

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, August 18, 2005
3:00 p.m., Regular Meeting

A. CALL TO ORDER

Chair Roccucci called the regular meeting of the Placer County Water Agency Board of Directors to order at 3:00 p.m. in the Board of Supervisors Chambers, Placer County Administrative Center, 175 Fulweiler Avenue, Auburn, California. Janet Goldsmith led the Pledge of Allegiance.

Board Directors present: ALEX FERREIRA, LOWELL JARVIS, MIKE LEE, OTIS WOLLAN, CHAIR PAULINE ROCCUCCI

Board Directors absent: None

Agency Personnel Present: DAVID BRENINGER, General Manager; JANET GOLDSMITH, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; VALERIE LORD, Acting Director of Administrative Services; JOHN KINGSBURY, Director of Customer Services; EINAR MASICH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; BRENT SMITH, Deputy Director of Technical Services; MAL TOY, Director of Resource Development

Chair Roccucci and Director Jarvis presented a book and paperweight to Ophir Elementary School student Brett Crider. Brett was one of four Grade 5-8 winners in a 23-county "Be Water Wise" contest. Also present at the ceremony were Brett's teacher, Patty Onorato, his mother Noel Crider, and his sister, Shelby.

B. PUBLIC COMMENT:

Donald Anderson, from the Placer County Taxpayer's League, asked about an item related to Middle Fork American River Hydroelectric Project that was on the August 9 Board of Supervisor's agenda about relicensing. Director of Resource Development explained that the county hired a consultant for due diligence process with the Joint Powers Agreement (JPA). General Manager explained the JPA is a financial agreement between the Agency and the County on the refinancing of the Middle Fork Project.

C. REPORTS BY DEPARTMENT HEADS: No reports received.

D. AGENDA CHANGES AND REVIEW:

- Item F11 was pulled. It will be on the September 1 Board agenda.
- General Counsel reported the Agency was approached by legislators requesting the Agency enter into negotiations with Senators Cox and Machado regarding F&H Construction without legal counsel involved. She recommended the item be placed

on the agenda under closed session. Motion by Director Wollan to place F & H Construction, Inc. v. PCWA, et al. on the today's agenda as closed session item L1; motion seconded by Director Lee and adopted by unanimous vote of directors present.

E. CONSENT CALENDAR:

1. Approve July 21, 2005, minutes.
2. Receive and file Check Register 05-16 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;
 - 1) **None at this time.**
 - c. Anticipated costs of transportation, lodging, and associated fees for travel outside the State of California to be paid by the Agency.
 - 1) **None at this time.**
5. Approve General Manager's expense reimbursement claim summary.
6. Approve out of state travel for expenses for the Lead Meter Technician to attend the ITRON User's Conference in Dallas, Texas, October 22 – 25, 2005.
7. Receive Report on Review for CEQA for Emergency Gunite Repair for Antelope Canal Stationing 295+60-298+60; declare the project statutorily exempt from CEQA and authorize the filing of the Notice of Exemption.
8. Approve completion and payoff of Improvement Districts 20, 22, 23, 25, 28, and 32.
9. Approve submittal of PCWA General Manager David A. Breninger's name to ACWA as a nominee for the NWRA Board of Directors for the term 2006-07.

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

F. AGREEMENTS AND CONTRACTS:

1. Approve Amendment No. Four with SPH Associates for additional engineering services for the Sunset Water Treatment Plant Improvement Project, Contract #2002-03, in an amount not to exceed \$6,715.00.
2. Approve the following for the Sunset Water Treatment Plant Raw Water Pump Station Project, Contract #2002-02, with Clyde G. Steagall, Inc.:
 - a. Progress Pay Estimate No. Five and Final in the amount of \$19,259.49;
 - b. Authorize the Clerk to the Board to file the Notice of Completion with Placer County.
3. Receive for filing Contract Change Order No. Six with Clyde G. Steagall, Inc. for the Sunset Water Treatment Plant Raw Water Pump Station Project contract #2002-02 in the decreased amount of \$13,903.40 and an increase of contract time of 403 calendar days, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.

4. Approve Progress Pay Estimate No. Two with Slayden Construction, Inc. for the Sunset Industrial Storage Tank and Pump Station Project, Contract #2005-01, in the amount of \$151,507.44.
5. Approve Progress Pay Estimate No. One with Con J. Franke Electric, Inc. for the Electrical Punch List Work for the Foothill Water Treatment Plant 28-MGD Expansion Project, Contract #2005-02, in the amount of \$12,848.34.
6. Receive for filing Contract Change Order No. One with Con J. Franke Electric, Inc. for the Electrical Punch List Work for the Foothill Water Treatment Plant 28-MGD Expansion Project, Contract #2005-02, for the addition and removal of Punch List Tasks to Initial Authorized Punch List Tasks, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
7. Approve the following for the Val Verde/Dick Cook Pipeline Project, Contract #2002-12;
 - a. Receive for filing Change Order No. Seven with JMB Construction for an increase in contract amount of \$19,700.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors;
 - b. Progress Pay Estimate No. Ten with JMB Construction in the amount of \$196,215.85;
 - c. Amendment No. Two to the consulting services contract with PSOMAS for additional inspection services, in an amount not to exceed \$18,300.00.
8. Approve Progress Pay Estimate No. One with Hudson Excavation, Inc. for the Auburn Prop. 13 Pipeline Replacements, Contract #2005-08, in the amount of \$89,302.50.
9. Approve Progress Pay Estimate No. Five with Auburn Constructors, Inc. for the Auburn Water Treatment Plant Expansion, Contract #2003-06, in the amount of \$388,598.55.
10. Approve Progress Pay Estimate No. Eleven with Clayborn Contracting Group for the SCADA Communications System Phase II, Contract #2003-03, in the amount of \$51,146.22.
11. ~~Approve the following for the Middle Fork American River Hydroelectric Project Relicensing:~~
 - ~~a. Transfer \$273,616.56 from the FERC Relicensing Designation fund;~~
 - ~~b. Loan from the Water Connection Charges in the amount of \$43,676.64;~~
 - ~~c. Amendment No. Three to the Consulting Services Contract with ECORP Consulting, Inc. in an amount not to exceed \$135,600.~~
12. Approve award of a construction contract with Clyde G. Steagall, Inc., for the Gold Run Pipe Valve Replacement and Automation, Contract #2005-05, in an amount not to exceed \$351,890.00.
13. Award bid for canal guniting contract #P-05-07 to Air Blown Concrete for a 12-month period commencing September 1, 2005.
14. Award bid for paving and patching contract #P-05-08 to JB Bostick Co of Roseville, California, for a 12-month period commencing September 1, 2005.
15. Approve Agreement with the Water Education Foundation at an Agency cost of \$13,530.

Regarding item F2 Director Lee requested information on contingency fund set aside for the Sunset Water Treatment Plant Raw Water Pump Station Project. Deputy Director of Technical Services responded to his inquiry. Motion by Director Jarvis approving Agreements and Contracts items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, and 15; motion seconded by Director Ferreira 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) Facilities Agreements (FA) - 9 agreements for 74 total acre feet for 113 equivalent dwelling units (EDUs)
 - FA 2110R Nevada Street Commercial Complex
 - FA 2116 Blue Oaks Town Center
 - FA 2121 Bella Tuscany Lots 1 through 11
 - FA 2148 Terracina
 - FA 2209 Loomis Elementary School Parking Lot Expansion
 - FA 2232 Thunder Valley Resort Phase 2B Roadway Improvements for Foothills Boulevard
 - FA 2239 KFC/A&W Remodel
 - FA 2241 Water Plan for Mr. and Mrs. Tim Quinn
 - FA 2245 Auburn Corporation Yard Remodel
 - 2) Single Connections (In fill): 6 total acre feet for 9 EDUs
 - b. Raw Water: 5 total acre feet for 8 EDUs

Deputy Director of Technical Services reported on applications for 74 acre feet of treated water for Facilities Agreements, 6 acre feet of treated water for single connections (in fill), and 5 acre feet of raw water for a total net increase of 85 acre feet. Motion by Director Ferreira approving water service applications in the total amount of 85 acre feet; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

- c. Status report on the American River Pump Station Project.

Deputy Director of Technical Services showed recent photos of the construction. (Handout provided) The walls are being erected. The pumps were tested and are scheduled to be delivered this fall. The Phase 2 plans and specs have been delivered to the Bureau of Reclamation.

2. Consider request from City of Lincoln for increase in maximum water delivery.

Director of Strategic Affairs handed out a letter from the City of Lincoln requesting increase of the City's maximum water delivery and a portion of the fees be directed to specific projects. Since the Agency doesn't direct a portion of fees to specific projects, the City agreed to drop their request for fees to go to specific projects.

Deputy Director of Technical Services said the City requested 2,351 equivalent dwelling units (EDUs) of \$7,855 per EDU. They also requested 250 EDUs be applied to their higher elevation service area in or around the City's 5 million gallon storage tank near and above the Twelve Bridges Golf Course/Cadavedera Project. Because the Agency is approaching

annual supply limitations from the American River Temporary Pump Station, staff recommended the City's request be approved subject to the condition the City not take possession of the water until June 1, 2006. Discussion followed. Chair Roccucci asked Mr. Pedri if the City wanted to take off the paragraph in the letter referencing a minimum of \$15,000,000 be directly allocated to specific projects. He affirmed that statement. Motion by Director Ferreira approving Lincoln's request for increased maximum water delivery; motion seconded by Director Lee and adopted by unanimous vote of directors present.

3. Consider status on matters affecting Zone 5 water availability and service.
 - a. Consider increase to supplemental Zone 5 irrigation allotment to Lorraine Greco by 100 acre feet.

Director of Customer Services reported. Motion by Director Ferreira to approve request for additional water supply to Zone 5; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

- b. Consider increase to supplemental Zone 5 irrigation allotment to Doug Boeger by 430 acre feet.

Director of Customer Services reported. Motion by Director Lee to approve request for additional water supply to Zone 5; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

4. Requests for response from 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.**

General Manager explained about SB 221 and SB610 requests by cities and the County. A policy discussion was held on how the Agency should respond to water availability requests when proposed housing densities for specific projects exceed the amount of units set forth in a city or the County's adopted general plan. The discussion was a follow-up to a request from the County Planning Department to the Agency on the Placer Vineyards project in west Placer.

H. GENERAL ITEMS

1. Consider the following for Zone 1 Water Connection Charge increase:
At 3:00 p.m. or as soon thereafter as can be heard, open public hearing to receive and consider comments with respect to proposed increases in Water Connection Charges for new customers in Placer County Water Agency's Zone 1.
 - If comments are received which are sufficient to warrant modifications of the document, the hearing may be continued to a later Board of Directors' meeting to allow sufficient time for the Agency to respond to comments and develop and/or enhance the document.
 - If no comments are received which are sufficient to warrant continuation of the hearing, staff recommends that the Board adopt **Resolution 05-20 increasing the Water Connection Charge for Zone 1 and authorize the filing of a Notice of Exemption.**

Deputy Director of Technical Services reported that based on the number of projects needed to supply water to Zone 1, in December 2004, the Agency revised the current Water Connection Charges (WCC) to \$9,286 Equivalent Dwelling Units (EDU). Since that time the Agency has experienced escalating costs in bids and a number of projects have been added including interties, property acquisition, additional capacity along Taylor Road, new storage tanks near Ophir, wells within western Placer County, and costs associated with the Auburn Tunnel. Director of Financial Services said WCC adjustments are calculated to cover construction and debt service costs of the estimated \$341 million in new water infrastructure projects needed to serve projected growth in Zone 1 over the next 11 years. The infrastructure will provide treated water service equivalent to upwards of 40,000 new water connections. He reported the Agency uses the projected costs of the construction projects in calculating the cash flow financial model. In this financial model, the Agency will have a phase-in WCC increases incorporating the annual cost adjustments over the years. At 4:08 p.m. the Chair opened the hearing for public comment. Don Anderson from the Millertown Water Association asked if the percentages are automatic or will they come on an annual basis. Director of Financial Services responded the percentages will be on an annual basis. John Pedri, City of Lincoln Public Works Director, noted that the proposed WCC was based on costs for future wells in western Placer County. John indicated that the City has existing wells and requested that the Agency review Lincoln's future WCC structure. Agency consultant Art Rangle reported the Building Industry Association expected the increase in WCCs and were concerned if the water would be available. The public hearing was closed at 5:03 p.m. Motion by Director Ferreira adopting **Resolution 05-20 increasing the Water Connection Charge for Zone 1 and authorizing the filing of a Notice of Exemption**; motion seconded by Director Lee and adopted by unanimous roll call vote of directors present.

2. Consider the following for Zones 3, 3A, and 3B Water Connection Charge increase:

At 3:00 p.m. or as soon thereafter as can be heard, open public hearing to receive and consider comments with respect to proposed increases in Water Connection Charges for new customers in Placer County Water Agency's Zones 3, 3A, and 3B.

- If comments are received which are sufficient to warrant modifications of the document, the hearing may be continued to a later Board of Directors' meeting to allow sufficient time for the Agency to respond to comments and develop and/or enhance the document.
- If no comments are received which are sufficient to warrant continuation of the hearing, staff recommends that the Board adopt **Resolution 05-21 increasing the Water Connection Charge for Zones 3, 3A, and 3B and authorize the filing of a Notice of Exemption.**

Deputy Director of Technical Services reported Zone 3 needs expansion to the Colfax and Alta water treatment plants, a water line from Cable Road to Timber Lane, and a Timber Lane pipeline extension. Director of Financial Services reported the increase is based on a projected \$2.65 million in water system improvements where about 590 new connections are anticipated over the next 20 years. At 5:12 p.m. the Chair opened the hearing for public

comment. There being no public comment, the public hearing was closed at 5:12 p.m. Motion by Director Wollan adopting **Resolution 05-21 increasing the Water Connection Charge for Zones 3, 3A, and 3B and authorizing the filing of a Notice of Exemption**; motion seconded by Director Lee and adopted by unanimous roll call vote of directors present.

I. REPORTS BY DIRECTORS:

Director Lee reported the Lincoln/PCWA Water Committee meeting was productive. The meeting locations and Chairs will alternate between the City and the Agency. Primo Santini and Ray Sprague are the representatives from the City of Lincoln.

Chair Roccucci attended a Little Hoover Commission committee meeting about CALFED governance. She reported on a meeting with Assemblyman Tim Leslie about the ACWA Blueprint. She handed out the *Introduction and Interest of Amicus Curiae Regional Water Authority* and asked if the Agency should support RWA in the matter.

J. REPORTS BY LEGAL COUNSEL: No report received.

K. REPORTS BY GENERAL MANAGER: No report received.

L. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 5:30 p.m. to consider the following:

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.

M. REPORT FROM CLOSED SESSION: No reportable action taken.

N. ADJOURNMENT: The meeting adjourned at 5:51 p.m.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency