lands within the Project service area. Interest shall accrue on the transferred amounts from the dates of transfer at the rate that the Water Agency receives on its sums invested with the Local Agency Investment Fund, but in no event shall such interest rate be less than 5% per annum.


The foregoing resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a regular meeting thereof held on this 13<sup>th</sup> day of April, 2000, by the following vote:

AYES: DIRECTORS FORSTER, HAMANN, SCOTT AND BARDIN


NOES: NONE

ABSENT: DIRECTOR MOORE

ABSTAIN: NONE

  
\_\_\_\_\_  
Richard M. Forster, President  
Board of Director

ATTEST:

  
\_\_\_\_\_  
Kimberly A. Tonna  
Clerk of the Board of Directors

**RESOLUTION NO. 2005-64**

**OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY  
AUTHORIZING A TEMPORARY TRANSFER AND LOAN OF FUNDS FROM  
THE AMADOR WATER SYSTEM REPLACEMENT RESERVE ACCOUNT TO THE  
AMADOR WATER AGENCY'S WASTEWATER IMPROVEMENT DISTRICT NO. 1**

**WHEREAS**, the Board of Directors of the Amador Water Agency ("Water Agency") desires to provide a temporary transfer and loan of funds in the amount of up to \$500,000 from the Amador Water System Replacement Reserve Account to the Amador Water Agency's Wastewater Improvement District No. 1 ("District");

**WHEREAS**, the funds made available by the temporary transfer and loan will be used to pay for compliance with State wastewater regulatory requirements and to study, design, construct, improve and equip the wastewater systems in the District so that they comply with such requirements ("Project");

**WHEREAS**, the Water Agency intends that the sources of money to repay the temporary transfer and loan will be through either a long-term note or bond financing and through rates, charges, assessments, and standby assessments/or charges imposed on lands within the District's service areas.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Water Agency hereby finds determines and authorizes as follows:

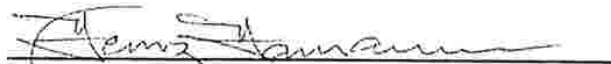
1. The Board of Directors of the Water Agency finds and determines that (a) the Amador Water System Replacement Reserve Account funds transferred and loaned under and pursuant to the terms of this Resolution are not required for the immediate necessities of that fund, (b) such funds will be fully repaid well before they are required for the necessities of such fund, (c) there is a source of money available to insure repayment of the loan provided hereunder, and (d) the loan under this Resolution is wise and expedient and in the best interests of the Water Agency.
2. The General Manager of the Water Agency is hereby authorized and directed to transfer up to \$500,000 from the Amador Water System Replacement Reserve Account to the Amador Water Agency's Wastewater Improvement District No. 1 in order to provide the funding for the Project.
3. The General Manager of the Water Agency shall keep or cause to be kept detailed records of the funds to be transferred in order that an accurate record of the liability to the Amador Water System Replacement Reserve Account can be ascertained and monitored.

4. The Amador Water System Replacement Reserve Account funds transferred and loaned hereunder, together with interest thereon, as provided below, shall be repaid as funding is received from either a long-term note or bond financing, but no later than June 30, 2006. Such repayment shall be made through either a long-term note or bond financing and through the imposition of rates, charges, assessments, and standby assessments and/or charges on lands within the District's service areas. Interest shall accrue on the transferred amounts from the dates of transfer at the rate that the Water Agency receives on its sums invested with the Local Agency Investment Fund, but in no event shall such interest rate be less than 3% per annum.

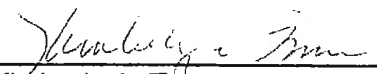
The foregoing resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a regular meeting thereof held on this 10th day of November, 2005, by the following vote:

AYES: Directors Heinz H. Hamann, Dan Brown, Terence W. Moore, John P. Swift and Theodore F. Novelli  
NOES: None  
ABSENT: None  
ABSTAIN: None

Signed and approved by me after its passage this 10<sup>th</sup> day of November, 2005.

  
Heinz H. Hamann, President  
Board of Directors

ATTEST:

  
Kimberly A. Toma  
Clerk of the Board of Directors

# ATTACHMENT "C"

Approved

## AMADOR WATER AGENCY Board of Directors Regular Meeting

March 22, 2012

### MINUTES

**Directors Present:** Gary Thomas, President  
Paul Molinelli, Vice President  
Don Cooper  
Robert Manassero  
Art Toy

**Directors Absent:** None

**Staff Present:** Gene Mancebo, Interim General Manager  
Marvin Davis, Controller  
Chris McKeage, Field Services Manager  
Karen Gish, HR/ Office  
Stephen Kronick, Agency Counsel  
Cris L. Thompson Clerk of the Board

**CALL TO ORDER** – President Thomas called the meeting to order at 9:02 a.m.

**ADDITIONS TO THE AGENDA** - There were no additions to the agenda.

General Manager Mancebo asked that items 6.A.1 Overview of Amador Water Agency Revenue Plan and 8.A.1 Gravity Supply Line Community Facilities District be held over to a future meeting.

**PUBLIC COMMENT**- (RM-A 02:41- 7:34)

Mr. Bill Condrashoff  
Mr. Jerry Trottier

**CONSENT AGENDA- RM-A 7:36- 8:10)**

**MOTION:** It was moved by Director Manassero, seconded by Director Toy to approve the consent agenda as presented.

**MOTION CARRIED**

**AGENCY GENERAL**

Proposition 84 Implementation Grant (RM-A 8:12- 34:50)

Regular Board Meeting  
March 22, 2012  
Page 1

Discussion and direction to Upper Mokelumne River Watershed Authority (UMRWA) representative respecting the Grant Agreement between the State of California (Department of Water Resources) and Upper Mokelumne River Watershed Authority respecting Integrated Regional Water Management Implementation Grants which will be considered at the next UMRWA.

Discussion and direction to the UMRWA representative regarding the Consulting Services Agreement between UMRWA and RMC Water and Environment, INC respecting consultant services for the Proposition 84 Implementation Grant.

Discussion and possible approval of the Project Sponsor Agreement between the Upper Mokelumne River Watershed Authority, Amador Water Agency, and Calaveras County Water District respecting certain obligations of each entity for the Implementation Grant.

**Public Comment:**

Mr. Bill Condrashoff

**MOTION:** It was moved by Director Cooper, seconded by Director Toy and unanimously carried to approve the project sponsor agreement between AWA and UMRWA for the Proposition 84 Implementation Grant and to direct the AWA UMRWA representative (Director Toy) to vote in favor of the two UMRWA agreements (one) between UMRWA and the State of California and (two) between UMRWA and RMC Water and Environment, Inc respecting the implementation grant and that these projects be clearly identified in the budget for fiscal year 12/13.

**MOTION was** amended to include Counsel Kronick's request to work with County Counsel to clarify in the agreement between AWA and UMRWA that the provision on a labor compliance program apply only to these two projects identified in the Proposition 84 Implementation Grant.

**MOTION CARRIED**

**Administrative Policy Section 2025 (RM-A 34:50-42:42:42)**

Discussion and possible adoption of Resolution No. 2012-05 approving revisions to Policy 2025 regarding Board Meeting Agendas.

**Public Comment:**

Mr. Bill Condrashoff

**MOTION:** It was moved by Director Cooper, seconded by Director Manassero and unanimously carried to adopt Resolution 2012-05, approving revisions to Policy 2025 regarding Board Meeting Agendas with added and amended items as discussed.

**MOTION CARRIED**

**COMMITTEE REPORTS (RM-A 42:55- 58:34)**

Budget and Finance (03-07-12)

Regular Board Meeting  
March 22, 2012  
Page 2

Engineering Committee (03-14-12)  
Community Outreach Committee (3-15-12)  
Policies Committee (3-15-12)

**RECESS was called at 10:00 a.m. SESSION resumed at 10:18 a.m.**

**GENERAL MANAGER'S REPORT- (RM-B 0:00:01- 0:05:10)**

**BOARD OF DIRECTOR DISTRICT REPORTS (RM-B 5:18 – 8:42)**

**FUTURE AGENDA TOPICS (RM-B 9:14- 12:10)**

GSL Update  
Government Code Section 66013

**FY 2010-2011 Financial Audit (RM-B 12:12- 1:06:26)**

Presentation by Mr. Mike Zizzi of Leaf and Cole, LLP and possible action to accept the 2010/2011 Fiscal Year Audit. and possible direction to auditors to finalize the report

**Public Comment:**

Mr. Bill Condrashoff  
Mr. Jerry Trottier  
Ms. Debbie Dunn  
Mr. Ken Berry

Direction was given to send the audit recommendations list to the Budget and Finance Committee for review and to bring back any recommendation to the Board regarding those items.

**RECESS was called at 11:25 a.m. SESSION resumed at 12:44 p.m.**

**Return to item number 5.C.1 – FY 2010-2011 Financial Audit (RM-C 0:00:01- 31:12)**

Follow up discussion regarding the audit presentation.

**Public Comment:**

Ms. Debbie Dunn  
Mr. Bill Condrashoff  
Mr. Ken Berry  
Mr. David Evitt

Direction was given to revise the audit report for better clarification based on the discussion and bring it back to a future meeting for approval and finalization.

Regular Board Meeting  
March 22, 2012  
Page 3

**OVERVIEW OF AMADOR WATER AGENCY REVENUE PLAN**

Presentation by SCI Consultants on the proposed Amador Water System Community Facility District, the Gravity Supply Line Community Facility District, and the Agency System-Wide Water Rates. **Item not discussed**

**AMADOR WATER AGENCY SYSTEM-WIDE WATER RATE STUDY**

**(RM-C 31:42- 1:45:07)**

Presentation by Reed Consulting, discussion, and possible direction to send Proposition 218 notices regarding the proposed Agency System-Wide Water Rates.

**RECESS** was called at 2:28 p.m. **SESSION resumed** at 2:38 p.m.

**AMADOR WATER AGENCY SYSTEM-WIDE WATER RATE STUDY -continued**

**(RM-D 0:00:01- 1:35:05)**

**Public Comment:**

Mr. Condrashoff  
Mr. Ken Berry  
Mr. Jerry Trottier  
Mr. David Evitt  
Ms. Karen Crabtree  
Ms. Debbie Dunn  
Mr. Rich Farrington  
Ms. Sherry Curtis

Direction was given to staff, no action was taken.

**CAWP**

**Gravity Supply Line Community Facility District**

Discussion and possible adoption of Resolution 2012-05 Declaring Intention to Establish a Community Facility District respecting the Gravity Supply Line Project.

**Item not discussed**

**RECESS** was called at 4:14 p.m.

Director Cooper excused himself from the meeting.

**CLOSED SESSION** was called at 4:17 p.m.

**A.** Pursuant to Government Code Section 54957.6 –Conference with Labor Negotiator(s) (Gene Mancebo, Karen Gish, Gary Thomas, Paul Molinelli) – Confidential Bargaining Unit (CBU) and AWA Employee Association

**B.** Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a)- Pending Litigation- Kenneth Perano and Ken Berry vs Amador Water Agency (Amador Superior Court Case No. 12-CV-7718)

Regular Board Meeting  
March 22, 2012  
Page 4

**Open Session** resumed at 5:05 p.m. with nothing to report from Closed Session

**MOTION:** It was moved by Director Molinelli, seconded by Director Toy and unanimously carried to adjourn the meeting.

**ADJOURNMENT** – President Thomas adjourned the meeting at 5:06 p.m.

  
\_\_\_\_\_  
Cris L. Thompson  
Clerk of the Board of Directors

Approved: 4-12-12

**Regular Board Meeting  
March 22, 2012  
Page 5**

## ATTACHMENT "D"

A Public Agency



12800 Ridge Road, Sutter Creek, CA 95685-9630 • www.amadorwater.org • OFFICE: (209) 223-3018  
FAX: (209) 257-5281

May 23, 2011

Mr. Richard Forester  
Chairman, Amador County Board of Supervisors  
810 Court St  
Jackson CA 95642

### Water Development Fund Request

Dear Supervisor Forster,

The Amador Water Agency, on behalf of the Lake Camanche Village Water Customers, would like to request grant assistance from the Water Development Fund for rehabilitation of Well #14. Well #14 began having water quality issues in October of 2010. The estimated cost to rehabilitate the well is \$30,000. The water customers in the Lake Camanche area will likely be faced with serious health and safety risks this summer unless Well # 14 can be remedied.

The Water Agency is also experiencing water quality issues with Well #9 when forced to operate at high production rates. The two remaining wells are only capable of reliably providing about 200,000 gallons per day. The maximum day demand in the summer is typically about 475,000 gallons. I anticipate that the Water Agency will be forced to take Well #9 off line several times this summer as it experiences bacteriological problems. This means that that the Lake Camanche customers will have severe rationing with only about 40% of the normal water capacity available without Well #14 in operation. Typically under these extreme conditions, tank levels will become very low leaving a shortage for fire protection and low water pressures with requirements for boiling water for health protection.

The Lake Camanche area is financially disadvantaged and hardships are abundant. This system is over budget this year with numerous system leaks and well problems along with depleted reserves.

Your consideration and support of this request would be greatly appreciated

Sincerely,

A handwritten signature in blue ink, appearing to read "Gene Mancebo", is written over a blue horizontal line.

Gene Mancebo  
General Manager, Amador Water Agency

Cc: AWA Board, LCOA Board



A Public Agency 12800 RIDGE ROAD, SUTTER CREEK, CA 95685 (209) 223-3018 Fax: (209) 257-5267

---

## MEMORANDUM

To: Gene Mancebo, General Manager

From: Chris McKeage

CC: Barry Birge

Re: CSA-3 Lake Camanche Wells

As we discussed, these are my recollections on the issues with the ground water supply in Lake Camanche.

Reliability of the ground water supply has been sketchy at best. Following is a comment regarding each well beginning with Well #6. I have no knowledge of Wells #1 – 5.

Well #6- This is a small well next to the shop building. Due to problems with storage and pressurization it can only run for a portion of each day. This well usually works in combination with Well #12A. Well #6 suffers from a large draw down in late summer and can only produce approximately 130gpm.

Well #7- No knowledge of this well.

Well #8- This well has a history of Bacteriological problems. It was taken off line and needs to be abandoned due to a source of contamination and is located in Unit 6.

Well #9- This is the single most, reliable well producing approximately 310 gpm, but when pumped too hard we get bad bacteriological hits that require repeat disinfection and cycle tests. This is very difficult to accommodate during periods of high water demand. This well partially shares a general aquifer with Well #14. The well is located in the back area of Unit 6.

Well #10- Has a history of Iron/Manganese problems. It was taken off line due to poor water quality and it needs to be abandoned.

Well#11- No knowledge of this well.

Well #12- This old well historically produced approximately 330 gpm. The well developed an Iron/Manganese problem. A new Iron and Manganese treatment plant was constructed for this purpose but then the well casing failed and the well was abandoned. This well is located in the Front Unit.

Well #12A- This is a replacement well for Well #12, located 100 feet away. Upon completion, Well #12A produced 340 gpm with no Iron/Manganese problems. This well has good water quality but the well now only produces 110-140 gpm. A similar problem (loss of capacity) occurred with nearby East Bay MUD's North Shore well.

Well #13- No knowledge of this well

Well #14- Lake Camanche's newest well produces approximately 320 gpm. Well #14 has developed a problem of high turbidity on start up and has increasing levels of Iron and Heterotrophic bacteria along with occasional Coliform bacteriological hits. We are considering options at this time. We may redevelop and acid clean this well. Well #14 is located about 600 feet from Well #9 in the back area of Unit 6.

With the reduced production in Wells #6 and 12A, the front unit is in need of additional supply. There exists a twelve inch (12") intertie line connecting the front and back units. This pipe was intended to allow sharing of water but is plagued with pressure control problems. This line is now usually left closed but does serve a purpose of supplying some water (80 gpm) via an auxiliary four inch (4") line connecting the twelve inch (12") line directly to tank 12B. This connection provides just enough water, in conjunction with the supplies from Well #12A and Well #6, to keep the front unit supplied through the summer months.

The provision of this supplementary water to the front unit was possible due to having two (2) strong wells in Unit 6. With loss of Well #14, Well #9 will struggle to meet system demand in mid-summer. Historically Well #9 will, when pumped hard, draw water from some unknown source of contamination. When this contamination occurs the CA Dept of Public Health (CDPH) requires the well to be taken off line, disinfected, cycle tested and bacteriological tested. All of this takes approximately four (4) days and the Lake Camanche system does not have enough storage to last four (4) days. It is important to get Well #14 back online as soon as possible. Without this well it is likely the Lake Camanche customers will have to go on severe rationing or have the system put on a **standing boil order** for the duration of the summer.

I recommend that the Agency proceed, without delay, for the study and rehabilitation of Well #14 with a local well contractor and the services of Dunn Environmental. I believe the work could be completed relatively quickly at a cost between \$17,000 - \$30,000 thousand dollars.



A Public Agency 12800 RIDGE ROAD, SUTTER CREEK, CA 95685 (209) 223-3018 Fax: (209) 257-5267

---

## MEMORANDUM

May 19, 2011

To: Gene Mancebo, General Manager  
CC: Chris McKeage, Operations Manager  
From: Barry Birge, Construction and Distribution Manager

Re: Lake Camanche Wells

Per your request of 5-18-2011, write a summary of the effects of Well #14 being out of service and to find as much supporting data available to help justify the reconditioning of Well #14 in the Lake Camanche distribution system;

I have compiled past correspondence with the CA Department of Public Health, Amador County Grand Jury report, AWA Water System Analysis, as well as historical data from Operators and the Regulatory Admin., Andrea Baldwin, and myself. It is clearly documented that Well #14 is critical to the water supply needs of the Lake Camanche area.

With drastic production drops in Well #6 and Well #12, and Well #14 out of service, the burden of meeting summer flow demands are placed solely on Well #9 through the intertie. When Well #14 is in service we normally alternate the distribution system water demands between Well #14 and Well #9. Without well #14, Well #9 will have to pump for approximately 15 hours per day instead of the usual 2 to 3 hours three times a day. By spreading out the run times of the well throughout the day this has allowed some recovery time for the well between runs. With these longer run times placed on well #9 it will increase the draw down on the aquifer exposing it to more air thus increasing the odds of positive bacteriological samples.

Distribution operator, Nick Tamantini, summarized the situation of July 2010 when both wells were in service and produced 270,000 gallons per day. If we head into this summer without Well #14 online, Well #9 will have to produce an additional 130,000 gallons per day to make up the difference.

Our last positive sample (Total Coliform present) on Well #9 occurred on 7-6-10 when we were pulling approximately 150,000 gallons per day. Without Well #14, we will increase the daily demand to approximately 270,000 gallons per day on Well #9. The likelihood of Well #9 experiencing bad bacteriological samples is highly probable.

In order to help lessen the new demand we will be placing on Well #9, severe water conservation measures and enforcement would be mandatory. Indications have already shown that Lake Camanche's domestic water use spikes with the slightest signs of warm weather. Operator, Nick Tamantini has already had to open the intertie earlier than usual during short, warm spells in April and again in May of this year.

I highly recommend that conservation notices go out *immediately* since ongoing negotiations with the homeowners is likely to continue to drag into the summer months. They will call this a "fear tactic" but it is reality and I would rather be criticized for trying to do what is right for the customers of Camanche instead of allowing this to drag on to the point of system failure. Without the reconditioning of Well #14 or the addition of another reliable source of supply secured immediately, Boil Orders from the CDPH will most likely be a reality.

I also recommend that the Amador Water Agency update the existing "Draft "Water System Analysis of the Lake Camanche Village Water Improvement District #7 from November 2007. This document contains excellent information and would prove extremely useful in developing future courses of action. This document contains most of the information that I believe you are looking for that clearly supports the devastating impacts to Camanche's water distribution system with the loss of Well #14.

Enclosures: Correspondences with CDPH  
Amador County Grand Jury report  
AWA Water System Analysis, draft

BB/ab

**Gene Mancebo**

---

**From:** Pat Dunn [pfdunn@dunnenviro.com]  
**Sent:** Wednesday, May 11, 2011 1:52 PM  
**To:** Gene Mancebo  
**Subject:** RE: Well #14 rehab costs

Gene: Yes, maintenance efforts like this are common and we have included the contractor work by Mark Frederick to get us further down the road with downhole activities – pulling the pump, redevelopment, chemical treatment, air lift and pump. This well was not developed properly after drilling was complete initially; so camera work, redevelopment efforts are necessary. KZ shut them down after four hours. Cyclic pumping with extensive drawdown is also a concern operational. Our proposal does include planning effort, field work and report with conclusions and recommendations.  
Pat

---

**From:** Gene Mancebo [mailto:gmancebo@amadorwater.org]  
**Sent:** Wednesday, May 11, 2011 11:35 AM  
**To:** 'Pat Dunn'  
**Subject:** FW: Well #14 rehab costs

Dear Pat:

My understanding is that your proposal for well #14 (video, chemical cleaning, redevelopment, and reoperation plan) may resolve the issues at the well. I understand there is no guarantee, but it sounded like odds were in our favor. Given that, I was under the impression that this proposal is more than just an analysis of the problem. Can you shed some light on this for me as staff has a different perception than I.

I am planning to make a grant request to the County and this is a concern that I need to resolve.

Thanks for your assistance.  
Sincerely

Gene



October 18, 2010

DELIVERED VIA EMAIL

Mr. Brandt Cook  
Amador Water Agency  
12800 Ridge Road  
Sutter Creek CA 95685

**RE: Proposal to Investigate Turbidity and Odor Concerns at the Lake Camanche Village Well 14**

Dear Mr. Cook:

Dunn Environmental, Inc. (DE) is pleased to present the following proposal to Amador Water Agency (AWA) to assist with the evaluation of concerns related to turbidity and odor within the Lake Camanche Village Well No. 14 (Well 14). The sequence of events related to the water quality concerns are described below.

Over Labor Day weekend complaints were received regarding odors and turbidity of water supplied to customers in the Lake Camanche area. Troubleshooting by AWA personnel identified water quality concerns within Well 14. The well was taken off line to resolve concerns. DE personnel met with AWA personnel on September 15 and 16, 2010, field parameter were collected as follows pH was 7.53, specific conductance was 160  $\mu$ mhos/cm and turbidity ranged from 5.90 to 16.26 NTU. Static water level was 64.50 feet below Top of Sounding Tube (TOS). At this time no odors were detected. Water quality sampling completed by AWA showed no coliform bacteria presence in the discharge from Well 14. TSS was elevated, other water quality parameters were within historically observed within range.

The well was not operated for the period from September 15 through October 7, 2010 other than 30 minute per day cycling. The well was fitted with a dump (water to waste) valve and initially discharge after well start up. The dump time was initially set to 10 minutes and was later reduced to 5 minutes. Initially discharge was turbid with a gradual decrease to a clear discharge, no odor concerns were noted. Well 14 was then placed back in service on October 7, 2010 around 12 -noon. The pump rate was reduced from 300 gpm to 200 gpm in an effort to reduce turbidity. Based on SCADA records the

well started at approximately 5pm on October 7, 2010 and operated until 11 pm. The SCADA transducer shows during this time, the water column above the transducer was reduced to minimum of 128.97 feet. Based on measurements by DE, the pumping water measurement equates to depth to water from TOS of 102.30 feet during pumping. The well cycled on at 5am on October 8, 2010 and operated until 8am that morning. At that time, complaints regarding turbidity and odor were received again, and Well 14 was turned off. The well remained off until October 12, 2010 when the well was turned on the initial discharge had a dark black color and a foul odor. The odor dissipated with continued well operation; however, the turbidity remained elevated.

DE personnel completed a follow up site visit on October 15, 2010 to conduct additional water quality sampling. The well pump contractor was also present to evaluate the site for potential scope and access. A review of historical water quality for Well 14 shows elevated concentration of iron as high as 2,420 µg/L reported in 2008. The Heterotroph Plate Count (HPC) which indicates potential microbial growth was also elevated.

Well 14 was completed during Spring of 2007. DE provided oversight during testhole drilling, well construction and well development only. A conductor casing was placed to 58.83 feet below ground surface (bgs), conductor casing was 12.375 inch x 0.188 inch wall carbon steel casing. Well casing consisted of an 8 inch x 0.188 inch carbon steel blank casing to 149 feet bgs. Well screen consisted of Johnson Standard Agri 8 inch diameter continuous wire wrap screen. Screen slot size was 0.050 inch. Gravel pack consisted of SRI #8 sand. Well screen extended from 149 to 249 feet bgs, with a 10 foot sump extending to 259 feet bgs. Gravel pack extended from 123 to 268 feet bgs. A bentonite seal was placed from the top of gravel pack to 25 feet bgs. The well was developed using air development and the final field parameters were pH was 7.87, specific conductance was 151 µmhos/cm, turbidity was 2.87 NTU. Development rate was 300 to 400 gallons per minute (gpm). To our knowledge no camera work has been completed. Pump tests were not complete by DE to assess how the well responds to extended periods of pumping and potential aquifer boundary conditions.

Based on our existing knowledge of the well and immediate area, it appears that the turbidity concerns are likely related to differential settlement of the gravel pack. Odor issues may be related to continued sporadic operation of the well, iron bacteria growth, microbial fouling or the presence of contamination near the subsurface aquifer boundary. We feel confident that redevelopment and a new pump setting depth, opposite significant sands, will improve water quality conditions significantly. DE has developed a scope of services to attempt to address these issues.

## **SCOPE OF SERVICES**

### **Task 1 – Additional Data Compilation and Review**

Under this task DE will complete additional review of existing data for Well 14. DE will request additional historic and new water quality data for Well 14. DE will review recent and historic SCADA information to assess possible trends in well usage and water level information. The additional observations and water quality sample collection efforts on October 15, 2010 were under this task.

### **Task 2 – Remove Well Pump**

DE will retain a well pump contractor (or AWA directly) to complete work efforts related well investigation activities. DE recommends that the pump column and pump are removed from the well. The pump contractor will coordinate with AWA to disconnect electrical cables and discharge pipes from the well. The estimated cost assumes that AWA will disconnect all electrical and piping connections from the well. The pump column and pump will be laid out on the ground. Ground will be covered with plastic sheeting or tarp to prevent contamination of pump and pump column.

### **Task 3 – Complete Down Hole Camera Survey**

A down hole camera survey of the well will be performed once the pump has been removed. The camera survey will be used to examine the down hole integrity of the well casing, and assist in identify possible areas of well casing degradation or microbial growth.

Once the down hole camera survey is provided in video format, DE will refine recommendations presented in this scope of services if warranted. Potential acid and additional chlorination efforts will be considered.

### **Task 4 – Well Redevelopment and New Pump Setting**

Depending on the results of Tasks 1 through 3, DE anticipates that redevelopment of the well screen is justified. As discussed above turbidity could be related to differential settlement in the well gravel pack. Under this task the retained pump contractor will redevelop the well. First the contractor will remove any accumulated sediment from the bottom of the well. Prior to redevelopment chlorination of the well will be completed. The well screen and gravel pack will be redeveloped using air lift, swabbing or bailing. Redevelopment will continue until discharge is clear from debris

and fine grained sediment. DE will provide oversight during redevelopment efforts and collect field measurements of pH, specific conductance, temperature and turbidity. Redevelopment will be considered complete once field parameters have stabilized for three consecutive readings and turbidity goal of 5 NTU has been achieved. Approximately two days are anticipated for redevelopment efforts.

Once well redevelopment is completed the well pump and pump column may be placed down the well if the casing is in good condition. DE recommends that the pump intake interval is moved from the current 235 feet level below Top of Casing to 210 feet below Top of Casing. Geologic formations at the 210 feet interval are more coarse grained and will reduce the potential for fine sediment entering the well.

A monitoring well is present approximately 250 feet south of Well 14. The security casing is locked. However limited access to the monitoring well is possible. DE established this monitoring well is not capped. Efforts should be made to cap the well at a minimum and potentially disinfect and redevelop the well if possible. Recent efforts by DE have been unsuccessful in finding a well log for the referenced monitoring well. DE proposes additional efforts are completed to gain access to this well, obtain a well log and secure the well casing. Such efforts will be completed in coordination with AWA.

#### **Task 5 – Step Test and Long Term Pump Test**

Once the well pump is placed down the well and electrical and other connections are re-established. DE recommends completing a step test to assess well efficiency and long term pump test to assess aquifer conditions. The step test will consist of four individual steps of increasing pump rate. Anticipated duration of each step is approximately two hours. During test water level and flow data will be collected. DE will coordinate with AWA to utilize the existing well SCADA system to capture flow and water level information. Once the final step is complete the well will be shutoff and allowed to recover to near pretest static water level.

Once water level has sufficiently recovered DE with assistance from AWA will complete a long term pump test. Based on DE's review of the file, a long term pump test has been completed for Well 14. Anticipated long term test duration is 24 to 48 hours. During the test frequent measurements of water level and discharge rate will be collected. The long term pump test will assist in identifying subsurface aquifer boundary conditions and potential distances from the wellhead. The long term test will be scheduled to minimize influence from other AWA wells in the area. DE also

Mr. Brandt Cook  
October 18, 2010  
Page 5 of 5

proposed using the referenced nearby monitoring well and AWA Well 9 as observation points. DE proposes using a pressure transducer to collect water level data within the referenced monitoring well. Water quality will be collected at the completion of the long term test. General mineral, metal and microbiological parameters will be assessed. Coordination with AWA will help reduce DE's labor efforts.

#### **Task 6 -- Reporting**

Upon completion of Task 5, DE will compile gathered data into a Technical Memorandum describing field activities completed and finding related to the completed activities. Pump tests will be used to assess well capture zones and potential contaminant pathways. Records of field sampling and laboratory analysis will also be included to assess the potential impacts to water quality in Well 14.

#### **COMPENSATION**

DE proposes to furnish the professional services delineated in the above Scope of Services for an estimated fee not to be exceeded \$11,234 for DE and a total fee of \$22,674 based on labor, direct expenses and subcontractor fees. Please see the attached Fee Estimate for details of labor and direct costs. Please note that analytical laboratory costs are not included in the Fee Estimate.

#### **SCHEDULE**

Pending AWA's approval of the referenced proposal and site access, DE can mobilize immediately to complete work related to this very important project. We appreciate the opportunity to serve your consulting needs and look forward to working with you to establish this contract and successful project. Please contact us at (916) 941-3850 if you have questions or require clarification. Respectfully submitted,

**DUNN ENVIRONMENTAL, Inc.**

Patrick F. Dunn, P.G., C.Hg. and Jaco Fourie, P.G.

PFD/jf

ENCLOSURE  
Fee Estimate

Fee Estimate - Lake Camanche Well No. 14 Turbidity and Odor Concerns Investigation  
 Prepared for Amador Water Agency  
 Revised 10/18/10

Labor	Project Manager	Senior Review	Project Scientist	Staff Scientist	Field Tech	Director Tech	Clerical	Hour	Labor Fee by Task	Other Direct Costs	Sub-Contract Costs	Total Estimated Project Costs
	Billing Rates	\$110.00	\$135.00	\$90.00	\$80.00	\$65.00	\$55.00					
Task	Description											
1	Additional Data Compilation and Review	2		12	3			22	\$1,760	\$55		\$1,755
2	Remove Well Pump			2				2	\$160	\$22	\$1,430	\$1,612
3	Complete Down Hole Camera Survey	2			4		4	14	\$700	\$30	\$1,760	\$2,540
4	Well Redevelopment				12			13	\$780	\$75	\$6,600	\$7,755
5	Step Test and Long Term Pump Test	2		4	36			42	\$2,880	\$1,018	\$1,650	\$5,548
6	Reporting	4		24	8		4	42	\$3,320	\$138	\$0	\$3,458
	Total Hours	12	0	0	42	66	8	4	130			
	Labor Fee by Category	\$1,320.00	\$0.00	\$0.00	\$3,360.00	\$4,410.00	\$220.00	\$220.00	\$9,540	\$1,694	\$12,440	\$22,674

Fee Estimate - Lake Camanche Well No. 14 Turbidity and Odor Concerns Investigation  
 Prepared for Amador Water Agency  
 Revised 10/18/10

Labor	Project Manager	Senior Review	Project Supplies	Staff Essential	Field Tech	Drilling Tech	Clarify	Hourly	Labor Fee by Task	Other Direct Costs	Sub-Contractor Costs	Total Proposed Costs
Other Direct Costs & Subconsultant Costs	Maps, Photos, Etc.	Exp. Delivery	Printing	Exp. Phone/Fax	Travel	Mech. & Loading	Field Equip.	Sub-Contractor				
Task	Description								Frederick			
1	Additional Data Compilation and Review		\$25.00	\$25.00								
2	Remove Well Pump			\$20.00					\$1,300.00			
3	Complete Down Hole Camera Survey			\$20.00	\$50.00	\$10.00			\$1,600.00			
4	Well Redesign/development		\$50.00	\$50.00	\$120.00	\$20.00	\$100.00		\$6,000.00			
5	Stop Test and Long Term Pump Test		\$50.00	\$50.00	\$20.00	\$50.00	\$575.00		\$1,500.00			
6	Reporting	\$25.00	\$50.00	\$50.00								
	Totals	\$0.00	\$25.00	\$175.00	\$215.00	\$370.00	\$80.00	\$675.00	\$0.00	\$30,400.00	\$0.00	\$0.00

## ATTACHMENT "D"

### Amador County Board of Supervisors ACTION MINUTES REGULAR MEETING

**DATE:** Tuesday, August 9, 2011  
**TIME:** 8:30 a.m.  
**LOCATION:** County Administration Center, 810 Court Street, Jackson, California

The Board of Supervisors of the County of Amador met at the County Administration Center, 810 Court Street, Jackson, California, on the above date pursuant to adjournment, and the following proceedings were had, to wit:

**Present on Roll Call:**

John Plasse, Chairman (District 1)  
Richard M. Forster (District 2)  
Theodore F. Novelli (District 3)  
Louis D. Boitano, Vice-Chairman (District 4)  
Brian Oneto (District 5)

**Staff:**

Charles T. Iley, County Administrative Officer  
Martha Shaver, County Counsel  
Sheri Robinson, Deputy Clerk of the Board

NOTE: These minutes remain in *Draft* form until approved by Minute Order at the next regular meeting of the Board of Supervisors. Any packets prepared by County Staff are hereby incorporated into these minutes by reference as though set forth in full. Any staff report, recommended findings, mitigation measures, conditions, or recommendations which are referred to by Board members in their decisions which are contained in the staff reports are part of these minutes by reference only. Any written material, petitions, packets, or comments received at the hearing also become a part of these minutes by reference.

**CLOSED SESSION** may be called for labor negotiations (pursuant to Government Code §54957.6), personnel matters (pursuant to Government Code §54957), real estate negotiations/acquisitions (pursuant to Government Code §54956.8), and/or pending or potential litigation (pursuant to Government Code §54956.9). **At 8:30 a.m., the Board convened into closed session.**

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to adopt a resolution reaffirming Board support for A-TCAA's Central Sierra Connect project with the removal of the following paragraph.

*"WHEREAS, the A-TCAA Central Sierra Connect project will work to address the "digital divide" by working towards providing low-cost or no-cost personal computers and technology training to underserved population groups; and"*

**RESOLUTION NO. 11-098**

**RESOLUTION REAFFIRMING SUPPORT OF A-TCAA'S FUNDING APPLICATION TO ACCESS AFFORDABLE BROADBAND AND HIGH SPEED TELECOMMUNICATION SERVICES IN THE CENTRAL SIERRA CONNECT (CSC) REGION.**

**Camanche Water System:** Discussion and possible action relative to an agreement with Amador Water Agency regarding possible funding for infrastructure needs.

**(Addendum. See page 2)**

Mr. Gene Mancebo, Amador Water Agency General Manager, gave a PowerPoint presentation relative to the subject matter.

Mr. Chris McKeage, Amador Water Agency Field Operations Manager, spoke on the matter.

Mr. Mancebo suggested a restricted use account used specifically for Well No. 14 and fire hydrants brought into service, contingent upon rate-payer approval of a rate increase.

Mr. Mancebo suggested eliminating the \$70 one-time assessment fee and implementing a 10% rate increase.

Chairman Plasse stated he would like to see the report from Dunn Environmental.

The following individuals spoke on the matter:

Mr. Ken Berry

Mr. Bill Condrashoff

Ms. Vera Ferguson

(correspondence from Ms. Ferguson was read into the record by Mr. Condrashoff)

Ms. Debbie Dunn

Mr. Craig Walling, Camanche Resident

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Boitano and unanimously carried to authorize a grant from the Amador County Water Development Fund to the Amador Water Agency (AWA) in an amount not to exceed \$150,000.00, to be used for prioritized infrastructure improvements, contingent upon a voter-approved rate increase and under the auspices of the Administrative Committee.

**Prop 40 Update:** Discussion and possible action relative to an update by Ms. Tracey Towner, ACRA Executive Director, relative to the status of ongoing Proposition 40 projects.

**ACTION:** No action. Postponed to next meeting.

**Assembly Bill X129:** Discussion and possible action relative to authorizing the Chairman's signature on a letter of opposition regarding the subject legislation pertaining to State responsibility areas and fire prevention fees.

Supervisor Novelli and Mr. Jim Rooney, County Assessor, spoke on the matter.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Oneto and unanimously carried to draft a letter of opposition relative to ABX129 to Mr. George Gentry, Board of Forestry and Fire Protection Executive Officer, copies to Governor Brown, California State Fire District Association, Senator Feinstein and Assembly Member Huber.

**Motion for Reconsideration:** Discussion and possible action relative to potential amendment to Ordinance 1684 Chapter 2.04.050 of Amador County Code as it relates to the parameters of reconsidering Motions made by the Board. (continued from July 26, 2011)

Ms. Martha Shaver, County Counsel, recommended the following amendments to the subject ordinance.

**2.040.050 Motion for reconsideration.**

~~At the meeting and during the agenda item on which a final vote on any question has been taken, said.~~ A vote may be reconsidered on the motion of any member of the board voting with the majority. Any motion for reconsideration ~~must~~ may be heard at not later than the next regular meeting. A motion to reconsider shall require a majority vote of the members. If the motion is successful, the board shall immediately proceed to reconsider the subject matter of the motion. A motion to reconsider, if lost, shall not be renewed nor shall any subject be a second time reconsidered within twelve months except by a four-fifths vote of the

board. (Ord. 1684 2008)

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Novelli and carried to schedule the proposed ordinance amendment on the next Board of Supervisors agenda for adoption and waiving of the reading.

**Ayes:** Supervisors Plasse, Novelli, Forster and Oneto  
**Noes:** Supervisor Boitano  
**Abstain:** None

**CLOSED SESSION** may be called for labor negotiations (pursuant to Government Code §54957.6), personnel matters (pursuant to Government Code §54957), real estate negotiations/acquisitions (pursuant to Government Code §54956.8), and/or pending or potential litigation (pursuant to Government Code §54956.9). **At 4:08 p.m., the Board convened into closed session.**

**Conference with County Counsel – Potential Litigation [Government Code 54956.9(b)]:** One Claim

**ACTION:** Direction given to Staff.

**Conference with Labor Negotiators:** Pursuant to Government Code Section 54957.6. County Negotiator: Greg Gillott, Deputy County Counsel, Chuck Iley, County Administrative Officer, Diane Blanc, Human Resource Director and Diana Doughtie, IEDA. Employee Organization: All Units

**ACTION:** Direction given to Staff.

**Conference with Property Negotiators:** APN 005-020-013-000 (Solar Power, Inc., Bob Kyle) (terms and conditions) County Negotiators: Charles T. Iley, County Administrative Officer and Jon Hopkins, General Services Administration Director

**ACTION:** Direction given to Staff.

**Conference with Property Negotiators:** APN 030-191-008-000 (Pine Grove Community Services District) (terms and conditions) County Negotiators: Charles T. Iley, County Administrative Officer and Jon Hopkins, General Services Administration Director

At approximately 5:25 p.m. Supervisor Forster left the meeting due to any perceived conflict of interest issues that may arise as a result of his employment with the California Department of Corrections and Rehabilitation, Department of Juvenile Justice.

Conference with County Counsel - Existing Litigation [Government Code 54956.9(a)]: County of Amador v. California Department of Corrections and Rehabilitation, et al; Superior Court of the State of California; County of Amador Case No. 11-CV-7166

**ACTION:** Direction given to Staff.

Conference with County Counsel- Discussion and possible action Pursuant to Government Code Section 54957: Public Employee Appointment of the following position: County Counsel

**ACTION:** Direction given to Staff.

At approximately 6:10 p.m. Supervisor Oneto left the meeting to avoid any perceived conflict of interest issues due to his family owning property adjacent to the proposed Buena Vista Rancheria Casino site. Upon advice in the form of a letter from the Fair Political Practices Commission (FPPC) informing him that he could not participate in governmental decisions related to the efforts by the Ione Band of Miwoks to take land located near the town of Plymouth into trust for the construction of a proposed casino, Supervisor Oneto has recused himself from these matters.

Conference with County Counsel - Existing Litigation [Government Code 54956.9(a)]: County of Amador v. Kenneth L. Salazar, Secretary of the Interior; et al; In the United States Court of Appeals for the District of Columbia, Case No. 10-5240

**ACTION:** Update given.

County of Amador v. Department of the Interior, et al; United States District Court Eastern District of California, Case No. 2:07-CV-00527-LKK-EFB

**ACTION:** Update given.

County of Amador, Appeal of Issuance, of NPDES Permit No., CA 0049675; U.S. Environmental Protection Agency, Environmental Appeals Board, Appeal No. NPDES 10-06

**ACTION:** Update given.

Conference with County Counsel – Potential Litigation [Government Code 54956.9(b)]: Buena Vista Rancheria [Government Code 54956.9 (b)]

**ACTION:** Update given.

**REGULAR SESSION:** At 6:20 p.m., the Board reconvened into regular session. Chairman Plasse reported the aforementioned issues were reviewed in closed session:

**ADJOURNMENT:** Until Tuesday, August 23, 2011, at 8:30 a.m.

AMADOR COUNTY  
BOARD OF SUPERVISORS

C O N S E N T   A G E N D A

August 9, 2011

NOTE: Items listed on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and possible action, and made a part of the regular agenda at the request of a Board member(s).

1.    **BUDGET MATTERS**           None
  
2.    **TAX MATTERS**           None
  
3.    **RESOLUTIONS**
  - A.    **Auditor/Controller (11-095 & 11-096):** Approval of two (2) resolutions relative to adopting a *One Percent (1%) Tax Rate per Government Code Section 29100 for 2011-2012 Property Tax Rates*; and a resolution adopting a *Point Zero One Six Percent (.016%) Tax Rate per Government Code Section 29100 for the School Bond Tax Rate*.
  - B.    **Health Services Department (11-097):** Approval of a resolution approving an agreement with the State of California Department of Forestry and Fire Protection relative to the Mt. Zion Lease #L-0868.
  - C.    **Environmental Health (11-099):** Approval of a resolution endorsing findings of the Land Use Committee regarding an existing septic tank (APN 032-030-016).
  
4.    **AGREEMENTS**
  - A.    **General Services Administration:** Approval of an Assignment and Assumption of Lease by and between Marvin H. Price and Kittie Baker and Chuck Laughlin for Airport Lot #36.
  - B.    **General Services Administration:** Approval of an Assignment and Assumption of Lease by and between Renee Henault and Marvin H. Price, Kittie Baker and Derrick Aubuchon for Airport Lot #204.
  - C.    **General Services Administration:** Approval of a Lease Agreement with California Shock Trauma Air Rescue (CALSTAR) to lease Office #4 at Westover Field.
  - D.    **Sheriff's Office:** Approval of an agreement between the Amador County Sheriff's Office and retired Sacramento County Sheriff's Office Homicide Investigations Supervisor Harry Machon.
  - E.    **Sheriff's Office:** Approval of a Patrol Agreement between the Sheriff's Office and the East Bay Municipal Utilities District (EBMUD) for fiscal year 2011-2016.

5. **ORDINANCES**

- A. **Treasurer/Tax Collector (Ordinance 1711):** Approval of adopting an Ordinance Amending Chapter 3.32 of the Amador County Code relative to delinquent tax collection. **(Moved from Consent to Regular Agenda to be voted on separately. See page 3)**

6. **MISCELLANEOUS APPOINTMENTS/RESIGNATIONS**

- A. **Juvenile Justice Commission:** Approval of the re-appointment of Mr. Butch Wagner to the subject commission for a four (4) year term.
- B. **Commission on Aging:** Approval of the re-appointment of Ms. Marj Stuart to the subject Commission for a three (3) year term.
- C. **Commission on Aging:** Approval of the re-appointment of Ms. Ursula Tocher to the subject Commission for a three (3) year term.
- D. **Commission on Aging:** Approval of the re-appointment of Ms. Susan Tigner to the subject Commission for a three (3) year term.

7. **MISCELLANEOUS**

- A. **General Services Administration:** Approval to reject RFB 10-22 and award Bid 11-02 to California Custom Trailers & Power Sports, Elk Grove, CA for Utility Terrain Vehicle for the Sheriff's Office.
- B. **Health Services:** Approval of annual renewal of the Federal Title X Family Planning Program for calendar year 2012.
- C. **United States Forest Service:** Approval of Chairman's signature on a letter to Randy Moore, Regional Forester, Pacific Southwest Region.

8. **REFERRALS** None

9. **GENERAL CORRESPONDENCE**

- A. Letter dated July 25, 2011 from East Bay Municipal Utility District (EBMUD) relative to **EBMUD's Urban Water management Plan 2010.**
- B. Letter dated July 19, 2011 from California State Fish and Game Commission regarding notice of proposed regulatory action relative to Sections 163 and 164, Title 14, California Code of Regulations.
- C. Letter dated July 29, 2011 from California State Fish and Game Commission regarding notice of proposed regulatory action relative to Amending Subsections 551(g), (j) and Sections 700.4, 701 and 705 and Repeal Section 704, Title 14, California Code of Regulations.
- D. Application for *Alcoholic Beverage License* dated July 25, 2011 for Wine Tree Farm, located at 14467 Highway 49, Amador City, CA 95644.
- E. Application for *Alcoholic Beverage License* dated July 28, 2011 for Yorba Wines, located at 14885 Shake Ridge Road, Sutter Creek, CA 95685.

- F. Application for *Alcoholic Beverage License* dated July 28, 2011 for Renwood Winery, located at 4581 Buena Vista Road, Suite B, Ione, CA 95640.
- G. Application for *Alcoholic Beverage License* dated July 29, 2011 for J. Foster Mitchell, located at 10851 Shenandoah Road, Plymouth, CA 95669.
- H. Auditor's check register dated July 18, 2011 totaling \$ 537,466.18.
- I. Auditor's check register dated July 22, 2011 totaling \$ 237,691.18.
- J. Memorandum from the Environmental Health Department dated August 2, 2011 relative to a recap of activity totaling \$5,619.00.
- K. Application for *Alcoholic Beverage License* dated August 2, 2011 for the Buena Vista Gaming Authority, located at 4650 Coal Mine Road, Ione, CA 95640 (File # 487638) and the Department has recommended approval of application with conditions. Submit request for a hearing with Department's Hearing and Legal Unit no later than August 23, 2011.

\_\_\_\_\_  
CHAIRMAN, Board of Supervisors

ATTEST:

JENNIFER BURNS, Clerk of the  
Board of Supervisors of Amador County,  
California

\_\_\_\_\_  
Deputy

**REGULAR SESSION:** At 9:00 a.m., the Board reconvened into regular session. Chairman Plasse reported the following issues were reviewed in closed session:

**Conference with Property Negotiators:** APN 044-010-116-000 (Commercial Hangars 3, 5 and 6) (terms and conditions) County Negotiators: Charles T. Iley, County Administrative Officer and Jon Hopkins, General Services Administration Director.

**ACTION:** Direction given to staff.

**Conference with County Counsel - Existing Litigation [Government Code 54956.9(a)]:** Aletha Rabb-Collins Trust, Superior Court of California, County of San Joaquin; Case No. PR78864

**ACTION:** Direction given to staff.

**Confidential Minutes:** Review and approval of the confidential minutes of July 26, 2011.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Oneto and unanimously carried to approve the confidential minutes of July 26, 2011 with minor corrections.

**PLEDGE OF ALLEGIANCE:** Chairman Plasse led the Board and the public in the *Pledge of Allegiance*

**AGENDA:** Approval of agenda for this date; any and all off-agenda items must be approved by the Board (pursuant to §54954.2 of the Government Code.)

Chairman Plasse stated the following item will be added to the Regular Agenda.

**Camanche Water System:** Discussion and possible action relative to an agreement with Amador Water Agency regarding possible funding for infrastructure needs.  
**(Addendum. See page 8)**

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to approve the Regular Agenda as amended.

**PUBLIC MATTERS NOT ON THE AGENDA:** Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of the Amador County Board of Supervisors; however, any matter that requires action may be referred to staff and/or Committee for a report and recommendation for possible action at a subsequent Board meeting. Please note - there is a three (3) minute limit per topic.

**Ms. Sharon Cassella, Strings Italian Café, Jackson, CA:** Ms. Cassella, owner of Strings, received correspondence from the Amador County Planning Department requesting she remove her sign. Ms. Cassella stated she has permission from the property owner to post the sign. She then requested the Board allow her to keep the sign in place and provided the board with a series of photographs of other signs around the County.

It was the consensus of the Board to direct Staff to place the matter on the next regularly scheduled Land Use Committee agenda.

**Ms. Gillian Murphy, Northeastern California Small Business Development Center-San Joaquin Delta College (SBDC) Director:** Ms. Murphy provided the Board with informational brochures relative to the upcoming *Free Technology Trainings* from California Resources and Training (CARAT) and California Emerging Technology Fund (CETF) hosted by their Statewide Collaborative Partners.

**Supervisor Novelli:** Sergeant First Class, Jeff Stanfield (Amador County Maintenance Worker II), has returned safely home from a year-long deployment to Iraq. The Board thanked him for his service and welcomed him home.

**CONSENT AGENDA:** Items listed on the consent agenda (see attached) are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

Supervisor Oneto requested the following item be pulled from the Consent Agenda to be voted on separately.

**Treasurer/Tax Collector:** Approval of adopting an Ordinance Amending Chapter 3.32 of the Amador County Code relative to delinquent tax collection.  
**(Moved to Regular Agenda. See page 14)**

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and carried to adopt an ordinance amending Chapter 3.32 of the Amador County Code relative to delinquent tax collection.

**Ayes:** Supervisors Plasse, Novelli, Boitano and Forster

Noes: Supervisor Oneto  
Abstain: None

**ORDINANCE NO. 1711**

Ordinance amending Chapter 3.32 of the Amador County Code  
**SECTION I.** Section 3.32.10 of Chapter 3.32, "DELINQUENT TAX COLLECTION", of the Amador County Code, is hereby amended to read as follows:

"Section 3.32.010. Installment Payments—Fee. Pursuant to the authority of Revenue and Taxation Code Section 4217 and Government Code Section 54985 *et seq.*, a fee of eighty dollars (\$80.00) is established to initiate the payment of delinquent taxes in installments (Five-Pay Plan) to the County Tax Collector. "

Chairman Plasse stated the following item was given grammatical alterations. No substantive changes were made.

**United States Forest Service:** Approval of Chairman's signature on a letter to Randy Moore, Regional Forester, Pacific Southwest Region.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Forster and unanimously carried to approve the Consent Agenda as amended.

**REGULAR AGENDA:**

**Amador County Business Council:** Discussion and possible action relative to funding for economic development opportunities in the County.

The following individuals spoke on the matter.

Ms. Anne Platt, Sutter Amador Hospital, Amador County Business Council  
Mr. Paul Molinelli, Jr., ACES Waste Services, Amador County Business Council  
Mr. Jim Conklin, Amador County Business Council  
Mr. Ron Mittelbrun, Amador Economic Development Corporation  
Mr. Bill Condrashoff  
Ms. Kay Reynolds  
Ms. Debbie Dunn, Upcountry Resident  
Mr. Ken Berry  
Mr. Jon Hopkins, Amador County General Services Administration Director

It was noted that \$15,000.00 is currently allocated to economic development in the County's budget.

**ACTION:** Direction given pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to table this matter for two weeks to give the two agencies (Amador Economic Development Corporation and Amador County Business Council) time to coordinate their efforts and/or consider a possible merger.

**\*\*10:30 A.M.\*\***

**PRESENTATIONS:**

**Eagle Scout Project:** Discussion and possible action relative to a presentation by Eagle Scout Andrew Mees relative to a project to add a picnic area to Pioneer Park.

Ms. Tracey Towner, Amador County Recreation Agency Director, introduced Eagle Scout Andrew Mees.

Mr. Mees spoke about his proposed project in Pioneer Park.

**ACTION:** Presentation only.

**General Services Administration:** Discussion and possible action relative to final execution of contract between Durango Railroad Historical Society and Amador County.

Mr. Jon Hopkins, General Services Administration Director, spoke on the matter.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Boitano and unanimously carried to approve authorizing the Chairman to execute the Agreement to Convey Personal Property and Bill of Sale and instruct Mr. Hopkins to remind Mr. Niederauer of the Durango Railroad Historical Society of their obligation to make an effort to acquire artifacts from the mining industry that may have been associated with Amador County.

**Williamson Act-Gap Fund, LLC:** Discussion and possible action relative to a proposed Parcel Map resulting in two parcels each 40 acres in size (Contract No. 340); located south of Fiddletown Road on the west side of Silver Oak Lane approximately one mile east of the Plymouth City Limits (APN 015-040-037-000).

Ms. Heather Anderson, Planner, reviewed her Staff Report, as included in the Board Packet.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Boitano and unanimously carried to take the recommendation of the Agricultural Advisory Committee and find the proposed Parcel Map will meet the requirements of County Code Section 19.24.036 D.4 in that there are sufficient agricultural improvements to meet the income requirements and the vineyard is a unique characteristic of an agricultural industry. Additionally, approval of the proposed Parcel Map shall be subject to the following conditions, in order to maintain the agricultural integrity of each parcel:

- A new contract being entered into for each resulting parcel, with legal descriptions accurately reflecting the boundaries of the contracts.
- An easement for the shared agricultural well, unless a well is drilled on Proposed Parcel One (northern most parcel);
- An easement for reciprocal access, as necessary; and
- An agreement for fence maintenance.

**Minutes:** Discussion and possible action relative to approval of the July 26, 2011.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Novelli and unanimously carried to approve the Minutes of July 26, 2011 with corrections.

**Unified Program Electronic Reporting Transition Plan:** Discussion and possible action relative to approval of the subject plan and authorization to proceed with the grant application and agreement.

Mr. Mike Israel, Environmental Health Director  
Mr. Robert Fourt, Environmental Health Specialist III

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Oneto and unanimously carried to approve the revised Transition Plan and authorize grant application and agreement.



**Secure Rural Schools and Community Self Determination Act:** Discussion and possible action relative to allocations from the Secure Rural Schools and Community Self Determination Act.

Mr. John Hofmann advised the Board they must allocate an estimated \$381,339.00 by September 30, 2011. The monies will be received by the County in January, 2012 under the *Secure Rural Schools and Community Self-Determination Act* and the funds need to be divided between Title I, II and III. Mr. Hofmann also advised the Board they must develop a proposal for expending any funding allocated to Title III and provide a 45-day public comment period. He then reviewed the background and uses for Title I and Title II.

Undersheriff Jim Wegner gave a brief history of previous allocations to the Sheriff's Office. He stated the funding is provided at the discretion of the Board for Search & Rescue efforts and other emergency services on National Forest System lands. He reiterated to the Board that the monies do not go into the Sheriff's Office budget; they are used to reimburse the General Fund only.

Ms. Kathy Koos-Breazeal, Amador Fire Safe Council Executive Director, presented the Board with a 2010 Title III Demonstration Garden Proposal and requested advance funds in the amount of \$8,000.00 for the project.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Oneto, seconded by Supervisor Boitano and carried to allocate Secure Rural Schools and Community Self Determination Act funds as follows:

**Ayes:** Supervisors Plasse, Boitano, Oneto and Novelli  
**Noes:** Supervisor Forster

- 85% to Title I
- 8% to Title II
- 7% to Title III Sheriff's Office Search and Rescue

**Amador-Tuolumne Community Action Agency (A-TCAA):** Discussion and possible action relative to adoption of a Resolution reaffirming Board support for A-TCAA's Central Sierra Connect project and affirms Board endorsement to apply for CPUC funding to facilitate the spread of broadband service to its community as well as continue its membership participation and remain involved in the project.

Ms. Shelly Hance, Amador-Tuolumne Community Action Agency Executive Director, spoke on the matter.

**Amador County Board of Supervisors**  
**ACTION MINUTES**  
**REGULAR MEETING**

**DATE:** Tuesday, August 23, 2011  
**TIME:** 8:30 a.m.  
**LOCATION:** County Administration Center, 810 Court Street, Jackson, California

The Board of Supervisors of the County of Amador met at the County Administration Center, 810 Court Street, Jackson, California, on the above date pursuant to adjournment, and the following proceedings were had, to wit:

**Present on Roll Call:**

John Plasse, Chairman, District 1  
Richard M. Forster, Supervisor, District 2  
Theodore F. Novelli, Supervisor, District 3  
Louis D. Boitano, Vice-Chairman, District 4  
Brian Oneto, Supervisor, District 5

**Staff:**

Charles T. Iley, County Administrative Officer  
Martha Shaver, County Counsel  
Greg Gillott, Deputy County Counsel  
Sheri Robinson, Deputy Board Clerk III

NOTE: These minutes remain in *Draft* form until approved by Minute Order at the next regular meeting of the Board of Supervisors. Any packets prepared by County Staff are hereby incorporated into these minutes by reference as though set forth in full. Any staff report, recommended findings, mitigation measures, conditions, or recommendations which are referred to by Board members in their decisions which are contained in the staff reports are part of these minutes by reference only. Any written material, petitions, packets, or comments received at the hearing also become a part of these minutes by reference.

**CLOSED SESSION** may be called for labor negotiations (pursuant to Government Code §54957.6), personnel matters (pursuant to Government Code §54957), real estate negotiations/acquisitions (pursuant to Government Code §54956.8), and/or pending or potential litigation (pursuant to Government Code §54956.9). **At 8:30 a.m., the Board convened into closed session.**

**REGULAR SESSION:** At 9:00 a.m., the Board reconvened into regular session. Chairman Plasse reported the following issues were reviewed in closed session:

**Conference with County Counsel – Potential Litigation [Government Code 54956.9(b)(c)]:** Request to File Late Claim of David Reyes

**ACTION:** Permission to file a late claim denied.

**Conference with County Counsel – Potential Litigation [Government Code 54956.9(b)(c)]:** One Claim

**ACTION:** Direction given to Staff.

**Conference with County Counsel – Potential Litigation [Government Code 54956.9(b)(c)]:** One Claim

**ACTION:** Update given to Staff.

**Confidential Minutes:** Review and approval of the confidential minutes of August 9, 2011 and August 23 16, 2011.

**ACTION:** Minutes approved.

**PLEDGE OF ALLEGIANCE:** Chairman Plasse led the Board and the public in the *Pledge of Allegiance*

**AGENDA:** Approval of agenda for this date; any and all off-agenda items must be approved by the Board (pursuant to §54954.2 of the Government Code.)

Chairman Plasse stated the following item will be pulled from the agenda at the request of the Department Head.

**District Attorney's Office:** Discussion and possible action relative to a request to hire a contract Deputy District Attorney to prosecute specialized cases as assigned.  
**(Pulled. See page 6)**

Chairman Plasse moved Item 13 (Camanche Water System) to Item 6B (After Amador Water Agency) on the regular agenda.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to approve the Regular Agenda as amended.

**PUBLIC MATTERS NOT ON THE AGENDA:** Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of the Amador County Board of Supervisors; however, any matter that requires action may be referred to staff and/or Committee for a report and recommendation for possible action at a subsequent Board meeting. Please note - there is a three (3) minute limit per topic.

**Mr. John Queirolo / Amador Cannonball Train:** Mr. Queirolo spoke in support of leaving the train in Amador County. He stated if the County would leave the train he would donate \$5,000.00, mining equipment and would rent the site at the County Museum for \$500.00 per year. Mr. Queirolo then told the Board he would see them in Court.

**Ms. Dianne Bennett / Amador Cannonball Train:** Spoke in support of leaving the train in Amador County. She then served each Board member a Summons to Appear in Court.

**Mr. Bill Condrashoff / Order of Agenda Items:** Requested moving Item 13 on the agenda due to the presence of water agency employees.

**Mr. Jack Magee / Small Business:** Mr. Magee gave a brief history of his experience with the County Building Department while building his house in Pioneer. He stated he is concerned about small businesses not being able to survive due to the strict regulations required by the county, cities and state.

**Ms. Rhonda Pope / Buena Vista Rancheria Chairwoman:** Ms. Pope spoke about the following matters.

- BVAC Committee (requested Supervisor Forster recuse himself)
- Liquor license applications (asked why her liquor license hasn't been supported by the Board approved)
- Community Fund (requested input on how the funds are allocated)

Chairman Plasse advised Ms. Pope her time was up.

Ms. Pope refused to step down.

At 9:26 a.m. Chairman Plasse adjourned the meeting.

At 9:27 a.m. Chairman Plasse reconvened and continued **Public Matters Not on the Agenda.**

**Supervisor Novelli / District III:** Supervisor Novelli reported on the following matters.

- Kyle Metcalfe 6<sup>th</sup> Annual Golf Tournament at Mace Meadows (thanked the community volunteers)
- SR 88 Closure (Carson Pass Summit closures are now 9:30 a.m. - 12:30 p.m., Monday - Friday thru September 26, 2011)
- Silver Lake Boat Ramp Fees (Eldorado Irrigation District (EID) has had fees in place for many years)

**CONSENT AGENDA:** Items listed on the consent agenda (see attached) are considered routine and may be enacted by one motion. Any item may be removed for discussion and made a part of the regular agenda at the request of a Board member(s).

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Oneto, seconded by Supervisor Novelli and unanimously carried to approve the Consent Agenda as presented.

**REGULAR AGENDA:**

**Amador Water Agency:** Discussion and possible action relative to a request by the subject Agency requesting a time extension to the \$900,000.00 Water Development Fund loan consistent with the USDA requirements for meeting the Letter of Conditions for the Gravity Supply Line Project.

Mr. Gene Mancebo, Amador Water Agency General Manager, requested a second amendment to the agreement between the Water Agency and County dated May 13, 2010, to provide an extension of the maturity date for the Gravity Supply Line Project loan from the Water Development Fund to be consistent with the revised date from the United States Department of Agriculture (USDA) for satisfying the letter of conditions (September 30, 2012).

Mr. Mancebo stated this project is critical for the water supply of customers in the central portion of Amador County. It replaces an existing aged pump system with a gravity system which greatly improves reliability, eliminates power costs for pumping, improves fire protection, improves water quality and reduces operation and maintenance costs. Mr. Mancebo stated Amador Water Agency (AWA) has more than \$5 million in grant funds allocated towards this project from USDA. In order to meet the USDA letter of conditions, the Water Agency must establish revenue streams that satisfy funding requirements established by the USDA.

Mr. Mancebo advised the Board that once the project moves forward, the initial grant funds would be utilized to repay the \$900,000.00 loan from the County and also stated that the Agency has made a payment on the accrued interest and plans to continue to pay the interest until such time as the loan is paid in full.

Once everything has been approved on construction, the Agency would then be allowed to make draws on the money. The first draw would be for expenses paid-out to date which is in excess of a million dollars. From the first draw, the Agency would acquire adequate funds and it would be the Agency's intent to make the first repayment to the County at \$900,000.00.

The following individuals spoke on the matter:

Mr. Bill Condrashoff  
Ms. Debbie Dunn

Mr. Joel Lesch  
Mr. David Evitt

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Novelli and unanimously carried to grant an extension to the Amador Water Agency's (AWA) \$900,000.00 Water Development Fund loan to September 30, 2012; the subject loan extension is consistent with the United States Department of Agriculture (USDA) requirements of the Letter of Conditions for the Gravity Supply Line Project; insert language into the contract extension requiring AWA's repayment to the County of Amador Water Development Fund be senior to any other obligations AWA may have which are not immediate; AWA shall repay the County of Amador from their initial draws as soon as reasonably possible without impeding the process of the project; annual interest payments are due to the County of Amador by June 30, 2012 at two percent (2%) or the County pooled rate, whichever is greater, compounded annually from the date of disbursement until the \$900,000.00 loan is repaid in full.

**Camanche Water System:** Discussion and possible action relative to reconsideration of the motion of the Board on August 9, 2011 as it relates to clarification of certain parameters of the agreement with Amador Water Agency regarding possible funding for infrastructure needs.

Supervisor Novelli stated he was concerned with the motion the Board made on August 9, 2011 relative to this matter. He suggested revisiting the topic and amending the motion.

**ACTION #1:** Approved pursuant to the following motion.

**MOTION #1:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to reconsider the August 9, 2011 motion relative to providing the funding for the Camanche Water system.

Mr. Gene Mancebo, Amador Water Agency General Manager, reviewed the following infrastructure needs as listed by priority.

- Well 14 (reliability of the water supply - \$30k at least)
- Fire hydrants
- Service line replacements (State grants cover 200 out of the 700)
- Existing booster pump systems (extremely old – located at sites 12, 8, 6 & 10 - \$75k)
- Emergency generators (generator at 8 does not function)
- Changing the switchgears (\$30k)
- Alarm systems (in need of upgrade - \$10k)

Mr. Mancebo stated his goal is to work with the Administrative Committee, submit invoices once the rate increase is in place, and repair and replace the above-mentioned infrastructure.

The following members of the public spoke on the matter.

Ms. Vera Ferguson, Camanche resident  
Mr. Mike Krisman, ratepayer  
Ms. Debbie Dunn, Pine Grove resident  
Mr. Bill Condrashoff  
Mr. David Evitt

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Novelli, seconded by Supervisor Forster and unanimously carried to provide Amador Water Agency (AWA) with a grant not to exceed \$150,000.00 for the Agency's Camanche water system to be used solely for the Well 14 rehabilitation and other Camanche water facility infrastructure improvements as prioritized by the Amador Water Agency and reviewed by the County Administrative Committee and approved by the Amador County Board of Supervisors; the grant funds will be provided only after Amador County approves the invoices reflecting the costs of such infrastructure improvements; the funds will be made available only if an agency water rate increase effecting the Camanche water system for the purpose of substantially curing the current operational deficit of the system is adopted and provided further that such funds must be expended for such infrastructure improvements within two (2) years from today's action by the Amador County Board of Supervisors; if the conditions for awarding the grant are not met within two (2) years, the grant lapses and the funds will be returned to the Amador County Water Development Fund.

~~District Attorney's Office: Discussion and possible action relative to a request to hire a contract Deputy District Attorney to prosecute specialized cases as assigned.~~  
(Pulled. See page 2)

**\*\*12:05 P.M.\*\***

**PUBLIC HEARINGS**

**2011-2012 Adopted Budget:** Discussion and possible action relative to a public hearing to consider adoption of the 2011-2012 Fiscal Year Adopted Budget.

Mr. Chuck Iley, County Administrative Officer, addressed the Board with the proposed changes to the Recommended Budget. He stated the budget was based on a presumed 36-hour work week and since the budget was approved has been unable to resolve the 36-hour work week issue with the General Unit. The General Unit is currently at a 40-hour work week. He also stated the budget reflects the 17 layoffs that were previously approved by the Board.

Discussion ensued and Mr. Iley asked the Board for authorization to work with the Administrative Committee to transfer any savings back into Contingencies. Mr. Iley explained that the Contingency Fund has been drawn down to below the target point the Board had previously set.

Chairman Plasse stated the Contingency Fund is for unforeseen circumstances that the County has no control over.

Supervisor Forster referred to the catastrophic slope failure at the Tuolumne County Landfill which cost the county \$8 million.

Chairman Plasse stated the contingencies are typically 3% of the General Fund portion of the County's budget which usually results in \$900,000 - \$1 million on a year-to-year basis. At this time, depending on the General Unit work week, the contingencies have been drawn down to the following:

- 36-hour work week – \$550,955.00
- 40-hour work week with 17 layoffs – \$295,718.00

It was the consensus of the Board to authorize Mr. Iley to work with the Administrative Committee.

Ms. Becky Podesta, Assistant Auditor, addressed the Board.

**ACTION #1:**           **Public Hearing closed pursuant to the following motion.**

**MOTION #1:**           **It was moved by Supervisor Novelli, seconded by Supervisor Boitano and unanimously carried to close the public hearing.**

**ACTION #2:**            **Approved pursuant to the following motion.**

**MOTION #2:**            **It was moved by Supervisor Boitano, seconded by Supervisor Oneto and unanimously carried to approve the 2011-2012 Fiscal Year Budget and authorize the County Administrative Officer to work with the Administrative Committee to deposit any salary savings back into the Contingency Fund.**

**Community Development Agency:** Discussion and possible action relative to an update by staff summarizing recent hearing held at the Central Valley Regional Water Quality Control Board regarding revised Waste Discharge Requirements for the Closed Buena Vista Landfill.

Mr. Jim McHargue, Solid Waste Program Manager, referenced the August 5, 2011 meeting of the Central Valley Regional Water Quality Control Board and stated the revised Waste Discharge Requirements (WDR's) for the Buena Vista Landfill were approved. Mr. McHargue talked about the process in regulatory closure of the landfill.

The following individual spoke on the matter:

Ms. Rhonda Pope

**ACTION:**            **None. Presentation only.**

**Community Development Agency:** Discussion and possible action relative to options for resolution regarding public sewer connection at 2800 Curran Road.

Mr. Aaron Brusatori, Community Development Director, gave a brief history on the matter and made the following recommendations to the Board:

- Verify eligibility of the homeowner for assistance through the Safe Drinking Water Program.
- Review and approval of a Release of Liability and indemnification of Amador County by the homeowner.
- Commit a maximum \$7,500.00 from the Safe Drinking Water Program toward the connection of the home to the public sewer system.
- Authorize reimbursement to the homeowner for paid invoices or directly pay contractor for costs attributable to the installation of the sewer line for up to \$11,000.00.

Mr. Brusatori stated LNC Excavating & Construction gave an \$11,000.00 proposal to Amador Water Agency.

Mr. Greg Gillott, Amador County Deputy County Counsel, gave a brief history of the Safe Drinking Water Program.

Mr. Gene Mancebo, Amador Water Agency General Manager, stated his agency is willing to contribute \$3,500.00 towards the connection of 2800 Curran Road to public sewer.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Oneto and carried to verify eligibility of the homeowner for assistance through the Safe Drinking Water Program, review and approve a Release of Liability and indemnification of Amador County by the homeowner, commit a maximum of \$7,500.00 from the Safe Drinking Water Program toward the connection of the home to the public sewer system, authorize the County Administrative Officer to reimburse the homeowner for paid invoices or directly pay the contractor for costs attributable to the installation of the sewer line up to a maximum of \$11,000.00.

**AYES:** Supervisors John Plasse, Richard M. Forster and Brian Oneto

**NOES:** Supervisors Theodore F. Novelli and Louis D. Boitano

**ABSENT:** None

**Letter of Opposition:** Discussion and possible action relative to correspondence received from the US Department of the Interior, Bureau of Land Management (BLM) and consideration of approval of a letter to be sent to various government agencies, legislators and Congress opposing any new designations of wilderness lands in Amador County.

Chairman Plasse spoke about US Department of the Interior Secretary Ken Salazar and his recommendation to Congress for new wilderness designations without first contacting county officials, as is his mandate under BLM governing rules Federal Land Policy and Management Act (FLPMA).

Mr. John Hofmann spoke on the matter.

**ACTION #1:** Approved pursuant to the following motion.

**MOTION #1:** It was moved by Supervisor Oneto, seconded by Supervisor Novelli and unanimously carried to approve forwarding a letter in opposition of the designation of additional wilderness lands in Amador County to Department of Agriculture, Region 5 Forest Supervisor Randy Moore, Bureau of Land Management, Forest Service, Department of Interior and Federal and State representatives.

**Central Sierra Planning Council and Central Sierra Economic Development District (CSPC/CSEDD):** Discussion and possible action relative to approval of the Chairman's signature on a letter to the subject entities regarding Amador County's involvement as participating members.

Chairman Plasse gave a brief background on the matter, stating the Board previously voted to step down from membership of the two entities. The decision to step down was not officially codified with a letter to the entities and the Board will decide on whether or not to continue membership.

Ms. Martha Shaver, County Counsel, stated the Board may want to monitor what is going on with the subject agencies. Staff is attempting to work through the issues of the outstanding obligations of the JPA and what that means

Mr. Ron Mittelbrunn, Amador Economic Development Corporation (AEDC) and private citizen member of Central Sierra Planning Council (CSPC) and Central Sierra Economic Development District (CSEDD), talked about the Board's intention to separate itself from the CSPC and not the CSEDD. Mr. Mittelbrunn gave a brief update relative to the operations of the CSPC stating business officially ceased on June 30, 2011. He stated HUD and the State are not interested in taking over the Section 8 Housing portion of the program; however, the County of Stanislaus might. Mr. Mittelbrunn talked about the following unfunded liabilities remaining for the CSPC.

- Worker's Compensation
- Employment Development Division (EDD)
- PERS
- Declaration of Municipal Bankruptcy (Ch. 9) for CSPC

He also talked about the importance of keeping the two entities separate although they are under the same Joint Powers Agreement (JPA). The CSEDD has received \$13,000 from the United States Economic Development Administration (EDA) for the completion of a Comprehensive Economic Development Strategy (CEDS) and there is still \$13,000 expected (\$6,500.00 per quarter) once Mr. Larry Busby completes the CEDS. Mr. Mittelbrunn stated that if Counties and Cities do not have a completed CEDS, they would not be eligible for future grant requests from the EDA for infrastructure projects.

Discussion ensued relative to Mariposa's ratification into the subject entities. The Amador County Board of Supervisors adopted a resolution on February 22, 2011 ratifying Mariposa County's membership into the CSPC and CSEDD.

Clarification was made by Ms. Shaver that there are two JPA's. She stated the CSPC JPA dates back to the 1970's and there is California Statute language which states the members will not be responsible for the obligations of the entity itself. She also stated the language appears in the later JPA for the CSEDD but does not appear in the CSPC JPA.

Supervisor Theodore F. Novelli will remain Amador County's representative for CSPC and CSEDD.

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Forster, seconded by Supervisor Oneto and unanimously carried to continue participation in the Central Sierra Planning Council (CSPC) and Central Sierra Economic Development District (CSEDD) and confirm the motion by forwarding correspondence to CSPC and CSEDD notifying them of Amador County's decision.

**AYES:** Supervisors John Plasse, Louis D. Boitano, Brian Oneto and Richard M. Forster

**NOES:** Supervisor Theodore F. Novelli

**ABSENT:** None

**Motion for Reconsideration:** Discussion and possible action relative to an amendment to Ordinance 1684 Chapter 2.04.050 of Amador County Code as it relates to the parameters of reconsidering Motions made by the Board. (waive reading and schedule for adoption on September 13, 2011) (continued from August 9, 2011)

**ACTION:** Approved pursuant to the following motion.

**MOTION:** It was moved by Supervisor Novelli, seconded by Supervisor Oneto and unanimously carried to amend Ordinance 1684 Chapter 2.04.050 of Amador County Code as it relates to the parameters of reconsideration Motions made by the Board. Waive the reading and schedule for adoption on September 13, 2011.

**Minutes:** Discussion and possible action relative to approval of the August 9, 2011 Board of Supervisors Meeting Minutes and the August 23 16, 2011 Special Board of Supervisors Meeting Minutes.

**ACTION #1:** Approved pursuant to the following motion.

**MOTION #1:** It was moved by Supervisor Boitano, seconded by Supervisor Novelli and unanimously carried to approve the August 9, 2011 meeting minutes with minor corrections.

**ACTION #2:** Approved pursuant to the following motion.

**MOTION #2:** It was moved by Supervisor Boitano, seconded by Supervisor Forster and unanimously carried to approve the August 16, 2011 Special meeting minutes as presented.

**CLOSED SESSION** may be called for labor negotiations (pursuant to Government Code §54957.6), personnel matters (pursuant to Government Code §54957), real estate negotiations/acquisitions (pursuant to Government Code §54956.8), and/or pending or potential litigation (pursuant to Government Code §54956.9). **At 2:00 p.m., the Board convened into closed session.**

**Conference with Labor Negotiators:** Pursuant to Government Code Section 54957.6. County Negotiator: Greg Gillott, Deputy County Counsel, Chuck Iley, County Administrative Officer, Diane Blanc, Human Resource Director and Diana Doughtie, IEDA. Employee Organization: All Units

**ACTION:** Direction given to staff.

**Conference with County Counsel –** Pursuant to Government Code Section 54957: Public Appointment of the following positions:

- County Counsel
- Acting Public Conservator
- Acting Public Guardian
- Acting Director of Social Services

**ACTION:** Direction given to staff.

At approximately 4:00 p.m., Supervisor Oneto left the meeting to avoid any perceived conflict of interest issues due to his family owning property adjacent to the proposed Buena Vista Rancheria Casino site. Upon advice in the form of a letter from the Fair Political Practices Commission (FPPC) informing him that he could not participate in governmental decisions related to the efforts by the Ione Band of Miwoks to take land located near the town of Plymouth into trust for the construction of a proposed casino, Supervisor Oneto has recused himself from these matters.

**Conference with County Counsel - Existing Litigation [Government Code 54956.9(a):** County of Amador v. Kenneth L. Salazar, Secretary of the Interior; et al: In the United States Court of Appeals for the District of Columbia, Case No. 10-5240

**ACTION:** Update given.

County of Amador v. Department of the Interior, et al; United States District Court Eastern District of California, Case No. 2:07-CV-00527-LKK-EFB

**ACTION:** Update given.

County of Amador, Appeal of Issuance, of NPDES Permit No., CA 0049675; U.S. Environmental Protection Agency, Environmental Appeals Board, Appeal No. NPDES 10-06

**ACTION:** Update given.

**Conference with County Counsel – Potential Litigation** [Government Code 54956.9(b)]: Buena Vista Rancheria [Government Code 54956.9 (b)]

**ACTION:** Update given.

Supervisor Oneto returned at 4:30.

At approximately 4:35 p.m., Supervisor Forster left the meeting due to any perceived conflict of interest issues that may arise as a result of his employment with the California Department of Corrections and Rehabilitation, Department of Juvenile Justice.

**Conference with County Counsel - Existing Litigation** [Government Code 54956.9(a)]: County of Amador v. California Department of Corrections and Rehabilitation, et al; Superior Court of the State of California; County of Amador Case No. 11-CV-7166

**ACTION:** Direction given to Staff.

**REGULAR SESSION:** At 5:00 p.m. the Board reconvened into regular session. Chairman Plasse reported the aforementioned issues were reviewed in closed session:

**ADJOURNMENT:** Until Tuesday, September 13, 2011, at 8:30 a.m.

AMADOR COUNTY  
BOARD OF SUPERVISORS

CONSENT AGENDA

August 23, 2011

NOTE: Items listed on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and possible action, and made a part of the regular agenda at the request of a Board member(s).

1. BUDGET MATTERS

- A. **Auditor/Controller:** Review and recommendation relative to various year end budget transfers.

2. TAX MATTERS

- A. **Assessor's Office / Secured Roll Corrections:** Approval of the following: APN 040-120-011-000 (Meyer, Vickie A.)
- B. **Assessor's Office / Secured Roll Corrections:** Approval of the following: APN 003-190-003-000 (Bibby, Bryan Allan); APN 005-400-008-000 (McBride, Donald E. & Mary E.); APN 023-570-012-000 (Bowman, Barbara C.); APN 044-450-007 (Roman Catholic Bishop of Sacramento)

3. RESOLUTIONS None

4. AGREEMENTS

- A. **Health Services Department:** Approval of a Second Amendment to Services Agreement (July 1, 2009) with Changing Echoes, Inc., to provide Adult Alcohol/Drug Rehabilitation Services.
- B. **Health Services Department:** Approval of a Second Amendment to original agreement dated July 1, 2009 with John Rikkens, MD for fiscal year 2011-2012 to provide psychiatric treatment services.
- C. **Human Resources:** Approval of an Agreement with IEDA, Inc., to provide Labor Relations Services.
- D. **Probation Department:** Approval of a Space Available Agreement with the *County of Yuba* for Juvenile Ward Housing.
- E. **Probation Department:** Approval of a Space Available Agreement with *County of Del Norte* for Juvenile Ward Housing.
- F. **Probation Department:** Approval of a Space Available Agreement with *Madera County* for Juvenile Ward Housing.
- G. **Central Sierra Child Support Agency:** Approval of a Plan of Cooperation between the County of Amador and the Central Sierra Child Support Agency through June 30, 2014.
- H. **Health Services Department:** Approval of a First Amendment for Consulting Services with Marsha Stone for the CDC Hospital Preparedness Program.

5. ORDINANCES None

6. MISCELLANEOUS APPOINTMENTS/RESIGNATIONS

- A. **BVAC Joint Committee:** Approval of the appointment of Supervisors Forster and Boitano as the Amador County representatives to the BVAC Joint Committee per the Intergovernmental Services Agreement with the Buena Vista Casino.
- B. **Area 12 Agency on Aging Advisory Council:** Approval of Ms. Beverly Boriolo to the subject Council as an Amador County Citizen Member-at-Large for a three (3) year term.
- C. **Area 12 Agency on Aging Advisory Council:** Approval of the appointment of Mr. Chester Schaufel to the subject Board as an Amador County Citizen Member-at-Large for a three (3) year term.

7. MISCELLANEOUS None

8. REFERRALS

- A. **Berry, Ken (11-25):** A California Public Records Act Request.
- B. **Fiddletown Community Center (11-26):** Request for waiver of County's encroachment permit fee for the Fiddletown Fiddlers' Jam.

9. GENERAL CORRESPONDENCE

- A. Letter dated August 3, 2011 from the USDA Forest Service, El Dorado National Forest relative to preparing an Environmental Assessment for issuing a 5-year Special Use Permit to the Polka Dot Motorcycle Club.
- B. Application for *Alcoholic Beverage License* dated August 4, 2011 for Creekside Restaurant, located at 24146 Hwy. 88, Pioneer, CA 95666.
- C. Memorandum from Building Department relative to a recap of activity in the Building Department Year to Date \$39,106.73.
- D. Auditor's check register dated August 1, 2011 totaling \$ 265,992.17.
- E. Auditor's check register dated August 8, 2011 totaling \$ 339,693.14.
- F. Auditor's check register dated August 12, 2011 totaling \$ 624,772.05.

\_\_\_\_\_  
JOHN PLASSE, Chairman  
Board of Supervisors

ATTEST:

JENNIFER BURNS, Clerk of the  
Board of Supervisors, Amador County,  
California

\_\_\_\_\_  
Deputy

# ATTACHMENT "E"

## THIRD AMENDMENT TO AGREEMENT FOR REPAYMENT OF LOAN

THIS THIRD AMENDMENT TO AGREEMENT FOR REPAYMENT OF LOAN (this "Third Amendment") is made as of \_\_\_\_\_, 2012 by and between COUNTY OF AMADOR, a political subdivision of the State of California ("County") and AMADOR WATER AGENCY, a public agency created by the Amador Water Agency Act (Chapter 95 of the California Water Code-Appendix), a special act of the Legislature of the State of California ("AWA").

### RECITALS

A. County and AWA executed an agreement (the "Original Agreement") dated as of May 13, 2010 whereby County agreed to loan the sum of \$900,000 (the "Loan") to AWA to continue work on construction of a gravity supply line (the "Project"), and AWA agreed to repay the Loan upon the terms and conditions set forth in the Agreement. The Original Agreement was modified by that certain First Amendment to Agreement for Repayment of Loan dated as of November 30, 2010 and by that certain Second Amendment to Agreement for Repayment of Loan dated as of August 25, 2011. The Original Agreement, as amended by the First and Second Amendments, is referred to herein as "Agreement."

B. County and AWA desire to further modify the Agreement as set forth in this Third Amendment.

NOW, THEREFORE, the parties agree as follows:

1. Section 4, TERM OF LOAN, shall be modified to read as follows:

4. TERM OF LOAN. AWA shall repay to County the entire amount of the Loan (including without limitation principal and accrued but unpaid interest) forthwith upon receipt of funds from the Grant sufficient to retire the debt contemplated herein without impeding the progress of the work funded by the Grant, but in no event later than November 30, 2013 (the "Maturity Date"). Notwithstanding the foregoing, the Maturity Date shall be advanced at the option of County to the date that is 75 days after the occurrence of any of the following:

a. The AWA Board of Directors takes any action to delay or terminate the Project in any fashion; or

b. County determines in its sole discretion that AWA has elected to delay or terminate the Project, or cease to pursue obtaining the Grant for the Project; or

c. County determines in its sole discretion that any other act has occurred that will prevent AWA from receiving funds from the Grant, including any acts or omissions occurring prior to the execution of this Third Amendment.

3. Capitalized terms not defined in this Third Amendment shall have the meaning given to them in the Agreement.

4. Except as set forth in this Third Amendment, the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date first set forth above.

COUNTY:  
COUNTY OF AMADOR

AWA:  
AMADOR WATER AGENCY

BY: \_\_\_\_\_  
Chairman

BY: \_\_\_\_\_  
President

ATTEST:  
CLERK OF THE BOARD OF  
SUPERVISORS, COUNTY OF AMADOR

ATTEST:  
CLERK OF THE BOARD OF  
DIRECTORS, AMADOR WATER AGENCY

BY: \_\_\_\_\_

BY: \_\_\_\_\_

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL  
COUNTY OF AMADOR

APPROVED AS TO FORM:  
COUNSEL FOR AMADOR WATER  
AGENCY

BY: \_\_\_\_\_

BY: \_\_\_\_\_

## AGREEMENT FOR REPAYMENT OF LOAN

THIS AGREEMENT FOR REPAYMENT OF LOAN (this "Agreement") is entered into as of May 13, 2010 by and between the COUNTY OF AMADOR, a political subdivision of the State of California ("County") and AMADOR WATER AGENCY, a public agency created by the Amador Water Agency Act (Chapter 95 of the California Water Code-Appendix), a special act of the Legislature of the State of California ("AWA").

### RECITALS

A. AWA, a public agency created by the California Legislature, has applied for a grant (the "Grant") from the United States Department of Agriculture for the purpose of construction of a gravity supply line (the "Project").

B. In order to continue progress on the Project before receiving funds from the Grant, AWA desires to obtain money to reimburse AWA for past work and to complete certain tasks before a funding agreement can be completed with the USDA. Those tasks include without limitation such items as engineering, design, surveying, right of way acquisition, and environmental review (the "Preliminary Tasks"). Costs to AWA of performing the Preliminary Tasks is anticipated to be reimbursed by the USDA from Grant funds when a funding agreement with the USDA is signed.

C. AWA desires to receive a loan from County to reimburse AWA for past work and to perform the Preliminary Tasks pending receipt of Grant funds, and County desires to make such a loan to AWA, in accordance with the terms more particularly set forth below.

NOW, THEREFOR, for valuable consideration, receipt of which is acknowledged, the parties agree as follows:

1. LOAN. County hereby agrees to loan to AWA an amount not to exceed Nine Hundred Thousand and No/100ths Dollars (\$900,000) (the "Loan"). County will provide the Loan to AWA upon execution of this Agreement by both parties.

2. INTEREST. The Loan shall bear interest at two percent (2%) per annum or the County pooled rate, whichever is greater, compounded annually, from the date of disbursement until repaid.

3. USE OF FUNDS. The funds provided by the Loan shall be used for the sole purpose of reimbursing AWA for past performance of and paying for additional Preliminary Tasks, and for no other purpose.

4. TERM OF LOAN. AWA shall repay to County the entire amount of the Loan (including without limitation principal and accrued but unpaid interest)

///

///


7. CONSTRUED PURSUANT TO CALIFORNIA LAW. The parties hereto agree that the provisions of this Agreement shall be construed pursuant to the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF AMADOR

AMADOR WATER AGENCY

BY: \_\_\_\_\_  
Chairman, Board of Supervisors

BY:   
Title: General Manager

ATTEST:  
JENNIFER BURNS, Clerk of the Board of Supervisors

ATTEST:  
Clerk of the Board of Directors

BY: \_\_\_\_\_

BY: 

APPROVED AS TO FORM:  
Office of the County Counsel

APPROVED AS TO FORM:  
Counsel for Amador Water Agency

BY: \_\_\_\_\_  
Martha J. Shaver

BY: 

FIRST AMENDMENT TO AGREEMENT FOR REPAYMENT OF LOAN

THIS FIRST AMENDMENT TO AGREEMENT FOR REPAYMENT OF LOAN (this "First Amendment") is made as of NOV 30, 2010 by and between COUNTY OF AMADOR, a political subdivision of the State of California ("County") and AMADOR WATER AGENCY, a public agency created by the Amador Water Agency Act (Chapter 95 of the California Water Code-Appendix), a special act of the Legislature of the State of California ("AWA").

RECITALS

A. County and AWA executed an agreement (the "Agreement") dated as of May 13, 2010 whereby County agreed to loan the sum of \$900,000 (the "Loan") to AWA to continue work on construction of a gravity supply line (the "Project"), and AWA agreed to repay the Loan upon the terms and conditions set forth in the Agreement.

B. County and AWA desire to modify the Agreement as set forth in this First Amendment.

NOW, THEREFOR, the parties agree as follows:

1. Section 4, TERM OF LOAN, shall be modified to read as follows:

4. TERM OF LOAN. AWA shall repay to County the entire amount of the Loan (including without limitation principal and accrued but unpaid interest) upon receipt of funds from the Grant sufficient to retire the debt contemplated herein, but in no event later than August 31, 2011 (the "Maturity Date"). Notwithstanding the foregoing, the Maturity Date shall be advanced at the option of County to the date that is 75 days after the occurrence of any of the following:

a. The AWA Board of Directors takes any action to delay or terminate the Project in any fashion; or

b. County determines in its sole discretion that AWA has elected to delay or terminate the Project, or cease to pursue obtaining the Grant for the Project; or

c. County determines in its sole discretion that any other act has occurred that will prevent AWA from receiving funds from the Grant, including any acts or

SECOND AMENDMENT TO  
AGREEMENT FOR REPAYMENT OF LOAN

THIS SECOND AMENDMENT TO AGREEMENT FOR REPAYMENT OF LOAN (this "Second Amendment") is made as of AUGUST 25, 2011 by and between COUNTY OF AMADOR, a political subdivision of the State of California ("County") and AMADOR WATER AGENCY, a public agency created by the Amador Water Agency Act (Chapter 95 of the California Water Code-Appendix), a special act of the Legislature of the State of California ("AWA").

RECITALS

A. County and AWA executed an agreement (the "Agreement") dated as of May 13, 2010 whereby County agreed to loan the sum of \$900,000 (the "Loan") to AWA to continue work on construction of a gravity supply line (the "Project"), and AWA agreed to repay the Loan upon the terms and conditions set forth in the Agreement. The Agreement was modified by that certain First Amendment to Agreement for Repayment of Loan dated as of November 30, 2010.

B. County and AWA desire to further modify the Agreement as set forth in this Second Amendment.

NOW, THEREFOR, the parties agree as follows:

1. Section 2, INTEREST, shall be modified to read as follows:

2. INTEREST.

a. The Loan shall bear interest at two percent (2%) per annum or the County pooled rate, whichever is greater, compounded annually, from the date of disbursement until repaid.

b. AWA shall pay all accrued but unpaid interest on June 30, 2012 and on each June 30 thereafter until the Maturity Date (defined below).

2. Section 4, TERM OF LOAN, shall be modified to read as follows:

4. TERM OF LOAN. AWA shall repay to County the entire amount of the Loan (including without limitation principal and accrued but unpaid


4. Except as set forth in this Second Amendment, the Agreement shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date first set forth above.

COUNTY:  
COUNTY OF AMADOR

BY:   
Chairman

AWA:  
AMADOR WATER AGENCY

BY:   
President

ATTEST:  
CLERK OF THE BOARD OF  
SUPERVISORS, COUNTY OF AMADOR

BY:   
Deputy

ATTEST:  
CLERK OF THE BOARD OF  
DIRECTORS, AMADOR WATER AGENCY

BY: 

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL  
COUNTY OF AMADOR

BY: 

APPROVED AS TO FORM:  
COUNSEL FOR AMADOR WATER  
AGENCY

BY: 

# ATTACHMENT "F"

## AMADOR WATER AGENCY SUTTER CREEK, CALIFORNIA

### NOTICE OF PUBLIC HEARING CONCERNING PROPOSED WATER RATE CHANGES FOR CAWP RETAIL WATER DISTRICT

Dear Property Owner/Customer:

This is a notice explaining proposed changes in the water user rates for the CAWP Retail Water District. These rate changes will be recommended for adoption by the Amador Water Agency Board of Directors during the public hearing described in this notice. The Amador Water Agency (Agency) completed a multi-year financial study (Study) which provides an in-depth analysis of the operating and capital programs in order to adequately provide funds to meet anticipated expenses for the next three-year period. The Study is available for review at the Agency office and also on our website: [www.amadorwater.org](http://www.amadorwater.org). Incremental rate increases over a number of years are the preferred method for ensuring rate stability. The Agency takes seriously its commitment to provide high-quality service at the least possible cost.

#### **Notice of Public Hearing**

The Amador Water Agency Board of Directors will consider proposed changes in the water service rates for the CAWP Retail Water District, as described below, at a public hearing on Thursday, July 1, 2010, at 6:30p.m., or as soon thereafter as may be heard by the Board of Directors in the Amador Water Agency Board Room, located at 12800 Ridge Road, Sutter Creek, CA 95685.

#### **Why Change Rates**

Keeping costs down is one of the Agency's main concerns, especially during these difficult economic times. The existing 2009-10 budget for the CAWP Retail Water District reflects a decrease of \$250,000 from last year's budget, which is about a 14% reduction. Currently, open positions at the Agency are not being filled and all employees were asked to provide ideas on ways to further reduce expenses, many of which have been implemented.

On the other hand, rates in the CAWP Retail Water District have not increased since July 2006, and as more fully explained in the Study, the proposed water user rates are needed to provide sufficient funding for increased operation and maintenance costs, such as electrical power and chemicals, ensuring compliance with existing and future state and federal regulations, repayment of internal financing to close a structural operating deficit, and payment of a portion of the debt service for the Gravity Supply Line (GSL) capital project.

The following tables list the current and proposed rates for the following three years. The proposed average rate increase for metered users would be 7.5% effective July 1, 2010. There would be a further 7% rate increase effective July 1, 2011, and another 7% rate increase effective July 1, 2012. Also shown is how such rates would affect a typical single-family customer in the CAWP Retail Water District.

\* One unit is 748 gallons  
A CCF is one unit

Avg. Percent Rate Increase -->	Current Water Rates	Proposed Water Rates		
		July 1, 2010	July 1, 2011	July 1, 2012
		7.5%	7%	7%
Plus Per Unit Charge (1-20 units) *	\$ 2.08/CCF	\$ 2.24/CCF	\$ 2.40/CCF	\$ 2.55/CCF
Plus Per Unit Charge (21+ units) *	\$ 3.12/CCF	\$ 3.35/CCF	\$ 3.60/CCF	\$ 3.85/CCF
Monthly Service charge 5/8" or 3/4"	\$ 33.75	\$ 36.30	\$ 38.85	\$ 41.55
Monthly Service charge 1"	\$ 73.50	\$ 79.00	\$ 84.55	\$ 90.45
Monthly Service charge 1 1/2"	\$ 139.80	\$ 150.25	\$ 160.75	\$ 172.00
Monthly Service charge 2"	\$ 219.30	\$ 235.75	\$ 252.25	\$ 269.90
Monthly Service charge 3"	\$ 431.35	\$ 463.70	\$ 496.15	\$ 530.90
Monthly Service charge 4"	\$ 669.90	\$ 720.10	\$ 770.50	\$ 824.45
Monthly Service charge 6"	\$ 1,332.55	\$ 1,432.50	\$ 1,532.75	\$ 1,640.00

**Monthly Water Rate Impacts for Typical Single Family Customers**

	Service Charge +6 Units Winter	Service Charge + 19 Units Summer	Service Charge + 12 Units Average
Current	\$ 46.23	\$ 73.27	\$ 58.71
FY 2010-11	\$ 49.74	\$ 78.86	\$ 63.18
FY 2011-12	\$ 53.25	\$ 84.45	\$ 67.65
FY 2012-13	\$ 56.85	\$ 90.00	\$ 72.15

**Consideration of Comments**

At the public hearing on Thursday, July 1, 2010, at 6:30p.m, the Board of Directors will consider all comments and objections, if any, to the proposed water rate increases. The public hearing is intended to provide an opportunity for CAWP Retail Water District customers to obtain more information about the proposed rate increases. Any person interested, including all persons owning property served by the CAWP Retail Water District, may appear and be heard as to whether the proposed rates are discriminatory or excessive, or will not be sufficient under Government Code Section 54515, or will not comply with any other provision of Government Code Sections 54300, et seq., or will not be sufficient under the provisions or covenants of any outstanding revenue bonds of the Amador Water Agency payable from the revenues of the Amador Water Agency, or any other matter relating to the rates proposed herein. Delinquent rates and penalties when recorded as provided in Government Code Sections 54340, et seq. shall constitute a lien upon the real property served. Written comments should be addressed to: Board of Directors, Amador Water Agency 12800 Ridge Road, Sutter Creek, CA 95685 and should be received by the close of the public hearing. All documents supporting the rate increases are on file at the Agency office and are available for public review. Any questions regarding the information in this notice may be directed to the Amador Water Agency Offices at (209) 223-3018.

**Protest Procedures**

In addition, under Proposition 218, if you are the owner of record for a parcel or parcels served by the CAWP Retail District or a tenant/property manager directly responsible for payment of the water rates subject to the proposed increases, you may submit a written protest letter regarding the proposed increases. Protests must be in writing and filed with the Agency. The protest may be filed with the Agency at any time before the close of the public hearing. Written protests may be mailed or hand-delivered to the Agency at the address noted above, but all protests must be received prior to the close of the public hearing. Any written protest must be signed by the property owner or the customer responsible for payment of the water rates; and it must include the service address or assessor's parcel number (APN). Only one protest may be filed per parcel.

# ATTACHMENT "G"

## RESOLUTION NO. 2012-18

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY ADOPTING AMENDED NOTICE, HEARING, AND PROTEST PROCEDURES FOR COMPLIANCE WITH PROPOSITION 218

WHEREAS, California Constitution Article XIID, Section 6, added by Proposition 218, sets forth the procedural and substantive requirements relating to the adoption and increase of property-related fees and charges ("Section 6");

WHEREAS, the water and sewer rates and charges of the Amador Water Agency ("Agency") are property-related fees or charges subject to certain procedural and substantive requirements set forth in Section 6;

WHEREAS, the notice, hearing, and protest requirements set forth in Section 6 do not provide sufficient detail regarding the provision of such notice and the conduct of such hearing and protest;

WHEREAS, pursuant to Resolution No. 2012-04, the Agency Board of Directors ("Board") adopted notice, hearing, and protest procedures pursuant to Section 6 ("Proposition 218 Procedures") to provide greater clarity regarding Section 6's requirements, inform property owners and Agency water and sewer customers of the proper procedures relating to the imposition and increase of water and sewer rates and charges, and protect the integrity of the Agency's rate-setting processes; and

WHEREAS, the Agency Board now desires to amend its Proposition 218 Procedures in certain particulars.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Amador Water Agency as follows:

**1. Adoption of Procedures.** The Board hereby adopts these amended notice, hearing and protest procedures to govern Agency proceedings for the consideration and approval of water and sewer rates and charges imposed on Agency water and sewer service customers. In adopting this resolution, it is the Board's intention to adopt procedures that are consistent with and fairly implement Section 6. It is not the intention of the Board to vary in any way the requirements of the California Constitution, the Proposition 218 Omnibus Implementation Act (commencing with West's Annotated Government Code section 53750), the Amador Water Agency Act (commencing with Water Code Appendix section 95-1), or any other federal or state law. If there is any inconsistency between a provision of this resolution and a requirement of federal or state law, the federal or state law shall govern.

**2. Notice, Hearing, and Protest Procedures.** These notice, hearing and protest procedures are adopted for the purpose of assuring compliance with the requirements

of Section 6 and in furtherance of providing notice to interested persons as to the procedures the Board intends to follow with respect to the (i) identification of parcels required to receive the public hearing notice; (ii) mailing of the public hearing notice; (iii) filing of written protests; (iii) conduct of the public hearing; and (iv) counting of written protest forms following the close of the public hearing to determine whether a majority protest exists.

(a) Identified Parcels Subject to Water and Sewer Rates and Charges. Section 6(a)(1) requires the Agency to identify "the parcels upon which a fee or charge is proposed for imposition" (the "Identified Parcels"). Section 6 does not provide further guidance as to whether "parcels upon which a fee or charge is proposed for imposition" means only those parcels currently receiving water and/or sewer service from the Agency, or includes all parcels within the Agency's service area to which water and/or sewer charges may be applied in the future. The California Supreme Court stated in *Bighorn Desert View Water Agency v. Verjil* (2006) 39 Cal.4th 205, 217 that "once a property owner or resident has paid the connection charges and has become a customer of a public water agency, all charges for water delivery incurred thereafter are charges for a property-related service ...." For purposes of identifying parcels on which a property-related service charge is proposed for imposition, this language suggests that only parcels actually receiving water and/or sewer service from the Agency currently should be identified. With respect to a parcel that may receive water and/or sewer service in the future, the owner of that parcel may voluntarily accept the water and/or sewer charges as they then exist when the owner or the tenant of that parcel begins receiving water and/or sewer service from the Agency. Further, Government Code section 53755 authorizes an agency to provide notice of a proposed increase of an existing charge for a property-related service being provided to a parcel by including the charge in the agency's regular billing statement to the address to which the agency customarily mails the billing statement (i.e., mailed only to current water and/or sewer users). Section 53755 thus supports the conclusion that the only persons entitled to notice are owners and tenants of the parcels that currently receive water and/or sewer service from the Agency or have informed the Agency that they wish to receive any such service. Therefore, for purposes of Section 6(a)(1), the Identified Parcels shall include (i) parcels that currently receive the service to which the proposed rates and charges apply, plus (ii) any additional parcels that, at the time of mailing the notice described in subsection (b) below, have applied for such service.

(b) Recipients of the Section 6 Notice.

(1) Section 6(a)(1) provides that the Agency "shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition." Government Code section 53750(j) defines "record owner" to mean "the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the agency." Therefore, the written notice required under Section 6(a)(1) ("Section 6 Notice") shall be provided by

mail to the owner of an Identified Parcel, described in subsection (a) above, whose name and address appears on the last equalized secured county property tax assessment roll (the "Assessment Roll") or, in the case of a government-owned parcel, to the representative of that government agency at the address of that entity known to the Agency.

(2) California Constitution article XIII D, section 2(g) defines "property ownership" to include "tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question." Such definition raises the issue of whether tenants also are entitled to receive the Section 6 Notice. In tenant situations, the water and/or sewer charge billing statement may be, and often is, paid by the tenant even though the property owner remains primarily liable for the water and/or sewer charges. The Agency intends to continue this practice. Tenants that are listed as customers of the Agency may be directly liable to pay the water and/or sewer charges. Therefore, tenants of Identified Parcels, if they are customers, shall receive the Section 6 Notice. In addition to mailing the Section 6 Notice to the record owner of each Identified Parcel, such notice shall be mailed by the Agency to the tenant or customer address to which the Agency customarily mails the billing statement as shown on the Agency's billing records.

(c) Contents of the Section 6 Notice. Each mailed Section 6 Notice shall contain all of the following:

(1) A protest form bearing the name of the record owner and/or tenant of the Identified Parcel, that parcel's Assessor Parcel Number ("APN"), the street address of the Identified Parcel and the customer account number.

(2) A reference to the filing of any rate study with the Board and information about where any such rate study and related materials may be reviewed and obtained.

(3) The date, time and place of a public hearing before the Board at which the Board shall consider the proposed water or sewer rates and charges, receive and consider public comments and protests, and consider adoption of the proposed water or sewer rates and charges ("Public Hearing").

(4) The amount of the proposed water or sewer rates and charges to be imposed upon the Identified Parcel covered by the Section 6 Notice with the rates and charges presented so as to allow the property owner or tenant to determine the expected or estimated amount chargeable to the owner's particular Identified Parcel.

(5) The basis upon which the amount of the proposed water or sewer rates and charges were calculated; and an explanation of the reasons for the proposed rates and charges.

(6) Such other information as determined by the General Manager.

(d) Mailing of Section 6 Notice. The General Manager or his or her designee shall mail the Section 6 Notice in accordance with this resolution at least 45 days prior to the Public Hearing date. A Section 6 Notice also shall be mailed to any interested party who has filed a written request with the Agency for mailed notice of Board hearings on new or increased fees and charges. The General Manager or his or her designee shall certify the proper mailing of the Section 6 Notice by declaration, which shall constitute conclusive proof of mailing in the absence of fraud. Failure of any person to receive such notice shall not invalidate the proceedings with respect to the adoption and imposition of the proposed water or sewer rates and charges.

(e) Filing a Written Protest. Section 6(a)(2) provides that: "At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge." The following rules shall govern the Agency in accepting and evaluating written protests:

(1) The Agency shall provide with the mailed Section 6 Notice a protest form bearing the name of the record owner and/or tenant of the Identified Parcel, that parcel's APN, the street address for the Identified Parcel, and the customer account number. The Agency shall provide only one protest form for each Identified Parcel. Any property owner or tenant of an Identified Parcel who objects to the Board's adoption of the proposed water or sewer rates and charges and the imposition of such charge on the Identified Parcel must complete the protest form or other protest form containing the information described in the first sentence of this subsection 2(e)(1) ("Substantially Similar Protest Form"), and return it to the Agency prior to the close of the Public Hearing. If the protest form provided by the Agency is lost or misplaced, the owner or tenant of the Identified Parcel may contact the Agency for a replacement form.

(2) The Assessment Roll shall be presumptive evidence of ownership of an Identified Parcel for written protest purposes. If a person asserts that he, she or it is the owner of an Identified Parcel but is not shown as the owner on the Assessment Roll, then such person may seek to establish eligibility to file a written protest for such parcel by filing with the General Manager evidence of ownership. If the submitted evidence of ownership is satisfactory to the General Manager, then the Agency shall provide the person with a protest form containing the information described in subsection 2(e)(1) above. Any such evidence must be received by the General Manager prior to the close of the Public Hearing.

(3) When an Identified Parcel is held by a partnership, as community property, in joint tenancy, or as a tenancy in common, any partner, spouse, joint tenant, or tenant in common, as the case may be, may file the written protest for such parcel by completing the Agency-provided protest form or a Substantially Similar Protest Form.

(4) When an Identified Parcel is held by a corporation, company, unincorporated association, or local government agency, a written protest may be filed by resolution of the board of directors or other governing board, by the chief executive officer of the

entity, or by any other person authorized in writing by the board of directors or trustees or other governing board to take such actions. If the protest is filed by a person other than the chief executive officer on behalf of the entity, then the corporation, unincorporated association or local government agency must file written authorization satisfactory to the General Manager. Any such written authorization must be filed with the General Manager prior to the close of the Public Hearing.

(5) Government Code section 53755(b) states that “[o]ne written protest per parcel, filed by an owner or tenant of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge subject to the requirements of Section 6 ....” Based on this section, the Agency shall accept a protest form completed by an owner or a tenant, if the customer, of an Identified Parcel. The tenant must use the protest form provided by the Agency for the Identified Parcel or a Substantially Similar Protest Form; provided that if the tenant does not know the Assessor’s Parcel Number for the Identified Parcel, then the tenant instead may state on the Substantially Similar Protest Form the street address for the Identified Parcel and the customer account number. If the tenant is other than a natural person, then the rules above shall apply to determine the authority of a person to act on behalf of the tenant.

(6) Each protest form submitted to the Agency must bear the original signature of the property owner or tenant or authorized representative. The completed protest form may be mailed or sent by other courier or delivery service to the General Manager (Amador Water Agency, 12800 Ridge Road, Sutter Creek, CA 95685), hand-delivered to the same address, or hand-delivered at the Public Hearing. A protest form delivered via e-mail or fax shall not be counted as a written protest for purposes of determining whether a majority protest exists. However, the Board may consider such e-mail or fax as comment in determining whether to approve the proposed water or sewer rates and charges.

(7) No completed protest form received by the Agency after the close of the Public Hearing shall be counted in determining the existence of a majority protest.

(8) A written protest may be withdrawn in writing at any time prior to the close of the Public Hearing by the person who submitted the protest form.

(9) All completed protest forms received by the Agency and not withdrawn prior to the close of the Public Hearing shall be considered public records.

(f) Conduct of the Public Hearing.

(1) At the time, date and place fixed for the Public Hearing, the Board shall hear a staff presentation pertaining to any applicable rate study and the proposed water or sewer rates and charges, hear all persons interested in the matter or any aspect of any such rate study or the proposed rates and charges, and receive all completed protest forms and other comments regarding the rate study and the proposed rates and

charges. The Public Hearing may be continued from time to time as determined by the Board. If it is not possible to tabulate all of the protests on the day of the Public Hearing, then the Public Hearing may be closed but action on the proposed water or sewer rates and charges shall be continued until after tabulation of the written protests is finished.

(2) If the Board determines, after the close of the Public Hearing, that written protests have been presented, and not withdrawn, by owners, tenants or authorized representatives of a majority of the Identified Parcels (i.e., there is a majority protest as determined pursuant to subsection (g)), the proposed water or sewer rates and charges shall not be approved.

(3) If the Board determines, after the close of the Public Hearing, that no majority protest exists, the Board may adopt the proposed water or sewer rates and charges or rates and charges that are lower than those proposed.

(g) Counting of Written Protests; Determination of Majority Protest.

(1) Written protests (as evidenced by completed Agency-provided protest forms or Substantially Similar Protest Forms) shall be reviewed and tabulated by the General Manager or his or her designee. The review and tabulation shall be in an open and public setting. Any interested member of the public may observe the tabulation process.

(2) The Agency shall not count a protest that (i) is not on the Agency-provided protest form or a Substantially Similar Protest Form; (ii) is not signed by the property owner, tenant or authorized representative; and (iii) is not from an owner or tenant of an Identified Parcel. The cause for the rejection of a written protest shall be written on the face of the protest form.

(3) For purposes of determining whether a majority protest exists, only one completed Agency-provided protest form or a Substantially Similar Protest Form per Identified Parcel shall be counted in accordance with Government Code section 53755(b). In order to be counted in determining whether a majority protest exists, a completed protest form must be timely received by the Agency in accordance with subsection (e).

(4) A completed protest form from any person having an ownership or tenancy interest or representing a person having such an interest in an Identified Parcel will result in having that Identified Parcel counted among the Identified Parcels for which a written protest has been received, irrespective of the possibility that one or more other persons having an ownership or tenancy interest in the same Identified Parcel do not join in such written protest.

(5) In calculating the majority protest, the numerator shall be the number of proper and timely written protests (one protest per Identified Parcel) and the

denominator shall be the total number of Identified Parcels (determined pursuant to subsection (a).) If the calculated percentage is greater than fifty percent (50%), then a majority protest exists. If the calculated percentage is fifty percent (50%) or less, then there shall not be a majority protest.

**3. Effective Date of Resolution; Amendment.** This resolution shall take effect immediately upon its adoption and supersedes Board Resolution No. 2012-04. These procedures may be amended from time to time by subsequent resolution of the Board.

**4. Severability.** If any provision of this resolution or application thereof to any person or circumstances is held invalid, no other provision of this resolution shall be affected thereby.

**5. Inconsistency.** To the extent that the terms and provisions of this resolution may be inconsistent or in conflict with the terms or conditions of any prior ordinance, resolution, rule or regulation, the terms of this resolution shall prevail and any such inconsistent and conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed.

The foregoing Resolution was duly passed and adopted by the Board of Directors of the Amador Water Agency at a regular Board meeting held this 26th day of July, 2012, by the following vote:

AYES: Directors Manassero, Molinelli, Toy, Farrington and Thomas  
NOES:  
ABSENT:  
ABSTAIN:

  
\_\_\_\_\_  
Gary Thomas, President  
Board of Directors

Attest:   
\_\_\_\_\_  
Cris L. Thompson  
Clerk of the Board of Directors

**BARTKIEWICZ, KRONICK & SHANAHAN**

PAUL M. BARTKIEWICZ  
STEPHEN A. KRONICK  
RICHARD P. SHANAHAN  
ALAN B. LILLY  
RYAN S. BEZERRA  
JOSHUA M. HOROWITZ  
KATRINA C. GONZALES

A PROFESSIONAL CORPORATION  
1011 TWENTY-SECOND STREET  
SACRAMENTO, CALIFORNIA 95816-4907  
TEL. (916) 446-4254  
FAX (916) 446-4018  
E-MAIL [bks@bkslawfirm.com](mailto:bks@bkslawfirm.com)

JAMES M. BOYD, JR., Of Counsel

June 12, 2012

Timothy A. Bittle  
Director of Legal Affairs  
Howard Jarvis Taxpayers Association  
921 11<sup>th</sup> Street, Suite 1201  
Sacramento, California 95814

Re: Amador Water Agency Resolution No. 2012-04

Dear Mr. Bittle,

I received your letter dated March 20, 2012, concerning the Amador Water Agency Board of Directors' adoption of Resolution No. 2012-04. My office serves as general counsel to the Agency, and the Board has asked me to respond to your concerns regarding Resolution No. 2012-04's requirement that Agency-provided protest forms be used in order for written protests to be counted in determining whether a majority protest exists for purposes of section 6(a)(2) of article 13D of the California Constitution.

As you are aware, section 6(a)(2) of article 13D the California Constitution requires the Agency Board to "consider all protests" against a new or increased water or sewer charge, and prohibits the Agency from imposing such new or increased charge if "written protests against the proposed fee or charge are presented by a majority of owners" of the parcels on which the Agency seeks to impose the new or increased water or sewer charge. Government Code section 53755(b) further clarifies that "one written protest per parcel, filed by the owner or tenant of the parcel, shall be counted in calculating a majority protest to a proposed new or increased fee or charge." However, neither section 6 of the California Constitution nor the Proposition 218 Omnibus Implementation Act (Government Code sections 53750 – 53756) provides any specific guidance on how such written protests should be formatted, submitted or tabulated.

To make it easier for the Agency's customers to protest new or increased charges and to ensure that only one written protest per parcel is counted in calculating a majority protest, the Agency has decided to provide, to each parcel owner and tenant affected by a proposed new or increased charge, a protest form bearing the name of the parcel owner and/or tenant and the associated Assessor's Parcel Number. Using this form also would streamline the hearing and protest proceedings for proposed water and sewer charges by negating the need for Agency staff to determine whether each written protest submitted to the Agency is valid (i.e., whether the person submitting the protest is the owner or tenant of a parcel and whether the parcel has been

10/L051512kcg

Timothy A. Bittle  
June 12, 2012  
Page 2

identified as one of the parcels on which the Agency proposes to impose the new or increased fee).

Your letter states that requiring each person to use only the Agency-provided form places “an unreasonable burden on the right to petition.” We disagree with this contention. Individuals who desire to defeat a proposed charge are not precluded from soliciting support from others and appearing at the public hearing to voice their objections. As stated in Resolution No. 2012-04, the Board “shall hear . . . all persons interested in the matter . . . and receive all completed [Agency-provided] protest forms and other comments” regarding the proposed new or increased charges. Nothing prevents any individual, whether he or she is affected by a proposed charge or not, from making comments and submitting petitions for the Board’s consideration at the public hearing.

Your letter also raises the concern that Agency customers who cannot read, or cannot read English, would be denied their right under section 6(a)(2) of article 13D of the California Constitution. We disagree with this assertion. If, in your example, an individual who could not read, or could not read English, submitted a protest “by some other means” to the Agency, then that person clearly understood, based on the information contained in the Agency’s notice, that he or she had the right to protest in the first place. A person who is able to submit a protest “by some other means” also would have comprehended, based on the information contained in that same notice, that the proper method for protesting the proposed charge was by completing the enclosed protest form and submitting it to the Agency. Moreover, Agency customers who have questions regarding the notice may contact Agency staff for assistance. While the Agency is committed to ensuring that its customers are well-informed and are able to participate fully in the Agency’s rate-setting procedures, the Agency is not aware of any constitutional or statutory obligation to provide Proposition 218 notices for property-related fees and charges in languages other than English.<sup>1</sup>

The notion that the Agency somehow will inhibit the ratepayers’ ability to grant or withhold their consent by requiring that they use an Agency-provided protest form is unpersuasive when other provisions of article 13D of the California Constitution are taken into account. For example, section 4(d) of this same article provides that a local agency proposing to levy a new or increased assessment must include in each notice mailed to owners of identified parcels (i.e., parcels which will receive a special benefit and on which the proposed assessment will be imposed) “a ballot which includes the agency’s address for receipt of the ballot once completed by the owner” and “whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.” This provision was added to the California Constitution by Proposition 218, and also is aimed towards protecting taxpayers. We see no meaningful distinction between section 4(d)’s requirement that parcel owners use the mailed ballot provided by a local agency for proposed assessments and Resolution No. 2012-04’s requirement that parcel owners use the Agency-provided protest form. Indeed, Resolution No. 2012-04 was adopted not only to provide information to the Agency’s customers of the proper procedures relating to the imposition and

---

<sup>1</sup> The Proposition 218 Omnibus Implementation Act does provide that with respect to proposed new or increased assessments, which require an agency to conduct mailed ballot proceedings, the agency proposing the new or increased assessment may place on the face of the envelope containing the required notice the phrase “OFFICIAL BALLOT ENCLOSED” in a language or languages other than English. (Sec Gov. Code, § 53753(b).)  
10/L051512keg

Timothy A. Bittle  
June 12, 2012  
Page 3


increase of water and sewer charges, but also to assure compliance with Proposition 218's requirements.

I intend to telephone you to discuss the above matters and seek resolution of your concerns. Thank you for your consideration of this matter.

Sincerely,

  
STEPHEN A. KRONICK

SAK:tmo

cc: Gene Mancebo   
Board of Directors, Amador Water Agency

10/L051512keg

# ATTACHMENT "H"

ORDINANCE NO. 2012-1

## AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY CONCERNING THE PROPOSED COMMUNITY FACILITIES DISTRICT FOR THE AMADOR WATER SYSTEM

Be it ordained by the Board of Directors of the Amador Water Agency as follows:

### SECTION ONE. RECITALS.

- A. The Board of Directors of the Amador Water Agency ("Agency") is proposing the formation of a community facilities district pursuant to Government Code Sections 53311, et seq. in connection with the Agency's Amador Water System ("AWS CFD").
- B. The Agency Board intends that the AWS CFD will be comprised solely of unimproved lands that could be served by the Amador Water System ("AWS"), and that a special tax be imposed on such lands, the revenue from which will be used to (1) pay a portion of the debt service in connection with the certificates of participation issued in 2006 ("2006 Series A COP") in order to construct the Amador Transmission Project ("ATP") ("ATP Special Tax"); and (2) finance certain initial improvements to the AWS Tanner and Ione water treatment plants ("Phase I Water Treatment Plant Improvements"), which will provide additional treatment plant capacity in order to serve the lands subject to the special tax ("Water Treatment Plant Special Tax").
- C. The Agency Board of Directors desires to establish certain policies and procedures in furtherance of the formation of the AWS CFD, the financing of the public improvements addressed in the AWS CFD, and the special tax to be levied therein.

### SECTION TWO. AWS CFD POLICIES AND PROCEDURES.

- A. The following applies for the period of time that the ATP Special Tax is authorized to be levied, or June 30, 2037, whichever is later. If a property owner applies to the Agency for water service or a will serve commitment pursuant to the Agency Water Code in connection with all or a portion of the property upon which the ATP Special Tax or the Water Treatment Plant Special Tax is levied, then such application shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or water treatment plant capacity, as applicable; provided that the number of EDUs for which service or a commitment is requested does not exceed the number of EDUs used to calculate the ATP Special Tax or Water Treatment Plant Special Tax, as applicable, levied on the property at the time of the application; and provided further that the property owner is not delinquent at the time of the application in the payment of any applicable special tax levied on the property subject to the application as provided in Section B below.

B. If a property owner fails to timely pay any special tax levied pursuant to the AWS CFD and does not cure such failure within 60 days from the date of the Agency's notice set forth in the succeeding sentence, then the special tax payment shall be deemed delinquent for purposes of this Ordinance. The Agency shall provide the property owner with written notice of any late payment and the right to avoid any delinquency by making the payment within 60 days from the date of the Agency's notice.

C. For those lands included within the AWS CFD, that portion of the AWS participation fee associated with the ATP will not be imposed in connection with the AWS participation fees required of the owners of such lands.

D. For those lands included within the AWS CFD and upon which the Water Treatment Plant Special Tax is imposed, the portion of the AWS participation fee to be paid in connection with such lands and associated with water treatment plant capacity shall be limited to a proportionate share of the costs of the Phase I Water Treatment Plant Improvements based on the ratio of the number of EDUs proposed for such land to the total number of EDUs that can be served by such improvements. The total amount of the Water Treatment Plant Special Tax to be paid for lands covered by an application for service or a will serve commitment shall be applied against that portion of the AWS participation fees owing for such lands in connection with the Phase I Water Treatment Plant Improvements.

E. The credits against the payment of AWS participation fees addressed in Sections C and D above shall be effective only if the property owner is not delinquent in the payment of the applicable special taxes as provided in Section B above. If the delinquency is not cured at the time of application for service or for a will serve commitment, then the amount of any ATP Special Tax and Water Treatment Plant Special Tax previously paid with respect to the property subject to such application shall be credited against the applicable AWS participation fees then required to be paid in connection with such application.

SECTION THREE. EFFECTIVE DATE.

This Ordinance shall take effect only upon the effective date of the formation of AWS CFD, but no earlier than 30 days after the Ordinance's final passage.

SECTION FOUR. PUBLICATION.

The Clerk of the Board of Directors is directed to publish this Ordinance once with the names of the members voting for and against the Ordinance, in a newspaper published within the Agency's boundaries within 15 days after the adoption of this Ordinance.

SECTION FIVE. INCONSISTENCY.

To the extent that the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or provisions of any prior Agency ordinances, resolutions, rules or regulations governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof, and such inconsistent or conflicting provisions of prior ordinances, resolutions, rules or regulations are hereby repealed.

**SECTION SIX.      INVALIDITY.**

If any provision of this Ordinance or application thereof to any person or circumstance is held invalid, no other provisions of this Ordinance shall be affected thereby; provided that if any provision of this Ordinance is invalidated, the Agency will use its best efforts to adopt an ordinance that maintains the full force and effect of this Ordinance.

INTRODUCED by the Board of Directors of the Amador Water Agency on the 12th day of April, 2012.

PASSED AND ADOPTED by the Board of Directors of the Amador Water Agency on the 26th day of April, 2012, by the following vote:

AYES:           Directors Toy, Molinelli, Manassero, Farrington, and Thomas

NOES:

ABSTAIN:

ABSENT:

  
\_\_\_\_\_  
President, Board of Directors

Attest:

  
\_\_\_\_\_  
Clerk of the Board of Directors

RESOLUTION NO. 2012-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
AMADOR WATER AGENCY DECLARING INTENTION  
TO ESTABLISH A COMMUNITY FACILITIES DISTRICT

AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)

**RESOLVED** by the Board of Directors (the "Board") of the Amador Water Agency (the "Agency"), County of Amador, State of California, that:

**WHEREAS**, under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311 of the California Government Code, this Board is authorized to establish a community facilities district and to act as the legislative body for such community facilities district; and

**WHEREAS**, the Board having received a petition of one hundred percent of the property owners in the proposed community facilities district requesting that the Agency initiate proceedings for the establishment of a community facilities district pursuant to the Act, for the purposes of paying the costs of facilities ("Facilities") to be provided by the Agency as authorized to be financed pursuant to Sections 53313 and 53313.5 of the California Government Code that are necessary to meet increased demands placed upon the Agency as a result of the development of said real property (the "Property"), and agreeing to the Facilities to be provided by the Agency and the costs incidental thereto; and

**WHEREAS**, the Clerk of the Board of Directors of the Amador Water Agency has certified that the Petition, Consent and Waiver presented to the Board complies with the requirements of Sections 53318 and 53319 of the California Government Code; and

**WHEREAS**, the Agency desires to proceed with the establishment of a community facilities district in order to finance (1) a portion of the annual debt service on the 2006 Series A Amador Water System Certificate of Participation ("COP") which financed the construction of the Amador Transmission Project; (2) the initial improvements to the Amador Water System Tanner and Ione water treatment plants, which will provide additional treatment plant capacity in order to serve the properties subject to the special tax, as such facilities are defined as the Phase I Water Treatment Plant Improvements in Agency Ordinance No. 2012-1; and (3) all incidental expenses of the Agency to determine, levy and collect the special taxes as determined by the Agency; and

**WHEREAS**, Board adopted Ordinance No. 2012-1 on April 26, 2012 ("Ordinance") establishing certain policies and procedures in furtherance of the formation of the CFD, the financing of the public improvements addressed in the CFD, and the special tax to be levied therein.

NOW, THEREFORE, BE IT RESOLVED, as follows:

**Section 1. Authority.** This Board proposes to conduct proceedings to establish a community facilities district pursuant to the Act.

**Section 2. Boundaries Described.** The proposed boundaries of the CFD are as shown on the map on file with the Board Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The Board Clerk is hereby directed to record, or cause to be recorded, said map of the boundaries of the CFD in the Office of the County Recorder of Amador County within fifteen days of the date of adoption of this Resolution, but in any event at least fifteen days prior to the public hearing specified in Section 7 below.

**Section 3. Name of CFD.** The name proposed for the community facilities district is the Amador Water Agency Community Facilities District No. 1 (Amador Water System) (the "CFD").

**Section 4. Facilities.** The type of facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities on Exhibit A – Description of Facilities to Be Financed by the CFD hereto and hereby incorporated herein (the "Facilities").

**Section 5. Special Tax.** A special tax (the "Special Tax") sufficient to pay for the Facilities, secured by recordation of a continuing lien against all nonexempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Board or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay are described in Exhibit B – Rate and Method of Apportionment of Special Tax attached hereto and hereby incorporated herein (the "RMA").

**Section 6. Adjustments in Property Taxation.** This Board hereby finds that the provisions of Sections 53313.6, 53313.7 and 53313.9 of the Act relating to adjustments to ad valorem property taxes and schools financed by a community facilities district are inapplicable to the proposed CFD.

**Section 7. Public Hearing.** On August 20, 2012 at 9 a.m. or as soon as possible thereafter, in the Agency Boardroom, located at Amador Water Agency, 12800 Ridge Road, Sutter Creek, California, this Board, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax. The Clerk of the Board is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least seven days before the date of the public hearing referenced herein. The notice shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

**Section 8. Special Tax Report.** The Agency General Manager, as the officer having charge and control of the Facilities in and for the CFD, or the designee of such official, is hereby directed to study said proposed Facilities and to make, or cause to be made, and file with the Board Clerk a report in writing (the "Special Tax Report") presenting 1) a description of the Facilities by type which will be required to adequately meet the needs of the CFD; and 2) an estimate of the fair and reasonable cost of the Facilities including the cost of incidental expenses in connection therewith. The Special Tax Report shall be made a part of the record of the public hearing specified in Section 7.

**Section 9. Election.** The levy of the Special Tax shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

**PASSED AND ADOPTED** by the Board of Directors of Amador Water Agency at a meeting of said Board held on the 26<sup>th</sup> day of July, 2012, by the following vote:

AYES: Directors Toy, Manassero, Thomas, and Molinelli  
NOES: Director Farrington  
ABSENT:  
ABSTAIN:

  
\_\_\_\_\_  
Gary Thomas, President

ATTEST:

  
\_\_\_\_\_  
Cris Thompson, Clerk of the Board

**EXHIBIT A**

**DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

The facilities described below are proposed to be financed by Community Facilities District No. 1 (the "CFD") of the Amador Water Agency (the "Agency") for the Amador Water System ("AWS"):

The types of facilities to be financed by the CFD ("Facilities") shall include a) a portion of the annual debt service costs on the 2006 Series A Amador Water System Certificate of Participation ("COP") which financed the construction of the Amador Water System Transmission Project; b) the initial improvements to the AWS Tanner and Ione water treatment plants, which will provide additional treatment plant capacity in order to serve the properties subject to the special tax as such facilities are defined as the Phase I Water Treatment Plant Improvements in Agency Ordinance No. 2012-1; and c) all incidental expenses incurred by the Agency to determine, levy and collect the special taxes as determined by the Agency.

**EXHIBIT A**

EXHIBIT B

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)

A special tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 1 (the "CFD") of the Amador Water Agency (the "Agency") shall be levied and collected according to the tax liability determined by the Agency through the application of the appropriate amount or rate, as shown below.

A. DEFINITIONS

**"Acre" or "Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, or other condominium plan, or functionally equivalent map or instrument recorded in the Office of the Amador County Recorder.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended, which authorizes the establishment of the CFD to finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer or to finance planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property.

**"Administrative Expenses"** means the actual or estimated costs incurred by the Agency to determine, levy and collect the special taxes, including the proportionate amount of the salaries and benefits of Agency employees whose duties are directly related to administration of the CFD, the fees of the special tax levy administrator, other consultants and legal counsel, the costs of collecting installments of the special taxes upon the County tax rolls or by any other lawful means, and any other incidental costs as determined by the Agency.

**"Agency"** means the Amador Water Agency.

**"Annual Special Tax"** means the annual special tax, determined in accordance with Sections D and J below, to be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

**"Assessor's Parcel" or "Parcel" or "Property"** means a parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number or a legally created lot not yet assigned a parcel number or a legal parcel with multiple Assessor's Parcel Numbers assigned thereto.

EXHIBIT B

**“Assessor’s Parcel Map”** means an official map of the Assessor of Amador County designating parcels by Assessor’s Parcel Number.

**“ATP Special Tax”** means the portion of the Annual Special Tax used to pay debt service in connection with the certificates of participation issued in 2006 (“2006 Series A COP”) in order to construct the Amador Water System Transmission Project (“ATP”).

**“Base Year”** means the Fiscal Year ending June 30, 2013.

**“Board”** means the Board of Directors of the Amador Water Agency, acting as the legislative body of the Agency and the CFD.

**“Catch-Up Special Tax”** means the total amount of Annual Special Taxes that would have been paid for an EDU added to a Parcel or for a Parcel’s conversion to Taxable Property with Treatment Option from the inception of the CFD through the Fiscal Year prior to the Fiscal Year in which a new adjusted Annual Special Tax is levied against the Parcel for such added EDU or due to the conversion.

**“CFD”** means Community Facilities District No. 1 (Amador Water System) (“AWS”) of the Amador Water Agency.

**“CFD Administrator”** means an official of the Agency, or designee thereof, responsible for determining and providing for the levy and collection of the Annual Special Taxes.

**“Conditional Will Serve Commitment”** means a water will serve commitment issued by the Agency pursuant to the Agency Water Code, which provides that water service will be provided to the project addressed in the commitment letter subject to specified conditions.

**“COP”** means the 2006 Series A Certificate of Participation of the Agency related to the construction of the ATP.

**“County”** means the County of Amador, California.

**“Equivalent Dwelling Unit” or “EDU”** means the equivalent water usage for one 5/8 x 3/4 inch metered service connection.

**“Exempt Property”** means property as defined by Section E.

**“Facility Costs”** means costs related to 1) debt service in connection with the COP in order to construct the ATP; 2) the Phase I Water Treatment Plant Improvements, as defined in Agency Ordinance No. 2012-1; and 3) Administrative Expenses.

**“Final Will Serve Commitment”** means a final water will serve commitment issued by the Agency to an applicant pursuant to the Agency Water Code, which obligates the Agency to provide water service to the project covered by the commitment consistent with the terms of the commitment.

## EXHIBIT B

“**Fiscal Year**” means the period starting July 1 and ending the following June 30.

“**General Manager**” means the General Manager of the Agency.

“**Government Property**” means property owned by the state, federal or local government, including property that has been dedicated on a recorded final map to, but not yet accepted by, any such governmental entity for parks, roadways, utilities, drainage, open space or other such public use or purpose.

“**Implementation Agreement**” means that certain Implementation Agreement for Landowner’s Participation in Amador Water System Community Facilities District entered into between the Agency and owners of Property within the CFD.

“**Land Use Class**” means any of the classes listed in Section B.

“**Mitigated Property**” means one or more Parcels for which the Parcel owner(s) and the Agency have executed an agreement (“Mitigation Agreement”) by which the owner(s) agrees to provide for payment of full mitigation of the Parcel’s impact on Agency’s transmission and treatment facilities as specified in any future Mitigation Agreement. Parcels that become Mitigated Property shall be treated as exempt from the Annual Special Taxes thereafter, as described in Section E hereof.

“**Maximum Special Tax**” means the total amount of the Annual Special Taxes that can be levied on any Assessor’s Parcel in the CFD for the duration of the CFD, determined in accordance with Section C.

“**Related Properties**” means Assessor Parcels within the CFD that are owned by the same person or entity or by persons or entities who share ownership interests therein, as shown on the last equalized County Assessor’s roll; provided that the Assessor’s Parcels groupings listed on Exhibit A attached hereto are deemed Related Properties so long as the ownership of the Related Properties does not change from the inception of the CFD.

“**RMA**” means this Rate and Method of Apportionment of Special Tax.

“**State**” means the State of California.

“**Taxable Property**” means any Property that is not Exempt Property as defined in Section E.

“**Taxable Property without Treatment Option**” means any Taxable Property that 1) will not pay the Water Treatment Plant Special Tax; and 2) has not requested to be converted to Taxable Property with Treatment Option prior to May 1 preceding the Fiscal Year in which the Annual Special Tax is being levied.

“**Taxable Property with Treatment Option**” means any Taxable Property that will pay the Water Treatment Plant Special Tax as of May 1 preceding the Fiscal Year in which the Annual Special Tax is being levied.

## EXHIBIT B

“Water Treatment Plant Special Tax” means that portion of the Annual Special Tax used to finance certain initial improvements to the AWS Tanner and Ione water treatment plants, which will provide additional treatment plant capacity to serve the Parcels subject to the Annual Special Tax, as such improvements are more particularly defined in Agency Ordinance No. 2012-1 (“Water Treatment Facilities”).

## **B. CLASSIFICATION OF AND ASSIGNMENT OF EDUs TO PARCEL**

Each Fiscal Year, and using May 1 of the previous Fiscal Year as the date of classification, the Agency shall cause each Parcel in the CFD to be classified as Taxable Property with Treatment Option, Taxable Property without Treatment Option, or Exempt Property.

Similarly, each Fiscal Year, and using May 1 of the previous Fiscal Year as the date of assignment, for each Parcel in the CFD, the Agency shall confirm and/or adjust the EDUs assigned to such Parcel. For Taxable Property without a Conditional or Final Will Serve Commitment or a building permit, the Agency shall use the EDUs assigned thereto by the landowner in the Petition, Consent and Waiver delivered in connection with the inclusion of such Property into the CFD. For all other Taxable Property, the Agency shall use the EDUs assigned thereto by the Conditional or Final Will Serve Commitment or building permit. The initial EDU assignments shall be subject to adjustment as and when either the landowner requests additional EDUs to be allocated to the Parcel, or upon a subdivision, permitted transfer or issuance of a Conditional or Final Will Serve Commitment that triggers an adjustment in the number of EDUs assigned thereto.

Owner(s) of Related Properties may transfer the EDUs between such Related Properties, upon written notice to the CFD Administrator and General Manager of a request to transfer such EDUs. Any such requests received on or before May 1 will be effective for the next Fiscal Year. Similarly, upon any subdivision of any Property, the owner thereof may notify the CFD Administrator and General Manager of its proposed assignment of the EDUs for such Property to the Parcels created by such subdivision, including any assignments of zero EDUs to Parcels dedicated on a recorded final map for public or quasi-public use. Such notice shall occur on or before the date of recording the final map for such subdivision. Once EDUs have been utilized for a Parcel, they cannot be transferred. When a final map is recorded, no transfers of EDUs shall be made with respect to residential subdivisions; and at all times there shall be assigned to each parcel at least one EDU, except as specifically allowed herein.

## **C. TOTAL MAXIMUM SPECIAL TAX**

The total Maximum Special Tax for any Parcel shall be \$3,050.75 per EDU (\$1,550.75 for the ATP Special Tax component and \$1,500.00 for the Water Treatment Plant Special Tax component) for any Taxable Property with Treatment Option and \$1,550.75 per EDU for any Taxable Property without Treatment Option for the duration of the CFD as determined in accordance with Section F.

## **EXHIBIT B**

**D. CALCULATION OF THE ANNUAL SPECIAL TAX**

1. **Assignment of the Annual Special Tax.** Commencing with the Base Year, and for each subsequent Fiscal Year, the Board shall levy the Annual Special Tax on each Parcel based on the rates and schedule provided below and the provisions of this Section D.

<b>Annual Special Tax</b>		
<b>Land Use Classes</b>	<b>First 15 Fiscal Years (i.e. through 6/30/2027)</b>	<b>Next 10 Fiscal Years (i.e. through 6/30/2037)</b>
Taxable Property with Treatment Option	\$162.03 per assigned EDU	62.03 per assigned EDU
Taxable Property without Treatment Option	\$62.03 per assigned EDU	\$62.03 per assigned EDU
Exempt Property	\$0.00	\$0.00

2. **Calculation of New Adjusted Annual Special Tax.** Each Fiscal Year after the Base Year and upon triggering an event detailed in Section D.(3.) and / or Section D.4. prior to May 1 of a Fiscal Year, unless the owner elects to pay a Catch-Up Special Tax associated with such triggering event pursuant to Section D.5. below, a new adjusted Annual Special Tax for a Parcel shall be calculated and levied against the Parcel (or credited against the current Annual Special Tax, if negative) for the remaining duration of the Annual Special Tax. If the credit exceeds the current Annual Special Tax, the annual amount in excess thereof shall be creditable to other participation fees that may be required to be paid by or levied against the applicable Parcel.

- a. **A New Adjusted Annual Special Tax Upon Change in Number of EDUs for Parcel**

- i. **Taxable Property With Treatment Option**

For the Fiscal Year following a triggering event described in Section D.3. occurring before May 1 of such Fiscal Year, the new Annual Special Tax for a Parcel shall be based on the new number of EDUs assigned to the Parcel, plus an adjustment over the remaining Water Treatment Plant Special Tax and ATP Special Tax periods to recover such taxes on the additional EDUs that escaped taxation during the preceding years (or provide a credit for the prior years' levy of such taxes on the excess EDUs).

**EXHIBIT B**

This calculation is expressed by the following formula:

$$\text{NAST} = (\text{AST} \times \text{New Total Number of EDUs in Parcel}) + \text{R1} + \text{R2}$$

[Note: R1 is included in calculation only through 2027]

Where:

NAST is the New Annual Special Tax for the Changed Parcel  
AST is the Annual Special Tax (based on the table in Section D.1.)

$$\text{R1} = (\text{C} \times \$100 \times \text{PTY}) / \text{RTY2027}$$

Where:

C = Changed number of EDUs (positive or negative)  
PTY = Number of Prior Tax Years  
RTY2027 = Number of Tax Years Remaining through June 2027

$$\text{R2} = (\text{C} \times \$62.03 \times \text{PTY}) / \text{RTY2037}$$

Where:

C = Changed number of EDUs (positive or negative)  
PTY = Number of Prior Tax Years  
RTY2037 = Number of Tax Years Remaining through June 2037

As provided above, the numerator for R1 calculates the shortfall (or credit) in the annual Water Treatment Plant Special Taxes that would have been collected (or were collected) from inception of the CFD on the extra EDUs, and the denominator spreads this shortfall (or credit) over the remainder of the 15 years for the levy of the Water Treatment Plant Special Tax.

Similarly, as provided above, the numerator for R2 calculates the shortfall (or credit) in the ATP Special Taxes that would have been collected (or were collected) from inception of the CFD on the extra EDUs, and the denominator spreads this shortfall (or credit) over the remainder of the 25 years for the levy of the ATP Special Tax.

ii. **Taxable Property Without Treatment Option**

Use the same formula in i. above, but omit R1 from the calculation, since no adjustment for the collection of the Water Treatment Plant Special Tax is necessary.

$$\text{NAST} = (\text{AST} \times \text{New Total Number of EDUs in Parcel}) + \text{R2}$$

EXHIBIT B

**b. A New Adjusted Annual Special Tax Upon Conversion to Include Treatment Option**

$$\text{NAST} = (\$62.03 \times \text{NU}) + ((\$1,500 \times \text{NU})/\text{RTY2027})$$

Where:

NAST is the New Annual Special Tax for the Converted Parcel

NU = Number of EDUs in Parcel

RTY2027 = Number of Tax Years Remaining through June 2027

**c. A New Adjusted Annual Special Tax Upon Transfer of EDUs between Related Properties, With No Change in Total Number of EDUs Within Such Related Properties.**

Assuming transfers between two Parcels within Related Properties identified as P1 and P2 occurred prior to May 1 of the preceding Fiscal Year and the aggregate number of EDUs is unchanged, then the new Annual Special Tax for these two Parcels for the following fiscal years shall be as follows:

$$\text{NAST P1} = \text{AST} \times \text{NUP1}$$

$$\text{NAST P2} = \text{AST} \times \text{NUP2}$$

Where:

NAST P1 is the New Annual Special Tax for Parcel P1

AST is Annual Special Tax Pursuant to the Table in Section D.1. (Either With or Without Treatment Option)

NUP1 = New Number of EDUs in Parcel P1, After the Transfer

NAST P2 is the New Annual Special Tax for Parcel P2

NUP2 = New Number of EDUs in Parcel P2, After the Transfer

**d. A New Adjusted Annual Special Tax Upon Subdivision and Reallocation of EDUs within a Parcel**

If the total number of EDUs are unchanged following the subdivision of a Parcel, then the formula provided in Section D.2.c. above shall apply (i.e., the new Annual Special Taxes for each of the resulting, subdivided Parcels would be equal to the applicable AST times the number of EDUs allocated to each Parcel).

If the total, aggregate number of EDUs changes as a result of a subdivision, then before assigning the new Annual Special Taxes based on the EDU allocations to the subdivided Parcels, the new Annual Special Tax for the Parcel subdivided shall be recalculated based on the formula in subsection D.2.a. above, and then this aggregate revised Annual Special Tax shall be divided by the revised number of EDUs (to obtain a per EDU tax), and the revised Annual Special Tax then shall be determined for each of the subdivided Parcels based on the number of EDUs assigned to each such Parcel.

**EXHIBIT B**

3. **Trigger Events Related to Changes in Assigned EDUs.** Any one of the following events that occur prior to May 1 of a Fiscal Year after the Base Year that results in a change in the number of EDUs assigned to a Parcel shall trigger an adjustment of the Parcel's Annual Special Tax, as detailed in Section D.2. for such Parcel to become effective the following Fiscal Year and levied for the remaining duration of the Annual Special Tax.
  - a. A Conditional Will Serve Commitment is provided by the Agency for the Parcel.
  - b. A Final Will Serve Commitment is provided by the Agency for the Parcel.
  - c. The Agency receives written notification for additional EDUs to be assigned to a Parcel.
  - d. Exempt Property is converted to a Taxable Property.
  - e. Transfer of EDUs between Parcels within Related Properties.
  - f. 1001 Taxable Property is converted to Exempt Property.
4. **Conversion of a Taxable Property without Treatment Option to Taxable Property with Treatment Option Trigger Event.** Owners of Taxable Property without Treatment Option may opt to change the classification of a Property to Taxable Property with Treatment Option therefor by notifying the Agency in writing prior to May 1 of a Fiscal Year after the Base Year to become effective the following Fiscal Year; provided that there is treatment plant capacity available in the Phase I Treatment Plant Improvements to serve such Taxable Property; provided further that no such conversion shall be permitted after May 1 of 2026.
5. **Option to Pay Catch-up Special Tax Upon Triggering Event.** Upon any triggering event for a Parcel that increases the number of EDUs or converts the Parcel to Taxable Property with Treatment Option, the owner thereof may pay a Catch-Up Special Tax equal to the additional Annual Special Tax obligation that would have been paid for such Parcel from the inception of the CFD through the Fiscal Year prior to when the new adjusted Annual Special Tax for the Parcel commences had the associated increased number of EDUs or conversion to Taxable Property with Treatment Option occurred at the inception of the CFD. If the owner pays the Catch-Up Special Tax in the case where EDUs are added to a Parcel, then in the formula in Section D.2.a. above, the R1 and/or R2, as applicable, shall be deleted. If the owner pays the Catch-Up Special Tax in the case where the Parcel is converted to Taxable Property with Treatment Option, then in the formula in Section D.2.b. above, the amount of \$1,500 shall be reduced by the amount derived from multiplying \$100 times the number of years from the inception of the CFD through the Fiscal Year prior to the Fiscal Year in which the new adjusted Annual Special Tax is levied.

**EXHIBIT B**

6. **Minimum EDUs per Taxable Property.** In no circumstances shall a Taxable Property be assigned less than one EDU per Parcel, unless a Parcel is allocated zero EDUs by the owner due to a dedication of the Parcel on a recorded final map for a public or quasi-public use. If a Parcel is a legal parcel with multiple Assessor Parcel Numbers assigned thereto, the owner may allocate zero EDUs to some of the Assessor Parcel Numbers assigned to such Parcel, so long as the aggregate number of EDUs assigned to the Parcel, which in no event shall be less than one EDU, are allocated to the remaining Assessor Parcel Numbers assigned to such Parcel.
7. **Parcel Mergers or Splits.** In the event of a subdivision or merger of Parcel(s), unless the owner of the Parcel(s) notifies the Agency as to the proposed allocation of the EDUs between the Parcel(s), EDUs will be automatically reallocated proportionality to the new Parcels based on the number of acres in each new Parcel. To affect the Annual Special Tax levied against a Parcel in a Fiscal Year, the notice must be received by the Agency on or before May 1 of the prior Fiscal Year.

#### **E. EXEMPT PROPERTY**

1. **Government Property.** Government Property will not be taxed, except as follows:
  - a. In accordance with Section 53340.1 of the Act, if the public agency owning the Government Property, including property held in trust for any beneficiary, grants a leasehold or other possessory interest in the property to a nonexempt person or entity, the Special Taxes shall, notwithstanding Section 53340(c) of the Act, be levied on the leasehold or possessory interest and shall be payable by the owner of the leasehold or possessory interest.
  - b. In accordance with Section 53317.3 of the Act, if property is not otherwise exempt from the Special Taxes is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Taxes shall, notwithstanding Section 53340(c) of the Act, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property.
  - c. In accordance with Section 53317.5 of the Act, if property subject to a Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax shall be treated as if it were a special annual assessment. For this purpose, the present value of the obligation to pay the Special Taxes to pay the principal and interest on any indebtedness incurred by the Agency prior to the date of apportionment determined pursuant to Section 5082 of the Revenue and Tax Code shall be treated the same as a fixed lien special assessment.
2. **Mitigated Property.** Mitigated Property shall be deemed to have prepaid and permanently satisfied its Special Tax obligation pursuant to Government Code Section 53340(h) as of the final day of the Fiscal Year during which all amounts due under the Mitigation Agreement have been paid in full to the Agency and thereafter shall be treated as Exempt Property. Pursuant to Government Code Section 53344, the Agency shall

#### **EXHIBIT B**

record a Notice of Cancellation of Special Tax Lien in the office of the County Recorder on all Parcels comprising the Mitigated Property.

3. **Property with Zero EDU Allocation.** Any Parcel dedicated on a recorded final map for quasi-public use, such as private streets, parks, landscape and open space, may be allocated zero EDUs by the owner thereof upon any subdivision creating such Parcels. Also, any Parcel created by a recorded final map to which the Agency has not committed to serve pursuant to a final will serve commitment may be allocated zero EDUs by the owner thereof upon such subdivision. For any such Parcel allocated zero EDUs, the provisions of Sections K and L below shall not apply to the Parcel in the event the owner thereof ever applies for water service to the Parcel; and any such application for water service thereto would be subject to the Agency's Water Code provisions governing applications for service as of the time of such application as if such Parcel were not within the CFD. Any such Parcel(s) that are allocated zero EDUs shall be exempt from the Annual Special Tax. The owner of the Parcel shall notify the Agency in writing of any such allocation. The exemption shall take effect in the Fiscal Year following the Fiscal Year in which the notice is given if provided on or before May 1 of such Fiscal Year.

#### **F. DURATION OF THE SPECIAL TAX**

Taxable Property in the CFD shall remain subject to the Annual Special Tax until June 30, 2037. If the Agency refinances the COP, the amount of the Annual Special Tax and the duration of the Annual Special Tax shall remain unchanged.

Taxable Property in the CFD shall not be subject to the Annual Special Tax, and the Agency shall have no authority to levy the Annual Special Tax hereunder, if the Implementation Agreement related thereto is terminated or held to be unenforceable for any reason other than a default or breach of said Agreement by the owner of the Taxable Property.

If the Annual Special Tax ceases to be levied, the Agency or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Annual Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

#### **G. PREPAYMENT (PAYOFF) OF SPECIAL TAX**

The remaining Annual Special Taxes to be levied on a Taxable Property in the CFD may be prepaid and the obligation of the Taxable Property to pay any Annual Special Tax will thereby be extinguished. An owner of Taxable Property intending to prepay the remaining Annual Special Tax obligation shall provide the Agency (or the CFD Administrator) with written notice of intent to prepay and identify the company or agency that will be acting as the escrow agent, if any. The Agency shall provide such property owner with a statement of the prepayment amount for such Taxable Property within thirty (30) days of the request and may charge a reasonable fee for providing this service.

### **EXHIBIT B**

The prepayment amount shall be calculated as summarized below:

$$\text{Prepayment Amount} = \text{RST} + \text{F}$$

Where:

RST = Remaining Special Tax to be levied on the Parcel

F = Fees

“Fees” means the fees of the CFD, the Agency, the CFD Administrator and any consultants retained by the Agency in connection with the prepayment calculation.

In addition, any property owner prepaying its Annual Special Taxes must pay current and any delinquent Annual Special Taxes and penalties prior to prepayment.

#### H. APPEALS AND INTERPRETATION PROCEDURE

Any property owner who feels that any portion of the Annual Special Tax levied on a Parcel is in error may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred with the CFD Administrator, appealing the levy of the Annual Special Tax on the subject property. The CFD Administrator will promptly review the appeal, and, if necessary, meet with the appellant, and decide the merits of the appeal. If the findings of the CFD Administrator verify that the Annual Special Tax levied should be modified, the Annual Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Annual Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Annual Special Tax levies and/or credits against other participation fees payable by development of any overcharged Property or Related Property; no cash refunds shall be made, unless such refund is due to the mistake of the Agency or the CFD Administrator in causing the aggregate Annual Special Taxes to exceed the Maximum Special Tax and credits that could otherwise be provided cannot be used by the owner of the overcharged Property or any Related Property. Any dispute over the decision of the CFD Administrator, the General Manager or his or her designee shall be referred to the Board and the decision of the Board shall be final.

Interpretation may be made by resolution of the Board for purposes of clarifying any vagueness or uncertainty as it relates to the application of the Annual Special Tax rate, or application of the method of apportionment, or classification of properties or any definition applicable to the CFD.

#### EXHIBIT B

**I. COLLECTION OF THE ANNUAL SPECIAL TAX**

The Annual Special Tax shall be collected each year in the same manner and at the same time as ad valorem property taxes are collected or by other lawful means, and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The Agency shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Annual Special Taxes to be collected are received by the County Auditor for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year.

**J. ANNEXATION OF TERRITORY**

Any request for territory to be annexed to the CFD shall be processed in accordance with Government Code Sections 53339, et seq., and shall be subject to payment of any costs, including but not limited to administrative, legal and consultant fees and costs, incurred by the Agency in conducting the annexation process, and shall be subject to the total Maximum Special Tax determined from Section C. The Annual Special Tax for the Parcels in the territory annexed (each, an "Annexed Parcel") shall be determined from the following formula:

$$ASTAP = (AST \times NUAP) + RAP1 + RAP2$$

[Note: RAP1 is included in calculation only through June 30, 2027, and only if the Annexed Parcel is classified as Taxable Property with Treatment Option]

Where:

ASTAP is the Annual Special Tax for the Annexed Parcel

AST is the Annual Special Tax (based on Section D.1)

NUAP is the Number of EDUs in the Annexed Parcel

$$RAP1 = (NUAP \times \$100 \times PTY) / RTY2027$$

Where:

PTY = Number of Prior Tax Years

RTY2027 = Number of Tax Years Remaining through June 30, 2027

$$RAP2 = (NUAP \times \$62.03 \times PTY) / RTY2037$$

Where:

PTY = Number of Prior Tax Years

RTY2037 = Number of Tax Years Remaining through June 30, 2037

**EXHIBIT B**

For annexations occurring prior to May 1, 2026, the owner may opt to classify its Annexed Parcel(s) as Taxable Property with Treatment Option by notifying the Agency in writing at the time of its request for annexation; provided that there is treatment plant capacity available in the Phase I Treatment Plant Improvements to serve such Annexed Parcel(s). If the annexation occurs after May 1, 2026, then the Parcel(s) to be annexed shall not have the ability to be classified as Taxable Property with Treatment Option. The owner of the Annexed Parcel(s) may take advantage of the Catch-Up Special Tax set forth in Section D.5. in order to avoid the inclusion of RAP1 and/or RAP2 in the above calculation.

#### **K. WILL SERVE COMMITMENT AND WATER SERVICE APPLICATIONS**

The following applies for the duration of the ATP Special Tax, i.e., through June 30, 2037: If a Property owner applies to the Agency for water service or a will serve commitment pursuant to the Agency Water Code (i) in connection with Taxable Property without Treatment Option upon which the ATP Special Tax is levied, then such application for water service shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or (ii) in connection with Taxable Property with Treatment Option upon which the ATP Special Tax and the Water Treatment Plant Special Tax is levied, then such application for water service shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or water treatment plant capacity; provided that the number of EDUs for which service or a commitment is requested does not exceed the number of EDUs used to calculate the ATP Special Tax and the Water Treatment Plant Special Tax, as applicable, levied on the subject property at the time of the application; and provided further that the Property owner is not delinquent at the time of the application in the payment of any applicable Annual Special Tax levied on the property subject to the application as provided in Section B of Agency Ordinance No. 2012-1.

#### **L. CREDITS AGAINST AWS PARTICIPAION FEES**

1. For those Parcels included within the CFD, that portion of the AWS participation fee associated with the ATP will not be imposed in connection with the AWS participation fees required of the owners of such Parcels.
2. For those Parcels included within the CFD and upon which the Water Treatment Plant Special Tax is imposed, the portion of the AWS participation fee to be paid in connection with such Parcels and associated with water treatment plant capacity shall be limited to a proportionate share of the costs of the Phase I Water Treatment Plant Improvements, as defined in Agency Ordinance No. 2012-1, based on the ratio of the number of EDUs proposed for such Parcel to the total number of EDUs that can be served by such improvements. The total amount of the Water Treatment Plant Special Tax to be paid for Parcels covered by an application for service or a will serve commitment shall be applied against that portion of the AWS participation fees owing for such Parcels in connection with the Phase I Water Treatment Plant Improvements. If the credit associated with the Water Treatment Plant Special Tax to be paid by a Parcel exceeds the portion of the AWS participation fees owing for such Parcel in connection with the Phase I Water Treatment

#### **EXHIBIT B**

Plant Improvements, the amount in excess thereof shall be creditable to other participation fees that may be required to be paid by or levied against the applicable Parcel.

3. The credits against the payment of AWS participation fees addressed in subsections 1 and 2 above shall be effective only if the Property owner is not delinquent in the payment of the applicable Annual Special Taxes as provided in Section B of Agency Ordinance No. 2012-1. If the delinquency is not cured at the time of application for service or for a will serve commitment, then the amount of any ATP Special Tax and Water Treatment Plant Special Tax previously paid with respect to the Parcel subject to such application shall be credited against the applicable AWS participation fees then required to be paid in connection with such application.
4. The total Annual Special Taxes levied against and paid for a Parcel that is not credited against participation fees during the term of the CFD may, after the expiration of the CFD, be used as a credit against then-applicable participation fees or other Agency charges due respecting said Parcel. Said amount paid shall not earn interest.

**EXHIBIT B**

**EXHIBIT A TO RATE AND METHOD OF APPORTIONMENT**  
**PRELIMINARY DESCRIPTION OF RELATED PROPERTIES**

**AMADOR WATER AGENCY**  
**Community Facilities District No. 1**  
**(Amador Water System)**

Petition 1	Petition 3	005-480-044	005-480-003	005-050-007	Petition 15	044-530-010
044-450-017	040-030-093	005-480-045	005-480-004	005-080-015	008-060-006	044-530-011
044-450-020	040-030-094	005-490-001	005-480-005	005-090-009		044-530-012
044-480-005	008-310-031	005-490-002	005-480-006	005-090-012	Petition 16	044-530-013
044-480-014	008-310-027	005-490-003	005-480-007	005-090-016	044-470-038	044-530-014
044-480-017		005-490-005	005-480-008	005-100-010	044-520-001	044-530-015
044-480-020	Petition 4	005-490-006	005-480-009	005-110-010	044-520-002	044-530-016
044-480-022	018-133-004	005-490-007	005-480-010	005-110-011	044-520-003	044-530-017
044-480-025		005-490-008	005-480-011	005-120-008	044-520-004	044-530-018
044-480-008	Petition 5	005-490-009	005-480-012	005-120-010	044-520-005	044-530-019
044-480-026	008-310-026	005-490-010	005-480-013	005-130-052	044-520-006	044-530-020
044-480-027	008-292-002	005-490-011	005-480-014	005-140-008	044-520-007	044-530-021
044-010-123		005-490-012	005-480-015	005-150-011	044-520-008	044-530-022
044-010-125	Petition 6	005-490-013	005-480-016	005-150-012	044-520-009	044-530-023
044-540-019	044-020-036	005-490-014	005-480-017	005-170-014	044-520-010	044-530-024
044-540-018	044-020-037	005-490-015	005-480-018	005-180-019	044-520-011	044-530-025
044-540-001		005-490-016	005-480-020	005-190-002	044-520-012	044-530-026
044-540-002	Petition 7	005-490-017	005-480-023	005-190-020	044-520-013	044-530-027
044-540-003	008-030-027	005-490-018	005-480-024	005-070-013	044-520-014	044-530-028
044-540-004	010-011-047	005-490-019	005-480-025	005-320-006	044-520-015	
044-540-005		005-490-022	005-480-026	005-320-007	044-520-016	
044-540-006	Petition 8	005-490-023	005-480-027		044-520-017	
044-540-008	015-150-026	005-490-024	005-480-028	Petition 14	044-520-018	
044-540-009		005-490-025	005-480-029	011-330-004	044-520-019	
044-540-011	Petition 9	005-490-026	005-480-030	011-330-005	044-520-020	
044-540-012	005-070-002	005-490-027	005-480-031	011-330-006	044-520-021	
044-540-013	005-070-012	005-490-028	005-480-032	011-330-007	044-520-022	
044-540-014		005-490-029	005-480-033	011-330-008	044-520-023	
044-540-015	Petition 10	005-490-030	005-480-034	011-330-009	044-520-024	
044-540-016	008-060-034	005-490-031	005-480-035	044-430-001	044-520-025	
044-540-017	008-060-004	005-490-032		044-430-002	044-520-026	
	008-060-015	005-490-033	Petition 13	044-430-003	044-520-027	
	008-100-031	005-490-034	004-290-002	044-430-004	044-520-028	
Petition 2	008-020-031	005-490-035	005-020-016	044-430-005	044-520-029	
005-130-012		005-490-036	005-030-004	044-430-006	044-520-030	
005-130-035	Petition 11	005-490-038	005-040-004	044-430-007	044-520-031	
005-130-051	008-030-032	005-490-039	005-300-001	044-430-008	044-520-032	
005-160-006		005-490-040	005-010-004	044-430-009	044-520-033	
005-160-009	Petition 12	005-320-031	005-020-006	044-430-010	044-530-001	
005-160-010	005-480-036	005-320-032	005-020-017	044-430-011	044-530-002	
005-160-012	005-480-037	005-320-033	005-030-005	044-430-012	044-530-003	
005-160-014	005-480-038	005-320-035	005-040-005	044-430-013	044-530-004	
005-160-015	005-480-039	005-320-041	005-050-006	044-430-014	044-530-005	
005-190-007	005-480-040	005-320-042	005-060-013	044-430-015	044-530-006	
005-190-017	005-480-041	005-320-043	005-080-017	044-430-016	044-530-007	
011-180-017	005-480-042	005-480-001	005-010-003		044-530-008	
012-010-001	005-480-043	005-480-002	005-010-005		044-530-009	
012-010-002						

**EXHIBIT B**

**RESOLUTION NO. 2012-22**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
AMADOR WATER AGENCY  
TO FORM A COMMUNITY FACILITIES DISTRICT**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**RESOLVED** by the Governing Board of Directors ("Board") of the Amador Water Agency (the "Agency"), County of Amador, State of California, that:

**WHEREAS**, on August 28, 1997, the Board adopted Resolution 97-47, titled "A Resolution to Adopt Goals and Policies for a Community Facilities District," pursuant to California Government Code Section 53311 et seq. (the "Act"); and

**WHEREAS**, on April 26, 2012, the Board adopted Ordinance No. 2012-1 ("Ordinance") establishing certain policies and procedures in furtherance of the formation of the CFD, the financing of the public improvements addressed in the CFD, and the special tax to be levied therein; and

**WHEREAS**, on July 26, 2012, the Board adopted a Resolution 2012-15 entitled "Resolution of the Board of Directors of the Amador Water Agency Declaring Intention to Establish a Community Facilities District" (the "ROI") with respect to Community Facilities District No. 1 (Amador Water System) (the "CFD") of the Agency pursuant to the Act; and

**WHEREAS**, the proposed boundaries of the CFD are as shown on the map attached hereto as Exhibit A, and incorporated herein, and which is also on file with the Clerk of the Board; and

**WHEREAS**, the public facilities proposed to be financed by the CFD ("Facilities") are described in the document titled "Description of Facilities to be Financed by the CFD," attached hereto as Exhibit B and incorporated herein; and

**WHEREAS**, except to the extent that funds are otherwise available to the CFD to pay for the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all nonexempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes levied within the CFD. The proposed rate and method of apportionment of the Special Tax are described in the document titled "Rate and Method of Apportionment of Special Tax," attached hereto as Exhibit C and incorporated herein; and

**WHEREAS**, the Board Clerk published notice of a public hearing to be held on August 27, 2012, in compliance with Section 53322 of the Act regarding the proposed formation of the CFD; and

**WHEREAS**, a revised Petition, Consent and Waiver from Plymouth Port LLC has been filed with the Board Clerk after the adoption of the ROI with only a change in the assignment of equivalent dwelling units listed on Exhibit B to said land owner's the Petition Consent and Waiver; and

**WHEREAS**, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the Facilities to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and

**WHEREAS**, at the hearing evidence was presented to the Board on said matters before it, including a Public Hearing Report, as to the Facilities to be provided in the CFD and the cost thereof, a copy of which is on file with the Board Clerk; and

**WHEREAS**, the special tax proposed to be levied in the CFD to pay for the Facilities to be provided therein has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special tax; and

**WHEREAS**, if the Board proceeds with formation of the CFD, the Special Tax shall be submitted to a vote among the property owners in the proposed CFD by mailed or hand-delivered ballot, with each property owner having one vote for each acre or portion of an acre such owner owns in the CFD.

**NOW, THEREFORE, BE IT FUTHER RESOLVED THAT:**

1. The foregoing recitals are true and correct.
2. The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to Section 53324 of the Act.
3. The community facilities district named "Amador Water Agency Community Facilities District No. 1 (Amador Water System)" is hereby established pursuant to Section 53325.1 of the Act.
4. The Facilities to be financed by the CFD and pursuant to the Act shall consist of those items listed in Exhibit B hereto and by this reference incorporated herein.
5. The General Manager of the Agency, located at 12800 Ridge Road, Sutter Creek, California 95685, telephone (209) 223-3018, is the officer of the Agency who will oversee the CFD Administrator who will prepare annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.
6. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien

shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Agency ceases.


7. The boundary map of the proposed CFD was recorded in the Amador County Recorder's Office on August 3, 2012 as Document No. 2012-6903 in book 1, page 357 of the Book of Maps of Assessments of Community Facilities Districts.
8. The Board has determined that all proceedings undertaken by the Agency in connection with the establishment of the CFD and the levy of the Special Tax are valid and in conformity with the applicable provisions of the Act. Pursuant to Section 53325.1 of the Act, the Board's finding in this regard is final and conclusive.
9. Pursuant to the provisions of the Act, the proposition of the levy of the Special Tax shall be submitted to the qualified electors of the CFD at an election, the time, place and conditions of which shall be as specified by a separate resolution of the Board.

**PASSED AND ADOPTED** by the Board of Directors of the Amador Water Agency at a meeting of said Board held on the 27<sup>th</sup> day of August, 2012 by the following vote:

AYES: Directors Toy, Manassero, Farrington and Thomas  
NOES:  
ABSENT: Director Molinelli  
ABSTAIN:

  
\_\_\_\_\_  
Gary Thomas, President

ATTEST:

  
\_\_\_\_\_  
Cris Thompson, Clerk of the Board

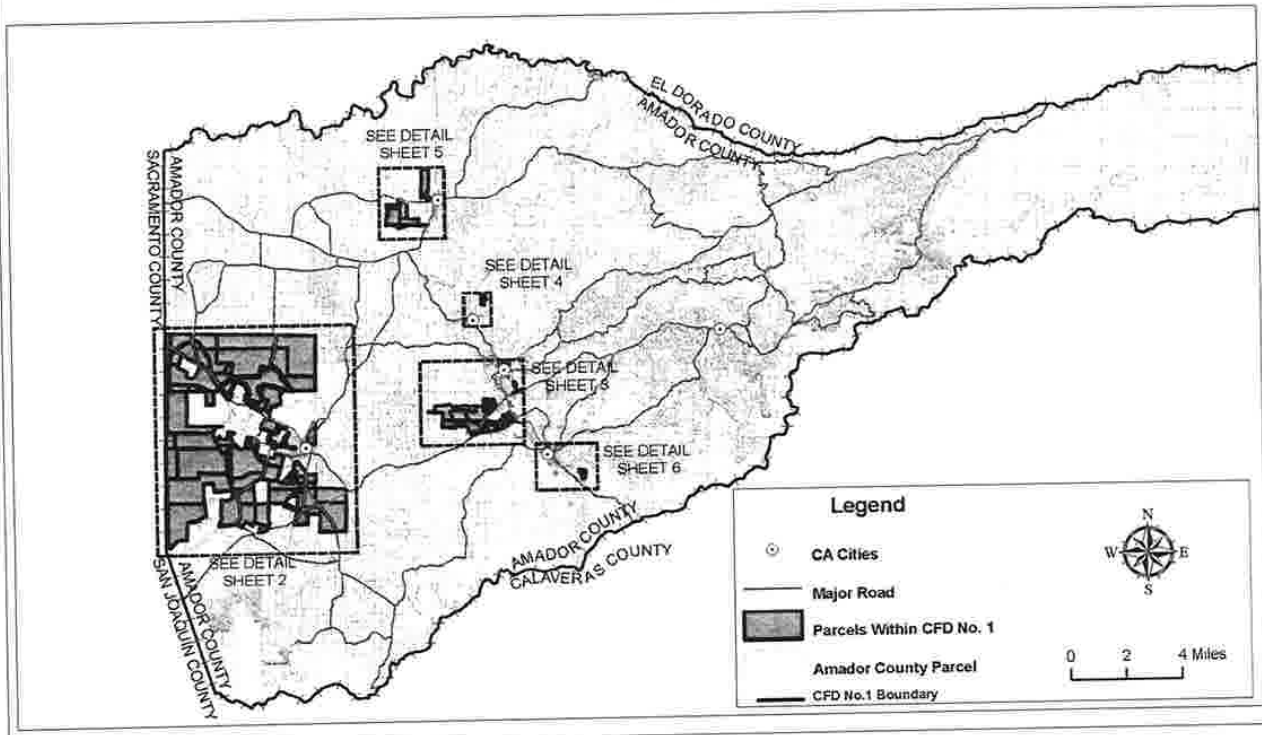
**EXHIBIT A**

**DESCRIPTION OF PROPOSED BOUNDARIES OF CFD**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**EXHIBIT A**

**PROPOSED BOUNDARIES OF  
COMMUNITY FACILITIES DISTRICT NO. 1  
OF THE AMADOR WATER AGENCY  
(AMADOR WATER SYSTEM)  
COUNTY OF AMADOR,  
STATE OF CALIFORNIA**



**CLERK MAP FILING STATEMENT**  
 FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF THE AMADOR WATER AGENCY, COUNTY OF AMADOR, STATE OF CALIFORNIA, THIS \_\_\_\_ DAY OF \_\_\_\_ 2012.

\_\_\_\_\_  
 CLERK OF THE BOARD

**CLERK MAP CERTIFICATE**  
 I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO.1, (AMADOR WATER SYSTEM), COUNTY OF AMADOR, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY MEETING THEREOF, HELD ON THE \_\_\_\_ DAY OF \_\_\_\_ 2012, BY ITS RESOLUTION NO. 2012-15

\_\_\_\_\_  
 CLERK OF THE BOARD

**RECORDER'S CERTIFICATE**  
 FILED THIS \_\_\_\_ DAY OF \_\_\_\_ 2012 AT THE HOUR OF \_\_\_\_ O'CLOCK \_\_\_\_ M. IN BOOK \_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF AMADOR, STATE OF CALIFORNIA.

\_\_\_\_\_  
 COUNTY RECORDER, COUNTY OF AMADOR

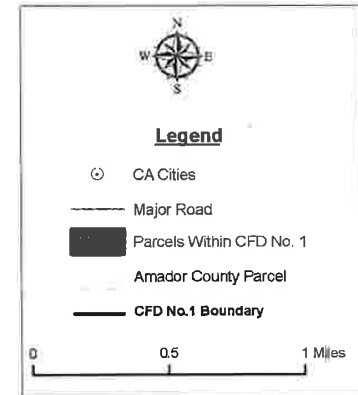
**NOTE:**  
 REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF AMADOR FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS RESPECTIVE ASSESSOR'S PARCEL NUMBER.

SCJ Consulting Group  
 4745 Mengels Blvd.  
 Fairfield, CA 94534  
 (707) 430-4300  
 Sheet 1 of 6

**EXHIBIT A**



**PROPOSED BOUNDARIES OF  
 COMMUNITY FACILITIES DISTRICT NO. 1  
 OF THE AMADOR WATER AGENCY  
 (AMADOR WATER SYSTEM)  
 COUNTY OF AMADOR,  
 STATE OF CALIFORNIA**



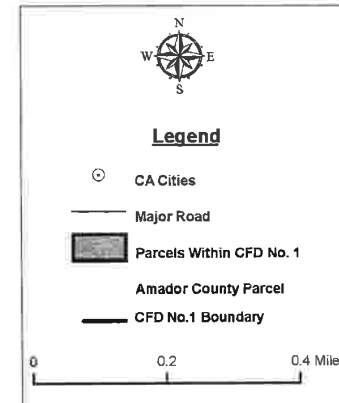
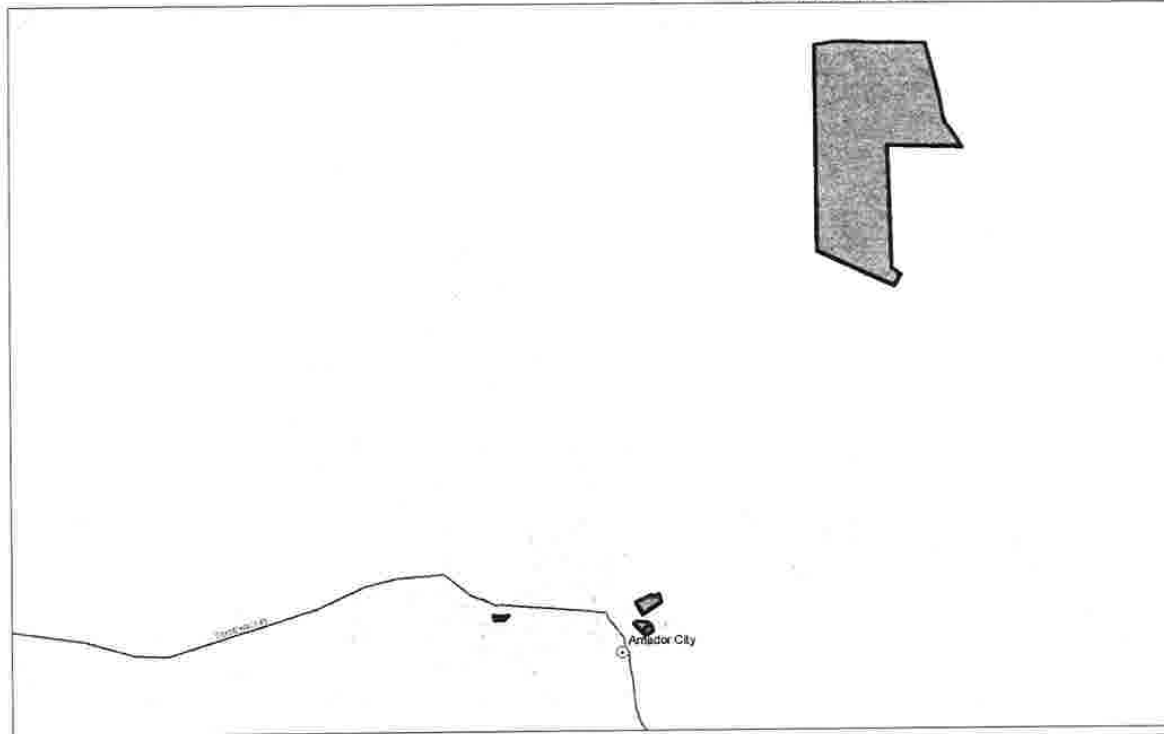
NOTE:  
 REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD  
 IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF AMADOR FOR  
 A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS  
 OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN  
 FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH  
 PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE  
 ASSESSOR'S PARCEL NUMBER.

SCI Consulting Group  
 4745 Mangrove Blvd.  
 Fairfield, CA 94534  
 (707) 430-4300

Sheet 3 of 6

**EXHIBIT A**

**PROPOSED BOUNDARIES OF  
COMMUNITY FACILITIES DISTRICT NO. 1  
OF THE AMADOR WATER AGENCY  
(AMADOR WATER SYSTEM)  
COUNTY OF AMADOR,  
STATE OF CALIFORNIA**



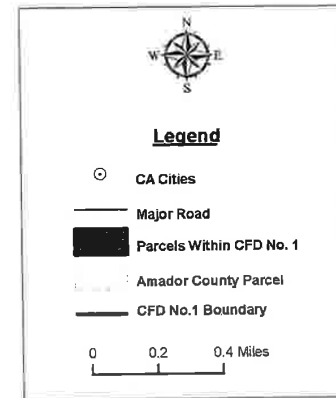
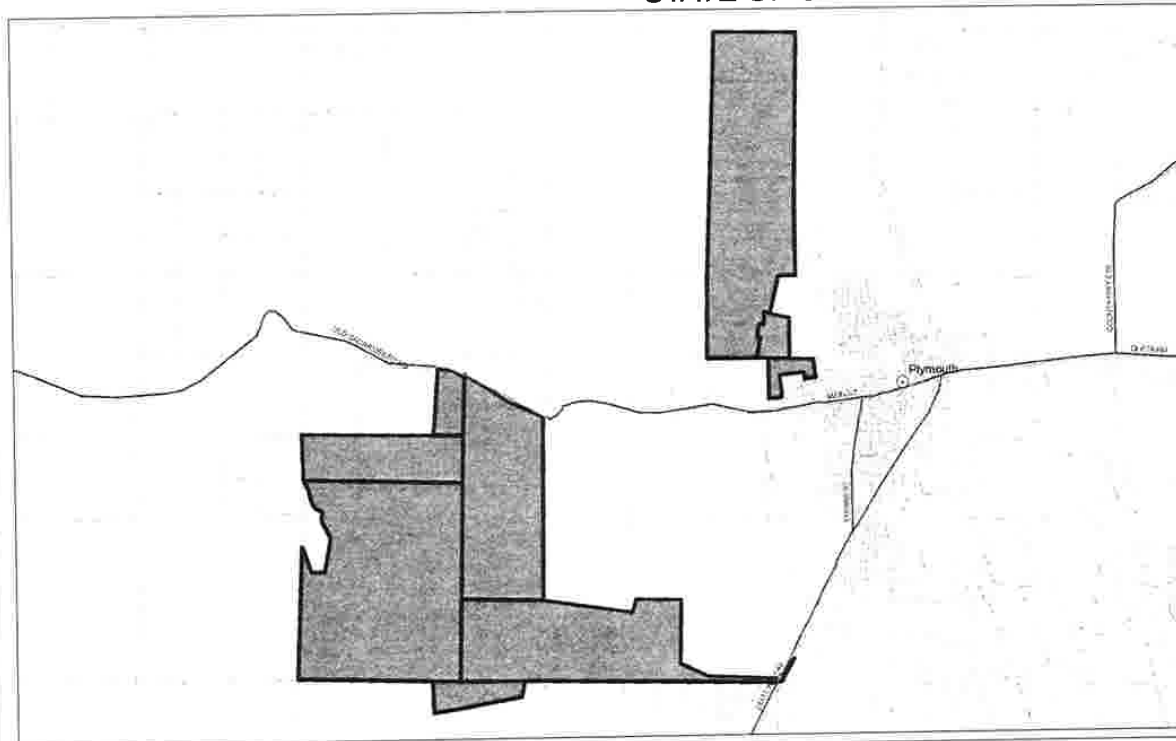
NOTE:  
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD  
IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF AMADOR FOR  
A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS  
OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN  
FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH  
PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE  
ASSESSOR'S PARCEL NUMBER.

SCI Consulting Group  
4745 Mengela Blvd.  
Fairfield, CA 94534  
(707) 430-4300

Sheet 4 of 6

**EXHIBIT A**

**PROPOSED BOUNDARIES OF  
COMMUNITY FACILITIES DISTRICT NO. 1  
OF THE AMADOR WATER AGENCY  
(AMADOR WATER SYSTEM)  
COUNTY OF AMADOR,  
STATE OF CALIFORNIA**



NOTE:  
REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD  
IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF AMADOR FOR  
A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS  
OF ANY PARCELS SHOWN HEREIN. THOSE MAPS SHALL GOVERN  
FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH  
PARCELS. EACH PARCEL IS IDENTIFIED IN SAID MAPS BY ITS DISTINCTIVE  
ASSESSOR'S PARCEL NUMBER.

SCI Consulting Group  
4745 Mangels Blvd.  
Fairfax, CA 94534  
(707) 430-4300

Sheet 5 of 6

**EXHIBIT A**



**EXHIBIT B**

**DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

The facilities described below are proposed to be financed by Community Facilities District No. 1 (the "CFD") of the Amador Water Agency (the "Agency") for the Amador Water System ("AWS"):

The types of facilities to be financed by the CFD ("Facilities") shall include a) a portion of the annual debt service costs on the 2006 Series A Amador Water System Certificate of Participation ("COP") which financed the construction of the Amador Water System Transmission Project; b) the initial improvements to the AWS Tanner and Ione water treatment plants, which will provide additional treatment plant capacity in order to serve the properties subject to the special tax as such facilities are defined as the Phase I Water Treatment Plant Improvements in Agency Ordinance No. 2012-1; and c) all incidental expenses incurred by the Agency to determine, levy and collect the special taxes as determined by the Agency.

**EXHIBIT C**

**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

A special tax authorized under the Mello-Roos Community Facilities Act of 1982 applicable to the land in the Community Facilities District No. 1 (the "CFD") of the Amador Water Agency (the "Agency") shall be levied and collected according to the tax liability determined by the Agency through the application of the appropriate amount or rate, as shown below.

**A. DEFINITIONS**

**"Acre" or "Acreage"** means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map, other final map, other parcel map, or other condominium plan, or functionally equivalent map or instrument recorded in the Office of the Amador County Recorder.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California, as amended, which authorizes the establishment of the CFD to finance the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer or to finance planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property.

**"Administrative Expenses"** means the actual or estimated costs incurred by the Agency to determine, levy and collect the special taxes, including the proportionate amount of the salaries and benefits of Agency employees whose duties are directly related to administration of the CFD, the fees of the special tax levy administrator, other consultants and legal counsel, the costs of collecting installments of the special taxes upon the County tax rolls or by any other lawful means, and any other incidental costs as determined by the Agency.

**"Agency"** means the Amador Water Agency.

**"Annual Special Tax"** means the annual special tax, determined in accordance with Sections D and J below, to be levied in the CFD in any Fiscal Year on any Assessor's Parcel.

**"Assessor's Parcel" or "Parcel" or "Property"** means a parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number or a legally created lot not yet assigned a parcel number or a legal parcel with multiple Assessor's Parcel Numbers assigned thereto.

**"Assessor's Parcel Map"** means an official map of the Assessor of Amador County designating parcels by Assessor's Parcel Number.

**EXHIBIT C**

**“ATP Special Tax”** means the portion of the Annual Special Tax used to pay debt service in connection with the certificates of participation issued in 2006 (“2006 Series A COP”) in order to construct the Amador Water System Transmission Project (“ATP”).

**“Base Year”** means the Fiscal Year ending June 30, 2013.

**“Board”** means the Board of Directors of the Amador Water Agency, acting as the legislative body of the Agency and the CFD.

**“Catch-Up Special Tax”** means the total amount of Annual Special Taxes that would have been paid for an EDU added to a Parcel or for a Parcel’s conversion to Taxable Property with Treatment Option from the inception of the CFD through the Fiscal Year prior to the Fiscal Year in which a new adjusted Annual Special Tax is levied against the Parcel for such added EDU or due to the conversion.

**“CFD”** means Community Facilities District No. 1 (Amador Water System) (“AWS”) of the Amador Water Agency.

**“CFD Administrator”** means an official of the Agency, or designee thereof, responsible for determining and providing for the levy and collection of the Annual Special Taxes.

**“Conditional Will Serve Commitment”** means a water will serve commitment issued by the Agency pursuant to the Agency Water Code, which provides that water service will be provided to the project addressed in the commitment letter subject to specified conditions.

**“COP”** means the 2006 Series A Certificate of Participation of the Agency related to the construction of the ATP.

**“County”** means the County of Amador, California.

**“Equivalent Dwelling Unit” or “EDU”** means the equivalent water usage for one 5/8 x 3/4 inch metered service connection.

**“Exempt Property”** means property as defined by Section E.

**“Facility Costs”** means costs related to 1) debt service in connection with the COP in order to construct the ATP; 2) the Phase I Water Treatment Plant Improvements, as defined in Agency Ordinance No. 2012-1; and 3) Administrative Expenses.

**“Final Will Serve Commitment”** means a final water will serve commitment issued by the Agency to an applicant pursuant to the Agency Water Code, which obligates the Agency to provide water service to the project covered by the commitment consistent with the terms of the commitment.

**“Fiscal Year”** means the period starting July 1 and ending the following June 30.

## EXHIBIT C

**“General Manager”** means the General Manager of the Agency.

**“Government Property”** means property owned by the state, federal or local government, including property that has been dedicated on a recorded final map to, but not yet accepted by, any such governmental entity for parks, roadways, utilities, drainage, open space or other such public use or purpose.

**“Implementation Agreement”** means that certain Implementation Agreement for Landowner’s Participation in Amador Water System Community Facilities District entered into between the Agency and owners of Property within the CFD.

**“Land Use Class”** means any of the classes listed in Section B.

**“Mitigated Property”** means one or more Parcels for which the Parcel owner(s) and the Agency have executed an agreement (“Mitigation Agreement”) by which the owner(s) agrees to provide for payment of full mitigation of the Parcel’s impact on Agency’s transmission and treatment facilities as specified in any future Mitigation Agreement. Parcels that become Mitigated Property shall be treated as exempt from the Annual Special Taxes thereafter, as described in Section E hereof.

**“Maximum Special Tax”** means the total amount of the Annual Special Taxes that can be levied on any Assessor’s Parcel in the CFD for the duration of the CFD, determined in accordance with Section C.

**“Related Properties”** means Assessor Parcels within the CFD that are owned by the same person or entity or by persons or entities who share ownership interests therein, as shown on the last equalized County Assessor’s roll; provided that the Assessor’s Parcels groupings listed on Exhibit A attached hereto are deemed Related Properties so long as the ownership of the Related Properties does not change from the inception of the CFD.

**“RMA”** means this Rate and Method of Apportionment of Special Tax.

**“State”** means the State of California.

**“Taxable Property”** means any Property that is not Exempt Property as defined in Section E.

**“Taxable Property without Treatment Option”** means any Taxable Property that 1) will not pay the Water Treatment Plant Special Tax; and 2) has not requested to be converted to Taxable Property with Treatment Option prior to May 1 preceding the Fiscal Year in which the Annual Special Tax is being levied.

**“Taxable Property with Treatment Option”** means any Taxable Property that will pay the Water Treatment Plant Special Tax as of May 1 preceding the Fiscal Year in which the Annual Special Tax is being levied.

## EXHIBIT C

**“Water Treatment Plant Special Tax”** means that portion of the Annual Special Tax used to finance certain initial improvements to the AWS Tanner and Ione water treatment plants, which will provide additional treatment plant capacity to serve the Parcels subject to the Annual Special Tax, as such improvements are more particularly defined in Agency Ordinance No. 2012-1 (“Water Treatment Facilities”).

## **B. CLASSIFICATION OF AND ASSIGNMENT OF EDUs TO PARCEL**

Each Fiscal Year, and using May 1 of the previous Fiscal Year as the date of classification, the Agency shall cause each Parcel in the CFD to be classified as Taxable Property with Treatment Option, Taxable Property without Treatment Option, or Exempt Property.

Similarly, each Fiscal Year, and using May 1 of the previous Fiscal Year as the date of assignment, for each Parcel in the CFD, the Agency shall confirm and/or adjust the EDUs assigned to such Parcel. For Taxable Property without a Conditional or Final Will Serve Commitment or a building permit, the Agency shall use the EDUs assigned thereto by the landowner in the Petition, Consent and Waiver delivered in connection with the inclusion of such Property into the CFD. For all other Taxable Property, the Agency shall use the EDUs assigned thereto by the Conditional or Final Will Serve Commitment or building permit. The initial EDU assignments shall be subject to adjustment as and when either the landowner requests additional EDUs to be allocated to the Parcel, or upon a subdivision, permitted transfer or issuance of a Conditional or Final Will Serve Commitment that triggers an adjustment in the number of EDUs assigned thereto.

Owner(s) of Related Properties may transfer the EDUs between such Related Properties, upon written notice to the CFD Administrator and General Manager of a request to transfer such EDUs. Any such requests received on or before May 1 will be effective for the next Fiscal Year. Similarly, upon any subdivision of any Property, the owner thereof may notify the CFD Administrator and General Manager of its proposed assignment of the EDUs for such Property to the Parcels created by such subdivision, including any assignments of zero EDUs to Parcels dedicated on a recorded final map for public or quasi-public use. Such notice shall occur on or before the date of recording the final map for such subdivision. Once EDUs have been utilized for a Parcel, they cannot be transferred. When a final map is recorded, no transfers of EDUs shall be made with respect to residential subdivisions; and at all times there shall be assigned to each parcel at least one EDU, except as specifically allowed herein.

## **C. TOTAL MAXIMUM SPECIAL TAX**

The total Maximum Special Tax for any Parcel shall be \$3,050.75 per EDU (\$1,550.75 for the ATP Special Tax component and \$1,500.00 for the Water Treatment Plant Special Tax component) for any Taxable Property with Treatment Option and \$1,550.75 per EDU for any Taxable Property without Treatment Option for the duration of the CFD as determined in accordance with Section F.

## **EXHIBIT C**

**D. CALCULATION OF THE ANNUAL SPECIAL TAX**

1. **Assignment of the Annual Special Tax.** Commencing with the Base Year, and for each subsequent Fiscal Year, the Board shall levy the Annual Special Tax on each Parcel based on the rates and schedule provided below and the provisions of this Section D.

<b>Annual Special Tax</b>		
<b>Land Use Classes</b>	<b>First 15 Fiscal Years (i.e. through 6/30/2027)</b>	<b>Next 10 Fiscal Years (i.e. through 6/30/2037)</b>
Taxable Property with Treatment Option	\$162.03 per assigned EDU	62.03 per assigned EDU
Taxable Property without Treatment Option	\$62.03 per assigned EDU	\$62.03 per assigned EDU
Exempt Property	\$0.00	\$0.00

2. **Calculation of New Adjusted Annual Special Tax.** Each Fiscal Year after the Base Year and upon triggering an event detailed in Section D.(3.) and / or Section D.4. prior to May 1 of a Fiscal Year, unless the owner elects to pay a Catch-Up Special Tax associated with such triggering event pursuant to Section D.5. below, a new adjusted Annual Special Tax for a Parcel shall be calculated and levied against the Parcel (or credited against the current Annual Special Tax, if negative) for the remaining duration of the Annual Special Tax. If the credit exceeds the current Annual Special Tax, the annual amount in excess thereof shall be creditable to other participation fees that may be required to be paid by or levied against the applicable Parcel.

- a. **A New Adjusted Annual Special Tax Upon Change in Number of EDUs for Parcel**

i. **Taxable Property With Treatment Option**

For the Fiscal Year following a triggering event described in Section D.3. occurring before May 1 of such Fiscal Year, the new Annual Special Tax for a Parcel shall be based on the new number of EDUs assigned to the Parcel, plus an adjustment over the remaining Water Treatment Plant Special Tax and ATP Special Tax periods to recover such taxes on the additional EDUs that escaped taxation during the preceding years (or provide a credit for the prior years' levy of such taxes on the excess EDUs).

**EXHIBIT C**

This calculation is expressed by the following formula:

$$\text{NAST} = (\text{AST} \times \text{New Total Number of EDUs in Parcel}) + \text{R1} + \text{R2}$$

[Note: R1 is included in calculation only through 2027]

Where:

NAST is the New Annual Special Tax for the Changed Parcel  
AST is the Annual Special Tax (based on the table in Section D.1.)

$$\text{R1} = (\text{C} \times \$100 \times \text{PTY}) / \text{RTY2027}$$

Where:

C = Changed number of EDUs (positive or negative)  
PTY = Number of Prior Tax Years  
RTY2027 = Number of Tax Years Remaining through June 2027

$$\text{R2} = (\text{C} \times \$62.03 \times \text{PTY}) / \text{RTY2037}$$

Where:

C = Changed number of EDUs (positive or negative)  
PTY = Number of Prior Tax Years  
RTY2037 = Number of Tax Years Remaining through June 2037

As provided above, the numerator for R1 calculates the shortfall (or credit) in the annual Water Treatment Plant Special Taxes that would have been collected (or were collected) from inception of the CFD on the extra EDUs, and the denominator spreads this shortfall (or credit) over the remainder of the 15 years for the levy of the Water Treatment Plant Special Tax.

Similarly, as provided above, the numerator for R2 calculates the shortfall (or credit) in the ATP Special Taxes that would have been collected (or were collected) from inception of the CFD on the extra EDUs, and the denominator spreads this shortfall (or credit) over the remainder of the 25 years for the levy of the ATP Special Tax.

**ii. Taxable Property Without Treatment Option**

Use the same formula in i. above, but omit R1 from the calculation, since no adjustment for the collection of the Water Treatment Plant Special Tax is necessary.

$$\text{NAST} = (\text{AST} \times \text{New Total Number of EDUs in Parcel}) + \text{R2}$$

**EXHIBIT C**

**b. A New Adjusted Annual Special Tax Upon Conversion to Include Treatment Option**

$$\text{NAST} = (\$62.03 \times \text{NU}) + ((\$1,500 \times \text{NU})/\text{RTY2027})$$

Where:

NAST is the New Annual Special Tax for the Converted Parcel

NU = Number of EDUs in Parcel

RTY2027 = Number of Tax Years Remaining through June 2027

**c. A New Adjusted Annual Special Tax Upon Transfer of EDUs between Related Properties, With No Change in Total Number of EDUs Within Such Related Properties.**

Assuming transfers between two Parcels within Related Properties identified as P1 and P2 occurred prior to May 1 of the preceding Fiscal Year and the aggregate number of EDUs is unchanged, then the new Annual Special Tax for these two Parcels for the following fiscal years shall be as follows:

$$\text{NAST P1} = \text{AST} \times \text{NUP1}$$

$$\text{NAST P2} = \text{AST} \times \text{NUP2}$$

Where:

NAST P1 is the New Annual Special Tax for Parcel P1

AST is Annual Special Tax Pursuant to the Table in Section D.1. (Either With or Without Treatment Option)

NUP1 = New Number of EDUs in Parcel P1, After the Transfer

NAST P2 is the New Annual Special Tax for Parcel P2

NUP2 = New Number of EDUs in Parcel P2, After the Transfer

**d. A New Adjusted Annual Special Tax Upon Subdivision and Reallocation of EDUs within a Parcel**

If the total number of EDUs are unchanged following the subdivision of a Parcel, then the formula provided in Section D.2.c. above shall apply (i.e., the new Annual Special Taxes for each of the resulting, subdivided Parcels would be equal to the applicable AST times the number of EDUs allocated to each Parcel).

If the total, aggregate number of EDUs changes as a result of a subdivision, then before assigning the new Annual Special Taxes based on the EDU allocations to the subdivided Parcels, the new Annual Special Tax for the Parcel subdivided shall be recalculated based on the formula in subsection D.2.a. above, and then this aggregate revised Annual Special Tax shall be divided by the revised number of EDUs (to obtain a per EDU tax), and the revised Annual Special Tax then shall be determined for each of the subdivided Parcels based on the number of EDUs assigned to each such Parcel.

**EXHIBIT C**

- 3. Trigger Events Related to Changes in Assigned EDUs.** Any one of the following events that occur prior to May 1 of a Fiscal Year after the Base Year that results in a change in the number of EDUs assigned to a Parcel shall trigger an adjustment of the Parcel's Annual Special Tax, as detailed in Section D.2. for such Parcel to become effective the following Fiscal Year and levied for the remaining duration of the Annual Special Tax.
- a. A Conditional Will Serve Commitment is provided by the Agency for the Parcel.
  - b. A Final Will Serve Commitment is provided by the Agency for the Parcel.
  - c. The Agency receives written notification for additional EDUs to be assigned to a Parcel.
  - d. Exempt Property is converted to a Taxable Property.
  - e. Transfer of EDUs between Parcels within Related Properties.
  - f. Taxable Property is converted to Exempt Property.
- 4. Conversion of a Taxable Property without Treatment Option to Taxable Property with Treatment Option Trigger Event.** Owners of Taxable Property without Treatment Option may opt to change the classification of a Property to Taxable Property with Treatment Option therefor by notifying the Agency in writing prior to May 1 of a Fiscal Year after the Base Year to become effective the following Fiscal Year; provided that there is treatment plant capacity available in the Phase I Treatment Plant Improvements to serve such Taxable Property; provided further that no such conversion shall be permitted after May 1 of 2026.
- 5. Option to Pay Catch-up Special Tax Upon Triggering Event.** Upon any triggering event for a Parcel that increases the number of EDUs or converts the Parcel to Taxable Property with Treatment Option, the owner thereof may pay a Catch-Up Special Tax equal to the additional Annual Special Tax obligation that would have been paid for such Parcel from the inception of the CFD through the Fiscal Year prior to when the new adjusted Annual Special Tax for the Parcel commences had the associated increased number of EDUs or conversion to Taxable Property with Treatment Option occurred at the inception of the CFD. If the owner pays the Catch-Up Special Tax in the case where EDUs are added to a Parcel, then in the formula in Section D.2.a. above, the R1 and/or R2, as applicable, shall be deleted. If the owner pays the Catch-Up Special Tax in the case where the Parcel is converted to Taxable Property with Treatment Option, then in the formula in Section D.2.b. above, the amount of \$1,500 shall be reduced by the amount derived from multiplying \$100 times the number of years from the inception of the CFD through the Fiscal Year prior to the Fiscal Year in which the new adjusted Annual Special Tax is levied.

**EXHIBIT C**

**6. Minimum EDUs per Taxable Property.** In no circumstances shall a Taxable Property be assigned less than one EDU per Parcel, unless a Parcel is allocated zero EDUs by the owner due to a dedication of the Parcel on a recorded final map for a public or quasi-public use. If a Parcel is a legal parcel with multiple Assessor Parcel Numbers assigned thereto, the owner may allocate zero EDUs to some of the Assessor Parcel Numbers assigned to such Parcel, so long as the aggregate number of EDUs assigned to the Parcel, which in no event shall be less than one EDU, are allocated to the remaining Assessor Parcel Numbers assigned to such Parcel.

**7. Parcel Mergers or Splits.** In the event of a subdivision or merger of Parcel(s), unless the owner of the Parcel(s) notifies the Agency as to the proposed allocation of the EDUs between the Parcel(s), EDUs will be automatically reallocated proportionality to the new Parcels based on the number of acres in each new Parcel. To affect the Annual Special Tax levied against a Parcel in a Fiscal Year, the notice must be received by the Agency on or before May 1 of the prior Fiscal Year.

#### **E. EXEMPT PROPERTY**

**1. Government Property.** Government Property will not be taxed, except as follows:

- a. In accordance with Section 53340.1 of the Act, if the public agency owning the Government Property, including property held in trust for any beneficiary, grants a leasehold or other possessory interest in the property to a nonexempt person or entity, the Special Taxes shall, notwithstanding Section 53340(c) of the Act, be levied on the leasehold or possessory interest and shall be payable by the owner of the leasehold or possessory interest.
- b. In accordance with Section 53317.3 of the Act, if property is not otherwise exempt from the Special Taxes is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Taxes shall, notwithstanding Section 53340(c) of the Act, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property.
- c. In accordance with Section 53317.5 of the Act, if property subject to a Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax shall be treated as if it were a special annual assessment. For this purpose, the present value of the obligation to pay the Special Taxes to pay the principal and interest on any indebtedness incurred by the Agency prior to the date of apportionment determined pursuant to Section 5082 of the Revenue and Tax Code shall be treated the same as a fixed lien special assessment.

**2. Mitigated Property.** Mitigated Property shall be deemed to have prepaid and permanently satisfied its Special Tax obligation pursuant to Government Code Section 53340(h) as of the final day of the Fiscal Year during which all amounts due under the Mitigation Agreement have been paid in full to the Agency and thereafter shall be treated as Exempt Property. Pursuant to Government Code Section 53344, the Agency shall

#### **EXHIBIT C**

record a Notice of Cancellation of Special Tax Lien in the office of the County Recorder on all Parcels comprising the Mitigated Property.

3. **Property with Zero EDU Allocation.** Any Parcel dedicated on a recorded final map for quasi-public use, such as private streets, parks, landscape and open space, may be allocated zero EDUs by the owner thereof upon any subdivision creating such Parcels. Also, any Parcel created by a recorded final map to which the Agency has not committed to serve pursuant to a final will serve commitment may be allocated zero EDUs by the owner thereof upon such subdivision. For any such Parcel allocated zero EDUs, the provisions of Sections K and L below shall not apply to the Parcel in the event the owner thereof ever applies for water service to the Parcel; and any such application for water service thereto would be subject to the Agency's Water Code provisions governing applications for service as of the time of such application as if such Parcel were not within the CFD. Any such Parcel(s) that are allocated zero EDUs shall be exempt from the Annual Special Tax. The owner of the Parcel shall notify the Agency in writing of any such allocation. The exemption shall take effect in the Fiscal Year following the Fiscal Year in which the notice is given if provided on or before May 1 of such Fiscal Year.

#### **F. DURATION OF THE SPECIAL TAX**

Taxable Property in the CFD shall remain subject to the Annual Special Tax until June 30, 2037. If the Agency refinances the COP, the amount of the Annual Special Tax and the duration of the Annual Special Tax shall remain unchanged.

Taxable Property in the CFD shall not be subject to the Annual Special Tax, and the Agency shall have no authority to levy the Annual Special Tax hereunder, if the Implementation Agreement related thereto is terminated or held to be unenforceable for any reason other than a default or breach of said Agreement by the owner of the Taxable Property.

If the Annual Special Tax ceases to be levied, the Agency or its designee shall direct the County Recorder to record a Notice of Cessation of Special Tax. Such notice will state that the obligation to pay the Annual Special Tax has ceased and that the lien imposed by the Notice of Special Tax Lien is extinguished.

#### **G. PREPAYMENT (PAYOFF) OF SPECIAL TAX**

The remaining Annual Special Taxes to be levied on a Taxable Property in the CFD may be prepaid and the obligation of the Taxable Property to pay any Annual Special Tax will thereby be extinguished. An owner of Taxable Property intending to prepay the remaining Annual Special Tax obligation shall provide the Agency (or the CFD Administrator) with written notice of intent to prepay and identify the company or agency that will be acting as the escrow agent, if any. The Agency shall provide such property owner with a statement of the prepayment amount for such Taxable Property within thirty (30) days of the request and may charge a reasonable fee for providing this service.

The prepayment amount shall be calculated as summarized below:

### **EXHIBIT C**

Prepayment Amount = RST + F

Where:

RST = Remaining Special Tax to be levied on the Parcel

F = Fees

“Fees” means the fees of the CFD, the Agency, the CFD Administrator and any consultants retained by the Agency in connection with the prepayment calculation.

In addition, any property owner prepaying its Annual Special Taxes must pay current and any delinquent Annual Special Taxes and penalties prior to prepayment.

#### **H. APPEALS AND INTERPRETATION PROCEDURE**

Any property owner who feels that any portion of the Annual Special Tax levied on a Parcel is in error may file a written appeal no later than April 10 of the Fiscal Year in which the levy occurred with the CFD Administrator, appealing the levy of the Annual Special Tax on the subject property. The CFD Administrator will promptly review the appeal, and, if necessary, meet with the appellant, and decide the merits of the appeal. If the findings of the CFD Administrator verify that the Annual Special Tax levied should be modified, the Annual Special Tax levy for future Fiscal Years shall be corrected, and a credit against future Annual Special Taxes shall be arranged, if applicable. Any overcharges shall be corrected solely by means of adjustments to future Annual Special Tax levies and/or credits against other participation fees payable by development of any overcharged Property or Related Property; no cash refunds shall be made, unless such refund is due to the mistake of the Agency or the CFD Administrator in causing the aggregate Annual Special Taxes to exceed the Maximum Special Tax and credits that could otherwise be provided cannot be used by the owner of the overcharged Property or any Related Property. Any dispute over the decision of the CFD Administrator, the General Manager or his or her designee shall be referred to the Board and the decision of the Board shall be final.

Interpretation may be made by resolution of the Board for purposes of clarifying any vagueness or uncertainty as it relates to the application of the Annual Special Tax rate, or application of the method of apportionment, or classification of properties or any definition applicable to the CFD.

#### **I. COLLECTION OF THE ANNUAL SPECIAL TAX**

The Annual Special Tax shall be collected each year in the same manner and at the same time as ad valorem property taxes are collected or by other lawful means, and shall be subject to the same penalties and lien priorities in the case of delinquency as is provided for ad valorem taxes. The Agency shall cause the actions required above to be done for each Fiscal Year in a timely manner to assure that the schedule of the Annual Special Taxes to be collected are received by the County Auditor for inclusion with billings for such ad valorem taxes for the applicable Fiscal Year.

### **EXHIBIT C**

## J. ANNEXATION OF TERRITORY

Any request for territory to be annexed to the CFD shall be processed in accordance with Government Code Sections 53339, et seq., and shall be subject to payment of any costs, including but not limited to administrative, legal and consultant fees and costs, incurred by the Agency in conducting the annexation process, and shall be subject to the total Maximum Special Tax determined from Section C. The Annual Special Tax for the Parcels in the territory annexed (each, an "Annexed Parcel") shall be determined from the following formula:

$$\text{ASTAP} = (\text{AST} \times \text{NUAP}) + \text{RAP1} + \text{RAP2}$$

[Note: RAP1 is included in calculation only through June 30, 2027, and only if the Annexed Parcel is classified as Taxable Property with Treatment Option]

Where:

ASTAP is the Annual Special Tax for the Annexed Parcel

AST is the Annual Special Tax (based on Section D.1)

NUAP is the Number of EDUs in the Annexed Parcel

$$\text{RAP1} = (\text{NUAP} \times \$100 \times \text{PTY}) / \text{RTY2027}$$

Where:

PTY = Number of Prior Tax Years

RTY2027 = Number of Tax Years Remaining through June 30, 2027

$$\text{RAP2} = (\text{NUAP} \times \$62.03 \times \text{PTY}) / \text{RTY2037}$$

Where:

PTY = Number of Prior Tax Years

RTY2037 = Number of Tax Years Remaining through June 30, 2037

For annexations occurring prior to May 1, 2026, the owner may opt to classify its Annexed Parcel(s) as Taxable Property with Treatment Option by notifying the Agency in writing at the time of its request for annexation; provided that there is treatment plant capacity available in the Phase I Treatment Plant Improvements to serve such Annexed Parcel(s). If the annexation occurs after May 1, 2026, then the Parcel(s) to be annexed shall not have the ability to be classified as Taxable Property with Treatment Option. The owner of the Annexed Parcel(s) may take advantage of the Catch-Up Special Tax set forth in Section D.5. in order to avoid the inclusion of RAP1 and/or RAP2 in the above calculation.

## EXHIBIT C

## **K. WILL SERVE COMMITMENT AND WATER SERVICE APPLICATIONS**

The following applies for the duration of the ATP Special Tax, i.e., through June 30, 2037: If a Property owner applies to the Agency for water service or a will serve commitment pursuant to the Agency Water Code (i) in connection with Taxable Property without Treatment Option upon which the ATP Special Tax is levied, then such application for water service shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or (ii) in connection with Taxable Property with Treatment Option upon which the ATP Special Tax and the Water Treatment Plant Special Tax is levied, then such application for water service shall not be denied or otherwise conditioned on the basis of the unavailability of capacity in the ATP or water treatment plant capacity; provided that the number of EDUs for which service or a commitment is requested does not exceed the number of EDUs used to calculate the ATP Special Tax and the Water Treatment Plant Special Tax, as applicable, levied on the subject property at the time of the application; and provided further that the Property owner is not delinquent at the time of the application in the payment of any applicable Annual Special Tax levied on the property subject to the application as provided in Section B of Agency Ordinance No. 2012-1.

## **L. CREDITS AGAINST AWS PARTICIPAION FEES**

1. For those Parcels included within the CFD, that portion of the AWS participation fee associated with the ATP will not be imposed in connection with the AWS participation fees required of the owners of such Parcels.
2. For those Parcels included within the CFD and upon which the Water Treatment Plant Special Tax is imposed, the portion of the AWS participation fee to be paid in connection with such Parcels and associated with water treatment plant capacity shall be limited to a proportionate share of the costs of the Phase I Water Treatment Plant Improvements, as defined in Agency Ordinance No. 2012-1, based on the ratio of the number of EDUs proposed for such Parcel to the total number of EDUs that can be served by such improvements. The total amount of the Water Treatment Plant Special Tax to be paid for Parcels covered by an application for service or a will serve commitment shall be applied against that portion of the AWS participation fees owing for such Parcels in connection with the Phase I Water Treatment Plant Improvements. If the credit associated with the Water Treatment Plant Special Tax to be paid by a Parcel exceeds the portion of the AWS participation fees owing for such Parcel in connection with the Phase I Water Treatment Plant Improvements, the amount in excess thereof shall be creditable to other participation fees that may be required to be paid by or levied against the applicable Parcel.
3. The credits against the payment of AWS participation fees addressed in subsections 1 and 2 above shall be effective only if the Property owner is not delinquent in the payment of the applicable Annual Special Taxes as provided in Section B of Agency Ordinance No. 2012-1. If the delinquency is not cured at the time of application for service or for a will serve commitment, then the amount of any ATP Special Tax and Water Treatment Plant Special Tax previously paid with respect to the Parcel subject to such application shall be

## **EXHIBIT C**

credited against the applicable AWS participation fees then required to be paid in connection with such application.

4. The total Annual Special Taxes levied against and paid for a Parcel that is not credited against participation fees during the term of the CFD may, after the expiration of the CFD, be used as a credit against then-applicable participation fees or other Agency charges due respecting said Parcel. Said amount paid shall not earn interest.

**EXHIBIT C**

**EXHIBIT A TO RATE AND METHOD OF APPORTIONMENT**

**DESCRIPTION OF RELATED PROPERTIES**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

Petition 1	008-310-031	005-490-007	005-480-014	005-180-019	044-520-016
044-450-017	008-310-027	005-490-008	005-480-015	005-190-002	044-520-017
044-450-020		005-490-009	005-480-016	005-190-020	044-520-018
044-480-005	Petition 4	005-490-010	005-480-017	005-070-013	044-520-019
044-480-014	018-133-004	005-490-011	005-480-018	005-320-006	044-520-020
044-480-017		005-490-012	005-480-020	005-320-007	044-520-021
044-480-020	Petition 5	005-490-013	005-480-023		044-520-022
044-480-022	008-310-026	005-490-014	005-480-024	Petition 14	044-520-023
044-480-025	008-292-002	005-490-015	005-480-025	011-330-004	044-520-024
044-480-008		005-490-016	005-480-026	011-330-005	044-520-025
044-480-026	Petition 6	005-490-017	005-480-027	011-330-006	044-520-026
044-480-027	044-020-036	005-490-018	005-480-028	011-330-007	044-520-027
044-010-123	044-020-037	005-490-019	005-480-029	011-330-008	044-520-028
044-010-125		005-490-022	005-480-030	011-330-009	044-520-029
044-540-019	Petition 7	005-490-023	005-480-031	044-430-001	044-520-030
044-540-018	008-030-027	005-490-024	005-480-032	044-430-002	044-520-031
044-540-001	010-011-047	005-490-025	005-480-033	044-430-003	044-520-032
044-540-002		005-490-026	005-480-034	044-430-004	044-520-033
044-540-003	Petition 8	005-490-027	005-480-035	044-430-005	044-530-001
044-540-004	015-150-026	005-490-028		044-430-006	044-530-002
044-540-005		005-490-029	Petition 13	044-430-007	044-530-003
044-540-006	Petition 9	005-490-030	004-290-002	044-430-008	044-530-004
044-540-008	005-070-002	005-490-031	005-020-016	044-430-009	044-530-005
044-540-009	005-070-012	005-490-032	005-030-004	044-430-010	044-530-006
044-540-011		005-490-033	005-040-004	044-430-011	044-530-007
044-540-012	Petition 10	005-490-034	005-300-001	044-430-012	044-530-008
044-540-013	008-060-034	005-490-035	005-010-004	044-430-013	044-530-009
044-540-014	008-060-004	005-490-036	005-020-006	044-430-014	044-530-010
044-540-015	008-060-015	005-490-038	005-020-017	044-430-015	044-530-011
044-540-016	008-100-031	005-490-039	005-030-005	044-430-016	044-530-012
044-540-017	008-020-031	005-490-040	005-040-005		044-530-013
		005-320-031	005-050-006	Petition 15	044-530-014
Petition 2	Petition 11	005-320-032	005-060-013	008-060-006	044-530-015
005-130-012	008-030-032	005-320-033	005-080-017		044-530-016
005-130-035		005-320-035	005-010-003	Petition 16	044-530-017
005-130-051	Petition 12	005-320-041	005-010-005	044-470-038	044-530-018
005-160-006	005-480-036	005-320-042	005-050-007	044-520-001	044-530-019
005-160-009	005-480-037	005-320-043	005-080-015	044-520-002	044-530-020
005-160-010	005-480-038	005-480-001	005-090-009	044-520-003	044-530-021
005-160-012	005-480-039	005-480-002	005-090-012	044-520-004	044-530-022
005-160-014	005-480-040	005-480-003	005-090-016	044-520-005	044-530-023
005-160-015	005-480-041	005-480-004	005-100-010	044-520-006	044-530-024
005-190-007	005-480-042	005-480-005	005-110-010	044-520-007	044-530-025
005-190-017	005-480-043	005-480-006	005-110-011	044-520-008	044-530-026
011-180-017	005-480-044	005-480-007	005-120-008	044-520-009	044-530-027
012-010-001	005-480-045	005-480-008	005-120-010	044-520-010	044-530-028
012-010-002	005-490-001	005-480-009	005-130-052	044-520-011	
	005-490-002	005-480-010	005-140-008	044-520-012	
Petition 3	005-490-003	005-480-011	005-150-011	044-520-013	
040-030-093	005-490-005	005-480-012	005-150-012	044-520-014	
040-030-094	005-490-006	005-480-013	005-170-014	044-520-015	

**EXHIBIT A TO RMA**

**RESOLUTION NO. 2012-23**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
AMADOR WATER AGENCY CALLING A SPECIAL ELECTION OF THE  
QUALIFIED LANDOWNER ELECTORS WITHIN  
COMMUNITY FACILITIES DISTRICT NO. 1 (AMADOR WATER SYSTEM)**

**RESOLVED** by the Governing Board of Directors ("Board") of the Amador Water Agency (the "Agency"), County of Amador, State of California, that:

**WHEREAS**, on July 26, 2012 the Board adopted Resolution No. 2012-15 entitled "Resolution of the Board of Directors of the Amador Water Agency Declaring Intention to Establish a Community Facilities District" (the "ROI") with respect to Community Facilities District No. 1 (Amador Water System) (the "CFD") of the Agency pursuant to California Government Code Section 53311 et seq. (the "Act"); and

**WHEREAS**, the Resolution of Intention set a public protest hearings to be held concurrently on August 27, 2012, ("Public Hearing); and

**WHEREAS**, at the close of the Public Hearing, the Board determined that there was no majority protest under the provisions of the Act; and

**WHEREAS**, at the conclusion of the Public Hearing, the Board adopted Resolution No. 2012-22 entitled "Resolution of the Board of Directors of the Amador Water Agency To Form a Community Facilities District" (the "ROF") with respect to the CFD pursuant to the Act;

**WHEREAS**, pursuant to the provisions of the ROF, a proposition to authorize the levy of special taxes within the CFD is to be submitted to the qualified electors of the CFD as required by the Act.

**NOW, THEREFORE, BE IT FUTHER RESOLVED THAT:**

1. The Board has heretofore found that fewer than twelve persons have been registered to vote within the territory of the CFD for the ninety days preceding the close of the public hearing heretofore held by the Board for the purposes of these proceedings. Accordingly, the vote shall be by the land owners of the CFD, and each owner of record at the close of such public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the CFD.
2. The date of the election shall be 27<sup>th</sup> day of August, 2012, and the Board Clerk shall conduct the election. The election shall be conducted by personally delivered or mailed ballots and in accordance with the provisions of law regulating elections of the Agency insofar as such provisions are determined by the Board Clerk to be applicable. The voted ballots shall be returned to the Board

Clerk not later than 9 a.m. on August 27, 2012 at such time the election will be closed.

3. The form of the ballot for the election is attached hereto as Exhibit A and by this reference incorporated herein. The Board Clerk has cause to be delivered to each of the qualified electors of the CFD a ballot in said form. Each ballot indicates the number of votes to be voted by the respective elector based upon the number of acres of land owned by such elector as set forth above. The identification envelope for return of the ballot was enclosed with the ballot, shall have the postage prepaid and shall contain (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the elector is the owner of record, or the authorized representative thereof, and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the elector, (d) the date of signing and place of execution of the declaration described above and (e) a notice that the envelope contains an official ballot and is to be opened only by the Board Clerk. Analysis and arguments with respect to the ballot proposition are hereby waived.
4. There is on file with the Board Clerk a Petition, Consent and Waiver executed by each qualified elector of the CFD requesting a shortening of the time for the special election in order to expedite the process of formation of the CFD and waiving any requirement for analysis and arguments in connection therewith.

**PASSED AND ADOPTED** by the Board of Directors of the Amador Water Agency at a meeting of said Board held on the 27<sup>th</sup> day of August, 2012, by the following vote:

AYES: Directors Toy, Manassero, Farrington and Thomas  
NOES:  
ABSENT: Director Molinelli  
ABSTAIN:

  
\_\_\_\_\_  
Gary Thomas, President

ATTEST:  
  
\_\_\_\_\_  
Cris Thompson, Clerk of the Board

**EXHIBIT A**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**OFFICIAL BALLOT  
SPECIAL TAX ELECTION**

This ballot is for the special landowner special tax election. You must return this ballot in the enclosed postage paid envelope to the Office of the Clerk of the Board for the Amador Water Agency no later than 9:00 a.m. on August 27, 2012, either by mail or in person. The Office of the Clerk of the Board is located at 12800 Ridge Road, Sutter Creek, California, 95685.

To Vote, mark a cross (X) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Office of the Clerk of the Board for the Amador Water Agency and obtain another.

BALLOT MEASURE: Shall the Amador Water Agency, by and for its Community Facilities District No. 1 (the "CFD"), be authorized to levy special taxes within CFD pursuant to and as described in Resolution No. 2012-15 of the Amador Water Agency, adopted on July 26, 2012

YES: \_\_\_\_\_

NO: \_\_\_\_\_

By execution in the space provided below, you 1) declare under penalty of perjury that you are the owner of record or the authorized representative of the land owner entitled to vote this ballot; and 2) confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

**Number of Votes:**

Property Owner:

Attention:

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**RESOLUTION NO. 2012-24**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AMADOR WATER AGENCY DECLARING RESULTS OF SPECIAL TAX ELECTION, DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**RESOLVED** by the Governing Board of Directors (“Board”) of the Amador Water Agency (the “Agency”), County of Amador, State of California, that:

**WHEREAS**, in proceedings heretofore conducted by the Board pursuant to the Government Code section 53311 et. seq. (the “Act”), this Board has heretofore adopted a resolution calling a special election of the qualified landowner electors in the territory of land proposed to form Community Facilities District No. 1 (the “CFD”); and

**WHEREAS**, all requirements, including but not limited to any time limit, pertaining to the conduct of the special election have been waived by unanimous consent of the qualified electors of the CFD as authorized by the Act, which executed landowner Petition, Waiver and Consent from each qualified elector is on file with the Clerk of the Board (“Board Clerk”), and with the concurrence of the Board Clerk as the designated election official conducting the election; and

**WHEREAS**, as authorized by the unanimous waiver of special election requirements by all qualified electors pursuant to the Act (California Government Code section 53326(a)), the special election is by ballot mailed with the Notice of Public Hearing to all of the property owners within the CFD by the Board Clerk on August 6, 2012, to be tabulated by the Board Clerk at 9:00 a.m. or as soon thereafter at the close of the public hearing on August 27, 2012; and

**WHEREAS**, the Board Clerk has certified that a ballot in the form set forth in Exhibit A hereto has caused to be delivered to each of qualified electors in the CFD, that each ballot indicated the number of votes to be voted by the respective landowner to which it pertains, that each ballot was accompanied by all supplies and written instructions necessary for the use and return of the ballot, and that the envelopes to return the ballot were enclosed with the ballot, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot; and

**WHEREAS**, the Agency Board Clerk accepted the ballots of the qualified electors in her office upon and prior to 9:00 a.m. on August 27, 2012, or as soon thereafter as the matter could be heard, which is the special election date, whether said ballots be personally delivered or received by mail. The Board Clerk also made available ballots to be marked at her office on the election

day by said qualified electors; and

**WHEREAS**, the Board Clerk has on file a Canvass and Statement of Results of Election (“Canvass”), a copy of which is attached hereto as Exhibit B; and

**WHEREAS**, the Board has reviewed the Canvass and hereby approves it.

**NOW, THEREFORE, BE IT FUTHER RESOLVED THAT:**

1. The foregoing recitals are all true and correct.
2. The issues presented at the special election were the levy of a special tax within the CFD pursuant to the Resolution of Formation.
3. The Board hereby approves the Canvass and finds that it shall be a permanent part of the record of its proceedings for the CFD. Pursuant to the Canvass, the issues presented at the special election were approved by the qualified electors of the CFD by more than two-thirds of the votes cast at the special election.
4. Pursuant to the voter approval, the CFD is hereby declared to be fully formed with the authority to levy the special taxes in accordance with the approved Rate and Method of Apportionment as heretofore provided in these proceedings and in the Act. It is hereby found that all prior proceedings and actions taken by this Board with respect to the CFD were valid and in conformity with the Act.
5. The Board Clerk is hereby directed to complete, execute and cause to be recorded in the office of the County Recorder of the County of Amador a notice of special tax lien in the form required by the Act, such recording to occur no later than 15 days following adoption by the Board of this resolution.

**PASSED AND ADOPTED** by the Board of Directors of the Amador Water Agency at a meeting of said Board held on the 27<sup>th</sup> day of August, 2012, by the following vote:

AYES: Directors Toy, Manassero, Farrington and Thomas

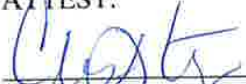
NOES:

ABSENT: Director Molinelli

ABSTAIN:

  
\_\_\_\_\_  
Gary Thomas, President

ATTEST:

  
\_\_\_\_\_  
Cris Thompson, Clerk of the Board

**EXHIBIT A**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**OFFICIAL BALLOT  
SPECIAL TAX ELECTION**

This ballot is for the special landowner special tax election. You must return this ballot in the enclosed postage paid envelope to the Office of the Clerk of the Board for the Amador Water Agency no later than 9:00 a.m. on August 27, 2012, either by mail or in person. The Office of the Clerk of the Board is located at 12800 Ridge Road, Sutter Creek, California, 95685.

To Vote, mark a cross (X) in the voting square after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the Office of the Clerk of the Board for the Amador Water Agency and obtain another.

BALLOT MEASURE: Shall the Amador Water Agency, by and for its Community Facilities District No. 1 (the "CFD"), be authorized to levy special taxes within CFD pursuant to and as described in Resolution No. 2012-15 of the Amador Water Agency, adopted on July 26, 2012? YES: \_\_\_\_\_  
NO: \_\_\_\_\_

By execution in the space provided below, you 1) declare under penalty of perjury that you are the owner of record or the authorized representative of the land owner entitled to vote this ballot; and 2) confirm your waiver of the time limit pertaining to the conduct of the election and any requirement for notice of election and analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 53326(a) and 53327(b) of the California Government Code.

**Number of Votes:**  
Property Owner:  
Attention:  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**EXHIBIT B**

**AMADOR WATER AGENCY  
Community Facilities District No. 1  
(Amador Water System)**

**CANVASS AND STATEMENT OF RESULT OF ELECTION**

I hereby certify that on this date, I canvassed the returns of the election held on this date, in Community Facilities District No. 1 (Amador Water System) of the Amador Water Agency which election is designated as the Special Tax Election, and the total number of ballots cast and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	<b>Landowner Ballots</b>	<b>Qualified Ballots Cast</b>	<b>Landowner Votes</b>	<b>Qualified Votes Cast</b>	<b>YES</b>	<b>NO</b>
Amador Water Agency Community Facilities District No. 1 Special Tax Election August 27, 2012	<u>16</u>	<u>10</u>	<u>19,939</u>	<u>19065</u>	<u>19065</u>	<u>0</u>

**BALLOT MEASURE:** Shall the Amador Water Agency, by and for its Community Facilities District No. 1 (the "CFD"), be authorized to levy special taxes within the CFD pursuant to and as described in Resolution No. 2012-15 of the Amador Water Agency, adopted on July 26, 2012

**IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND** this 27<sup>th</sup> day of August, 2012.

**AMADOR WATER AGENCY**

By:   
Cris Thompson, Clerk of the Board of Directors  
Amador Water Agency

**EXHIBIT B**

# ATTACHMENT "I"

## Amador Water Agency

### Introduction:

The Grand Jury has elected to review and evaluate the Amador Water Agency pursuant to Penal Code 925a.

*Note: Due to litigation filed in the Amador County Courts, the Grand Jury did not investigate the feasibility, necessity, environmental impact or economics of the new proposed pipeline; nor is there any recommendation either for or against the installation of the pipeline.*

The Amador Water Agency (AWA) was formed in 1959 for the purpose of providing water, waste water services and storm drainage to the residents of Amador County. The Agency is governed by a board of five directors (one from each supervisorial district) who are elected to four-year terms. The board appoints a general manager, who supervises the day-to-day operations of the Agency.

The primary source of water is the Mokelumne River. The water is obtained by tapping into the storage and major conveyance facilities of PG&E. This water, stored in Tiger Creek after bay and Lake Tabeaud is diverted to their treatment plant in Sutter Creek. Amador Water Agency wholesales water to Amador Water System whose customers are Jackson, Sutter Creek, Amador city, Drytown and Ione. It is also the source of water for the upcountry customers in the Central Amador Water Project (CAWP) which includes: Pine Grove, Pine Acres, Sunset Heights, Fairway Pines, Jackson Pines, Pioneer, Gayla Manor, Ranch House Estates, Amador County Service Areas (CSA's 1,2,3 & 4), Ridgeway Pines, Rabb Park and Mace Meadows. The La Mel Heights customers get their water from a single well in the La Mel Heights subdivision in Volcano.

In addition, AWA collects, treats and disposes of waste water for View Point, Eagle Nest, Surrey Junction, Wildwood, Gayla Manor, Jackson Pines, Fairway Pines and Pine Grove. AWA also provides contract waste water services to Amador County for CSA's 1,2,3 and 4.

### Method of Evaluation:

Members of the Grand Jury conducted interviews, reviewed documents and attended Board of Director's meetings. It should be noted that this review was limited to the administration of the Agency and not the physical plant or infrastructure. This was due mostly because this Grand Jury had no expertise in such matters as water treatment or delivery systems of water and these matters are well regulated by a variety of State agencies.

### Persons Interviewed:

General Manager of the Amador Water Agency

### Documents Examined:

AWA Organizational Chart

AWA Mission Statement and 5-Year Strategic Plan  
 AWA Central Amador Water Project – Financial Plan (10-year plan dated June 22, 2001)  
 AWA 2001/2002 Budget  
 AWA 3-Year Financial Plan for CSA’s 1,2,3 and 4  
 Water Rate Comparison Chart  
 Transmittal Notice of Violation by the California State Department of Health Services dated November 28, 2001  
 Response to the notices of violation by the Amador Water Agency sent to the Department of Health Services dated December 13, 2001  
 Notice to customers and ballots for customers to vote on proposed rate increase  
 Chapter 35 – Amador County Water Agency Act  
 Water Needs Assessment, dated March 1999, for the Mountain Counties Water Resources Association  
 Booklet “AMADOR WATER AGENCY”  
 Findings and Recommendations pertaining to CSA 3 of the 2000/2001 Grand Jury Report  
 Public Works Agency responses to the recommendations of the Grand Jury Report

Sites Visited:

Amador Water Agency District Office located at 12800 Ridge Road, Sutter Creek, CA

**Planning**

**1. Facts:**

- The Amador Water Agency’s Mission Statement and 5-Year Strategic Plan, written in November 2001, outlines goals of the Agency for current operations, proposed projects and future operations. Updated every two to three years; this plan sets forth the strategies to attain the goals in the following areas of the business:
  - Safety:
    - Water
    - Personnel
    - Public
  - Responsiveness to Customer Service
  - Fiscal Responsibility
  - Community Awareness
  - Infrastructure
  - Leadership
- The Financial Plan estimates the expenditures for future needs as described in the 5-year plan:
  - Operations & Maintenance Costs
  - Debt Service Obligations
  - Capital Program Needs
  - Reserve Target Levels
  - Future Debt Needs
- The 2001/2002 Budget reflects the current year income and expense and capital costs for the following service districts:
  - Amador Water System

Central Amador Water Project (CAWP)

I.D.#1 (Pioneer)

I.D.#2 (Ranch House)

I.D.#3 (La Mel)

I.D.#4 (Pine Acres)

Waste Water – All Districts

- Each of the above listed districts has its own accounting and budgeting process
- The 5-Year Plan calls for consolidating the numerous budget and accounting processes for small water districts and all wastewater districts. The Plan also calls for outsourcing when strategically advantageous. AWA is currently planning to have billing statements processed by an outside vendor.
- There is a 10-Year Financial Plan covering CAWP, prepared by an outside consultant which provides analysis and recommendations for capital improvements, expenditures and revenue requirements.
- There is also a 3-Year projected financial plan for CSA's 1,2,3 and 4.

**Findings:**

- The planning process of the Amador Water Agency is extremely comprehensive with the 5-Year Plan, the Financial Plan and Budget being well integrated.
- Efficiency would be improved by consolidating the numerous budgets and accounting processes currently in use for the many districts.
- Outsourcing of billing statements would allow office personnel to refocus on other duties to enhance efficiency.

**Recommendation:**

- Proceed with the plans for consolidation and outsourcing.

**County Service Areas (CSA)**

**2. Facts:**

- The County Service Areas 1,2,3 and 4, owned by Amador County, are now being serviced by AWA under contract with the county.
- It is anticipated that the assets of the CSA's will be transferred to AWA by July 2002, at which time they will be owned and operated by the Agency.
- The 2000/2001 Grand Jury performed a complete comprehensive review of CSA 3.
- The Water Agency has reviewed the 2000/2001 Grand Jury report and is addressing each recommendation in conjunction with the California Water Quality Control Board.

**Recommendations:**

- None

## Water Rates and Public Notification

### 3. Facts:

- Proposition 218, “right to vote on taxes act”, is followed to the letter when notifying customers of a rate change.
- Customers in districts that are having proposed rate changes are notified several times by notices enclosed with their bills.
- Proposed rate changes are also announced at semi-monthly Board of Director’s meetings.
- The long-term goal is to have rate increases at or below the rate of inflation.
- Each water district has its own rate. AWA has rates for five water districts and ten waste water districts. When the CSA’s are transferred, there is the possibility of having four additional water and wastewater rates.

### Findings:

- For each proposed rate change, AWA must incur multiple administrative costs for each district including budget, accounting, legal review, Proposition 218 compliance, and special board meetings, mailings and special reports to the State regulatory agencies.
- There is sufficient notice to customers of rate changes.
- The present structure of multiple rates is a cumbersome and costly method of accounting.

### Recommendation:

- It is recommended that AWA adopt a single rate for potable water and a single rate for waste water.

## Water Safety

### 4. Facts:

- AWA received a notice of violation on November 9, 2001 from the State Department of Health Services for failing to test backflow devices in CSA 3 annually.
- Records were not updated when customers changed residences, therefore the current occupants were unaware of the requirements to test the devices.
- In the past, a well variance had been issued to customers with “non-active” wells as a secondary water source on their property. This allowed property owners to discontinue annual testing of the backflow devices.
- The practice of issuing variances for “non-active” wells will be discontinued due to the possibility of cross contamination of unapproved water into the AWA system. An AWA customer wanting to discontinue the required annual backflow device testing will have to officially abandon their well or disconnect from the AWA’s potable water system.

- The Agency has upgraded their software to ensure their database contains current customer information. These changes will also allow the tracking of customers with backflow devices and the history of testing.
- AWA hired additional staff in October, 2001 to ensure compliance with the testing requirements and to regularly update the backflow customer database.
- AWA has provided its customers with a list of approved backflow testers in Amador County for those wishing to have their devices tested privately.
- This was the first violation that AWA received in over three years.

**Findings:**

- AWA has taken all the necessary corrective steps to ensure compliance testing of backflow devices.
- AWA now has an adequate system in place for notifying customers of backflow testing requirements and time frames.

**Recommendations:**

- None

**Future Water Needs**

**5. Facts:**

- A 1999 report to the Mountain Counties Water Resources Association written by a consulting engineering firm reported the future water needs of the Central Sierra Counties, CA of which Amador is a part.
- The report stated that in 1994 Amador County's urban and agricultural water demand was 26,000 acre-feet, and by the year 2020 the total demand will be 37,000 acre-feet, and by 2030 over 40,000 acre-feet.
- The AWA, recognizing future water needs, has been holding discussions with other utilities regarding future water allotments.

**Findings:**

- The AWA recognizes that the county's present water supply may have to be augmented in the future and is planning for such a contingency.

**Recommendations:**

- None

**Response Required:**

- The Amador County Grand Jury requires a response to this report within ninety days as per California Penal code 933.05.

Approved

**AMADOR WATER AGENCY  
Board of Directors  
Regular Meeting**

**June 14, 2012**

**MINUTES**

**Directors Present:** Gary Thomas, President  
Paul Molinelli, Vice President  
Robert Manassero  
Art Toy  
Rich Farrington

**Directors Absent:** None

**Staff Present:** Gene Mancebo, General Manager  
Chris McKeage, Field Services Manager  
Karen Gish, HR/ Office Manager  
Marvin Davis, Controller  
Cris L. Thompson Clerk of the Board  
Stephen Kronick, Agency Counsel

**CALL TO ORDER** – President Thomas called the meeting to order at 9:01 a.m.

**PLEDGE OF ALLEGIANCE**

**ADDITIONS TO THE AGENDA** - There were no additions to the agenda.

**DEPARTMENT REPORTS- (RM-A 3:36- 27:17)**

Karen Gish HR/ Office Manager  
Marvin Davis, Controller  
Chris McKeage, Field Services Manager

**Public Comment (Department Reports) (RM-A 27:20- 43:48)**

Mr. David Evitt  
Mr. Bill Condrashoff  
Mr. Ken Berry

**PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA (RM-A 43:50- 1:00:43)**

Mr. Ken Berry  
Mr. Bill Condrashoff  
Mr. David Evitt

Regular Board Meeting  
June 14, 2012  
Page 1

Mr. Jerry Trottier

**CONSENT AGENDA - (RM- 1:00:45 – 1:07:11)**

**MOTION:**

It was moved by Director Toy, seconded by Director Molinelli and unanimously carried to approve the consent agenda with suggested amendments.

**MOTION CARRIED**

**Public Comment:**

Mr. Ken Berry  
Mr. David Evitt  
Mr. Bill Condrashoff

**RECESS was called at 10:19 a.m. SESSION resumed at 10:34 a.m.**

**AGENCY GENERAL**

**Quarterly Investment Report (RM-B 0:00:01- 15:37)**

Presentation of the Agency's Investment Portfolio Status by Controller Marvin Davis

**AGENCY COUNSEL REPORT (RM-B 16:14-20:42)**

Legislative Report

**COMMITTEE REPORTS (RM- B 20:42 – 24:36)**

Budget and Finance (06-06-12)  
Engineering Committee (06-06-12) (not discussed)  
Personnel Committee (06-07-12) (not discussed)

**RECESS was called at 10:57 a.m. SESSION resumed at 11:05 a.m.**

**CAWP**

**Buckhorn Disinfection By-products/ Backwash Disposal Project (11:00 a.m. or as soon thereafter as it may be heard) (RM-C 0:02:52- 1:22:40)**

Presentation by Petersen, Brustad, Inc

**Public Comment:**

Mr. Bill Condrashoff  
Mr. Bob Lucas  
Ms. Debbie Dunn  
Mr. Dale Telegan

Discussion and possible direction for inclusion in the 2012-13 Fiscal Budget  
**(RM-C 1:22:52- 1:39:53)**

Regular Board Meeting  
June 14, 2012  
Page 2

Mr. Bill Condrashoff  
Ms. Debbie Dunn

**MOTION:** It was moved by Director Farrington, seconded by Director Toy and unanimously carried to approve staff recommendation to include the preferred alternative for the disinfection byproducts in the budget.

**MOTION CARRIED**

**RECESS** was called at 12:43 p.m. **SESSION** resumed at 1:51 p.m.

**IMPROVEMENT DISTRICTS**

**Water Improvement District No. 7 (1:30 p.m. or as soon thereafter as it may be heard) (RM-D 0:00:32- 1:11:40)**  
Presentation and discussion regarding the Groundwater Supply Study Report and Integrated Regional Groundwater Management Plan

**Public Comment:**

Mr. Craig Walling  
Ms. Vera Ferguson  
Mr. Bill Condrashoff

**FUTURE AGENDA TOPICS (RM- D 1:11:41- 1:26:11)**

Well 14 Redevelopment  
Budget Workshop  
Bob Lucas proposal  
Adoption of the GWMP  
WW rates and financial plans  
Auditor communications  
Dates on future agenda items list or prioritize

Direction was given to have the list to be prioritized by Board President and General Manager

**Public Comment:**

Ms. Debbie Dunn

**Independent Financial Review (RM-D 1:27:09- 2:03:30)**

Discussion and possible action regarding the draft revised scope of work and Request for Proposal for an Independent Financial Review

**Public Comment:**

Mr. Bill Condrashoff  
Ms. Debbie Dunn

Regular Board Meeting  
June 14, 2012  
Page 3

**MOTION:** It was moved by Director Toy, seconded by Director Manassero and unanimously carried to proceed with recommendation of the staff and direct the General Manager to issue a request for proposals to conduct an assessment of the Water Agency's financial system structure, policies, procedures and reporting and return to the Board with a recommended consultant to perform the financial review.

**MOTION CARRIED**

**Wastewater Improvement District No. 1 (RM-D 2:03:40- 2:28:47)**

Discussion and possible action to suspend implementation of the scheduled rate increase of 9% until after the 2012-13 budget is approved.

**Public Comment:**

Mr. Dale Telegan  
Mr. Bob Lucas  
Mr. Bill Condrashoff  
Ms. Debbie Dunn  
Mr. David Evitt

**MOTION:** It was moved by Director Molinelli, seconded by Director Manassero and unanimously carried to accept the recommendation of staff to suspend implementation of the of the scheduled rate increase for WW ID#1 until after the 2012-13 budget is approved and implement a portion of the rate increase in accordance with the budget and suspend implementation of the remaining portion of the rate increase for review later in the fiscal year following financial review of the WWID#1 system.

**MOTION CARRIED**

**CLOSED SESSION was called at 4:21 p.m.**

Conference with Legal Counsel Pursuant to Government Code Section 54956.9(a)- Pending Litigation- Kenneth Perano and Ken Berry vs Amador Water Agency (Amador Superior Court Case No. 12-CV-7718)

Pursuant to Government Code Section 54957- Public Employee Performance Evaluation- General Manager

Pursuant to Government Code Section 54957.6 –Conference with Labor Negotiator(s), Karen Gish, General Manager Employment Contract

Pursuant to Government Code Section 54957.6 –Conference with Labor Negotiator(s) (Gene Mancebo, Karen Gish, Gary Thomas, Paul Molinelli) – Confidential Bargaining Unit (CBU) AWA Employee Association, and Management Bargaining Unit (MBU)

Regular Board Meeting  
June 14, 2012  
Page 4

Conference with Real Property Negotiators pursuant to Government Code Section  
54956.8-Property: APN 044-110-109 Scott and Lisa Love - Agency Negotiator Gene  
Mancebo


**OPEN SESSION resumed at 5:33 p.m. with direction to staff**

**MOTION:**

It was moved by Director Manassero seconded by Director Toy and unanimously  
carried to adjourn the meeting.

**MOTION CARRIED**

**ADJOURNMENT** – President Thomas adjourned the meeting at 5:34 p.m.

  
\_\_\_\_\_  
Cris L. Thompson  
Clerk of the Board of Directors  
Approved: 6-28-12

Regular Board Meeting  
June 14, 2012  
Page 5



Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

## ATTACHMENT "J"

Steven W. Northcote, C.P.A.  
Michael S. Schreiberman, C.P.A.  
Michael J. Zizzi, C.P.A.  
Julie A. Firl, C.P.A.  
Nicholas M. Gines, C.P.A.

*Members*  
American Institute of Certified Public Accountants  
California Society of Certified Public Accountants

To the Board of Directors  
Amador Water Agency  
12800 Ridge Road  
Sutter Creek, California 95685

In planning and performing our audit of the financial statements of Amador Water Agency for the year ended June 30, 2011, we considered Amador Water Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls, improving operating efficiency and reducing expenses. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated February 23, 2012, on the financial statements of Amador Water Agency.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various Agency personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation.

*Leaf & Cole LLP*

San Diego, California  
February 23, 2012

AMADOR WATER AGENCY

MEMORANDUM

**Bank Reconciliations**

The bank accounts of Amador Water Agency have not been truly reconciled. The Agency's cash is currently pooled in the general ledger. The total cash in the general ledger across all accounts and funds is then compared to the cash in investments in all of the Agency's accounts.

The reconciliations each month have included a small unidentified difference (less than \$50). If the cash was truly reconciled, there would be no difference. If the cash is not completely reconciled, one can never be sure that there is one error, or multiple errors offsetting each other thus leaving only a small difference. If all other items have been recorded properly, the unidentified difference would be the same from month to month. This has not been the case.

We suggest that the accounts in the general ledger not be pooled. Rather, each bank or similar account of the Agency should be represented in the general ledger by a specific set of accounts. This will allow cash in a single bank account to be spread across several funds. The reconciliation process would be simplified by allowing the reconciler to identify which accounts specifically are "in-balance" and which accounts are "out of balance". This should make identifying differences between the activity in the bank accounts and the general ledger accounts easier. The reconciliation of cash is one of the strongest internal controls at our disposal for assuring that all transactions involving cash receipts and disbursements have been recorded.

# ATTACHMENT "K"



Committed to the future of rural communities.

**United States Department of Agriculture  
Rural Development  
California  
www.rurdev.usda.gov/ca**

## SECOND AMENDED LETTER OF CONDITIONS

ATTN GENE MANCEBO, PE  
GENERAL MANAGER  
AMADOR WATER AGENCY  
12800 RIDGE ROAD  
SUTTER CREEK CALIFORNIA 95685-9630

April 11, 2012

Subject: Gravity Supply Line Project  
Second Amended USDA Rural Development Letter Of Conditions

Dear Gene,

**The sole purpose of this letter is to amend, add, or delete only the sections referenced below, all other conditions contained in the initial USDA Rural Development Letter Of Conditions dated July 30, 2010 remain in effect.** The primary purpose of USDA Rural Development's Letter Of Conditions is to establish conditions that must be satisfied prior to closing of loan and/or grant financing provided by USDA Rural Development and prior to the start of construction of the above referenced project.

Your request for an extension in time to meet the conditions contained in the initial USDA Rural Development Letter Of Conditions dated July 30, 2010, on behalf of the Amador Water Agency in your letter dated April 9, 2012 pertaining to the Gravity Supply Line Project has been approved. **The time to meet the conditions listed in the initial USDA Rural Development Letter Of Conditions dated July 30, 2010 is hereby extended through September 30, 2013.** In addition to the extension in the time to meet conditions, the following are additional reasons that require that revisions/modifications, additions and/or deletions be made to the initial USDA Rural Development Letter of Conditions. They are 1) security and repayment of the Rural Development Loan is to be by a special tax levied in connection with the formation of a Community Facilities District (CSD) and 2) recent program instructions require that USDA Rural Development Letters Of Conditions include requirements pertaining to Central Contractor Registration (CCR) and Universal Identifier Requirements (DUNS).

855 Nordic Place, Manteca, California 95336-3774  
Phone: (916) 425-4768 • Fax: (209) 823-0248 • TDD: (530) 792-5848

*Committed to the future of rural communities*

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

**Letter of Conditions - Attachment No. 1A (Continued)**

**Section I. 19 (ADDED)**

**19. Central Contractor Registration and Universal Identifier Requirements**

**Requirement for Central Contractor Registration (CCR)**

You as the recipient must ensure and maintain that your information is current in the CCR data base until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later.

This requires that you review and update the information at least annually after the initial registration and more frequently if required by changes in your information or another award term. Recipients can register on-line at (<https://www.bpn.gov/ccr/>).

You as the recipient may not make a sub-award to an entity unless the entity has provided its Data Universal Numbering System (DUNS) number to you. Sub-recipients with sub-awards of \$25,000.00 or more must also have and maintain current CCR registration.

**Recipient Reporting –**

You as the recipient must report each first tier sub-awards of \$25,000.00 or more in non-Recovery Act funds to <http://www.fsr.gov> no later than the end of the month following the month the obligation was made.

As part of your registration profile at <http://www.ccr.gov>, you must report the total compensation of the 5 most highly compensated executives (if the award was \$25,000.00 or more, 80% or more of annual gross revenues subject to Transparency Act, and \$25 Million of annual gross revenues subject to Transparency Act) by end of month following the month in which award was made.

This requirement also pertains to sub-recipients (if the award was \$25,000 or more, 80% or more of annual gross revenues subject to Transparency Act, and \$25 Million of annual gross revenues subject to the Transparency Act).

**There are no other revisions/amendments to any other portions of the initial USDA Letter of Conditions dated July 30, 2010 and all other parts of that letter remain unchanged.**



United States Department of Agriculture  
Rural Development  
California  
www.rurdev.usda.gov/ca

6.A.1

**LETTER OF CONDITIONS**

ATTN. GENE MANCEBO  
GENERAL MANAGER  
AMADOR WATER AGENCY  
12800 RIDGE ROAD  
SUTTER CREEK CALIFORNIA 95685-9630

July 30, 2010

**SUBJECT:** Application for USDA Rural Development's Water and Waste Disposal Program For Funding To Design And Construct The Central Amador Water Project Gravity Supply Line Project.

Dear Gene:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to their application. Any changes in project cost, source of funds, scope of services or any other significant change in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. Any change not approved by USDA Rural Development will be cause for discontinuing processing of the application.

This letter is not to be considered as loan/grant approval or as representation to the availability of funds. The application can be processed on the basis of a USDA Rural Development loan not to exceed \$8,330,000.00 and grant not to exceed \$5,070,000.00. Funds for this project are provided by the Rural Utilities Service (RUS). The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by USDA Rural Development. This is also the date that the interest rate is established.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next ten (10) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by USDA Rural Development must be authorized by appropriate resolutions of the applicant's governing body.

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise.

855 Nordic Place, Manteca, California 95336-3774  
Phone: (916) 425-4768 • Fax: (209) 823-0248 • TDD: (530) 792-5848

*Committed to the future of rural communities*

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

If you have any questions, feel free to call me at 916-425-4768.

Sincerely,



FRANK J RISSO  
Community Programs Specialist

cc: Janice Waddell, Community Programs Director, USDA Rural Development, Davis, CA.  
w/o attachments  
Dave Hartwell, Community Programs Specialist, USDA Rural Development, Davis, CA.  
w/o attachments  
Erik Christenson, P.E., Interim Manager of Engineering & Planning, Amador Water Agency,  
Sutter Creek, CA. w/o attachments  
Michael Lee, Financial Services Manager, Amador Water Agency, Sutter Creek, CA. w/o  
attachments  
Stephen Kronick, Agency's Legal Counsel, Bartkiewicz, Kronick, & Shanhan, Sacramento,  
CA. w/o attachments  
James Boyd, Bond Counsel, Bartkiewicz, Kronick, & Shanahan, Sacramento, CA. w/o  
attachments  
Steven Northcore, Leaf & Cole, LLP, Certified Public Accountants, San Diego, CA. w/o  
attachments

**I. CONDITIONS TO BE SATISFIED PRIOR TO LOAN/GRANT CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST**

1. **Reserves**—The applicant will establish a separate debt service reserve in an amount at least equal to an average annual loan installment. This reserve will be accumulated at the rate of at least one-tenth of that average installment each year until the required level is reached, which is one average annual loan installment.

In addition, you must fund a depreciation reserve for short-lived assets by depositing a minimum sum of \$21,975.00 annually. This amount should be evaluated each year and budgeted for based on the need to provide for timely replacement of short-lived assets.

2. **Disbursement of Funds**

- a. Interim loan financing during construction will not be required. USDA Rural Development funds will not be provided before the execution of a construction contract.
- b. You must establish a separate account, to be known and hereafter referred to as the Construction Account. All project funds will be deposited into this account and must be in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. The account shall be used solely for the purpose of paying authorized costs of the project as outlined in the project budget. Once the funds are deposited into the Construction Account, they become your responsibility.

3. **Security Requirements**

- a. At loan closing the applicant will execute the attached RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph 2. Also, on page 3 there is a certification to be executed at loan closing.
- b. The applicant will be required to execute a completed RUS Bulletin 1780-12, "Water Or Waste System Grant Agreement", United States Department of Agriculture, Rural Utilities Service at the time of loan and grant closing.
- c. The applicant is a legally organized Public Body pursuant to the laws/requirements of the State of California within the Government Code of the State of California. The loan will be secured by a first lien and pledge of revenues. The Security Instrument(s) must be prepared in accordance with RUS Instruction 1780 Subpart D, and State law. The assistance and opinion of a recognized bond counsel must be obtained.
- d. The loan will be secured by a first lien and pledge of revenues generated from the CAWP water system. The proposed loan must be on parity with all outstanding loans secured by revenues generated from the CAWP domestic water enterprise.

**Insurance and Bonding Requirements**—(Continued)

- d. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond. Coverage may be provided either for all individual positions or persons, or through “blanket” coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by USDA Rural Development will be sufficient to cover the total annual debt and reserve service requirements for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond. Provide USDA Rural Development with a copy of the bond and the power of attorney.
7. **Civil Rights & Equal Opportunity**—You should be aware of and will be required to comply with other Federal statute requirements including but not limited to:
    - a. Section 504 of the Rehabilitation Act of 1973.
    - b. Civil Rights Act of 1964.
    - c. The Americans with Disabilities Act (ADA) of 1990.
    - d. Age Discrimination Act of 1975.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

The applicant is subject to a pre-loan closing civil rights compliance review by USDA Rural Development.

**8. Written Agreements for Professional Services**

- a. A bond counsel services agreement must be submitted to USDA for review and approval and be determined satisfactory to USDA Rural Development.
- b. A legal service agreement must be submitted to USDA by your legal counsel and determined to be satisfactory to USDA Rural Development. An example of an acceptable Legal Services Agreement can be provided to you by USDA.
- c. The required format of the USDA engineering agreement will have to be submitted and approved by USDA Rural Development.

Engineering and Construction (Continued)

- c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
    - i. Preliminary Engineering Report
    - ii. Agreement for Engineering Services
    - iii. Final Plans and Specifications for the project
    - iv. Bid Award Information.
    - v. Executed Contract Documents
  - d. Affirmative steps should be taken to assure that small, minority, and women businesses are utilized as a source of supplies, equipment, construction, and services.
  - e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.
  - f. A representative of USDA Rural Development will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the issuance of the Notice to Proceed to the contractors. **The applicant's engineering representative will conduct the conference and document the discussions and agreements.**
13. **Electronic Funds Transfer**—All loan funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH; with money being placed in Borrower's account two days after the USDA processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the USDA Servicing Office at least 30 days prior to the date of loan closing. Failure to do so could delay loan closing.
14. **Automatic Payments**—The applicant **is required** to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to USDA Rural Development. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. **Completion of Form RD 3550-28, "Authorization Agreement for Pre-Authorized Payments," is required.** Please fill out and sign your "Individual/Company Information" section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the USDA Rural Development service office.

## II. LOAN & GRANT CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Disbursement of Grant Funds**—USDA Rural Development funds will be advanced as they are needed in the amount(s) necessary to cover the Rural Development proportionate share of obligation due and payable to the Grantee. Interest earned on grant funds in excess of \$250 for Nonprofits and \$100 for Public Bodies per year will be submitted to Rural Development at least quarterly, as required in 7CFR3019 / 7CFR3016 as applicable.
2. **Inspections**—A resident inspector is required during construction. The inspection reports must be available to USDA Rural Development for review at any time. These reports must be kept at the project site or borrower's office, if near by.
3. **Monthly Reporting**—The applicant must monitor and provide a monthly report to USDA Rural Development on actual performance during construction for each project financed, or to be financed, in whole or in part with USDA Rural Development funds, to include Forms RD 1924-18, "Partial Payment Estimate"; RD 1924-7, "Contract Change Order"; SF-271, "Outlay Report and Request for Reimbursement for Construction Programs"; and Project Daily Inspection Reports.
4. **Final Inspection**—A final inspection will be made by USDA Rural Development on the component USDA is financing before final payment is made.
5. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from USDA Rural Development.

## ATTACHMENT "K"

Cris Thompson

---

**From:** Cris Thompson  
**Sent:** Thursday, May 03, 2012 8:16 AM  
**To:** 'Bill Condrashoff'  
**Cc:** Gene Mancebo; 'sak@bkslawfirm.com'; 'david evitt'; 'Ken Berry'; 'Grand Jury'; Gary Thomas (gekethomas@sbcglobal.net); Paul Molinelli; richfarrington@yahoo.com; Robert Manassero; art toy  
**Subject:** GSL costs to date 050312  
**Attachments:** GSL costs to date 050312.pdf

Attached are the GSL costs to date.

*Cris Thompson*

**Executive Secretary/ Clerk of the Board**

**Amador Water Agency**

**209-257-5238**

[cthompson@amadorwater.org](mailto:cthompson@amadorwater.org)

**Gravity Supply Line  
Costs Thru May 2012**

	JOB #	Totals thru May-12
Planning & Design	60074	\$899,714.92
Construction	60076	\$94.70
Environmental	60085	\$211,118.21
CAWP Communication	60091	\$2,623.19
	<b>TOTAL</b>	<b>\$1,113,551.02</b>
Interest on internal loan		\$89,335
Interest paid to County		\$18,000.00
		<b>\$1,220,886.02</b>

5/3/2012

# **FOLLOW-UP REPORT**

## **Amador Water Agency**

### **BACKGROUND**

The 2011-2012 Grand Jury investigated the Amador Water Agency (AWA) based on complaints received from ratepayers and citizens of Amador County. The report detailed 22 facts, 17 findings, and 7 recommendations. These related to co-mingling of Replacement Reserves and Participation Fees, the Gravity Supply Line (GSL), and transparency. Pursuant to Penal Code §933, a response on the findings and recommendations was required. The AWA responded on August 31, 2012.

### **DISCUSSION**

The AWA disagreed with many of the findings and recommendations. The 2012-2013 Grand Jury acknowledges AWA's response to the findings and recommendations. However, the 2012-2013 Grand Jury had concerns that needed further investigation:

- **Replacement Reserves & Participation Fees**
- **The Gravity Supply Line**

Completed investigations of the above mentioned items are included in another section of the Final Report.

\*The 2011-2012 Grand Jury report is available at [www.amadorcourt.org/gi-civil-grandJury.aspx](http://www.amadorcourt.org/gi-civil-grandJury.aspx)

(Page intentionally left blank)



CITY OF IONE  
P.O. BOX 398  
1 E. MAIN STREET  
IONE, CA 95640  
(209) 274-2412  
FAX (209) 274-2830



September 4, 2012

Honorable Susan Harlan  
Presiding Judge  
Amador County Superior Court  
P.O. Box 249  
Jackson, CA 95642

**RE: 2011-12 Amador County Grand Jury Report: City Administration, City of Ione**

Dear Judge Harlan and Grand Jurors:

This letter serves as the City of Ione's response to the 2011-2012 Amador County Grand Jury Report disseminated by the Amador County Grand Jury in June 2012. The City's response was drafted by an ad-hoc Council committee consisting of Vice-Mayor Dan Epperson and Councilmember Lloyd Oneto of the Ione City Council, along with the City's executive team which consists of City Manager Ed Pattison and City Attorney James Maynard. The draft response was then presented to the entire City Council and the community at a public workshop for residents of the City of Ione and then approved by the City Council.

#### **CITY GOVERNANCE**

Edwin Pattison, as the new City Manager, joined Ione's executive team on August 1, 2012. The depth and breadth of issues that face the City of Ione are not unprecedented but are the same issues that currently confront most municipalities in California during this economic downturn – revenues are down while costs, most notably public pension contributions, are up. Fortunately for the City, Mr. Pattison is an experienced public entity manager with a wide range of experience, most recently at the Calaveras County Water District. Mr. Pattison is experienced in creating budgets and adhering to those budgets and has already institutionalized tracking and compliance procedures to ensure contract performance and consultant accountability. In short, Mr. Pattison has executive level experience and a track record of success.

Maynard Law, a Sacramento firm that specializes in municipal advice counsel services, continues to serve the City as City Attorney. Mr. Maynard also serves as District Counsel for the Bethel Island Municipal Improvement District. As indicated in last year's Grand Jury Response, Mr. Maynard is an experienced provider of legal services to public entities at all levels of government.

The Ione City Council has great faith in Mr. Pattison. Mr. Pattison plans to continue the City's emphasis on open and transparent government. The new City Manager has met, or is scheduled to meet, with Ione's stakeholders and, rather than imposing his pre-conceived notions on how the City should be run, is committed to listening to residents of Ione. In fact, over the last year, the City has solicited ideas and input from various Ione residents and will continue to do so. Government transparency is not just a slogan; the City Council believes it is the only path to public trust and confidence in local government. Additionally, the City Council believes that public comments should be taken seriously as such comments reflect the views of the electorate and help to inform both Council and the public.

Again, the City has taken immediate steps to improve the tracking of various contracts, reconcile past accounting irregularities, to improve the review of consultant invoices, and to better oversee the work performed by consultants. Additionally, the City has taken steps to improve the supporting documentation for deposits and withdrawals from the LAIF fund. Additionally, the City is in the process of creating a formal process to track such transfers including approval, justification, and reconciliation of such transfers. Finally, formal financial updates are now presented to the City Council on a monthly basis.

#### **GRAND JURY FINDINGS AND RECOMMENDATIONS**

**Finding #1: The City Manager for the fiscal period 2007-2011 did not demonstrate that she possessed the proper qualifications and expertise to perform the duties required for that position. (Facts #1 -3)**

Agree. The City is working closely with both the Amador County Counsel and with the Amador District Attorney to determine what, if any, action should be taken against former City Manager Kerr.

**Finding #2: The General Plan created by the City Manager and consulting firm PMC was unrealistic based on the financial infrastructure in place at the time. (Fact #3)**

Disagree. On August 26, 2009, the City adopted a new General Plan. As described on page 1-2 of the General Plan, the Plan is "a long-range planning document that provides the City a policy framework for land-use planning based on the City's long-term vision for growth. The General Plan contains the community's desires and visions of Ione through 2030 and beyond. The General Plan was not drafted only by former City Manager Kim Kerr and the contract City Planner, PMC, but was created through an extensive dialogue with residents of the City of Ione via workshops at both the Planning Commission and City Council levels. The General Plan helps to achieve the community's vision by setting Goals, Policies, and Actions to "preserve Ione's history and create a viable and flourishing community that current and future generations will be glad to call home." As described in this statement, the General Plan looks **not to 2030 but through 2030**, meaning that this Plan is intended for an indefinite, long-term period. The General Plan is not fixed but is a living document which can easily be amended and by law, must

be periodically reviewed.

The Land Use Element establishes land use categories and allowed levels of development for the General Plan Planning Area discussed throughout the General Plan. In this Element, Table 3-1 (Policy Area Development Potential) describes the maximum development potential for various areas of the City and the larger General Plan Planning Area using the land use policies and land use categories described in the Land Use Element. It does not assign this development solely to the 2009-2030 period but, in the spirit of the intent statement on pages 1-2 of the General Plan, it is intended to last beyond the year 2030.

There is no discussion within the General Plan itself regarding growth rates. As part of the development of the General Plan, the use of growth rates was discussed with the General Plan Advisory Committee and it was determined that a growth rate need not be identified. Rather, market forces and landowner desire should determine when property is developed to its highest and best use as articulated through the General Plan policies.

Ultimately, the City, through the City Council, has the authority to determine the land use plan for the community. There are no requirements in the California Government Code (section 65350, et seq.) requiring specific growth rates or levels of development, or mandating a specific land use plan. Rather, State law respects the authority of the local legislative body (the City Council) to determine policies for the City. Further, the 2003 State General Plan Guidelines do not make any mention of growth rates.

Further, any amendments to the General Plan to reduce the amount of development would necessitate new discussions with various property owners in the Ione area. Many landowners were involved in the General Plan process and requested specific land use designations and the ability to pursue certain development types as part of future land use permit applications. Property owners made requests to the City related to their private property and the Council considered and made General Plan determinations based on these requests.

Expenses of the City are based upon current service demands and existing obligations. Prior land use approvals (e.g., Castle Oaks, Wildflower), and a Cease and Desist Order from the Central Valley Regional Water Quality Control Board, have obligated the City to address wastewater issues. The General Plan simply reflects prior land use approvals, regulatory directives and future plans. The City has not adopted growth rate limits and must therefore plan for full build-out of these projects. Topic-specific Master Plans (such as the Wastewater Master Plan) may use a growth rate in order to determine timing of facilities, provided they are consistent with the General Plan by not assuming more growth than what is discussed in the General Plan.

Government Code section 65400 requires the City to report, on an annual basis, the implementation of the General Plan to the Office of Planning and Research (OPR) and

the Department of Housing and Community Development (HCD). Since the adoption of the General Plan in August 2009, annual reports have been filed for the period from adoption to December 2009 (the 2009 report) and the period from January 2010 through December 2010 (the 2010 report). The 2009 report covers a partial year because the timing of the report must be correlated with the City's portion of the Regional Housing Needs Plan/Regional Housing Needs Allocation as set forth in the requirements for the Housing Element in section 65584. The 2009 report was filed with OPR and HCD on March 18, 2010, the 2010 report was filed on March 29, 2011, and the 2011 report was filed on March 13, 2012, all consistent with the required filing date of April 1 of each calendar year as required by section 65400. Copies of these reports are on file with the City and are available to the public.

**Findings #3: That on many occasions the City Manager (Kim Kerr) provided insufficient or misleading information making it difficult or impossible for the City Council to cast intelligent votes. (Fact #3)**

Agree. Former City Manager Kim Kerr's budget documents were difficult to decipher, were inaccurate, and contained errors. The City's administration has made great strides, however, during the 2011-2012 fiscal year to provide accurate and timely budget information to the City Council and to the public. Budget documents are now presented in a standard format successfully used by municipalities throughout California. Reconciliation of past financial irregularities is ongoing and the City of Ione intends to retain a Certified Public Accountant to complete the reconciliation effort in the near term.

**Finding #4: The City Council failed to ask proper questions regarding many of the votes pertaining to consultants, budgets, and previous audits during the fiscal period 2007-2011. (Fact #1)**

Partially agree. The City Council was dependent on the information provided it by former City Manager Kim Kerr. The City Council could have been more proactive to meet with staff in advance of Council meetings to ask questions and to better understand the rationale behind the staff recommendations. This would have given City Council members the necessary knowledge to publicly question the need for various expenditures from the dais while also answering constituent questions. Current City management is working to enhance public communication and to provide Councilmembers and the public with accurate financial and project information in advance of City Council meetings. This should enable the City Council to make proper inquiry of staff and to better monitor such expenditures.

**Finding #5: The City Manager solely oversaw the expenditures for consultants and did not maintain proper payment procedures. (Facts #1-3)**

Agree. The City Manager, Kim Kerr, was responsible for reviewing and approving consultant invoices, for authorizing payments, and for signing checks, potential violations

of Generally Accepted Accounting Principles. Current City accounting practices involve appropriate checks and balances as well as more stringent oversight of contracts, invoicing, and City expenditures.

**Finding #6: The money spent on consultants for the wastewater plant was unnecessary because it was based on an unrealistic general plan. (Facts #1-3)**

Partially Agree. Please see City response to Finding Number Two (2). In addition, during the early stages of this project wastewater consultants were scoped to address both the Regional Water Quality Control Board's Cease and Desist Order but also to address growth as anticipated during the 2004 to 2007 period. Over the years, as the City developed multiple wastewater master plans and potential projects, none of the City's plans were designed to solve the problem as identified by the Central Valley Regional Water Quality Control Board, regarding mobilization of Iron and Manganese into Ione's groundwater and potentially into Sutter Creek. It should also be noted that Coastland Civil Engineering is not a wastewater consultant but serves Ione as the Ione City Engineer while PERC Water, though a responder to the City's RFQ/RFP process initiated by Ms. Kerr in 2010, serves only as the City's wastewater plant operator rather than as a wastewater consultant.

Each consultant that was previously retained to advise the City on wastewater issues developed extensive plans for the large-scale expansion and modernization of existing City facilities but none of those solutions identified a mechanism that would eliminate disposal of the City's effluent through existing or new percolation ponds. The Regional Water Quality Control Board has made it clear that no new percolation ponds may be constructed and that it would like the City to eliminate the use of existing percolation ponds. The City, therefore, is currently working with the Regional Board to develop and implement a compliance project to stop the mobilization of Iron and Manganese, to end the degradation of groundwater, and to end seepage, if any, of degraded ground-water to Sutter Creek. The City is now on target to comply with the requirements of the Cease and Desist Order. A future regional solution with neighboring agencies will also open new wastewater disposal options.

At some point in the future, however, and as warranted by future growth, an expansion of Ione's wastewater facilities will become a reality. The work completed by consultants over the past years will not go to waste. Much of this past work consists of engineering that can and will be used for future expansion-related design and construction.

**Finding #7: The Grand Jury finds, based on the City Council meetings and interviews, that the City Manager and City Council disregarded findings and recommendations of the 2010-2011 Grand Jury Report.**

Partially Agree. The former Interim City Manager and the City Council have been

acutely aware of the Grand Jury's 2010-2011 findings and recommendations and have implemented most of the Grand Jury's recommendations from that report. As an example, the 2010-2011 Grand Jury noted deficiencies in the areas of accounting and finance. Since that report, the City has continued to conduct monthly bank reconciliations, to properly document each cash transfer, to disseminate a monthly treasurer's report, and has created a much clearer format for City budget documents. In fact, for the first time in many years, the City passed an on-time and balanced budget in June 2012.

Since October 2011 the Council has been provided with accurate financial information with which to make decisions. Council decision-making is based on current City of Ione revenue and expenses. The City continues to report the status of its General Plan to the State as is required by law and the City, after a series of wrenching budget cuts including early retirements of some of the City's most senior staff, has a balanced budget for the upcoming fiscal year.

This is the first time the City has had a balanced budget entering a new fiscal year in more than five years. Finally, the City's LAIF account is in no danger of imminent depletion. The LAIF balance at the end of fiscal year 2011 was \$1,899,473 while the current LAIF balance is \$1,736,925. The \$162,548 difference between LAIF balances is accounted for by a short-term loan made to the City's operating fund in November 2011 to smooth revenue between property tax disbursements and will be repaid as soon as all revenues from the 2011-2012 fiscal year are posted to the City's accounts.

Additionally, the City is currently planning only for the two existing developments that have been previously approved by the Planning Commission and by the City Council, Castle Oaks and Wildflower. Finally, bank accounts are now reconciled monthly and monthly financial reports, by fund and by department, are routinely presented to the City Council. In short, the City Council has taken the 2010-2011 Grand Jury report very seriously and, as warranted, has made substantial changes to City operations.

**Finding #8: The Grand Jury finds that the City Manager and City Council ignored complaints voiced by local citizens at City Council meetings concerning financial matters and problems surrounding the proposed wastewater treatment plant.**

Partially Agree. Since the City's 2010-2011 Response to the Grand Jury, the City Council has listened pro-actively to all of its citizens. The Interim City Manager and City Council diligently sifted through the financial irregularities left them by the former City Manager and have recently secured employee concessions and made cuts to operations so that the City's budget can be supported by anticipated revenues. At times local citizens were frustrated by the pace of change but given the gravity of the situation, City leaders had to take time to make the right decision.

As additional evidence that the City Council and Interim City Manager listened intently

to Ione's citizens, an expensive mechanical secondary/tertiary wastewater treatment plant was eliminated from Council consideration in late 2011. Further, the City's Waste Water Committee currently comprised of Mayor Ron Smylie and Councilman Lloyd Oneto, and supported by City staff, is working toward implementation of a lower-cost solution that will meet the requirements of the Regional Water Quality Control Board's Cease and Desist Order in the short-term

**Finding #9: The wastewater treatment plant that was proposed by the City Manager (Kim Kerr) was not sustainable and did not have the financial infrastructure to implement. (Fact #1)**

Agree. The previously proposed Activated Sludge Secondary-Tertiary Treatment Plant was only sustainable if regional partners, such as ARSA, Mule Creek State Prison, and Unimum Mine contributed to the construction and operation of the facility and if the pace of development continued at the levels seen between 2004-2008. Once the pace of development slowed and regional partners dropped out, the City Council and management began looking at phasing the project and at lower-cost compliance alternatives.

**Finding #10. Based on all the information provided by the City, the forensic investigation and interviews; the financial situation in Ione is the result of poor management and leadership by the City Council in the fiscal period 2007-2011. (Facts #1-3)**

Partially Agree. While the City Council agrees that it should avail itself of trainings offered by the League of California Cities which might improve leadership, the root cause of the financial situation in Ione was the dissemination of inaccurate information by its former City Manager, slowing economic development and decisions made based on a plan to achieve regionalization and re-use of wastewater in and around Ione. If the City Manager provides inaccurate or incorrect information, the City Council's decisions are necessarily flawed because such decisions are made based on incorrect financial information.

Additionally, the Grand Jury fails to take into account the overall economic downturn that severely diminished (and continues to diminish) local municipality revenues and that has changed the economic picture for many cities throughout California, most notably the Cities of Stockton, San Bernardino, and Vallejo. As noted by the Amador County Assessor, the City of Ione has been impacted much more seriously by the decline in property tax values than has any other City in Amador County. The City's financial condition must be attributed to this combination of factors.

**Finding #11. That it is a conflict of interest for the City Manager to represent both the City Council and city employees in bargaining unit contract negotiations. (Fact #4)**

Partially Agree. The City wishes to clarify that Ms. Kerr did not represent both the City

Council and the City's employee units during collective bargaining sessions. Ms. Kerr represented the City Council while employee units were represented by their union representatives.

The possibility of a conflict involving Ms. Kerr arose from language in Ms. Kerr's City Manager contract providing that "Manager shall automatically receive any cost of living or other 'across the board' salary or fringe benefit increases provided to the miscellaneous employees union." This clause provided Ms. Kerr with a disincentive to eliminate, despite declining City revenues, increases to employee salary, because the elimination of COLA or other raises could eliminate future increases to Ms. Kerr's salary. Ms. Kerr may not have been sufficiently motivated to freeze cost of living or step increases as freezing City employee salaries would also have the effect of freezing the City Manager's salary.

The new contract for City Manager Pattison does not contain such a clause and he may, therefore, properly represent the City Council in negotiations with employee bargaining units as he does not have a vested interest in keeping City staff salaries and benefits high so as to increase his own salary and benefits. That said, if the City's financial condition improves, the City Council will consider the use of an outside negotiator to represent the City Council in employee bargaining unit negotiations.

**Recommendation #1: It is recommended that all Municipal Code violations be enforced.**

This recommendation will be implemented as finances allow. The City agrees that all municipal code violations should be enforced.

**Recommendation #2: It is recommended that the position of Finance Director should require at least a Bachelor's degree in Finance and be a separate position from the City Manager.**

The recommendation has been implemented. The City Finance Director is a separate position from that of City Manager. The City will consider whether any particular degree should be required for the position of Finance Director

**Recommendation #3: It is recommended that the City Council members should attend yearly training from the League of Cities.**

The recommendation will be implemented as soon as funds are available to pay for such travel and trainings.

**Recommendation #4: It is recommended that, due to conflict of interest, the City Manager not represent the City Council in bargaining unit negotiations.**

The recommendation will be considered. As noted, it is common practice for the head of

any municipal agency to sit across the table from the union negotiators representing employees. There is generally no conflict of interest in such a situation. An alternate practice is to hire an outside labor negotiator to represent the City in such negotiations and again, this may be considered if financial conditions warrant. Bargaining unit contracts are not due for renegotiation until 2014-2015.

**Recommendation #5: It is recommended that the City Council address all findings of the Internal Auditor in a timely manner.**

The recommendation has been and will continue to be implemented. Each prior Audit Report has Findings and a City Response to those Findings. Further, in the next audit cycle the City Council intends to create an Ad Hoc Audit Committee to go over the yearly audit with the City's internal auditor in detail to better understand existing deficiencies and recommended solutions.

Again, the City looks forward to further cooperation with the Grand Jury and with the Amador Superior Court.

Respectfully,



Ron Smylie  
Mayor, City of Ione

RS/jdm

cc: City Council Ad-Hoc Grand Jury Committee:

- Vice-Mayor Dan Epperson
- Councilman Lloyd Oneto
- Ed Pattison, City Manager
- James Maynard, City Attorney

(Page intentionally left blank)



CITY OF IONE  
P.O. BOX 398  
1 E. MAIN STREET  
IONE, CA 95640  
(209) 274-2412  
FAX (209) 274-2830

March 13, 2013

Honorable Marianne Bourgeois  
Grand Jury Foresperson  
Amador County Superior Court  
P.O. Box 249  
Jackson, CA 95642

**RE: 2011-12 Amador County Grand Jury City of Ione Follow-Up Response**

Dear Ms. Bourgeois:

This letter serves as the City of Ione's follow-up response to the February 20, 2013 letter requesting additional information. We appreciate the Grand Jury's concurrence on the great strides Ione's City Council and staff has made in clarifying misstatements and correcting past deficiencies. We also appreciate the opportunity to further clarify efforts made to date. Please see the following responses to your follow-up questions.

**QUESTION 1:**

How have you improved the following: (page 2, paragraph 2)

- a. tracking of various contracts,
- b. reconciling past accounting irregularities,
- c. consultant work performance and payment process, and
- d. tracking of local Agency Investment Fund (LAIF) transfers?

Please provide copies of policy and/or procedural changes.

**RESPONSE 1:**

At the recommendation of the City Manager, the City of Ione City Council retained Collins Accountancy, a firm that specializes in government accounting, on September 18, 2012 to assist the Finance Manager in reconciling problem areas and preparing for the 2011-2012 annual audit. Two qualified Certified Public Accountants worked with the City Manager and the Finance Manager over a 3-month period to reconcile developer-related accounts that had been subject to inconsistent accounting practices over a

number of years. The work involved review of documents dating back to 2000 in order to classify balances by developer for over 60 individual developers. Collins Accountancy's work also addressed other areas that had been problems in the past and is discussed more thoroughly under "Response 5" below.

As part of preparing for the audit of the 2011-2012 Fiscal Year (FY), the City made significant improvements in accounting for cash by consolidating numerous unnecessary accounts and by fully reconciling the City's pooled cash balance, which includes the balance held in LAIF as well as the cash held in various bank accounts owned by the City. The City notes that LAIF transfer activity is now infrequent.

The City has discussed policy improvements to be made and received advice from Collins Accountancy based on previous audit findings. However, the City's focus to date has been on resolving past issues and preparing for the FY 2011-2012 audit. As a result, the City has not yet formally adopted policy changes regarding tracking of contracts, monitoring of consultants, or in other areas. Once the audit has been completed, the City will be current with its annual audits, which will provide finance time to devote its attention to formalizing policies and procedures for the future.

**QUESTION 2:**

Were the positions of City Manager and Financial Director separated? What is the job description and the minimum qualifications for the City Manager position? What is the job description and the minimum qualifications of the Finance Director? Please provide copies of job descriptions. (Recommendation #2)

**RESPONSE 2:**

The positions of the City Manager and Finance Manager are separate and were at the time of the 2012 Grand Jury investigation. The City of Ione organizational chart will continue to maintain these two management positions separate to provide appropriate checks and balance. The City Manager position requires at a minimum 5-years of experience in local public agency management in addition to a four-year undergraduate degree with preference for a Master's Degree in Public Administration [See Attachments-1 and -2, City Manager Recruitment brochure and Ione Municipal Code Job Description]. The position of Finance Manager requires any combination of education and experience that would likely provide the required knowledge to perform the job successfully, with preference for at least a Bachelor's degree in Accounting or Finance and 5-years of public sector governmental accounting [See Attachment-3, Finance Manager Job Description].

**QUESTION 3:**

What are the credentials and education of the newly hired City Manager? (Finding #1)

**RESPONSE 3:**

The current City Manager holds a Master's Degree in Public Administration from the California State

University of Stanislaus as well as an Undergraduate Bachelor of Science Degree in Hydrology from the University of California at Davis. The City Manager holds certifications in Public Administration as well as numerous post-graduate coursework. The City Manager is active in the League of Cities, ICMA, and California Special Districts Association to ensure continuing professional development [See Attachment-4, City Manager Resume for Mr. Edwin Pattison].

**QUESTION 4:**

Was any action taken to determine if former City Manager, Ms. Kerr, was acting illegally? Has the City pursued legal action against Ms. Kerr? If yes, what action was taken? If not, why not? (Finding #1 Response)

**RESPONSE 4:**

The City Attorney and City Council have evaluated the available evidence related to Ms. Kerr's tenure with the City of Ione and are working with the appropriate authorities. The City cannot comment further at this time because the matter constitutes an ongoing investigation.

**QUESTION 5:**

Can you explain some of the financial irregularities that have occurred? Did the City hire a certified public accountant {CPA}? Has the reconciliation of the past financial irregularities been completed? If not, why not? (Finding #3)

**RESPONSE 5:**

As stated in "Response 1" above, the City of Ione retained Collins Accountancy, which included two Certified Public Accountants, specializing in governmental sector accounting, to assist with resolving all financial irregularities. The accounting issues faced by the City were caused by three main problems:

- ◆ A conversion of the accounting system in 2008 that was not properly executed.
- ◆ Inconsistent accounting for developer-related receipts and disbursements since at least 2005.
- ◆ Lack of sufficient staff time to adequately reconcile accounts prior to the FY 2010-2011 audit.

The accounting system conversion in 2008 introduced a number of problems in the City's accounting. After conversion, numerous unnecessary accounts were created to account for cash and fund balance that made accounting needlessly complicated. The programming in the new system also incorrectly resulted in the transfer of cash between funds when invoices were sent out to customers. During the conversion process, a number of funds were improperly combined, making it more difficult to track and account for specific funding sources. All of these issues have now been corrected.

The problems posted by the inconsistent accounting for developer transactions cannot be overestimated. The inconsistency went on for years requiring the City to locate records dating all the way back to 2000 to assist in identifying the amounts involved. Transactions related to a single developer were

sometimes spread across three or four different accounts in two funds. The City has successfully determined approximate balances by individual developer and is seeking to settle those balances at this time. The City is also in the process of preparing final adjustments to the general ledger, but the bulk of the work has been performed.

Many of the findings in the FY 2010-2011 audit and, ultimately, the disclaimer of opinion rendered by independent auditor Larry Bain, CPA, came about due to lack of sufficient staff time to reconcile or prepare schedules for the audit. As noted above, the City has retained Collins Accountancy Company, a CPA firm specializing in local government accounting, to assist in preparing for the FY 2011-2012 audit and resolving some of the issues noted. The City has received feedback from its independent auditor that the audit process is going much better this year and expects a draft audit report later this month.

Collins Accountancy Company made a presentation to the City Council on January 31, 2013 on governmental accounting and the issues identified during their work with the City. The entire set of PowerPoint slides is available on the City's website under financial documents.

While the City believes it has addressed the significant problems, due to time constraints, some of the more minor audit findings from the FY 2010-2011 audit will not be fully resolved with the 2011-2012 audit.

**QUESTION 6:**

What is the implementation status, the timeline of the compliance plan, and the lower cost solution to meet the requirements of the Cease and Desist order in the short term? (page 5, paragraph 3)

**RESPONSE 6:**

The City of Ione is moving toward construction of its Wastewater Compliance Project designed to comply with the Cease and Desist Order (CDO) by October 2013. The primary feature of the compliance project is to move away from the percolation/evaporation ponds by recycling disinfected secondary treated wastewater on adjacent agricultural lands and irrigated alfalfa. Each year the percolation/evaporation ponds will be emptied by irrigating alfalfa to allow the City to better maintain the ponds, which according to the City's experts will demonstrate compliance with the CDO.

The City is currently in the process of pre-qualifying contractors and putting final bid documents together for construction of the City of Ione's Wastewater Compliance Project. The City Council adopted a CEQA document analyzing the project and approved construction of the project on February 26, 2013. The Regional Water Board has scheduled a hearing for April 11-12, 2013 for new Waste Discharge Requirements that will permit the City of Ione's current wastewater operation as well as project flows through 2020. The compliance project will be complete by the October 30, 2013 deadline previously imposed by the Regional Board. The projected cost of the compliance project, including a 25% contingency, is approximately \$4.25 million. A series of reports, including the Report of Waste Discharge, an amendment to the report, the CEQA document and the Notice of Determination are located on the City's home web page.

Parallel to this compliance project, City staff is meeting regularly with the California Department of Corrections and Rehabilitation and the Amador Regional Sanitation Authority to develop a comprehensive regional wastewater treatment, storage, and disposal solution to keep project costs down for all ratepayers within the region.

**QUESTION 7:**

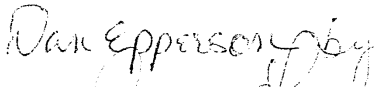
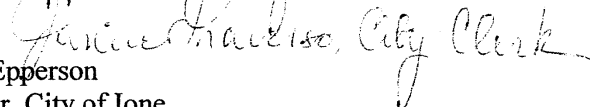
The City of Ione currently has 15 City Council and City's upper management staff as members of the league of California Cities. What are the costs per year for all 15 members? Is it possible to reduce the number of members so that certain staff can attend specific league of California Cities training. For example, can the Finance Director and City Treasurer attend the Municipal Financial Institute event? (Recommendation #3)

**RESPONSE 7:**

The City of Ione pays an annual fee to the League of California Cities. The fee is based on population of the City including the prison. The annual fee is \$3,053.00 plus a 10% Optional Litigation Surcharge of \$395.30 totaling \$4,348.30. Since it is not based on the number of City staff, but rather population of the City of Ione, the City is unable to reduce the fee. As a member city, any number of city staff and elected officials can attend continuing education and training offered by the League of California Cities for a discounted member rate. To minimize costs to the City, attendance at conferences and training is only when necessary or shared through a rotation schedule.

The City looks forward to further cooperation with the Grand Jury and with the Amador Superior Court.

Respectfully,

  
  
Dan Epperson  
Mayor, City of Ione

DE/jdm

# ATTACHMENT I



The successful candidate will also have experience in and a clear understanding of municipal planning, infrastructure and Public Works, an outcome-driven approach and proven track record delivering results, and the ability to strike a balance between the practical and the creative. Flexibility, accountability at all levels, the ability to "connect the dots", (while maintaining the "big picture" perspective which recognizes that the whole is greater than the sum of its parts), and a good sense of humor will also go a long way in assuring the new City Manager's, and the community's, success. Uncompromising ethics and unquestioned integrity are also essential personal and professional attributes of the City's ideal candidate.

### EDUCATION AND EXPERIENCE

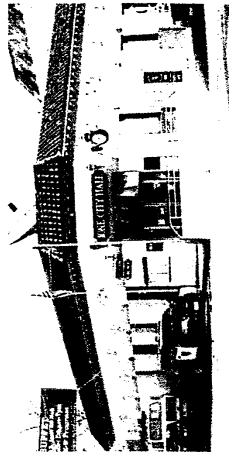
Interested candidates should possess a Bachelor's Degree in Public Administration or a related field (MPA highly desirable) and at least 5 years progressively responsible local government or related organizational management experience. Equivalent combinations of education and applicable professional work experience will be considered that have imparted to the candidate the several capabilities, skills and attributes identified above, preferably those most related to the local government arena.

### COMPENSATION

Salary depending on qualifications, plus excellent benefit package including PERS retirement.

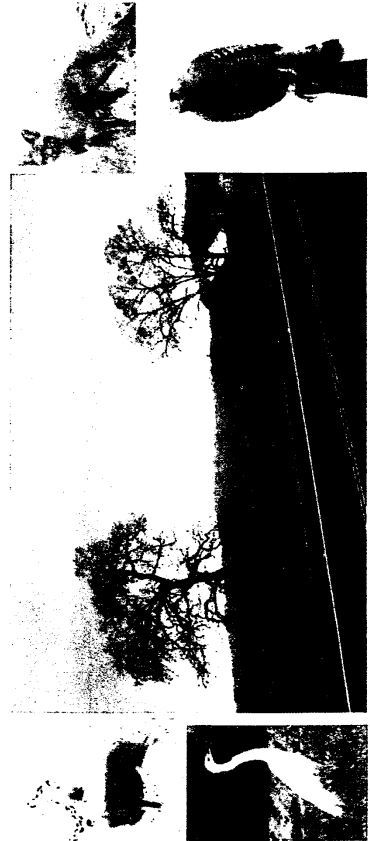
### APPLICATION AND SELECTION PROCESS

APPLY BY 4:30 P.M. Friday, April 27, 2012. Please submit cover letter, professional resume and salary history, and contact information for at least 5 professional references to City of Ione, P.O. Box 398, Ione, CA 95640, or E-mail to [jbuzlaf@ione-ca.com](mailto:jbuzlaf@ione-ca.com). Please direct all inquiries to Buzlaf at (209) 274-2412, or our website at <http://www.ione-ca.com> for more information on the City or the community.



Your resume should clearly and scope of your population, number of organization, budget, etc.), accomplishments, and the with beginning and ending dates, for each position held.

Following the April 27, 2012 deadline, the most qualified candidates will be invited to participate further in the selection process, including (depending on the number of candidates involved) a possible supplemental questionnaire phase, and engagement in an interactive community process prior to the final interview with the City Council and ultimate appointment.



Legendary Sutter Creek of Gold Rush fame

The City of Ione is seeking a new City Manager to help lead the City through one of the most critical periods of its history over the next few years.

**WHY IONE?  
The Community**

Located in the fertile Ione Valley of Amador County, Ione is among the historical foothill communities that came into being around the time of California's 1849 Gold Rush. Ione was uniquely situated as an agricultural and supply center, and sage and rail stop in support of other Amador County communities that were founded on gold mining such as Jackson and Sutter Creek. Ione also boasts iconic Preston Castle, dramatically overlooking the community from atop its hill entering the City from the northwest, which was actually the historic 1894 Preston School of Industry for the rehabilitation rather than imprisonment of youth offenders. This beautiful Romanesque Revival building is now being lovingly restored as a multiple use community resource by the Preston Castle Foundation.



Believed to have been named in 1849 after one of the heroines of Edward Bulwer Lytton's drama "The Last Days of Pompeii," Ione has since gone on to become the largest and fastest growing City in Amador County. Yet it still offers small town living at its best (as protected by its comprehensive General Plan), and quality but still affordable housing opportunities in a housing market in which new homes are still being built and new neighborhoods continue to emerge. Ione's residential population of around 4,160 is nearly matched by its Mule Creek State Prison population of 3,870, which is also included in the City's official population.

Ione remains a pivotal crossroads in the beautiful Gold Country region of gently rolling hills, ranches, farms, lakes, other neighboring historic Gold Rush era communities, and the nearby Sierra Nevada Range and Lake Tahoe. A wide variety of outdoor recreational, sporting, and historical opportunities abound, with plentiful family and vacation activities to be enjoyed throughout the year (including, in addition to several neighborhood parks, Ione's Howard Park, the largest recreational facility in Amador County with its baseball and soccer fields, covered equestrian arena and stables, family play and picnic areas, skatepark, spacious Evelyn Bishop Hall, and outdoor performance venues). There are also plenty of organizations, clubs, events and activities within Ione itself to keep residents actively engaged, and to continually reinforce the community spirit that is uniquely Ione's. Ione has good reason as well to be most proud of its own special sense of community, and its wholesome, friendly, and patriotic, small town atmosphere in which its residents of all ages - from its many young children to its growing number of retirees - thrive. It also boasts the oldest continuing annual homecoming parade and celebration in the nation (held in May), and a number of annual children's parades and celebrations. Ione is also known for its many splendid churches.



Major shopping outlets, exceptional medical facilities, and other resources are within easy driving distance. Yet Ione is only 40 miles from Sacramento, and all the medical and educational facilities, entertainment opportunities, sports venues, and other resources and activities which that major metropolitan area (also the State Capital) has to offer. Ione is also, in the countywide Amador County Unified School District, which includes Ione Elementary and Ione Junior High, and Argonaut High School in nearby Jackson.

**The City, the Challenges, and the Opportunities**

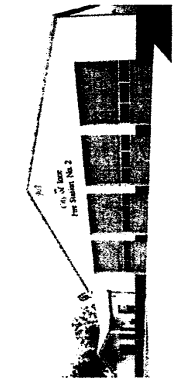
Incorporated in 1953, Ione is a nearly full service General Law City with 13 FT, 15 PT (including paid call firefighters), and 5-7 seasonal employees. The Ione City Manager position offers a great

opportunity for professional accomplishment, development and creativity in leading the City through the challenges presented by the continued economic recession and spearheading the culmination of several years of effort to upgrade its Wastewater Treatment Plant. Prior to the onset of the current recession, Ione was growing rapidly in its existing subdivisions, with new ones on the horizon awaiting their turn. In contrast to many other areas of the State or nation, housing development continues in Ione, although at a slower pace than prior to the recession.



While providing other challenges, this slowdown is giving the City a chance to "catch its breath," while readying itself for the more accelerated growth management period that lies ahead. Such preparation has included the City's recently updated General Plan and amended Zoning and Land Division Code, and a new Downtown Master Plan awaiting implementation to enhance the City's economic potential and vitality. Significant staff and organizational downsizing this fiscal year has also helped better position the City's General Fund to restore financial stability in the years ahead.

Along with the significant financial challenges that came to the forefront during FY 2011-12, Ione has also gone through a recall election process that, although ultimately unsuccessful, tended to politically divide the community. Following the February 28 election, there has been increasing sentiment expressed among residents for the community to come back together again, a "healing process" in which the new City Manager would expect to play a pivotal role. Above all else, and notwithstanding such community dynamics, generation after generation Ione continues to offer a hometown feel and quality of life that for many other parts of the country have become fond but distant memories. The next City Manager will recognize and seek to create new opportunities, while still respecting, preserving, enhancing and building on (and enjoying!) the City's historic traditions and values, its strong action-oriented community spirit, and active volunteerism.



What is most needed in Ione for the foreseeable future is a dynamic new City Manager with the ability to further assess and strengthen the City organization, while also providing inspired, effective leadership to City Council and the overall community. An inclusive, collaborative and outcome-oriented management style would work best in Ione, along with the demonstrated ability to provide effective leadership to City Council and staff, to lead by example, and to instill a results-oriented "can do" attitude while building bridges and greater cohesion among community residents.

**THE IDEAL CANDIDATE**

This would also be someone willing to roll up his/her sleeves "to get the job done", while encouraging and inspiring others to do the same, and holding those accountable on whom the City most depends for its progress and success. Developing and openly sharing and evaluating options, mentoring City Council in making decisions, and fostering increased community trust and confidence are abilities that will be particularly well regarded.

The new City Manager will also possess strong management and budget capabilities, and such other highly desirable attributes and strengths as a collaborative, inclusionary management style, demonstrated team management, organizational and community leadership, facilitative consensus building, stellar social and public relations, and excellent computer and oral and written communication skills.





## **FOLLOW-UP REPORT**

### **City of Ione**

#### **BACKGROUND**

The 2011-2012 Grand Jury investigated the City of Ione based on complaints about financial mismanagement. The report detailed 4 facts, 11 findings, and 5 recommendations. These related to the City Manager's qualifications, financial transactions, wastewater general plan, and conflicts of interest. Pursuant to Penal Code §933, a response on the findings and recommendations was required. The Ione City Council (City) responded to the report on September 4, 2012.

#### **DISCUSSION**

The 2012-2013 Grand Jury (Grand Jury) accepted the City's response with some exceptions. The City included some action items in their response. The Grand Jury Follow-up Committee sent a letter to the City on February 20, 2013, and the City responded on March 13, 2013. (Appendix A)

The City agreed with 4 out of 11 findings in the final report. Qualifications of the City Manager have been formalized. Standard report formats for budget documents and improved accounting practices, along with stringent oversight, have been implemented. The wastewater treatment plant expansion has become a phased project. Lower-cost compliance alternatives are being explored.

The City partially agreed with 6 findings.

- Finding 4: The Grand Jury accepts the City's explanation.
- Finding 6: The Grand Jury accepts the City's explanation. The Grand Jury has an exception to the current plans addressing the "Cease and Desist" order to stop mobilization of iron and manganese into the groundwater. The Grand Jury sent a follow-up letter to the City inquiring about the implementation plan. In the City's follow-up response, the City said their Waste Water Commission is working with the Regional Water Board to address the Cease and Desist Order.
- Finding 7: The City indicated they were improving contractor monitoring, payment and cash balance tracking. In the follow-up letter, the Grand Jury asked if changes were made to the policies and procedures to address these inconsistencies on a permanent basis. The City responded they have corrected the problems, but changes to the policies and procedures have not been completed.

- Finding 8: The Grand Jury accepts the City's explanation.
- Finding 10: The Grand Jury agrees the economic downturn did impact city government. The Grand Jury does not accept that poor management was the direct result of the economic downturn. The Grand Jury recognizes the City has taken steps to improve their financial management.
- Finding 11: The Grand Jury accepts the City's explanation.

The City disagreed with 1 finding concerning an unrealistic vision of the City's General Plan. The City states the General Plan is intended as a long-term plan. It is reviewed when necessary and can be amended. The City has the authority to determine the land use plan for the community. The General Plan does not include specific growth rates, nor has the City adopted growth rate limits. The Grand Jury found the City's explanation satisfactory.

## **RECOMMENDATIONS**

- R1. The 2012-2013 Grand Jury recommends a subsequent Grand Jury follow-up with the City of Ione to ensure that changes occur in the policies and procedures for contract monitoring, payment and cash balance tracking.



June 28, 2012

The Honorable David S. Richmond  
Judge, Superior Court of California  
County of Amador  
500 Argonaut Lane  
Jackson, CA 95642

Re: 2011 / 2012 Grand Jury Report Response

Dear Judge Richmond,

This letter serves as the official Amador County Sheriff's Office response to the 2011 / 2012 Amador County Grand Jury Report concerning the Amador County Sheriff's Office Detention Facility (Amador County Jail).

One factual correction should be made to the 2011/2012 Grand Jury Report under the "BACKGROUND" section of the Detention Facility Report. It is stated that the current jail was built in 1954. The correct date is 1984, therefore the life span of the facility was outlived in 2004 not 1974 as stated in the report.

**Finding #1**

The philosophy of the current administration is to treat inmates with dignity and to provide a safe and secure environment.

**Response to Finding #1**

Respondent **agrees** with Finding #1.

The ACSO administration and its staff continually strive to treat all inmates entrusted to our custody with dignity and respect. Inmates who have been incarcerated in our facility have written letters of commendation for Correctional Officers who have treated them in the above manner and some have made personal visits to the jail after their release for the same purpose.

---

*SERVICE • INTEGRITY • TEAMWORK • EXCELLENCE*

---

700 COURT STREET • JACKSON, CA 95642 • (209) 223-6500 • FAX (209) 223-1609  
ADMINISTRATION (209) 223-6515 • EMERGENCY SERVICES (209) 223-6384 • CIVIL (209) 223-6544  
CORONER (209) 223-6754 • JAIL (209) 223-6522

**Finding #2**

Inmate classes are currently being held in the library and facility hallways. Some activities are no longer available because of staffing constraints.

**Response to Finding #2**

Respondent **partially agrees** with Finding #2.

Inmate classes are held in the library, visiting areas, and holding cells due to a lack of program space in the facility. No hallways are being utilized for this purpose as stated in the finding.

All programs previously offered in the past such as Bible Studies, Drug and Alcohol Counseling, Alcoholics Anonymous, Positive Parenting Life Skills, and the High School Diploma Program, remain active and have not been impacted by jail staffing levels. These programs are facilitated by volunteers or outside service personnel so impact on jail staff is negligible.

The only program that has been discontinued is the Library Life Skills program that was facilitated by library volunteers and staff. The library suspended this program due to lack of funding available for this purpose.

**Finding #3**

Due to AB 109, more electronic monitoring will be done to compensate for the projected overcrowding.

**Response to Finding #3**

Respondent **agrees** with Finding #3.

Home Electronic Monitoring (HEM) is one of several overcrowding mitigation measures utilized by the ACSO jail. Other measures include Sheriff's Parole and Work Release. A new procedure is to be implemented in conjunction with Amador County Probation and the Amador County Superior Court which will allow for the assessment of pre-trial inmates to determine which, if any, would be eligible for electronic monitoring rather than incarceration. In October of 2011, 80% of all incarcerated inmates held a pre-trial status. A reduction in this population will have a measurable impact on overcrowding issues.

The impact of AB 109 Realignment on the inmate population level cannot be overstated. Between October 2011 and June 2012, 26 AB 109 inmates and 47 AB 109 Parole Violators were received into the Amador County Jail. These individuals force staff to place lower risk inmates on HEM or other alternative sentence in order to free bed space. This also adds to the increase in the use of electronic monitoring by staff.

**Finding #4**

Since 2001, the ACDF inmate population has increased due to community growth and the reintroduction of state prisoners to the county.

**Response to Finding #4**

Respondent **agrees** with Finding #4

The state Corrections Standards Authority (CSA) has rated the Amador County Sheriff's Office Jail at 76 beds (65 male, 11 female).

The 2000 U.S. Census reported Amador County's population at 35,100. This number includes the inmate population housed at Mule Creek State prison in Ione. The 2010 U.S. Census reported the population of Amador County to be 38,091 including approximately 3,000 Mule Creek State Prison inmates.

In Fiscal Year 2001/2002, the Average Daily Population in the jail was 73.11. In Fiscal Year 2010/2011, The Average Daily Population increased to 80.33.

The AB 109 Realignment population has resulted in 26 inmate admissions and 47 Parole revocation inmate admissions since its implementation in October of 2011. CDCR projects that by September of 2013, the Amador County Jail will have an Average Daily Population of 53 AB 109 inmates.

The Sheriff's Office will continue to utilize all available overcrowding mitigation measures for those inmates qualified to participate in these programs to mitigate the overcrowding situation.

**Recommendation #1**

The Grand Jury recommends the ACSO pursue matching funds for AB 900.

**Response to Recommendation #1**

The Sheriff's Administration fully intends to continue its pursuit of the AB 900 jail funding solution to our current overcrowding situation in cooperation with, and support from, the Board of Supervisors. The Sheriff and the General Services Administration Director have met during this reporting period with a company exploring a Public/Private Partnership for development of the established jail property which may assist in obtaining the county matching funds required by AB 900.

**Recommendation #2**

The Grand Jury recommends the ACSO continue its plans for new technology and a modern facility to enhance its current high level of treating inmates with dignity while maintaining a safe and secure environment.

**Response to recommendation #2**

The plans for the proposed new Amador County jail include the utilization of the latest design technologies for the physical structure of the jail and infrastructure to provide for energy efficiency, staffing efficiency, adequate program space, and inmate and staff safety. All of these features will enhance our level of treatment for the inmates entrusted to our care.

Respectively submitted,



MARTIN A. RYAN  
Sheriff-Coroner

MAR/es

Cc Louis Boitano, Chairman, Amador County Board of Supervisors

**DEPARTMENT OF ADULT INSTITUTIONS  
MULE CREEK STATE PRISON**

P.O. Box 909099  
Ione, CA 95640



July 1, 2012

Frank P. Mellott  
Foreperson  
2011-2012 Grand Jury

RE: Mule Creek State Prison - Response to the 2011/2012 Amador County  
Grand Jury Report

Dear Mr. Mellott:

Thank you to the Amador County Civil Grand Jury for conducting the inspection and review of Mule Creek State Prison (MCSP) on October 4, 2011, and preparing the report. The efforts of the Grand Jury have advanced our mutual objectives of ensuring transparency and accountability in the California Department of Corrections and Rehabilitation (CDCR). MCSP is pleased with the findings and provides the following response:

**Findings in the Grand Jury Report 2011/2012 for Mule Creek State Prison.**

- 1. AB 109 will be implemented this year and will reduce its Institutional Count by about 700 prisoners and will be eliminating the overcrowding in the gymnasiums by March 2012 (Fact #1).*
- 2. Overcrowding continues to be a problem at MCSP. This is complicated by budget issues. An early release program for inmates has become necessary (Fact #1).*
- 3. As programs are eliminated, opportunities for rehabilitation are lost and will have a negative effect on inmates (Facts #5, 6, 7).*

**The Grand Jury's Recommendation for Mule Creek State Prison:**

The Grand Jury understands the difficulties in operating a facility of this size during these times of budget constraints and AB 109 implementation. We recommend that the Mule Creek State Prison continues its superb job of running this facility during these difficult times.

*Response required pursuant to California Penal Code, section 933 (c).*

Mr. Frank P. Mellott  
Page 2

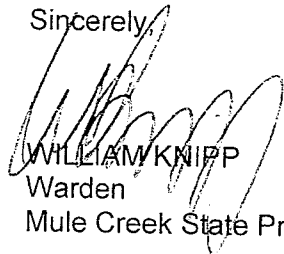
**Mule Creek State Prison's Response:**

Mule Creek State Prison continues to meet the target dates for the CDCR inmate population reduction. The overcrowding in the gymnasiums was eliminated in February 2012.

MCSP is supportive of providing additional rehabilitation programs as budget constraints allow. In the interim, MCSP continues to increase the Inmate Leisure Time Activity Groups (ILTAG) through staff sponsors and community volunteers. MCSP currently offers over sixty group sessions per month to the inmate population.

Please feel free to contact me at (209) 274-5000 if you have any questions.

Sincerely,



WILLIAM KNIPP  
Warden  
Mule Creek State Prison

cc: Mr. Jay Virbel, Associate Director, FOPS/SH  
Ms. Kim Holt, External Audits Manager, OAC

**DIVISION OF JUVENILE JUSTICE**  
**PINE GROVE YOUTH CONSERVATION CAMP**  
P.O. Box 1040  
13630 Aqueduct-Volcano Road  
Pine Grove, CA 95665  
209-296-7581



August 1, 2012

The Honorable David S. Richmond Presiding Judge  
Amador County Grand Jury  
500 Argonaut Lane  
Jackson, Ca 95642

Re: 2011/2012 Grand Jury Report June 2012

Pursuant to Penal Code 933.05 I am required to respond to this Grand Jury report. The Amador County Grand Jury inspected Pine Grove Youth Conservation Camp on November 22<sup>nd</sup> 2011. During the inspection they took an extensive tour of the facility and interviewed me as well as other PGYCC Staff. In their report they made no Recommendations.

If you have any questions or concerns, please contact me (209) 296-7581.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Roots".

Mike Roots  
Superintendent  
Pine Grove Youth Conservation Camp

(Page intentionally left blank)

# **FOLLOW-UP REPORT**

## **Public Prisons Inspections**

### **BACKGROUND**

The 2011-2012 Grand Jury looked into the condition and management of the public prisons within the County, per Penal Code §919(b). The County has 3 facilities – Pine Grove Youth Conservation Camp (PGYCC), Mule Creek State Prison (MCSP), and Amador County Detention Facility (Jail). The Preston Youth Correctional Facility closed in 2011. Pursuant to Penal Code §933, a response on the findings and recommendations was required.

### **DISCUSSION**

The 2011-2012 Grand Jury visited the PGYCC on November 22, 2011. The final report had 19 facts, 6 findings, and no recommendations. The Superintendent of PGYCC responded on August 1, 2012.

The 2011-2012 Grand Jury visited MCSP on October 4, 2011. The final report had 16 facts, 3 findings, and no recommendations. A response was received from MCSP on July 1, 2012. MCSP stopped using the gym as a dorm last February 2012.

The 2011-2012 Grand Jury visited the Jail on November 15, 2011. The final report had 15 facts, 4 findings, and 2 recommendations. The Amador County Sheriff-Coroner responded on February 28, 2012. The Sheriff's Office (Sheriff) agreed with 3 out of 4 findings:

- The concern in providing a secure and safe environment
- The impact of Assembly Bill 109 and overcrowding
- The increase in inmate population over the last 10 years

The Sheriff partially agreed with the finding of classes being held in hallways and the library. The Sheriff stated that hallways were not being used as classrooms. The Sheriff also said that all programs offered are still active except Library Life Skills. Programs include drug and alcohol counseling, positive parenting life skills and a high school diploma program. The library suspended the Library Life Skills Program due to lack of funding.

There were no recommendations in the 2011-2012 Grand Jury report for PGYCC or MCSP. The report on the Jail had 2 recommendations. The Sheriff's Office should continue to apply for Assembly Bill 900 funding. AB900 provides some funding to the Jail as a solution to overcrowding. The Sheriff's Office is actively pursuing the County's matching funds requirements. There are plans for a new Amador County Jail that includes new technology and efficiencies of space usage, per recommendation 2.

### **CONCLUSIONS**

The 2012-2013 Grand Jury accepts the response from all the facilities under the Criminal Justice category. No further follow-up action is necessary.

\*The 2011-2012 Grand Jury report is available at [www.amadorcourt.org/gi-civil-grandJury.aspx](http://www.amadorcourt.org/gi-civil-grandJury.aspx)

