

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

April 13, 2006
2:00 p.m., Adjourned Meeting

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

Board Directors absent:

Agency Personnel Present: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; NEIL BARTLETT, Systems Administrator; VALERIE LORD, Assistant General Manager and Director of Administrative Services; STEVE JONES, Power System Manager; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; JOSEPH PARKER, Director of Financial Services; MAL TOY, Director of Resource Development

A. CALL TO ORDER

Chair Ferreira called the adjourned meeting of the Placer County Water Agency Board of Directors to order at 2:05 p.m. at the Foresthill Veterans Memorial Hall, 24601 Harrison Street, Foresthill, California. Steve Jones led the Pledge of Allegiance.

Director of Resource Development introduced members of the MFP Relicensing Team: John Christiansen, Hydroelectric Facility Evaluator; Ed Bianchi, Lead Environmental Consultant; Marie Rainwater, Meeting Facilitator; Tom Johnson, Strategic Team Member; Tom Jackson, Cultural Resources; Eldon Cotton, Strategic Team Member; and Ed Horton, Strategic Team Member.

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

C. REPORTS BY DEPARTMENT HEADS

Director of Resource Development gave a status report on the Consumnes American Bear Yuba (CABY) Integrated Regional Water Management Plan (handout provided). He noted who the stakeholders are, the workgroups they have formed, their draft goals and objectives, and the grants they received and are applying for. Director Wollan provided two handouts. Discussion followed.

D. AGENDA CHANGES AND REVIEW

There were no agenda changes.

E. CONSENT CALENDAR:

1. Approve March 2, 2006, minutes.
2. 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.**
3. 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)**
4. Approve General Manager's expense reimbursement claim summary. **(none at this time)**

Motion by Director Lee approving Consent Calendar item 1; motion seconded by Director Roccucci and adopted by unanimous vote of directors present.

F. AGREEMENTS AND CONTRACTS:

1. Approve Power System project vehicle replacement purchase under the State of California's Vehicle Contract #1-06-23-20.

Motion by Director Wollan approving Agreements and Contracts item 1; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service;
 - a. Treated Water **(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) **(none at this time)**
 - c. All other requests or information
3. Reports on water resource systems and issues important to the Agency:
 - a. Yuba/Bear River
 - b. American River
 - c. Truckee River/Lake Tahoe
 - d. Sacramento River/Delta
 - e. Groundwater
 - f. Water use efficiency and conservation practices
 - g. American River Pump Station funding and project construction update

No reports received.

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

1. Report on integrated licensing process and schedule;
 - a. Update on Middle Fork Project Relicensing effort relevant to project betterment studies, cultural resource investigation and stakeholder outreach

The General Manager noted how the process related to FERC relicensing included system water resources availability, healthy watersheds, subsidence, catastrophic fire, climate change, earthquakes, and sediment/rock removal.

A PowerPoint presentation was given. The Director of Resources Development noted the presentation covered resource utilization study purpose and process, inventory and screening of betterments, selected betterments, and stakeholder outreach/cultural resources (handout provided).

Mr. Christensen reported on how project facilities and operations can be upgraded and improved during and after the relicensing process. Betterments include minor increases in freeboard to Duncan, Hell Hole, French Meadows reservoirs; modifying Duncan's trash rack to alleviate blockages; upgrading the Hell Hole hydroelectric plant, upgrading the flow outlets at Interbay and Afterbay dams; improved French Meadows-Hell Hole pumped storage; Ralston capacity increase by upgrading turbine generator or adding second 11 MW unit; and sediment management. Discussion followed.

Mr. Bianchi gave an overview of environmental issues regarding the betterments. He discussed existing environmental evaluation and resources, seasonal creeks in reservoir inundation areas and storage and noted there is a slight shift in pattern of downstream releases. He noted there are no known cultural resources within the new inundation zone and there are no fatal flaws regarding the potential environmental effects.

Ms. Rainwater who is coordinating the stakeholder outreach process reported the process is to get meaningful input from stakeholders, to educate, cultivate, and maintain long-term relationships. They have a database of over 400 individual and organizational stakeholders. Informal contact has been made with some of the key stakeholders. The stakeholder process includes start-up and development of technical study plans, study implementation and data reports, and development of new license conditions. She discussed facilitation and process management of the stakeholder meetings.

Mr. Jackson is working on Native American tribal issues and historical and archeological resources in the area. He noted there are eight tribes who have expressed interest in the project.

2. Report on budget, budget transfers, agreements, and amendments;

No report received.

3. Report on MFP Financing Authority;

Director of Financial Services reported the Middle Fork Project has been funded and the Agency is working on a process to quickly reimburse the Agency through the Authority for Middle Fork Project Relicensing expenses.

I. GENERAL ITEMS

1. Review of the proposed Power System Budget for years 2007 through 2011 for submission to PG&E;

The Power System Manager reported on the proposed budget including improvements needed to the Duncan Tunnel trash rack, a study needed to upgrade the microwave system, and engineering of the LL Anderson Dam spillway. PG&E Partnership Coordinator Kevin Goishi updated the agency on a planned repair to a surge shaft tunnel above the Middle Fork Powerhouse Penstock. (Handout provided)

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

The Power System Manager noted in 2005 a FERC ordered evaluation for the Ralston Afterbay Dam float controller and radial gate controls was completed; design improvements, technical specifications and drawings are being prepared. A five-year safety evaluation process at Ralston Afterbay Dam was completed with a proposed plan and schedule to implement recommendations.

In 2006 there are plans to complete a contract and go to bid for a contractor to implement FERC and State Division of Safety of Dams approved improvements to the spillway gate controls at Ralston Afterbay Dam.

J. REPORTS BY DIRECTORS:

Director Roccucci attended a LAFCo meeting and acted in the capacity of a LAFCo Board member because the regular Board member was absent. Discussion at the LAFCo meeting included revenues by each district and employee health costs.

Director Lee reported on the Finance Committee meeting where discussion was held about the Gold Run Pipeline repairs. Other projects could be affected by the repairs but the repairs are a top priority. Also discussed at the Finance Committee meeting was the issue of award of a contract for water meters.

Director Jarvis noted that discussion was also held at the Finance Committee meeting about the Power Systems' proposed budget to PG&E.

Director Jarvis reported on the American River Authority (ARA) meeting. The ARA wants to spend \$40,000 on public education. They want Sacramento County to join the ARA. He noted there was an article in the Sacramento Bee today about the ARA.

Director Wollan reported on the CABY meeting where there was discussion about regional water master plans and opportunities to connect with Tribes.

Director Wollan noted the California Urban Water Conservation Council reviewed the Governor's strategic plan and low water conservation plan.

K. REPORTS BY LEGAL COUNSEL:

General Counsel reported on the California Public Utility Commission hearings regarding the Hell Hole Power Plant. He noted the Board needs to make a decision on whether or not to sign a settlement.

L. REPORTS BY GENERAL MANAGER: No report received.

M. CLOSED SESSION: There was no closed session.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 5:20 p.m. Director Lee made a motion to adjourn; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency