

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, September 6, 2007
2:00 p.m. Regular Meeting

Board Directors present: CHAIRMAN LOWELL JARVIS, GRAY ALLEN, ALEX FERREIRA, MIKE LEE, and OTIS WOLLAN

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; TONY FIRENZI, Engineer III; 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 Jarvis called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:00 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

2. Director Wollan led the Pledge of Allegiance.

3. Introductions and presentations: Engineer III gave a PowerPoint presentation of the September 4, 2007, American River re-watering and restoration. He showed photos of the cofferdam breach, the first Middle Fork Project release flows through the river channel, and photos of the project as it progressed.

The General Manager handed out photos of the breach of the coffer dam and re-watering. He acknowledged the Director of Strategic Affairs for being the Agency's advocate who worked with the U.S. Bureau of Reclamation officials for over ten years on the project.

The Chairman thanked the Director of Strategic Affairs for spear-heading the project.

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

C. REPORTS BY DEPARTMENT HEADS

Director of Customer Services noted the Auburn Home Show is September 28 – 30 and the Agency will have a booth at the event.

Director of Resource Development reported on the Cosumnes, American, Bear, Yuba Rivers (CABY) cost-sharing partnership.

Director of Resource Development also reported the Agency received approval on eight of the technical studies on the Middle Fork Project Relicensing project.

Director of Field Services gave a brief overview of the upcoming fall outage and maintenance. The outages are scheduled to start October 14 and will alternate. Customers will be notified by three separate mailings. PG&E will be working on tunnel voids near the Auburn airport and will also work on the Bear River Canal.

D. AGENDA CHANGES AND REVIEW

Director of Financial Services noted the resolution in the agenda packet in Item I.1. should be behind item I.2.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. August 2, 2007, minutes.
 - b. Check Register 07-16 expenses disbursed.
 - c. 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.
 - d. Matters related to the Board of Directors as follows:
 - 1) Expenses for previous months;
 - 2) Anticipated expenses in excess of \$500.00; **none at this time.**
 - 3) 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.**
 - e. General Manager's expense reimbursement claim summary.
2. Approve Quitclaim of Easement for portion of the Sugarloaf Canal pipe with Keith K. Clayton.
3. Receive Report on Review for CEQA for Lakeshore Water Treatment Plant Grading project, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
4. Approve Right of Way and Easement Agreement and payment of \$5,000 to Mary O. Dutra for the easements for the Foothill Raw Water Supply Pipeline project.
5. Approve the Submittal of PCWA General Manager David A. Breninger's name to Association of California Water Agencies for the National Water Resources Association Board of Directors for the term 2008-09.
6. Approve passage of **Resolution No. 07-25 adopting the updated West Placer County Groundwater Management Plan.**
7. Adopt **Resolution No. 07-26 initiating proceedings for annexation of Dry Creek Elementary School to Zone No. 1 and setting a public hearing thereon.**
8. Receive and file PCWA's bond rating upgrade dated July 2007.

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

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve the following with Black and Veatch:
 - a. Engineering Services Contract for various Middle Fork Project Betterments.
 - b. Task Order No. 2007-01 for Middle Fork Betterments in an amount not to exceed \$25,740.00.
2. Approve Settlement Agreement between Placer County Water Agency and Sacramento Municipal Utility District and authorize General Manager to send letters to the State Water Resources Control Board and to the Federal Energy Regulatory Commission as provided in the agreement.

Existing:

3. Approve Amendment No. One with Starr Consulting for treatment plant water quality consulting services for the Auburn Water Treatment Plant project, Ophir WTP Pipelines project, and the Sacramento River Diversion project in an amount not to exceed \$19,690.00.
4. Approve the following for the Foothill Raw Water Supply Pump Station project, Contract #2005-09, with Pacific Mechanical Corporation:
 - a. Contract Change Order No. Twenty One in the increased amount of \$46,839.00.
 - b. Progress Pay Estimate No. Seventeen in the amount of \$3,462,542.05.
5. Approve Amendment No. One to the On-call Supervisory and Data Acquisition Services Consulting Contract with MCC Control Systems, LP in an amount not to exceed \$100,000.00.
6. Approve Change Order No. 1 for Contract P-06-02 Paving Services, Intermountain Slurry Seal, Inc., to extend the contract period through September 12, 2008, with a possible price increase, not to exceed 5%.
7. Approve Amendment No. Three to contract with Richard C. Harlan for five-year safety inspections and reports for French Meadows and Hell Hole Dams.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3, 4, 5, 6, and 7; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service;
 - a. Treated Water
 - 1) Four Facilities Agreements (FA) for a total of 7.5 acre feet or 11.5 equivalent dwelling units (EDUs)
 - FA 2193, Sierra de Montserrat, Amendment No. Two, Loomis
 - FA 2223, Wade Simmons Waterline, Revision No. 1, Newcastle
 - FA 2284, Jack in the Box, Rocklin
 - FA 2392, Stanford Plaza – Lot 58 Phase 1B, Rocklin
 - 2) Single Connections (In fill): Four applications for a total of 2.6 acre feet or 4.0 EDUs
 - b. Raw Water: None

Director of Technical Services handed out a revised memo for Item G.1. which reflected there were no applications for raw water. He reported on the applications for four facilities agreements for 7.5 acre feet of treated water, and 2.6 acre feet of treated water for single connections (in fill), for a total net increase of 10.1 acre feet.

Motion by Director Wollan approving Facilities Agreements 2193, 2223, 2284, and 2392 and applications for single connections in the total amount of 10.1 acre feet; motion seconded by Director Lee and adopted by unanimous vote of directors present.

2. Zone 4 water service;
 - a. Treated Water
 - 1) Two Facilities Agreements (FA) for a total of 9.2 acre feet or 14.0 EDUs
 - FA 2287, Timilick Phase 2 Residential (formerly Eaglewood Phase 2 Residential), Revision No. 1, Martis Valley
 - FA 2342, Martis Camp Unit No. 2, (formerly Siller Ranch), Amendment No. 1, Martis Valley

Director of Technical Services reported on the applications for facilities agreements 2287 and 2342 and noted the projects are now known as the Timilick Project and the Martis Camp Project.

Motion by Director Lee approving Facilities Agreements 2287, Revision No. 1 and 2342, Amendment No. 1; motion seconded by Director Wollan and adopted by unanimous vote of directors present.

3. Requests for response from Agency on water availability;
 - a. SB 221 (tentative map)
 - b. SB 610 (environmental process)
 - c. All other requests or information

No reports received.

4. Reports and response on water resource policy, planning and management issues and interests:
 - a. Water rights and contracts
 - b. Land use and water policy
 - c. Water supply, service, and infrastructure system
 - d. Water use efficiency and conservation
 - e. American River Pump Station Project
 - f. Sacramento River Diversion Project
 - g. Regional water matters
 - h. Delta and State water matters

Under item G.4.e., American River Pump Station Project, the Director of Technical Services reported on Phase 1 the contractor has been working on control system additions that incorporate backwash and valve systems from the Phase 2 project. The Bureau of Reclamation has prepared a detailed testing and start-up plan and submitted to the Phase 1

contractor as a unilateral contract modification. On Phase 2 the contractor is working on the concrete access road and finishing grouted boulders, screen, and backwash system. He went over Phase 1 and 2 contract values, times, progress and modifications. The Agency has sent a letter of concern to the Bureau about availability of funding to support added costs to Phase 1 contract modifications 92 and 93 and Phase 2 contract modifications 20. Written detailed information has been requested from the Bureau.

Chairman Jarvis commended and thanked the Director of Technical Services for moving the project along and his diligence on keeping an eye on the project.

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

1. Report on relicensing process, schedule, and activities:
2. Report on financial matters and services:

No reports received.

I. GENERAL ITEMS

1. Receive report on Renewal and Replacement Projects and Water Connection Charge Projects to be undertaken within the next five years.

The Directors of Technical Services and Field Services gave a PowerPoint presentation and described the following projects: Baker Siphon, Boardman Canal Relocation/Pacific Heights Apartments, Bowman Canal Pipe Phases I & II, Lake Alta outlet pipe replacement, Middle Fiddler Green Siphon Replacement, Channel Hill Area Pipeline Improvements, Safe School Route Phase 4, Clover Valley Reservoir Bypass, Auburn Water Treatment Plant Raw Water Supply Line, and Automated Meter Read Retrofit Program. The Director of Customer Services reported further on the Automated Meter Read Retrofit Program.

The Director of Technical Services reported on Water Connection Charges for new development and showed photos of the Auburn Tunnel Pump Station. He described the Foothill Raw Water Supply Pipeline, Auburn Water Treatment Plant Expansion Project, Sierra Ridge Pipeline over sizing, Auburn Tunnel Outlet modifications, Ophir Water Treatment Plant, and American River restoration.

The Director of Field Services described the Gold Run Pipeline Replacement Project, Secret Town Pipeline Replacement Project, and the water system facility center.

No Board action taken.

2. Consider the following for Agency's intention to undertake Renewal and Replacement and Water Connection Charge Projects:
 - a. At 2:00 p.m. or as soon thereafter as can be heard, open the noticed public hearing, note any comments received by the Agency and solicit comments from the public with respect to the Agency's intention to undertake projects.
 - b. If comments are received which are sufficient to warrant modifications, the hearing may be continued to a later Board of Directors' meeting to allow sufficient time for the Agency to respond to comments.
 - c. If no comments are received which are sufficient to warrant continuation of the hearing, staff recommends that the Board adopt Resolution No. 07-27 determining to proceed with projects.

Director of Financial Services introduced members of the debt team: Jon Cristy, Bond Counsel; Doug Montague, Financial Advisor, and Scott Nagelson, Underwriter.

He gave a report on the bond rating and said staff met with Moody's and Standard & Poor's. He noted over the last six months the Finance Committee has met five times and has reviewed the prioritized project list, discussed the evaluated financing alternatives, and discussed the rating agenda process and upgrade. This was reported to the Board of Directors after each Finance Committee meeting.

Director Ferreira stepped out at 3:50 p.m. and returned at 3:54 p.m.

At 3:53 p.m. the Chairman opened the hearing for public comment. There being no public comment, the Chairman closed the public hearing at 3:54 p.m. Motion by Director Wollan adopting **Resolution No. 07-27 determining to proceed with projects**; motion seconded by Director Allen and adopted by unanimous roll call vote of directors present.

3. Consider \$35 million of 2007 debt for Capital Improvement Projects and adopt Resolution No. 07-28 authorizing the sale of Second Senior Water Revenue Certificates of Participation, Series 2007, and associated debt documents and related actions.

General Counsel briefly described the resolution. Director of Financial Services read the various debt documents listed on the memo. He went over the schedule for pricing the debt documents, selling and closing. He noted that this financing is expected to provide funds for the next 18 months to two years depending on development demands and connections. Inquiry, discussion, and response followed.

At 3:58 p.m. the Board adjourned and convened as the PCWA Public Facilities Corporation Board. At 4:17 p.m. they reconvened to the PCWA Board of Directors' meeting.

Motion by Director Ferreira adopting **Resolution No. 07-28 authorizing the sale of Second Senior Water Revenue Certificates of Participation, Series 2007, and associated debt documents and related actions**; motion seconded by Director Wollan and adopted by unanimous roll call vote of Directors present.

4. Review activities scheduled for PCWA Fiftieth Anniversary commemoration.

The General Manager handed out a draft of the Sept. 13 Special Agenda. He described how the Sept. 13 event will flow and went over the script with the Board of Directors.

Director Wollan stepped out at 4:22 p.m. and returned at 4:24 p.m.

The Clerk to the Board showed a bag containing items that will be given out at the end of the Sept. 13 event.

J. REPORTS BY DIRECTORS:

Director Wollan reported on today's NID/PCWA Water Committee meeting. The Committee heard reports by the Pacific Land Stewardship Council and Sierra Nevada Council.

Director Ferreira noted he was also at the NID/PCWA Water Committee meeting.

He also reported rice harvesting in Western Placer County has begun.

Director Allen attended the Northern California Power Agency conference. The main topic of discussion at the conference was climate change.

He also went on a raft trip of the Middle Fork American River yesterday.

Director Jarvis also went on the raft trip from Oxbow Powerhouse to Drivers Flat.

K. REPORTS BY LEGAL COUNSEL:

General Counsel reported on Judge Weinberg's opinion on the Delta.

L. REPORTS BY GENERAL MANAGER: No report received.

M. CLOSED SESSION: There was no closed session.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 4:53 p.m. Director Lee made a motion to adjourn; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency