

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, September 7, 2006  
2:00 p.m., Regular Meeting

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

Board Directors absent: MIKE LEE

Agency Personnel Present: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; RICKEY ALLAN, Deputy Director of Field Services; GINNY BORKOWSKI, Deputy Director of Customer Services; 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; JOSEPH PARKER, Director of Financial 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 2:00 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 as a result of the American River Pump Station environmental documents, the Agency was required to make improvements to the Auburn Ravine Tunnel end. The Agency will start public scoping meetings on the environmental documents. The first public meeting is October 5, 7:00 p.m., at Ophir School. Agency staff will also attend the Ophir Municipal Advisory Council meeting.

On behalf of Steve Jones the General Manager gave an overview of the Ralston fire. The fire started Tuesday, September 5, 2006, 4:00 p.m., in steep canyon areas in vicinity of Ralston Reservoir and Power Plant. The Forest Service immobilized to fight the fire and requested use of the Agency's property at the Mill industrial site to use as a staging area. Approval was authorized at staff level, but Board approval is requested.

As an emergency item under the Brown Act, Director Wollan made a motion declaring the Agency's property at the Foresthill Mill Industrial site as a fire fighting staging area as requested by the U.S. Forest Service; motion seconded by Director Rocucci and adopted by unanimous vote of Directors present.

Motion by Director Jarvis approving an agreement with the U.S. Forest Service to use PCWA property at the Agency's Mill Industrial property site for the use of U.S. Forest Service to fight the Ralston Fire; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

D. AGENDA CHANGES AND REVIEW

The General Manager noted an agreement for Board approval needed to be added to the agenda. The agreement is for the U.S. Forest Service to use PCWA property at the Agency's Mill Industrial property site for the use of U.S. Forest Service to fight the Ralston fire.

E. CONSENT CALENDAR:

1. Approve August 3, 2006, minutes.
2. Receive and file Check Register 06-16 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. **None at this time.**
6. Receive Report on Review for CEQA for Emergency Repair of Upper Banvard and Newcastle Canals, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
7. Approve purchase of a Boom Lift, JLG Model 400S from Nations Rent in the amount of \$66,655.88, including tax.
8. Approve purchase of a F250 Ford and Ford Sport Trac, in an amount not to exceed \$58,000.00 under the State of California's Vehicle Contract #1-06-23-20.
9. Adopt **Resolution No. 06-31 Authorizing Investment of Monies in the Local Agency Investment Fund.**

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

F. AGREEMENTS AND CONTRACTS:

1. Approve Access License Agreement with Lone Star Timber II LP for road use and improvements related to the Middle Fork Surge Shaft Rehabilitation Project.
2. Approve Progress Pay Estimate No. Two with Clyde G. Steagall, Inc. for the Bowman WTP Redundant Backwash Storage Tank and Alta WTP Storage Tank, Contract #2005-04 in the amount of \$293,434.02.

3. Approve Progress Pay Estimate No. Five with Clayborn Contracting Group for the Bowman Water Treatment Plant Filter Gallery Enclosure Project, Contract #2005-03, in the amount of \$81,545.71.
4. Approve Change Order No. Four with Slayden Construction, Inc. for the Sunset Industrial Storage Tank and Pump Station Project, Contract #2005-01, in the increased amount of \$50,919.66 and an increase in the contract time of 102 calendar days.
5. Approve Amendment No. Three to the Administrative Contract with Peterson, Brustad, and Pivetti, Inc. for Plan Checking Services in an amount not to exceed \$77,500.00.
6. Approve Amendment No. One to the Contract for Consulting Services with Ewing Construction for the Ophir Water Treatment Plant Project in an amount not to exceed \$21,950.00.
7. Approve 2006/2007 South Placer Wastewater Authority – Wastewater Flow Reduction Rebate Agreement with the City of Roseville and San Juan Water District in an amount not to exceed \$15,000.00.

Motion by Director Wollan approving Agreement and Contract items 1, 2, 3, 4, 5, 6, and 7; 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
    - 1) Two Facilities Agreements (FA) for a total of 37 acre feet or 56.5 equivalent dwelling units (EDUs)
      - FA 2237, Old Ranch House Road, Rocklin
      - FA 2329 Heritage Park Phase 2, Loomis
    - 2) Single Connections (In fill): Three applications for 2 total acre feet or 3 EDUs
  - 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 treated and raw water for a total net increase of 52.6 acre feet. There are 2,092 acre feet remaining in the water availability account.

Motion by Director Wollan approving water service applications in the total amount of 52.6 acre feet; motion seconded by Director Roccucci and adopted by unanimous vote of directors present.

2. Requests for response from Agency on water availability; take action as appropriate.
  - a. SB 221 and SB 610 (tentative map and environmental process):
    - Analysis for Rocklin Crossings Project
  - b. SB 610 (environmental process):
    - Supplemental information to PCWA's SB 610 Water Supply Analysis regarding the proposed projects of Placer Vineyards, Placer Ranch, and KT Communities' Regional University

c. All other requests or information

Director of Technical Services reported the Agency received a request from the City of Rocklin for a water supply analysis for the commercial Rocklin Crossings Project. It is anticipated that the project will have build-out demands of about 130 acre-feet per year. The Agency may have to bring in some other pipelines to get fire flows.

Motion by Director Roccucci authorizing the Chair to sign the SB 221 and SB 610 letter for the Rocklin Crossings Project; motion seconded by Director Wollan and adopted by unanimous vote of Directors present.

Director of Strategic Affairs reported commenters on the Placer Vineyards Draft EIR have questioned the efficacy of the Agency's PG&E water supply and ability to serve proposed new development projects. Commenters have also asked for additional information regarding dry year impacts to the Agency's Yuba-Bear River supplies and the resultant impacts on water deliveries to Agency customers and proposed developments. He discussed the draft letter to the County which provides supplemental information about the above issues. The findings and conclusions presented in the SB 610 Water Supply Assessments for the Placer Vineyards, Placer Ranch, and KT Communities' Regional University Projects remain unchanged.

Motion by Director Wollan directing staff to forward the supplemental information in support of PCWA's Water Supply Analysis for the Placer Vineyards, Placer Ranch and KT Communities' Regional University Projects; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

3. Reports and updates on water resource management issues:
  - a. Water supply and infrastructure
  - b. Water use efficiency and conservation
  - c. American River Pump Station Project
  - d. Sacramento River Diversion Project
  - e. Land use and water policy
  - f. Regional water planning and management
  - g. CALFED Bay-Delta water matters

Director of Technical Services reported on the progress of the American River Pump Station Project. After four months the Bureau executed a contract for reinforcements to be added to the mezzanine deck in the pump station. The work is required prior to installation of electrical equipment. Modifications, equipment installation, wiring, and testing will be completed early in November. He noted the Bureau of Reclamation signed the Committed Funds Agreement and awarded the Phase 2 contract to Ford Construction. Construction is anticipated to begin in September.

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, agreements, and amendments.
  - a. Approve a Contract and Task Order 2006-1 with S&E Engineering Company for siltation quantity measurements in an amount not to exceed \$44,250.

Director of Resource Development reported on the relicensing sediment management assessment, sediment capacity, and options for removing sediment.

Motion by Director Wollan approving Consulting Services Contract and subsequent Task Order 2006-1 with S&E Engineering Company for siltation quantity measurements at Interbay and Ralston Reservoirs; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

- b. Approve a Contract and Task Order 2006-1 with Henwood Associates, Inc. for the installation of two manned cableway structures in an amount not to exceed \$120,000.

Director of Resource Development reported the Agency continues to capture hydrology data in the MFP watershed. Seven stations have been identified and two need to be installed. Also two standard cableways with manned sit down type cars need to be installed at two gage site locations.

Motion by Director Wollan approving Consulting Services Contract and subsequent Task Order 2006-1 with Henwood Associates, Inc. for the installation two manned cableway structures; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

3. Report on MFP Financing Authority.

No report received.

#### I. GENERAL ITEMS

1. Proposed annexation of land to PCWA Zone 1 for the Sundance Industrial Park - Athens Avenue; consider the following:
  - a. At 2:00 p.m., or as soon thereafter as it can be heard, open the public hearing on the proposed negative declaration, note any comments received by the Agency, and solicit comments from the public.
  - b. If comments are received which are sufficient to warrant modification of the document, the hearing may be continued until the next Board of Directors meeting to allow time for the Agency to respond to comments and develop and/or enhance the document.

- c. If no comments are received which are sufficient to warrant modifications to the document:
  - 1) Adopt Resolution No. 06-32 approving a Negative Declaration, Making a Finding of No Impact on Wildlife for the Agency's proposed Sundance Industrial Park Annexation to Placer County Water Agency's Zone No. 1 and
  - 2) Authorize staff to file a Notice of Determination and Certificate of Fee Exemption.

Director of Technical Services reported on the proposed annexation of 33.75 acres on the north side of Athens Avenue for the Sundance Industrial Park. The project is just down the road from the Thunder Valley Casino. The City of Lincoln and applicant jointly sent a letter noting the City intends to provide potable water service to the north side of Athens Avenue and requesting the Agency to serve water on an interim basis. The Agency did not receive any comment letters on the Negative Declaration.

At 2:12 p.m. the Chair opened the hearing for public comment. There being no public comment, Director Jarvis made a motion to close the hearing at 2:12 p.m.; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

Motion by Director Roccucci adopting **Resolution No. 06-32 approving a Negative Declaration, Making a Finding of No Impact on Wildlife for the Agency's proposed Sundance Industrial Park Annexation to Placer County Water Agency's Zone No. 1** 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.

- d. At 2:00 p.m., or as soon thereafter as it can be heard, open the public hearing on the proposed annexation
  - 1) Adopt Resolution No. 06-33 approving annexation of territory to Zone No. 1 for the Sundance Industrial Park.

At 2:15 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 2:15 p.m.; motion seconded by Director Roccucci and adopted by unanimous vote of Directors present.

Motion by Director Wollan adopting **Resolution No. 06-33 approving annexation of territory to Zone No. 1 for the Sundance Industrial Park**; motion seconded by Director Jarvis and adopted by unanimous roll call vote of Directors present.

- 2. Briefing by David Bolland, Senior Regulatory Affairs Advocate, Association of California Water Agencies, on revisions proposed by California Urban Water Conservation Council to Best Management Practices (BMP) 11 to encourage greater use of volumetric (tiered) water rates for increased water use efficiency both regionally and statewide.

General Manager reported the Agency has practiced Best Management Practices since the Agency's inception. We have promoted water conservation, water efficiency, water meters,

and used a tier basis to encourage beneficial use of water. Regarding BMP 11 he noted there was a hearing on AB 2717 asking the Council to develop smarter industry watering practices in California. He introduced David Bolland, ACWA Senior Regulatory Advocate.

Mr. Bolland thanked the Board for being supportive of the Association of California Water Agency (ACWA) and the Urban Water Conservation Council. He noted ACWA and the Council are not related in any way—ACWA represents urban and agriculture; the Council represents urban drinking water suppliers. He described the Council's practices. He discussed the different types of efforts water agencies do that are part of the BMPs. He noted the BMP 11 is to identify one tool among all agencies that encourage water conservation. That tool is a pricing structure. He noted landscape water uses more than half of the water used. (Handout provided)

3. Report on Agency finances, budget, and projected revenues and expenses:  
(a) Agency-Wide, (b) Power System, and (c) Water System.

General Manager pointed out the handout entitled PCWA Rates 2007. He reported Agency staff is working on being in compliance with Proposition 218.

Director of Customer Services discussed the requirements of Proposition 218. He reported notices are going to the printer tomorrow and there is a tentative mailing date scheduled for September 18-20. A notice was developed for each Zone. The Agency has worked with the Placer County Assessor's Office to develop a complete mailing list. There will be approximately 35,000 notices mailed out.

Director of Financial Services noted the normal six week process for the Budget has been squished to two weeks because of the Proposition 218 process. He discussed combining the schedule for Water System 2007 Budget for Western and Eastern water systems. Historical activity has been looked at and the Budget was mapped out. Monthly water revenues are a little short of the Budget. He discussed examples of unmet and unfunded water system needs which include the workforce plan, retiree benefits liability – GASB45, various routine capital, and various Board designated reserves. He went over the Western and Eastern water systems schedules, discussed the federal mandate charges, renewal and replacement charges, projects and capital facility charges.

Director of Administrated Services reported on the workforce plan. The Agency is in excess of 12 positions for next year. The Budget does not quite meet it. Regarding the unfunded liability of retiree benefits, the Agency started a reserve fund last year. PERS is helping with actuaries.

Director of Customer Services handed out the 2007 proposed water rate, fee and charge adjustments. He gave a summary of the proposed changes in water rates charges. He noted the public hearing for the rates is November 9, 2006. He suggested the Board schedule a hearing for non-Proposition 218 items following the Proposition 218 hearing.

Motion by Director Roccucci directing staff to have a hearing for non-Proposition 218 items on the same date as the Proposition 218 hearing—November 9; motion seconded by Director Wollan and adopted by unanimous vote of Directors present.

#### 4. Report on Ralston Fire

General Manager reported further on the Ralston Fire. Currently there are 211 fire fighters and the U.S. Forest Service is bringing in more. The Foresthill Memorial Hall will be used as an evacuation site. He introduced Mike Boyle, Assistant Placer County CEO. Mr. Boyle reported the fire is significant. California Department of Forestry (CDF) has responded to the U.S. Forest Service's request for assistance. They are assembling a type 2 command team. A number of local resources are being used too. There will be an evacuation of Michigan Bluff Ranch. Animals are being evacuated. Placer County Office of Emergency Services has been activated to meet any needs. There are five fire strike teams assembled, including 25 engines, to provide structure protection for residents. The Memorial Hall is an information site for the community. Inquiry, response, and discussion followed.

General Manager noted the Agency is shutting down the power plants that are not accessible due to the fire. Agency personnel will keep extra water and food on their trucks for staff, County staff, and other public officials. There will be a briefing in Foresthill Friday, September 8, 6:00 a.m. He provided a map of the fire's location (handout). The fire is near Circle Bridge.

Agency Consultant Ed Horton reported there will be attempts to bomb where PG&E lines are and the Agency is trying to keep water in the reservoirs

#### J. REPORTS BY DIRECTORS:

Director Roccucci reported the following:

- She attended a Regional Water Authority Executive Committee meeting. The Bay-Delta habitat plan could expand to tributaries.
- The Middle Fork Project Finance Authority met on August 29.
- The City of Roseville had a joint meeting with the Planning Commission on August 30 about solar panels on roofs and possible retrofitting.
- The Board of Supervisors is going to internet streaming video.

Director Wollan reported the following:

- The PCWA/NID Water Planning Committee met and had an excellent discussion on collaboration of Yuba/Drum Spaulding and cooperating with PG&E, NID and PCWA to get all our needs met.
- He is on the Public Officials Water Reform Group for Best Management Practices 11. He discussed the 15-year Memorandum of Understanding. He is a facilitator for the group which is very fragile.

Director Jarvis went on a raft trip on the Middle Fork American River.

#### K. REPORTS BY LEGAL COUNSEL

General Counsel reported on the staff work that went into the Proposition 218 notice. He discussed the possibilities of what could happen when the Proposition 218 notices go out.

L. REPORTS BY GENERAL MANAGER

General Manager reported the Agency's Director of Customer Services represents the Agency and works with the California Urban Water Council and with Regional Water Authority on water use efficiency.

M. CLOSED SESSION: There was no closed session.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 5:02 p.m. Director Wollan made a motion to adjourn; motion seconded by Director Roccucci and adopted by unanimous vote of directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency