

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

June 15, 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; VALERIE LORD, Assistant General Manager and Director of Administrative Services; JOHN KINGSBURY, Director of Customer Services; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; MAL TOY, Director of Resource Development

A. CALL TO ORDER

1. 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.
2. David Breninger led the Pledge of Allegiance.
3. Introductions & Presentations:
Presentation by Jim Ferris, co-author of book: *American River Canyon Hikes*

The General Manager introduced Jim Ferris. Mr. Ferris said the Canyon Keepers, formed in 1998, is a volunteer organization that works with the State Parks Rangers. Duties include improving areas at the Confluence and Upper Lake Clementine, help with maintenance, offering Junior Ranger program, monthly hikes, monthly meetings, a website with trail guides, and installing self-guided trail guides. He handed out copies of the *American River Canyon Hikes* book, which he co-authored.

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

C. REPORTS BY DEPARTMENT HEADS:

General Manager reported the Association of California Water Agencies Finance Committee Chair had to step down and they asked the Agency's Director of Financial Services to be the interim Finance Committee Chair and the Chair.

Director of Technical Services reported the Agency, working with the Regional Water Authority on a Prop 50 grant, will send a support letter from the Agency Chair along with our application.

Director of Customer Services briefed the Board on the constructed conveyance program and noted the Agency is in full compliance.

D. AGENDA CHANGES AND REVIEW

The General Manager noted backup items F4 through F17 attached to the agenda were incorrectly number and noted how the correct numbering should be. The list of items on the agenda is correct.

He reported item F14d, change order number 8 for the Auburn Water Treatment Plant expansion, was brought up after the agenda was posted. Because the price of metal is going up daily and could make a difference of ½ million dollars, the item needed to be added to the agenda.

He reported F18 is for a contract with Nick Willick for restoration of the Heritage Center. Because Mr. Willick's schedule became available to work on the Center after the agenda was posted, the item needed to be added to the agenda.

He also noted to save three weeks of time on the Ralston Afterbay Dam project, the amendment to Richard Harlan's contract, item F19, needed to be added after the agenda was posted

Motion by Director Lee to add items F14d, F18, and F19 to the agenda because there is a need to take immediate action on these items and the need for such action came to the attention of the Agency subsequent to the agency being posted. The motion was seconded by Director Roccucci and adopted by unanimous vote of Directors present.

Because Director Wollan had to leave early, the General Manager suggested rearranging the agenda so that items are heard in the following sequence: G4, I1, I2, and then back to usual sequence.

E. CONSENT CALENDAR:

1. Approve May 18, 2006, minutes.
2. Receive and file Check Register 06-11 expenses 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.
6. Approve application to discharge uncollectible accounts in the amount of \$3,933.82.

7. Receive Report on Review for CEQA for the 2006 May-June Canal Maintenance and Gunitite Projects, declare the projects categorically exempt from CEQA and authorize the filing of the Notice of Exemption.

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

F. AGREEMENTS AND CONTRACTS:

1. Approve proposed lease for warehouse space for archive storage at 200 Linden Avenue, Auburn, and payment of \$5,656.33 to the James D. Lardner Revocable Living Trust, Susan Lardner Revocable Trust & Douglas Scott (Landlords).
2. Approve license agreement with Kevin Eckard to maintain an existing garden and orchard at the Sierra Center for a vegetable gardening and orchard maintenance study program.
3. Approve Land Use Agreement with the Department of Water Resources for installation of a California Irrigation Management Information System (CIMIS) weather station at the Sunset Water Treatment Plant property.
4. Approve Amendment No. Two to the Administrative Contract with Peterson, Brustad, and Pivetti, Inc. for Plan Checking Services in an amount not to exceed \$38,780.00.
5. Approve the following with Con. J. Franke Electric, Inc. for the Electrical Punch List Work for the Foothill WTP 28-MGD Expansion Project, Contract #2005-02:
 - a. Change Order No. Eight in the increased amount of \$3,453.46;
 - b. Progress Pay Estimate No. Twelve (final) in the amount of \$3,453.46;
 - c. Accept the Project
 - d. Authorize the Clerk to the Board to file the Notice of Completion with Placer County.
6. Approve the following with Pacific Mechanical Corporation for the General Punch List Work for the Foothill WTP 28-MGD Expansion Project, Contract #2005-06:
 - a. Change Order No. Eight in the decreased amount of \$24,450.72;
 - b. Progress Pay Estimate No. Nine (final) in the amount of \$2,432.83.
 - c. Accept the Project
 - d. Authorize the Clerk to the Board to file the Notice of Completion with Placer County.
7. Approve the following with Pacific Mechanical Corporation for the Foothill Raw Water Supply Pump Station, Contract #2005-09:
 - a. Progress Pay Estimate No. Three in the amount of 1,491,539.40;
 - b. Change Order Nos. One, Two and Three.
8. Approve Progress Pay Estimate No. Twelve with Slayden Construction, Inc. for the Sunset Industrial Storage Tank and Pump Station Project, Contract #2005-01 in the amount of \$740,139.33.
9. Approve Progress Pay Estimate No. Fifteen with Meyer Control Corporation for the SCADA System Upgrade, Contract #2003-04, in the amount of \$56,231.80.

10. Receive for filing Contract Change Order No. Six with Clayborn Contracting Group, Inc. for the SCADA Communications System Phase II project, Contract #2003-03 in the increased amount of \$1,120.00.
11. Approve the following for the Boardman Canal – Hansen Spill Automated Trash Rack Project, Contract #2005-12:
 - a. Approve a budget transfer of \$750,000.00 from Ophir Road 18” Treated Water Pipeline to Hansen Spill Automated Trash Rack
 - b. Award a construction contract to Sierra National Construction, Inc. in the amount of \$663,089.00.
12. Approve the following for the Gold Run Phase I Improvement Project, Contract #2006-05:
 - a. Approve budget transfer of \$479,074.00 from the Boardman Canal Relocation at Pacific Heights Project to the Gold Run Pipe Phase 1 Improvement Project
 - b. Award construction contract to C & D Contractors, Inc., in the amount of \$929,900.00.
13. Approve Amendment No. Four with CH2M Hill, Inc. for Consulting Services for Ophir Road/Taylor Road Pipeline Project Design, in an amount not to exceed \$442,200.28 for Tasks 1 through 5 and an additional \$209,351.60 for optional Task 6.
14. Approve the following for the Auburn Water Treatment Plant Expansion Project, Contract #2003-06:
 - a. Progress Pay Estimate No. Fifteen with Auburn Constructors, Inc. in the amount of \$2,320,886.79;
 - b. Change Order No. Seven with Auburn Constructors, Inc., in the amount of \$129,583.23.
 - c. Amendment No. Two to the Consulting Services Contract with Blackburn Consulting in an amount not to exceed \$45,873.00.
 - d. Approve Change Order No. Eight with Auburn Constructors, Inc., for the Auburn Water Treatment Plant Expansion Project, Contract #2003-06.
15. Approve the following for the Development of a Joint Groundwater Management Plan:
 - a. Budget transfer of \$100,000.00 from the 2005 budget to the 2006 budget.
 - b. Amendment No. One in an amount not to exceed \$31,650.00 to the Memorandum of Agreement with the City of Roseville for consulting services to develop a Joint Groundwater Management Plan.
16. Approve the following for the Watershed Sanitary Survey Update of the Yuba and Bear River Watershed:
 - a. Budget transfer of \$80,000.00;
 - b. Memorandum of Understanding with the Nevada Irrigation District.
17. Approve purchase of a F150 Ford in an amount not to exceed \$22,741.96 under the State of California’s Vehicle Contract #1-06-23-20.
18. Approve consulting services contract with Nick Willick for the restoration of the Heritage Center.
19. Approve Amendment No. 1 with Richard C. Harlan, for the Ralston Afterbay Dam FERC Part 12 safety inspections and reports in an amount not to exceed \$11,200.00

Handout provided. Motion by Director Roccucci approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, and 19; motion seconded by Director Wollan and adopted by unanimous vote of Directors present.

Director Roccucci stepped out of the room during vote on item F15. Motion by Director Lee approving Agreements and Contracts item 15; motion seconded by Director Jarvis and adopted by unanimous vote of Directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Report on the status of the Bureau of Reclamation to install, for operation by the Agency, the temporary American River pumps and discuss and determine the implication to the Agency for short term water availability.

Director of Field Services noted between 47 and 50 cfs of water from the temporary American River Pumps is not available until July 15. To make up the difference the Agency has coordinated with South Sutter Water District, Nevada Irrigation District and PG&E for extra water. At issue is the conveyance system because only a total of approximately 450 cfs is available through the conveyance system and there could be a problem with algae growth. Hot weather could also impact supplies.

He also reported on the pipeline grading at the temporary American River Pump Station site.

2. Consider matters affecting Zone 1 water service;
 - a. Treated Water
 - 1) Four Facilities Agreements (FA) for a total of 32.6 acre feet or 49.8 equivalent dwelling units (EDUs)
 - FA 2143 – IMC Industrial Park, Rocklin
 - FA 2216 – Virginian Condominiums, Auburn
 - FA 2252 – Orchard Creek Business Park Phase 1-3, Rocklin
 - FA 2269 – Granite Drive Office/Retail Center, Rocklin
 - 2) Single Connections (In fill): One for a total of 0.7 acre feet or 1 EDU
 - b. Raw Water: Three services for a total of 13.6 acre feet or 20.8 EDUs

Director of Technical Services reported on the applications for a total net increase of 46.9 acre feet. Motion by Director Lee approving water service applications in the total amount of 46.9 acre feet; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

3. Consider status on matters affecting Zone 5 water availability and service; take action as necessary and appropriate: Approve a waiver to the March 15 original application date and give the growers until June 22 to revise their actual deliveries needs to the 2006 irrigation season. Additionally, if a grower revises their application, approve a waiver to use the original March 15 allocation as a priority for the 2007 irrigation season.

Director of Customer Services reported that due to wet weather, the growers are asking for a waiver from March 15 to June 2006.

Motion by Director Roccucci approving a waiver to the March 15 original application date and giving the growers until June 22 to revise their actual deliveries needs to the 2006 irrigation season; additionally, if a grower revises their application, the Board approves a waiver to use the original March 15 allocation as a priority for the 2007 irrigation season; motion seconded by Director Jarvis 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 or information
 - Report on June 7, 2006, Agency letter sent to the Placer County Board of Supervisors and the Placer County Planning Commission regarding the proposed Regional University Project, Infrastructure Phasing Plan.

General Manager noted the Agency received positive feedback from the County to the Agency's June 7, 2006, letter. Director of Strategic Affairs reported on the purpose of the letter, including reiterating the Agency's Board's position opposing use of groundwater for the development. He noted use of groundwater is a waste of resources during normal and wet years and could lead to declining groundwater in the basin.

5. 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.
2. Report on budget, budget transfers, agreements, and amendments.
3. Report on MFP Financing Authority.

No reports received.

I. GENERAL ITEMS

1. For the Secret Town Pipeline Improvement Project:

At 2:00 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 the modifications of the document, the hearing shall be continued until a later Board of Directors' meeting to allow 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 modifications to the document, adopt Resolution 06-23 approving the Mitigated Negative Declaration and Mitigation Monitoring Plan, making a finding of no impact on wildlife and approving the Secret Town Pipeline Improvement Project, and authorize staff to file a Notice of Determination and Certificate of Fee Exemption.

Director of Technical Services explained the project and showed a map of the area. He noted the hearing is for the first phase of the project. The negative declaration was widely circulated. Three comments were received and responded to. The General Manager noted the segment of pipe being replaced at Secret Town and Gold Run is Techite pipe. Director of Field Services said the project is being accelerated because of the Techite break earlier this year and areas in Gold Run have been prioritized due to the construction season, long-term outages, and the areas that need to be replaced first.

At 2:32 p.m. the Chair opened the hearing for public comment. There being no public comment, Director Wollan made a motion to close the hearing at 2:33 p.m.; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

Motion by Director Wollan adopting **Resolution 06-23 approving a Mitigated Negative Declaration and Mitigation Monitoring Plan, making a finding of no impact on wildlife and approving the Secret Town Pipeline Improvement Project**, and authorizing staff to file a Notice of Determination and Certificate of Fee Exemption.; motion seconded by Director Jarvis and adopted by unanimous roll call vote of Directors present.

2. Receive and file (by motion action) Agency's December 31, 2005, Financial Statements, Auditors' Report, Letter to Audit Committee and Management Report prepared by Gilbert Associations, Inc.

Director of Financial Services introduced Peggy Vande Vooren. He noted the Audit Committee met on June 1 and received the information. Ms. Vande Vooren summarized the items listed above and noted new disclosure requirements. Discussion followed.

Motion by Director Wollan to accept, receive and file the Agency's December 31, 2005, Financial Statements, Auditors' Report, Letter to Audit Committee and Management Report

prepared by Gilbert Associations, Inc.; motion seconded by Director Rocucci and adopted by unanimous vote of Directors present.

3. Overview on AB 1234 ethics guidelines.

General Counsel gave a brief overview of AB 1234. He reported the Board has written policies, procedures, and guidelines for general conduct of business and so is already in compliance with the law. He went over the law regarding compensation. He noted ethics training is required and how often.

4. Update on significant developments related to water rights and contract entitlements for Placer County.

Handout provided. Director of Strategic Affairs and Legal Counsel Janet Goldsmith reported on matters related to the Agency's upcoming water rights and related entitlement issues.

5. Endorse and support California Municipal Utilities Association's Greenhouse Gas Reduction Principles.

The General Manager noted the Agency is a member of the California Municipal Utilities Association (CMUA) and Northern California Power Agency (NCPA). The utility managers have been tracking, relevant to climate change, some of the interests of the state and federal entities that public owned electric utilities, as well as private ones, really address greenhouse gas reduction goals. NCPA and CMUA managers and boards felt it would be best for public entities to put together a practical set of principles on the greenhouse gas reduction approach. Practically, it relates more to the CMUA and NCPA members who purchase power and have to find ways in their business practices to make sure there are greenhouse gas reductions occurring.

Motion by Director Rocucci endorsing and supporting California Municipal Utilities Association's Greenhouse Gas Reduction Principles; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

J. REPORTS BY DIRECTORS:

Director Rocucci reported the following:

- She was elected Special District Representative of LAFCo. There was a tie, so they did a coin toss and she won.
- Brett Story resigned from a four-year term on LAFCo.
- Robert Weygandt was picked as Vice-Chair
- LAFCo did Municipal Service Reviews on water in the service area that included Foresthill, Auburn, and Colfax. There was discussion about a volunteer district called Suburban Water District. The Municipal Service Review was approved except one item was removed--the Auburn Valley WTP because there were questions, including do they have a General Manager, how it was run, and finances.
- The LAFCo Executive Director attended a Special District meeting where there was discussion with other cities of getting together of where there has been an approval of if you have a sphere of influence and are serving in someone else's county. (Right

now it has been approved in courts and it is legal.) San Bernardino, Riverside is looking at legislation of working on that.

- Artwork from PCWA for the NCPA new building addition was displayed for Board selection.

Director Jarvis thanked John Kingsbury and Mal Toy for providing information for him to distribute regarding the Middle Fork Relicensing.

K. REPORTS BY LEGAL COUNSEL

Legal Counsel reported on the State loan for the Auburn Water Treatment Plant and the Drum-Spaulding water supply contract with PG&E which expires in 2013. He provided an opinion that PG&E could not change the place of use if it would harm somebody and it would harm somebody if they did. He believes we have strong rights that PG&E cannot change the place of use. PG&E provided a letter that stating they anticipate that they will negotiate a contract that the water will be there after 2013.

L. REPORTS BY GENERAL MANAGER

The General Manager reported the following:

- At the June 28 Board workshop there will be a briefing about employee leaves.
- The Budget schedule is being prepared.
- There will be a hearing on August 17 public hearing on Water Connection Charges.
- On September 21 the Board meeting will be on the East Slope.
- On October 19 there will be a public hearing on proposed adjustments to the water rates.
- On November 16 there will be a public hearing on the Budget.

M. CLOSED SESSION

1. **Conferences with legal counsel – existing litigation** – Pursuant to Subdivision (a) of Section 54956.9 of the Government Code.
Name of Case: F & H Construction, Inc. v. PCWA, et al.
Placer County Superior Court Case No. S-CV-17007

No closed session was held.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 4:58 p.m. Director Lee made a motion to adjourn; motion seconded by Director Rocucci and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency