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JAMES C. KRAUSE
(1950-2012)

June 10, 2013

Via Email and U.S. Mail

Gene Mancebo
General Manager
Amador Water Agency
12800 Ridge Road
Sutter Creek, CA 95685

Dear Mr. Mancebo:

This firm represents Amador Water Agency (“AWA”) water customers. I write to address concerns about notices the AWA issued regarding proposed new water rates and charges it seeks to adopt on June 18, 2013.

On or about May 2, 2013, AWA mailed a six-page notice to ratepayers (“Notice”), ostensibly to comply with Prop. 218. The Notice identified proposed rates based on median usages across four systems. However, the median usages do not agree with the median usages obtained from the April 25, 2013 Rate Study issued by the Reed Group. For example, the Notice identified the Amador Water Systems median usage to be 7 (CCF), when the Rate Study indicates it is 8. It identified the CAWP-Retail Service area usage to be 7, when the Rate Study indicates it is 5. Citing the incorrect median usages understated the proposed increase with respect to the Rate Study’s AWS user (\$.80 v. \$.83) and overstated the proposed decrease with respect to the Rate Study’s CAWP user (\$6.98 v. \$6.66).

It is our understanding that the AWA subsequently mailed notices to customers in an apparent effort to correct errors in the original Notice. Specifically, AWA included in customers’ bills, a pink notice regarding the CAWP system and a blue notice regarding the AWS system. The pink notice stated that the average monthly decrease will be \$7.62 (contrary to the Notice stating a decrease of \$6.98.). But that decrease is based on a median monthly use of 8.6, contrary to the Rate Study’s identification of 5. The blue notice stated that the average monthly increase will be \$2.01 per month (contrary to the Notice stating an increase of \$.80.)

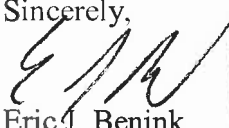
The blue notice also incorrectly identified the monthly debt service charge as \$12.81, when in fact the Rate Study identified it as \$13.02 (a discrepancy of \$.21 per month.) In another attempt to correct its mistake, the AWA mailed an amended blue notice which corrected the debt service charge. But it declined to specify the total average monthly increase of \$2.22.

In addition, the AWA has not sent these notices to the correct customers creating additional confusion. Many AWS customers received a pink notice (CAWP), rather than a blue notice (AWS). The “corrected” blue notice was sent to those customers. AWS customers who received the original blue notice apparently have not received the “corrected” blue notice at this time.

It is our position that the information to be provided under Cal. Const. art. XIII D, Section 6(a) has not been provided 45 days prior to the hearing as required. We demand that you mail a new notice with the correct information and postpone the hearing to a date not less than 45 days after the new notice is mailed.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Benink", written over a vertical line.

Eric J. Benink

cc: Stephen A. Kronick, Esq. (via email and U.S. Mail)