

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, February 16, 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; JANET GOLDSMITH, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; NEIL BARTLETT, Systems Administrator; Deputy Director of Field Services; VALERIE LORD, Assistant General Manager and 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

A. CALL TO ORDER

Chair Ferreira called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:07 p.m. in the Board of Supervisors Chambers, Placer County Administrative Center, 175 Fulweiler Avenue, Auburn, California. Director Lee led the Pledge of Allegiance.

Director Wollan gave a PowerPoint presentation and reported on fire behavior and analysis, education about shaded fuel breaks and the successful use of a shaded fuel load reduction grant program in the Colfax area. He discussed the long-term and short-term implications for PCWA.

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

C. REPORTS BY DEPARTMENT HEADS

Director of Resource Development introduced California American Water Company Interim General Manager Andy Soule and Production Coordinator/Engineer Yitzhak Gilon.

The Director of Resource Development reported invitations are being sent to stakeholders of the PCWA Middle Fork Project relicensing for an introductory meeting on April 25, 2006. (Handout provided)

D. AGENDA CHANGES AND REVIEW

Deputy Director of Technical Services noted a figure correction to item F8 (handout provided).

E. CONSENT CALENDAR:

1. Approve January 10, 2006, and January 19, 2006, minutes.
2. Receive and file Check Register 06-03 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; **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; **none at this time.**
5. Approve General Manager's expense reimbursement claim summary. **None at this time.**
6. Receive Report on Review for CEQA for the Bowman Water Treatment Plant and Midas Tanks Coating Project, Contract #2005-16, declare project categorically exempt from CEQA and authorize filing of the Notice of Exemption.
7. Receive Report on Review for CEQA for the Cedar Street Waterline and Old State Highway Waterline Replacement Project, declare project categorically exempt from CEQA and authorize filing of the Notice of Exemption.
8. Approve Right of Way and Easement Agreement and payment to Ina R. Robinson for the Nevada Street-Highway 49 New Main project in an amount not to exceed \$4,223.86.

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

F. AGREEMENTS AND CONTRACTS:

1. Approve Amendment No. 1 to FERC Part 12 Safety Inspections and Reports of French Meadows and Hell Hole Dams Contract with Richard C. Harlan changing mileage rate.
2. Approve Amendment No. 1 to Independent Contractor Consulting Contract with Richard C. Harlan changing mileage rate.
3. Approve Progress Pay Estimate No. Seven 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 amount of \$31,202.74.
4. Approve Progress Pay Estimate No. Five with Pacific Mechanical Corporation for the General Punch List Work for the Foothill WTP 28-MGD Expansion Project, Contract #2005-06, in the amount of \$146,225.75.
5. Approve the following for the Bowman Water Treatment Plant Filter Gallery Enclosure Project, Contract #2005-03 with Clayborn Contracting Group:
 - a. Progress Pay Estimate No. Three in the amount of \$63,855.00.
 - b. Receive for filing Change Order No. Two in the increased amount of \$7,406.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
6. Approve the following for the Sunset Industrial Storage Tank and Pump Station Project, Contract #2005-01 with Slayden Construction:
 - a. Change Order No. Two in the increased amount of \$10,011.76.
 - b. Progress Pay Estimate No. Eight in the amount of \$529,649.68.

7. Approve Progress Pay Estimate No. Eleven with Auburn Constructors, Inc. for the Auburn Water Treatment Plant Expansion Project, Contract #2003-06, in the amount of \$1,127,468.09.
8. Approve the following for the Val Verde/Dick Cook Pipeline Project, Contract #2002-12:
 - a. Change Order No. Nine with JMB Construction in the increased amount of \$66,966.71.
 - b. Progress Pay Estimate No. Twelve and Final with JMB Construction in the amount of \$109,593.33.
 - c. Authorize the Clerk to the Board to file the Notice of Completion.
 - d. Amendment No. Three to the consulting services contract with PSOMAS for additional inspection services in the amount of \$13,913.00.
 - e. Authorize consulting services contract with Meyer Control Corporation for programming and screen development in an amount not to exceed \$23,650.00
9. Approve consulting services contract with Jones & Stokes for completion of environmental documentation for the Newcastle Canal Repair Project in an amount not to exceed \$28,187.50.

Motion by Director Roccucci approving Agreements and Contracts items 1, 2, 3, 4, 5, 6, 7, and 8 (with the noted change to the dollar amount in the Revised Contract Change Order No. Nine Schedule), and 9; motion seconded by Director Lee and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service;
 - a. Treated Water
 - 1) Two Facilities Agreements (FA) for a total of 5 acre feet or 8 equivalent dwelling units (EDUs)
 - FA 2243 – Strikes Family Entertainment, Rocklin
 - FA 2251 – Holverstott Water Line Relocation, Loomis
 - 2) Single Connections (In fill): 1 for a total of 0.7 total acre feet or 1 EDU
 - b. Raw Water: 1 service for a total of 5 acre feet or 8 EDUs

Deputy Director of Technical Services reported on applications for 5 acre feet of treated water for Facilities Agreements, 0.7 acre feet of treated water for single connections (in fill), and 5 acre feet of raw water for a total net increase of 11 acre feet. Motion by Director Lee approving water service applications in the total amount of 11 acre feet; motion seconded by Director Roccucci and adopted by unanimous vote of directors present.

2. 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

The General Manager noted the Agency received a request from Placer County for a SB 610 letter for the Placer Ranch Project.

3. Reports on water resource systems and processes important to the Agency:
 - a. Yuba/Bear River
 - b. American River
 - c. Sacramento River/Delta
 - d. Truckee River/Lake Tahoe
 - e. Groundwater
 - f. Water use efficiency and conservation practices

No report received.

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

1. Report on integrated licensing process and schedule.

No report received.

2. Report on budget, budget transfers, contracts, agreements, and amendments.
 - a. ~~Approve Amendment No. Nine to the Consulting Services Contract with Entrix, Inc. in an amount not to exceed \$6,985,800 to facilitate overall contract team coordination for 2006 and 2007.~~
 - b. ~~Approve Amendment No. Five to the Consulting Services Contract with ECorp Consulting, Inc. in an amount not to exceed \$757,500 for 2006 and 2007 MFP Relicensing hydrology related tasks.~~
 - c. ~~Approve Amendment No. Two to the Consulting Services Contract with Andregg Geomatics in an amount not to exceed \$80,000 for 2006 and 2007 MFP Relicensing surveying and GIS mapping related tasks.~~

Director of Resource Development gave an overview of the three contract amendments with consulting firms. He and the Director of Financial Services discussed the Middle Fork Project relicensing budget, bridge-funding, sources of income, and financing.

Director of Financial Services reported the Agency has funds that should last through mid-May. Sources of funding of over \$1,000,000 are available in-house. Discussion, inquiry, and response followed.

The Board recommended the Finance Committee review the contracts and make a recommendation to the Board at their March 2, 2006, meeting. Motion by Director Roccucci acknowledge receipt of the request for amendments to the contracts in items H2 a, b, and c, postponing the item, referring it to the Finance Committee to review and bring it back to the March 2, 2006, Board meeting; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

3. Report on MFP Financing Authority.

Director of Strategic Affairs reported MFP Finance Authority staff has met and discussed completing financing for the Middle Fork Project Relicensing in advance of exhausting current

funds. The Finance Authority staff recommended the MFP Finance Authority Board meet on a quarterly basis.

I. GENERAL ITEMS

1. Receive and discuss "Issues and Interests Achieved in 2005 and Anticipated in 2006" for PCWA. Take action as necessary and appropriate.

Director of Customer Services highlighted his department's core achievements for 2005, including automatic bill payment service, implementing a bill concentration program, improving fire district notification process during emergencies, advancing water use efficiency program and meter replacements through grants, and streamlining the rate structure. Some of the items his department anticipates completing in 2006 include marketing the automatic water bill payment program, finalizing the new billing statement format, completing the WRDA-99 meter replacement program, and participating with DWR on a Non-Ideal CIMIS study program.

Director of Field Services reported his department worked on the King Road culvert jointly with the County, repaired three Techite failures in the Gold Run pipeline, repaired the large Techite failure in Secret Town, worked on the pipeline bend under Highway 49, did a main replacement at Valley View in Auburn, did Zone 3 pipeline replacements due to trees growing over pipelines, gunited 2.2 miles of canals, and bypassed water to the Foothill Water Treatment Plant during outages as a result of the guniting. He said the Gold Run pipeline will probably take three years to replace. In Secret Town they are going to replace more Techite pipe. Leak detection surveys were conducted in Alta, Colfax, and Newcastle; data collection was done on the Auburn Ravine, Miner's Ravine, and Secret Ravine; 33 of 36 operators are now certified. He reported on the percentages of water used by raw and treated water customers.

Deputy Director of Technical Services reported on 2005 achievements which included work on the following projects: American River Pump Station, Ophir Water Treatment Plant, Sacramento River Diversion and Water Treatment Plant, Auburn Tunnel Pump Station, Tinker Road Storage Tank and Pump Station, Val Verde/Dick Cook Pipeline, Auburn Communication Tower project, East Loomis Basin Canal Efficiency Project, and pipe construction at Ferguson Road. He said the focus of the Water Quality Division is to provide safe and reliable water to Placer County residents and the Agency has high quality staff providing those services. For 2006 he noted the key infrastructure to be constructed to fully utilize the Agency's American River water entitlements include eight projects and has an estimated value of \$250 million. Key elements include a strong construction management program and a strong public outreach program. Other future projects noted include land development, water quality operations and maintenance.

Director of Strategic Affairs reported on the Placer County Conservation Plan and noted the Agency needs an incidental take permit and needs to do a habitat conservation plan. He reported on staff meetings with NID and PG&E to coordinate responses on Drum-Spaulding, Yuba-Bear Relicensing. He noted the possibility of the Agency acquiring the Bear River Canal system. He discussed the Middle Fork Project inflow and release. (Handout provided)

2. Continued discussion on Board of Directors' strategic issues and topics for 2006 and beyond. Take action as necessary and appropriate.

Director of Administrative Services went over the captured Board reflections from the February 9, Board workshop.

J. REPORTS BY DIRECTORS:

Director Jarvis reported on the Ophir/Newcastle Municipal Advisory Council meeting where Agency staff gave a presentation about the Ophir Water Treatment Plant and Pump Station.

Director Roccucci reported on the following:

- The Placer County Conservation Plan presentation from the Board of Supervisors January 12, 2006, meeting.
- AE difibulators are updated and CPR techniques have been revamped
- The Regional Water Authority is looking at principles of infrastructure investment that the Governor is proposing
- The next RWA Executive Committee meeting is February 22.

Chair Ferreira reported on the February 16, 2006, Audit Committee meeting.

K. REPORTS BY LEGAL COUNSEL: Legal Counsel reported on developments regarding the Central Valley Project and the State Water Project. She discussed Phase 8 hearings being dismissed. She reported on the decision on 1641 and the notable exceptions. She discussed water transfer programs; USBR and State agreed to intertie between State and Federal project below Delta. They adopted an environmental analysis which has been challenged in court. An injunction has been issued which could affect the Agency's ability to sell water. The State Water Resources Control Board ordered a cease and desist order to the Bureau of Reclamation requiring them to meet objectives in the Delta.

L. REPORTS BY GENERAL MANAGER

The General Manager reported on the following:

- SB 1253 authored by Senator Migden includes parts of the American River as Wild and Scenic.
- The Association of California Water Agencies will have a legislative symposium March 8.
- The Finance Committee will meet February 23, 2006, 11:00 a.m.
- The Agency is an underwriter for The California Gold Water series by Huell Howser.

M. CLOSED SESSION: There was no closed session.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 4:56 p.m. Director Rocucci made a motion to adjourn to the February 23, 2006, adjourned Board meeting; motion seconded by Director Lee and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency