

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, September 21, 2006  
8:15 a.m., Adjourned Meeting

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

Board Directors absent: LOWELL JARVIS

Agency Personnel Present: DAVID BRENINGER, General Manager; JANET GOLDSMITH, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; 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 MAISCH, Director of Strategic Affairs; 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 8:22 a.m. at the Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California. David Breninger led the Pledge of Allegiance.

Gary Estes thanked the Board for support of the California Extreme Precipitation Symposium.

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

### C. REPORTS BY DEPARTMENT HEADS

### D. AGENDA CHANGES AND REVIEW

Item I.5. was removed from the agenda. Item I.3. was renumbered and heard as item R.4.

### E. CONSENT CALENDAR:

1. Approve August 17, 2006, minutes.
2. Receive and file Check Register 06-17 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. Receive Report on Review for CEQA for September 2006 Canal Guniting and Maintenance Projects, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.

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

F. AGREEMENTS AND CONTRACTS:

1. Approve Amendment No. 1 to Contract with John J. Cassidy changing the hourly rate of compensation to \$170.00.
2. Approve Amendment No. 1 to Power System Contract #05-05 with GEI Consultants, Inc. for determining the Inflow Design Flood at Ralston Afterbay and Interbay Dams in an amount not to exceed \$125,600.00
3. Approve the continued participation with Regional Water Authority and authorize payment of Core program fees not to exceed \$34,009.00
4. Approve the following for the Auburn Water Treatment Plant Expansion, Contract #2003-06:
  - a. Change Order No. Ten with Auburn Constructors, Inc. in the increased amount of \$51,099.00 and an extension of 23 calendar days for the first and second substantial completion milestones dates
  - b. Progress Pay Estimate No. Eighteen with Auburn Constructors, Inc. in the amount of \$1,440,276.72
  - c. Amendment No. One to the consulting services contract with Holdrege & Kull in an amount not to exceed \$30,770.00
5. Approve Progress Pay Estimate No. One with PNP Construction, Inc. for the PCWA Business Center, 2<sup>nd</sup> Floor Improvements, Contract #2005-14, in the amount of \$97,087.50.
6. Approve Progress Pay Estimate No. Fifteen with Slayden Construction, Inc. for the Sunset Industrial Storage Tank and Pump Station Project, Contract #2005-01 in the amount of \$523,857.73.
7. Approve the following for the Boardman Canal-Hansen Spill Automated Trash Rack, Contract #2005-12, with Sierra National Construction, Inc.:
  - a. Change Order No. One in the increased amount of \$24,750.00
  - b. Progress Pay Estimate No. One in the amount of \$103,826.25
8. Approve the following for the Bowman WTP Redundant Backwash Tank and Alta WTP Storage Tank, Contract #2005-04, with Clyde G. Steagall, Inc.:
  - a. Change Order No. One in the increased amount of \$4,908.00 and an increase in contract time of 4 extra calendar days
  - b. Receive for filing Change Order No. Two in the increased amount of \$24,998.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors
  - c. Change Order No. Three in the increased amount of \$326,234.00 and an increase in contract time of 91 extra calendar days
9. Approve Progress Pay Estimate No. Seventeen with Meyer Control Corporation for the SCADA System Upgrade Project, Contract No. 2003-04, in the amount of \$34,517.93.

10. Approve the following for the Foothill Raw Water Supply - Pump Station Project, Contract #2005-09, with Pacific Mechanical Corporation:
  - a. Change Order No. Seven extending the Contract completion time by 13 calendar days
  - b. Change Order No. Eight in the increased amount of \$174,350.39
  - c. Progress Pay Estimate No. Six in the amount of \$1,141,066.25
11. Approve a Contract with Keller Group for Design and Office Furnishings for the PCWA Business Center, Second Floor Improvements and Sierra Center Renovation in an amount not to exceed \$198,000.00.
12. Receive for filing Change Order No. Four for the Bowman Water Treatment Plant Filter Gallery Enclosure, Contract #2005-03 with Clayborn Contracting Group, Inc. for an increase in the contract amount of \$4,477.09 and an increase in contract time of four calendar days, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.

Motion by Director Wollan approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12; 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) Ten Facilities Agreements (FA) for a total of 300.9 acre feet or 459.8 equivalent dwelling units (EDUs)
      - FA 2121, Bella Tuscany, Amendment No. Two, Auburn
      - FA 2153, Knollwood Lot Split, Auburn
      - FA 2169, Whitney Ranch Unit 26, Amendment No. Two, Rocklin
      - FA 2179, Whitney Ranch Village 13A, Amendment No. One, Rocklin
      - FA 2186, Whitney Ranch Unit 23, Amendment No. One, Rocklin
      - FA 2187, Whitney Ranch Unit 20, Amendment No. One, Rocklin
      - FA 2221, Placer Corporate Center Lots 15 & 16, Placer County
      - FA 2275, Bickford Ranch portion of the Ophir/Taylor Road pipelines, Placer County
      - FA 2293, Vicara, Rocklin
      - FA 2294, Montessa-Whitney Ranch Unit 5, Rocklin
    - 2) Single Connections (In fill): One application for 0.7 total acre feet or 1.0 EDUs
  - b. Raw Water: One application for service for a total of 4.5 acre feet or 6.9 EDUs

Director of Technical Services reported on the applications for treated and raw water for a total net increase of 306.1 acre feet. There are 1,794 acre feet remaining in the water availability account. He noted Bella Tuscany (FA 2221) is served by the Bowman Water Treatment Plant. The system is maxed out. Bell Tuscany will build a new tank and the Agency will repay them.

Motion by Director Lee approving water service applications in items G.1.a. and G.1.b. in the total amount of 306.1 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 or information
  
3. Reports and updates on water resource management issues:
  - a. Water supply and infrastructure
    - Zone 3 improvements status report
  - 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 Field Services reported on Zone 3 infrastructure needs, additional storage being built by other utilities, and another diversion point being installed.

General Manager noted there is new policy direction coming from CALFED and recommended a report be given at the October 5 Board meeting.

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. Report on Ralston Fire and impact on the Agency's Middle Fork Project.

Tahoe National Forest District Ranger Jan Cutts briefed the Board on the Ralston fire and recovery efforts. The fire started on September 5, 2006, on the Middle Fork of the American River and spread to both sides of the North Fork of the Middle Fork and the Rubicon. Michigan Bluff and Volcanoville were evacuated. 100% containment was achieved on September 17. She noted the Forest Service has started suppression rehabilitation. She thanked the Agency, and Agency staff Steve Jones, Greg Young, Marc Wyatt, and Agency Consultant Ed Horton.

Tim Biddinger and Rick Weaver with the Burned Area Emergency Response (BAER) team gave a PowerPoint presentation. They went over BAER's purpose, activities, survey, natural features that limit treatment, values at risk (Ralston Afterbay Reservoir, powerhouses, penstock, Interbay Dam and facilities, roads, cultural and natural resources), rock fall potential, burn severity by classes, and recommended treatments and surveys.

General Manager complimented Ms. Cutts and the team for the information site they set up for briefings and outreach to the community. (Handout provided.)

2. Consider authorizing the filing of a motion to intervene in Sacramento Municipal Utility District FERC proceeding for a new license.

General Counsel reported the Agency has been talking with Sacramento Municipal Utility District (SMUD) about diversions upstream of Hell Hole. SMUD has no intention of changing how they divert unregulated water. The Agency needs to take steps to intervene to protect its interests.

Motion by Director Wollan authorizing the filing of a motion to intervene in SMUD's FERC proceeding for a new license; motion seconded by Director Lee and adopted by unanimous vote of directors present.

3. Discussion and direction on the Water Forum Successor Effort work plan for negotiations regarding water transfers and reallocations of water supplies between and among other Water Forum purveyors.

Under item D—Agenda Changes and Review—item I.3. was renumbered as item R.4.

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

No report received.

- ~~5. Consider Amendment No. 1 to Facilities Agreement No. 2286 with Rocklin Retail LLC.~~

Item removed from agenda.

J. REPORTS BY DIRECTORS:

Reports received under item S.

K. REPORTS BY LEGAL COUNSEL

Report received under item T.

L. REPORTS BY GENERAL MANAGER

Report received under item U.

M. CLOSED SESSION

There was no closed session.

N. REPORT FROM CLOSED SESSION

No report received.

O. RECESS TO TRAVEL TO EAST PLACER COUNTY

The Board recessed at 9:26 a.m. to travel to East Placer County.

At 11:15 a.m. the Board arrived at Tahoe Dam, Gatekeepers Museum parking lot, 130 West Lake Boulevard, Tahoe City. Tahoe City Public Utility District General Manager Bob Lourey briefed the Board on recreation improvements in Tahoe City and on Lake Tahoe's North Shore, including public trail development projects.

The Board departed at noon to travel to Squaw Valley Public Service District

P. RECONVENE AND CALL TO ORDER

Chair Ferreira reconvened the adjourned meeting of the Placer County Water Agency Board of Directors to order at 12:52 p.m. at the Squaw Valley Public Service District, 305 Squaw Valley Road, Olympic Valley, California.

Roll call was taken again and all Directors were present except Director Jarvis.

Janet Goldsmith led the Pledge of Allegiance.

Director of Resource Development introduced Squaw Valley Public Services District General Manager Rick Lierman. Mr. Lierman welcomed the Board.

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

R. GENERAL ITEMS:

1. Receive presentations and comments.
  - a. Peter Holzmeister: update on Truckee Donner Public Utility District
  - b. Mike Staudenmayer: update on Northstar Community Services District
  - c. Rick Lierman: update on Squaw Valley Public Service District

Director of Resource Development noted Mr. Holzmeister had a conflict and sent his regrets for not being able to attend the meeting.

Director of Resource Development introduced Northstar Community Services District Deputy General Manager Mike Staudenmayer. Mr. Staudenmayer noted the District handles snow removal, water, sewer, solid waste recycling, trails, paramedics, road surfacing, and fire protection. He reported on development in the district, including several hundred new homes, a new base village, the Ritz Carlton, Highlands Hotel, a new

intersection, bridge, and fire station facility. He described the district's infrastructure and projects. The district has a 180 acre-foot spring-fed reservoir. The District's challenge is that they share the reservoir with the resort, but the resort doesn't have rights to the reservoir. He also discussed the Districts' Master Plan and the Highlands conceptual plan. Discussion followed.

Director of Resource Development introduced Squaw Valley Public Service District General Manager Rick Lierman. Mr. Lierman gave a status report on the District's Aquifer Storage and Recovery (ASR) Project. The District wants to take water from Squaw Valley wells and springs and bring it to their lower quality water areas and displace the lower quality water. They are attempting to drill in the meadow. They have submitted for a Proposition 50 grant for \$2.5 million for the ASR project.

He reported on new development at Squaw Valley and the water issues at Squaw Creek.

The District is in the process of developing a Groundwater Management Plan.

He discussed their challenge of getting customers to conserve water and they are working on an irrigation ordinance to help reduce waste. He asked the Agency if they could use the Agency's old motto, "Water Conservation is a Moral Obligation." The Board encouraged him to use the motto.

He noted that Supervisor Bruce Kranz had met with him to ask that he request his Board to adopt a resolution proposed by Supervisor Kranz regarding Middle Fork Project funds. He asked the Agency for feedback on the subject.

Director Ferreira responded that the Agency needs resolutions from districts like Squaw Valley Public Utility District that support the Federal Energy Regulatory Commission's relicensing in 2013 to the Agency. If there is no relicensing, there will be no money, he said. Director Lee noted that there is a relicensing process that the Agency has to go through long before it can get to the point where it can talk about how future money is going to be spent. Director Rocucci stated the MFP Finance Authority has had full approval by all of the Board of Supervisors and all of the Agency Board of Directors at single meetings and a joint meeting with all members of both Boards present. Director Wollan noted the Agency and County set up the Middle Fork Project Joint Powers Finance Authority for the sole purpose of financing the relicensing process. Director Ferreira noted it is premature to discuss or to decide on how to spend money that won't be available to the Agency and County until many years from now.

2. Report on Agency Financial Assistance Program and Agency Wide Budget.

Director of Resource Development gave a summary report of the history of the grants issued under the Financial Assistance Program. Three grants were approved this year.

3. Discussion on East Placer water resources matters.

No further reports received.

4. Discussion and direction on the Water Forum Successor Effort work plan for negotiations regarding water transfers and reallocations of water supplies between and among other Water Forum purveyors.

General Counsel reported the Water Forum effort is taking up the issue of whether or not purveyors can move/exchange water.

S. REPORTS BY DIRECTORS:

Director Roccucci attended an ethics training meeting hosted by Placer County. She also attended a Regional Water Authority meeting where Best Management Practices 11 were discussed. (Handout received from RWA Board meeting)

Director Lee noted on his trip to France each village he visited had a fountain with potable water.

Director Wollan attended North South round table discussions in San Diego where they discussed Integrated Water Resource Management Plan legislation.

T. REPORTS BY LEGAL COUNSEL

General Counsel reported on El Dorado County water rights issue and lawsuit that they won.

U. REPORTS BY GENERAL MANAGER

General Manager reported the following:

- Jim McCauley from Placer County Elections Department sent the Agency a letter noting Director Ferreira is appointed in lieu of an election.
- Proposition 218 notices are in the mail to property owners and tenants
- Discussed improvements of the water utility bill
- Pointed out the employee newsletter
- Pointed out Auburn Journal article regarding the Martis Valley settlement suit

V. ADJOURNMENT

At 3:02 p.m. Director Lee 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