

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, December 16, 2004  
3:00 p.m. Regular Meeting

### A. CALL TO ORDER

Chair Wollan called the regular meeting of the Placer County Water Agency Board of Directors to order at 3:06 p.m. in the Board of Supervisors Chambers, Placer County Administrative Center, 175 Fulweiler Avenue, Auburn, California. Chair Wollan led the Pledge of Allegiance.

Board Directors present: Alex Ferreira, Lowell Jarvis, Mike Lee, Otis Wollan, Chair Rocucci

Board Directors absent: None

Agency Personnel Present: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; GINNY BORKOWSKI, Deputy Director of Customer Services; MIKE COOPER, Director of Administrative Services; JOHN KINGSBURY, Director of Customer Services; BRIAN MARTIN, Director of Technical Services; EINAR MASICH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; MAL TOY, Director of Resource Development; HEATHER TREJOS, Environmental Specialist

### B. INCOMING DIRECTORS OATH OF OFFICE & BOARD ORGANIZATIONAL MATTERS

1. Report on election results and administration of Oath of Office by Cheri Sprunck, Clerk to the Board, to incoming Directors.

Clerk to the Board reported on the November 2 election results and administered the Oath of Office to Directors Jarvis, Lee, and Wollan.

2. Comments by Directors.

Director Ferreira was impressed to have three incumbents back in office and looked forward to working with them again. Director Wollan thanked each Board member, the management, and the entire PCWA team.

3. Annual Board organizational matters.
  - a. Rotation of Chair and Vice-Chair (pursuant to Board Resolution 00-66, Article 3, Section 3.2 of the Board of Directors Rules, Regulations & Procedures.)

Motion by Director Jarvis selecting District 1 Director Roccucci as Chair for 2005; motion seconded by Director Lee and adopted by unanimous vote of directors present. Incoming Chair Roccucci presented outgoing Chair Wollan with a plaque. Motion by Director Wollan selecting District 2 Director Ferreira as Vice-Chair for 2005; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

- b. Affirming Regular Board meetings, time, and location (pursuant to Board Resolution 00-66, Article 2, Sections 2.1 and 2.2 of the Board of Directors Rules, Regulations & Procedures.)

Motion by Director Ferreira affirming the regular Board meetings be held the first and third Thursday of each month beginning at 3:00 p.m. at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

- c. Review 2005 calendar to determine other dates for Board meetings (such as workshops, tours, etc.)

General Manager reported on possible Board workshop dates, workshop topics, and forming Ad-Hoc Committees to review Board rules, regulations, procedures, and ethics policies (handout provided). Discussion followed. The Board agreed on the following dates for Board workshops: January 4, 3:00 p.m., January 31, 3:00 p.m., and February 24, 3:00 p.m. Each meeting will be held at the PCWA Business Center.

- d. Consider committee assignments

General Manager presented the 2004 committee list and a draft 2005 committee list. Discussion followed. A draft PCWA *2005 Designated Representative From the Board of Directors* list will be prepared and presented at the January 6, 2005, regular Board meeting for further discussion and approval.

- e. Such other matters as Directors may want to comment on or consider.

C. PUBLIC COMMENT: None

D. REPORTS BY DEPARTMENT HEADS/AGENDA CHANGES AND REVIEW

From the Draft Initial Study/Mitigated Negative Declaration for Auburn Water Treatment Plant Expansion Project General Manager read a portion of the study about fire safety. He noted the document is in public locations for the public to review. (Handout provided) Director of Technical Services showed a map of the Auburn Water Treatment Plant and Business Center. He discussed the dedicated fill area, the fuel reduction plan for the canyon, the drainage area north of the fill area, and the future parking structure. Discussion, inquiry and response followed.

General Manager pointed out that agenda addendum item B8 should have been F8 and agenda addendum B9 should have been F9. It was noted that agenda item addendums E14 and F8 were added in a timely manner. Director Lee made a motion to add agenda addendum late items F9 and H5; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

E. CONSENT CALENDAR:

1. Approve November 4, 2004, minutes.
2. Receive and file Check Register 04-24 expenditures disbursed.
3. Approve budget transfers, as recommended by the Director of Financial Services. ***See attached and other non-routine budget transfers that may be included as part of specific items that follow.***
4. Approve matters related to the Board of Directors as follows:
  - a. Expenses for previous months;
  - b. Anticipated expenses in excess of \$500.00; and
  - c. Anticipated costs of transportation, lodging, and associated fees for travel outside the State of California to be paid by the Agency.
5. Approve out-of-state travel for Director Roccucci to attend the American Public Power Association legislative rally in Washington, D.C., February 8 - 11, 2005.
6. Approve modification of the 2003 United States Bureau of Reclamation Water Efficiency Grant 04FG201014.
7. Approve modification of the 2003 United States Bureau of Reclamation Water Efficiency Grant 03FG201000.
8. Approve Agreement for Installment Payments of Water Connection Charge with Paul B. Holland.
9. Approve classification and compensation changes for various positions/classifications effective December 20, 2004.
10. Approve salary range schedule for all position classifications to implement the addition of the sixth or "F" step to the Agency's salary schedules effective January 1, 2005.

11. Receive report on review for CEQA for the following projects, declare the projects categorically exempt from CEQA and authorize the filing of the Notice of Exemptions:
  - a. 2005 Canal Maintenance and Gunitite Projects – Zone 1; and
  - b. Emergency Gunitite Repair on the Upper Greeley – Newcastle.
12. Approve Progress Pay Estimate No. Four with JMB Construction Services, Inc. for the Val Verde/Dick Cook Pipeline Project, Contract #2002-12, in the amount of \$425,916.00
13. Approve Progress Pay Estimate No. Six with Meyer Control Corporation for the SCADA System Upgrade Project, Contract #2003-04 in the amount of \$47,362.05.
14. Approve out-of-state travel for Steve Jones, Power Manager, to attend a FERC workshop on “Emergencies at Dams” February 15 through 17 and vulnerability assessments on February 18 in Fort Worth, Texas.

Motion by Director Lee approving Consent Calendar items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

F. BIDS AND CONTRACTS:

1. Approve contract with DataProse, Inc. for bill printing and mailing services.

Director of Customer Services reported on the strikeout on the handout provided. Discussion, inquiry, and response followed. Motion by Director Lee approving the contract with DataProse; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

2. Receive and consider approval of Agreement between the Agency, Lahontan LLC, and Lahontan Golf Club for the partial assignment of right to water service associated with PCWA Service Zone No. 4 golf course irrigation water supply.
3. Receive and consider approval of the License Agreement between the Agency and Lahontan Golf Club for the discharge of start-up water from Agency wells located in PCWA Service Zone No. 4.
4. Award a Consulting Services Contract with CSI Services, Inc., for inspection services for the Channel Hill and Foothill Water Treatment Plant Tanks Coating Project, Contract #2004-02, in an amount not to exceed \$38,940.00.
5. Approve the following 2005 Annual Contracts:
  - a. Blackburn Consulting for Construction Inspection Services in an amount not to exceed \$570,000.00;
  - b. Andregg Geomatics for 2005 Surveying Services in an amount not to exceed \$120,000.00;

- c. JSP Automation for SCADA Engineering and Programming Services in an amount not to exceed \$75,000.00; and
  - d. Jones & Stokes for 2005 Environmental Services in an amount not to exceed \$50,000.00.
6. Approve Amendment No. Five to the contract with Montgomery Watson Harza for additional construction management services for the Val Verde/Dick Cook Pipeline Project, Contract #2002-12, in an amount not to exceed \$11,728.00.
  7. Approve Amendment No. Six to the Engineering Services Contract with Charpier Engineering for additional project management services for the Sunset Water Treatment Plant Raw Water Pump Station Project, Contract #2002-02, and the Sunset WTP Improvements Project, Contract #2002-03, in an amount not to exceed \$7,000.00.
  8. Approve Dual Supply Customer Authorizing Agreement with PG&E providing for delivery of Western Base Resource power and supply of PG&E bundled retail service to Dual Supply Customer.
  9. Approve Exhibit A, Revision 1 to Contract 04-SNR-00814 which establishes transmission and distribution points of interconnection for PCWA to receive power from WAPA.

Motion by Director Ferreira approving Bids and Contracts items 2, 3, 4, 6, 7, 8, and 9; motion seconded by Director Jarvis and adopted by unanimous roll call vote of directors present. Item F5 was pulled for discussion. Director of Technical Services reported on how the Agency goes out to bid for services. Motion by Director Ferreira approving Bids and Contracts item 5; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND REQUESTS FOR NEW WATER SERVICE

1. Zone 1 water service
  - a. Treated Water
    - 1) Pipeline Extension Agreements (PLX)
      - Amendment No. 2 to PLX 1878 – The Highlands Unit No. 2
      - PLX 2136 – Sunset West Lot 1, Phase 1
      - PLX 2137 – Niello Porsche Dealership
      - PLX 2158 – Sunset West Phase 1
    - 2) Other agreements - **None at this time.**
    - 3) Single Connections (In fill)
  - b. Raw Water

Director of Technical Services reported on applications for 5 acre feet of raw water, 11 acre feet for pipeline extensions, and 3 acre feet for single connections. Motion by Director Lee approving water service applications in the total amount of 19 acre feet; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

2. Requests for response from the Agency on water availability.
  - a. SB 221 (tentative map) – **None at this time**
  - b. SB 610 (environmental process) – **None at this time**
  - c. All other requests - **None at this time**

H. GENERAL ITEMS

1. Receive comments by Gerald Gurzell regarding his water bill and water use efficiency issues.

Director of Customer Services introduced Mr. Gurzell who voiced his concerns and ideas about encouraging customers to conserve water. Discussion followed and the Board thanked Mr. Gurzell for his comments.

2. Presentation of the Agency's December 31, 2003, Financial Statements, Auditors' Report and Management Report prepared by Gilbert and Associates for the Board to receive and file (by motion action).

Director of Financial Services and Agency auditor Peggy Vande Vooren discussed the December 2003 audit report. Ms. Vande Vooren also discussed auditing practices. Inquiry, response, and discussion followed. Motion by Director Wollan to receive and file the Agency's December 31, 2003, Financial Statements, Auditor's Report and Management Report; motion seconded by Director Lee and adopted by unanimous vote of directors present.

3. Auburn Water Treatment Plant Expansion Project: Adopt Resolution No. 04-54; authorize the submission of a loan application for a Safe Drinking Water State Revolving Fund Loan to the State Department of Health Services and designate Director of Financial Services as the Agency's authorized representative.

Director of Technical Services reported on funding for the Auburn Water Treatment Plant and the low interest loan from the State of California that staff has been seeking. Motion by Director Ferreira adopting **Resolution 04-54 authorizing submission of an application for a loan under the Safe Drinking Water State Revolving Fund and designating an authorized representative**; motion seconded by Director Jarvis and adopted by unanimous vote of directors present on roll call.

4. Consider modification to Employment Agreement with the General Manager.

Director Wollan reported on the reorganization of some items in the General Manager's contract. Discussion and inquiry followed. Motion by Director

Ferreira to change the agreement to the new format; motion seconded by Director Lee and adopted by unanimous vote of directors present.

5. Consider request by Legal Counsel regarding potential conflict of interest and dual representation on negotiations for 2005 water sales.

General Counsel reported on legal counsel representing the State Water Project Contractors Authority and Placer County Water Agency. Motion by Director Wollan to authorize Chair to sign a consent for dual representation; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

I. REPORTS BY DIRECTORS:

Director Jarvis met with Supervisor Elect Jim Holmes to update him on West Placer and hydroelectric issues. Director Ferreira said he has been asked to swear in Supervisor Elect Holmes. Director Lee reported on the ACWA Fall Conference, including integrated resources management plans and climate change affecting surface water. He complimented Director Wollan who was a panelist on the climate change issue. Director Wollan reported on the NID/PCWA Water Committee meeting. He said NID is thinking about FERC Relicensing. He also went to the ACWA Fall Conference and gave Lon House an A+ for a presentation about giving agencies 150 hours a year paying facilities to produce energy. Director Rocucci attended a Regional Water Authority meeting where discussion was held about CALFED Bay-Delta Authority proposing an acre-foot charge be applied to and collected from "above Delta" water entities. She also reported on a program RWA is having about aging water infrastructures on January 27 called "Liquid Assets."

J. REPORTS BY LEGAL COUNSEL:

Legal Counsel said a small water district has a case before the State Supreme Court regarding a Proposition 218 item that allows citizens to petition to lower water rates. He discussed the Agency's Water Connection Charges and commodity rates and possible impacts.

K. REPORTS BY GENERAL MANAGER: None

L. CLOSED SESSION

1. ~~Conferences with legal counsel — existing litigation:~~  
~~Pursuant to Subdivision (a) of Section 54956.9 of the Government Code. Name of Cases: (a) F & H Construction, Inc. v. PCWA, et al., Placer County Superior Court Case No. S-CV-17007; and (b) Azteca Construction v. PCWA, Sacramento County Superior Court Case No. 04A500120.~~

2. **Conference with legal counsel – anticipated litigation:**  
Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9 of the Government Code  
*Number of Potential cases:* One--potential litigation involving maintenance and operation of Middle Fork Tunnel and Surge Shaft.

With all members present as heretofore designated, the meeting adjourned to closed session at 6:00 p.m. Legal Counsel advised that there was no need to consider item L1.

M. REPORT FROM CLOSED SESSION: The Board returned from closed session at 6:19 p.m. There was no reportable action.

N. ADJOURNMENT: At 6:20 p.m. the meeting was adjourned to January 4, 2005, 3:00 p.m., at the PCWA Business Center.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency