

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, February 2, 2006
2:00 p.m., Regular Meeting

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

Board Directors absent: None

Agency Personnel Present: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; NEIL BARTLETT, Systems Administrator; MYRA COOPER, Property Specialist; VALERIE LORD, Assistant General Manager and Director of Administrative Services; STEVE JONES, Power System Manager; 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 TREJO, Environmental Specialist

A. CALL TO ORDER

Chair Ferreira called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:02 p.m. in the Board of Supervisors Chambers, Placer County Administrative Center, 175 Fulweiler Avenue, Auburn, California. David Breninger led the Pledge of Allegiance.

B. PUBLIC COMMENT: No member of the public commented.

C. REPORTS BY DEPARTMENT HEADS

Director of Technical Services reported on the progress of the Foothill Raw Water Pump Station (handout provided).

D. AGENDA CHANGES AND REVIEW

Consent item E 12 was added. Motion was made by Director Lee to add Closed Session item M 2 to agenda because there is a need to take immediate action and the need to take action came to the attention of the Agency subsequent to today's agenda being posted; motion seconded by Director Rocucci and adopted by unanimous vote of directors present.

E. CONSENT CALENDAR:

1. Approve January 5, 2006, minutes.
2. Receive and file Check Register 06-02 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;
 - c. Anticipated costs of transportation, lodging, and associated fees for travel outside the State of California to be paid by the Agency:
 - 1) Authorize out-of-state travel expenses for Director Roccucci to attend the Sacramento Metropolitan Chamber of Commerce Cap-to-Cap Conference April 29-May 3, 2006, in Washington, D.C.
5. Approve General Manager's expense reimbursement claim summary.
6. Receive Report on Review for CEQA for the Emergency Gunite Repair for Caperton Canal Downstream of Spill #7, declare the project statutorily exempt from CEQA, and authorize filing of the Notice of Exemption.
7. Approve out-of-state travel expenses for five PCWA operations, maintenance and supervisory staff to attend the Ophir Water Treatment Plant project preliminary operator training on February 28–March 1, 2006, Clackamass, Oregon.
8. Approve out-of-state travel for the Deputy Director of Technical Services to attend the 2006 AWWA Annual Conference and Exposition June 11-15, 2006, in San Antonio, Texas.
9. Approve out-of-state travel request for the Director of Resource Development to attend the 2006 National Hydropower Association Annual Conference in Washington, D.C., April 2-6, 2006.
10. Approve out-of-state travel request for the Director of Strategic Affairs to attend the Sacramento Metropolitan Chamber of Commerce Cap-to-Cap Conference April 29-May 3, 2006, in Washington, D.C.
11. Adopt **Resolutions Fixing the Employer's Contribution Under the Public Employees' Medical and Hospital Care Act with respect to the following: No. 06-04 Water Systems Bargaining Unit; No. 06-05 Power Systems Bargaining Unit; No., 06-06 Confidential Bargaining Unit; No. 06-07 Mid-Managers Bargaining Unit; No. 06-08 Department Head Bargaining Unit; and No. 06-09 Board of Directors Bargaining Unit.**
12. Approve out-of-state travel and related expenses for the Director of Strategic Affairs, Director of Resource Development, and the General Manager to travel to Washington, D.C., whenever necessary to represent, testify, or advocate Agency interests with members of Congress, the Administration, or regulatory agencies.

Motion by Director Jarvis approving Consent Calendar items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12; motion seconded by Director Roccucci and adopted by unanimous roll call vote of directors present.

F. AGREEMENTS AND CONTRACTS:

1. Approve Progress Pay Estimate No. Twelve with Meyer Control Corporation for the SCADA System Upgrade, Contract #2003-04, in the amount of \$156,097.46.

2. Approve Change Order No. Five with Con J. Franke Electric, Inc. for the Electrical Punch List Work for the Foothill WTP 28-MGD Expansion Project, Contract #2005-02, in the increased amount of \$91,417.00.
3. Award a construction contract to Clyde G. Steagall, Inc. for the Alta Water Treatment Plant Water Storage Tank and the Bowman Water Treatment Plant Redundant Backwash Tank, Contract #2005-04, in the amount of \$970,020.00.
4. Approve Power System Contract #05-05 with GEI Consultants, Inflow Design Flood Study for Ralston Afterbay Dam, in an amount not to exceed \$55,000.00.
5. Approve contract with JVB Consulting for administration of the Irrigation Management Services Pilot Program in an amount not to exceed \$20,000.00.

Motion by Director Roccucci approving Agreements and Contracts items 1, 2, 3, 4, and 5; motion seconded by Director Lee 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 Facilities Agreements (FA) – **None at this time**
 - 2) Single Connections (In fill): **None at this time**
 - b. Raw Water: **None at this time**
2. Requests for response from Agency on water availability:
 - a. SB 221 (tentative map) – **None at this time**
 - b. SB 610 (environmental process) – Placer Vineyards Specific Plan Blueprint Alternative and the updated Placer Vineyards Base Specific Plan
 - c. All other requests

Director of Strategic Affairs gave a history of Agency agreements with the City of Roseville and infrastructure the Agency has built to provide water to Roseville. He reported on the Regional University project and their water and transmission options. (Handout provided) The General Manager reported the County CEO is fully supportive of the Agency being the water provider to the Regional University project area rather than California American Water Company. Director of Technical Services reported on the different options for water purveyors in the Regional University area. He said the developer must include wells in the project for dry years. He reported on the Agency's two SB 610 letters to the Placer County Planning Department. Motion by Director Lee approving both SB 610 letters for submittal to the County Planning Department; motion seconded by Director Jarvis and approved by unanimous vote of directors present.

3. Facility reports:
 - a. Yuba/Bear River diversion
 - b. American River diversion
 - c. Sacramento River diversion

On December 1, 2005, the Director of Technical Services asked the Bureau of Reclamation to remove the temporary pipe that goes to the temporary American River Pump Station. He

reported the pipeline washed away during the New Year's storm and the temporary pump station site filled with sedimentation. The Bureau intends to install new pipe and temporary pumps again. The Agency will probably begin to use the new pump station the summer of 2007. Phase I of the Pump Station is still under construction and scheduled to be done in June 2006.

H. MIDDLE FORK AMERICAN RIVER HYDROELECTRIC PROJECT, (FERC PROJECT 2079), RELICENSING PROGRAM

1. Report on status of integrated licensing process and schedule
2. Report on contracts and agreements for services, programs and projects
3. Report on budget and expenditure plan
4. Report on MFP Financing Authority

Director of Resource Development reported on the schedule of work. They have done early field work on baseline environmental conditions; they are beginning to write the Pre-application Document; they are planning stakeholder outreach and framing Agency interests and stakeholder interests. Director of Strategic Affairs said funding will run out in June but a long-term financing proposal for \$100 million through 2015 has been received from the County Treasurer.

I. GENERAL ITEMS

1. For the Middle Fiddler Green Siphon Replacement Project consider the following:

At 3:00 p.m., or as soon thereafter as can be heard, open the noticed public hearing on the proposed Mitigated Negative Declaration, note any comments received by the Agency, and solicit comments from the public.

- If comments are received which are sufficient to warrant modifications of the document, the hearing shall be continued until 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 No. 06-___ approving a Mitigated Negative Declaration and the Mitigation Monitoring Plan, making a finding of no impact on wildlife, and approving the Middle Fiddler Siphon Replacement Project** and authorize staff to file a Notice of Determination and Certificate of Fee Exemption.

At 3:00 p.m. the Chair opened the hearing for public comment. Director of Technical Services showed a map of the proposed project. He noted the comment letters received and discussed what each entity was requesting of the Agency. (Handout provided)

A member of the public, Christopher Lull, spoke. He is an owner of property that the Middle Fiddler Green Canal transverses and which the proposed project will go across. He expressed concern about lack of communication by Agency personnel to address his concerns, including replacing vegetation, leaving his gate open, accessing property over a private road, the length of time of construction, issues with the property lines in relation to the canals, and lack of easements. Directors requested staff to meet with Mr. Lull and address his concerns. Motion by Director Rocucci to continue the hearing to March 2, 2006, 2:00 p.m.; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

2. Receive report on Power System budget;
 - a. Receive 2006 Power System budget as approved by PG&E

The Power System Manager read a portion of the January 4, 2006, letter received from PG&E pointing out \$600,000 is approved for engineering services for spillway modifications at the L.L. Anderson Dam but that PG&E does not commit to further funding of construction to modify the dam. Motion by Director Lee to receive and file Power System's 2006 operating and maintenance budget for the Middle Fork Project; motion seconded by Director Rocucci and adopted by unanimous vote of directors present.

- b. Review staff's preliminary draft 2007-2011 Power System budget and Finance Committee's recommendation for subsequent submittal to PG&E

The Power System Manager reported. (Handout provided) The item was continued.

3. Receive Regional Water Conservation Master Plan (WCMP) Best Management Practices Draft-Final Modeling results as presented by Paul Selsky of Brown & Caldwell.

Director of Customer Services briefly reported on the history of the Agency's participation in the Water Forum. Paul Selsky gave a PowerPoint presentation on the Integrated Water Resources Plan Urban Water Conservation Analysis. He discussed the conservation analysis objectives, quantifiable and non-quantifiable Best Management Practices, Water Forum and California Urban Water Conservation Council MOU-key differences, overview of Maddaus Demand Management Decision Support System model, analysis assumptions and data inputs, and analysis results.

4. Presentation by Leo Winternitz on Water Forum activities.

Mr. Winternitz, Executive Director of the Sacramento Regional Water Forum, gave an update of Water Forum activities. (Two handouts provided) He congratulated the Agency for meeting all its targets agreed to when it signed on with the Water Forum. He acknowledged the Agency's Board, General Manager, and staff for making the conservation efforts work. He reported on a survey evaluating the Water Forum's performance. He also discussed the Water Forum's priorities for the future.

5. Receive and discuss "Issues and Interests Achieved in 2005 and Anticipated in 2006" for PCWA.

Handout provided. No verbal report received.

6. Board workshop: Identify and discuss strategic Board issues and topics for 2006 and beyond.

Discussion was held regarding future Board meeting dates, including a workshop February 23, noon to 3:00. The General Manager handed out copies of transcribed flipchart notes from the Board's 2005 Strategic Planning workshops. Handout of 2006 Designated Representatives from the Board of Directors received.

J. REPORTS BY DIRECTORS:

Director Wollan reported:

- He attended the Regional Council for Rural Counties meeting where there were North/South roundtable discussions about connection of watersheds to flow timing of water. Southern California is looking to the Delta
- The Governor's proposed initiative is to give \$6 billion over eight years to flood control and \$29 billion to water management
- He attended the Nevada Irrigation District/PCWA Water Committee meeting where NID General Manager Ron Nelson suggested NID and PCWA may want to explore marketing our power after relicensing.

Director Roccucci reported:

- She attended the Northern California Power Agency's strategic planning workshop. The topics were about customer satisfaction, PG&E rate forecasts and Yolo takeover, California energy, weaknesses and strengths of Sacramento Bee's organization
- She attended the California Municipal Utilities (CMUA) Day at the Capitol and visited with Senator Cox and the staff members of Senator Aanestad, Assemblyman Leslie and Assemblyman Niello. Lester Snow spoke at the CMUA briefing about infrastructure, water bonds and how to pay them.

K. REPORTS BY LEGAL COUNSEL

Legal Counsel reported on the proposed water bonds. The Association of California Water Agencies (ACWA) is opposed to the infrastructure fee or tax. It is possible the proposal may be restructured. ACWA wants to make sure the money that is raised is actually spent for water infrastructure.

L. REPORTS BY GENERAL MANAGER

The General Manager discussed customer water audits. He suggested the Agency have a vendor do a customer satisfaction survey.

He pointed out the January 23, 2006, ACWA newsletter article showing photos of the Agency Board and the County Board at their January 10, 2006, joint meeting adopting the Middle Fork Project Finance Authority.

Handout received regarding status report on proposed State Water Bond/WRIF water fee (tax).

M. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 4:43 p.m. to consider the following:

1. **Conference with real property negotiator-** pursuant to Section 54956.8 of the Government Code.
Property: APN 040-111-046, APN 040-200-047, and 040-111-047
Agency negotiators: Brian Martin, Director of Technical Services and Myra Cooper, Property Specialist
Under negotiation: Price and/or terms of payment
Negotiating parties: Neil and Mary Miller and John and Jan Miller

2. **Conference with real property negotiator** – pursuant to Section 54956.8 of the Government Code.
Property: APN 017-300-066
Agency negotiators: Brian Martin, Director of Technical Services and Myra Cooper, Property Specialist
Under negotiation: Price and terms of easement
Negotiating parties: Richard Sipos representing the Edmond N. Richmond II Trust

N. REPORT FROM CLOSED SESSION

No reportable action taken.

O. ADJOURNMENT

At 5:29 p.m. Director Roccucci made a motion to adjourn; motion seconded by Director Lee and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency