

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Thursday, October 4, 2007
2:00 p.m., Regular Meeting**

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

Board Directors absent: OTIS WOLLAN

Agency staff who reported: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; RICKEY ALLAN, Deputy Director of Field 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. Roll Call

Vice-Chairman Lee 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. Pledge of Allegiance: Mal Toy led the Pledge of Allegiance.

3. Introductions & Presentations: There were no introductions or presentations.

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

C. REPORTS BY DEPARTMENT HEADS

Director of Technical Services reported in 2003 the Agency converted Zone 2 from groundwater to surface water. The old tank was impractical to maintain so the Agency is going to dismantle it.

Director of Resource Development reported the Water Quality Board, which is involved in relicensing, has three vacancies on their Board. The Agency has to get a 401 certificate approved and through their Board to get our FERC license. A joint letter was sent to the State Water Resources Control Board from the Agency and Nevada Irrigation District General Manager expressing each district's concerns in the relicensing process through the State and offering support. (Handout provided)

D. AGENDA CHANGES AND REVIEW

As a consideration of the people in the audience, Vice-Chairman Lee moved item I.1. up on the agenda so people would not have to sit through the whole meeting.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. August 16, 2007, and September 6, 2007, minutes.
 - b. Check Register 07-18 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. Receive Report on Review for CEQA for Colfax Twin Tanks Overflow Project, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
3. Receive Report on Review for CEQA for Demolition of Two Buildings at the Future Power Systems Facilities Center in Foresthill, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
4. Receive Report on Review for CEQA for October 2007 Canal Gunite and Maintenance Projects, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.

Motion by Director Ferreira approving Consent Calendar items 1, 2, 3, and 4; motion seconded by Director Allen and adopted by unanimous vote of directors present.

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve Memorandum of Agreement (MOA) between Placer County Water Agency and U.S. Fish and Wildlife Service to address indirect effects of increased water treatment plant capacity, including the cumulative effects, of the Ophir Water Treatment Plant and Pipeline Project and the Sacramento River Water Reliability Study Project.
2. Approve a Cost Sharing Agreement with Nevada Irrigation District, El Dorado Irrigation District, and El Dorado County Water Agency for support of the Cosumnes, American, Bear, and Yuba River Watershed planning effort, approve PCWA'S cost share amount of \$40,000 for 2007 and approve a Request for Budget Amendment to move \$20,000 from the Yuba/Bear Relicensing & Watershed Designation Fund for a portion of PCWA'S 2007 cost share amount, and approve PCWA'S 2008 and 2009 cost share amounts.

Existing:

3. Approve the following for the Foothill Raw Water Supply Pump Station Project, Contract #2005-09 with Pacific Mechanical Corporation:
 - a. Discretionary Contract Change Order No. Twenty Three in the increased amount of \$490,368.00
 - b. Progress Pay Estimate No. Eighteen in the amount of \$2,052,698.00

Motion by Director Allen approving Agreement and Contract items 1, 2, and 3; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service:
 - a. Treated Water
 - 1) Six Facilities Agreements (FA) for a total of 43.0 acre feet or 65.7 equivalent dwelling units (EDUs)
 - FA 2323, Crossroads at Stanford Ranch, Rocklin
 - FA 2375, Sunset 65 Business Park, Rocklin
 - FA 2379, St. Matthew Lutheran Church, Rocklin
 - FA 2380, Loomis Villas, Loomis
 - FA 2385, Mammoth Professional Building, Rocklin
 - FA 2386, NID/PCWA Pressure Reducing Station and Intertie, Auburn
 - 2) Single Connections (In fill): One application for a total of 0.7 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 applications for treated and raw water for a total increase of 48.2 acre feet. There was 41.7 acre-foot reduction in commitment and there are 1,900 acre feet remaining in the water availability account.

Motion by Director Ferreira approving Facilities Agreements 2323, 2375, 2379, 2380, 2385, and 2386, application for single connection in the total amount of 0.7 acre feet, and application for raw water in the amount of 4.5 acre feet; motion seconded by Director Allen and adopted by unanimous vote of directors present.

2. Zone 4 water service:
 - a. Treated Water
 - One Facilities Agreement for a total of 28.6 acre feet or 51.0 EDUs
 - FA 2384, Hopkins Village (formerly Hopkins Ranch), Truckee

Director of Technical Services reported Hopkins Village has scaled back their project as a result of environmental groups. The application for a Facilities Agreement is to get the project started. He noted water supplies in Zone 4 are adequate to meet this request and future needs within the zone.

Motion by Director Allen approving Facilities Agreements 2384 in the total amount of 28.6 acre feet; motion seconded by Director Ferreira 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

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.c. Director of Field Services provided a handout and reported on the Middle Fiddler Green Siphon repairs. The siphon was found leaking in late September. Two clamps were put in place. Second and third leaks occurred and were repaired. The contractor is making improvements parallel to the pipe. The project is financed from Renewal and Replacement charges.

Under item G.4.e. Engineer III reported on the September 28 media event held by the Bureau of Reclamation on the closing of the American River diversion tunnel in Auburn. (Two handouts provided)

He reported the Pump Station project is close to 90% complete. On Phase I the contractor has been working on control system modifications and the testing and start-up process. They want to pull the pumps to check them. The Bureau of Reclamation has advised the Agency two pumps will be running during the annual PG&E water outage. They will clean two pumps after the outage starts. It is a phased-in approach to make sure the Agency has water during the critical water supply period.

Phase 2 of the Project is in wrap-up mode. Finish concrete and testing still needs to be done. Water is now running over the screens and is very smooth. Inquiry and response followed.

Chairman Jarvis arrived at 2:40 p.m.

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

Director of Resource Development reported the Agency is on schedule for signing the Pre-Application Document. Early field work went well. Because personnel was able to stay at the Hell Hole dorms and didn't have to commute, the field work went more quickly.

On September 27, Agency staff took two Placer County Supervisors, Forest Service personnel and others to visit Middle Fork Project facilities and discuss the issues.

I. GENERAL ITEMS

1. Receive report regarding status of Black Oak Lane Facilities Agreement regarding easement issue.

Director of Technical Services reported on the status of the Black Oak Road waterline project. The Facilities Agreement commits the Agency to reimbursing the applicant the difference in cost. Reimbursement is contingent on the applicant providing offsite easements for the project. Applicant is having difficulty obtaining some of the easements. Because the project finances are dependent upon the Agency's contribution, the project manager has requested the Agency provide its contribution in advance of acquiring the offsite easements. Applicants will not be able to receive water until the neighboring subdivision completes construction of a storage tank and pipeline. Construction is scheduled to be completed in the summer 2008. Applicant has requested a deferment of monthly charges until the Bella Tuscany improvements are constructed.

Black Oak Road resident Wayne Nader noted that because of large costs, the community has sacrificed for the project. The project is near end of completion. They will do the pressure test and asphalt cleanup next week. The tank construction by the County did not get completed by the time Black Oak residents finished the pipe project. They have the issue of paying the contractor and need the Agency's source to pay the contractor. He updated the Board on the status of acquiring the easements.

He complimented Agency staff and said they have been incredible to work with. He noted Agency inspector Juan Sahagun suggested they get a conveyor feeder by put on one of the dump trucks which helped speed up the process.

Motion by Director Allen authorizing reimbursement to Black Oak Lane pipeline in an original amount and authorizing staff to defer monthly billing until such time as the Bella Tuscany tank improvements are made; motion seconded by Director Ferreira and adopted by unanimous vote of directors present.

2. Overview of banking services.

Director of Financial Services reported on the Agency's bank accounts, electronic full account reconciliation service, imaging service (on-line access), electronic blocks and filters (enhanced security), direct payroll deposit, lockbox service, bill concentration service, automated clearinghouse direct debit service (bank drafting), electronic receivables service, remote image deposit, collateralization, and the Agency's minimum bank qualifications (levels of needs of the Agency).

At 3:23 p.m. Director Lee stepped out and returned at 3:25 p.m.

3. Receive and discuss the merits of the Association of California Water Agencies' (ACWA) public education program "California's Water: A Crisis We Can't Ignore," and authorize, as the Board determines, funding support.

The General Manager gave ACWA Executive Director Tim Quinn's regrets because he was not able to attend today's meeting. The General Manager reported the Association of California Water Agencies (ACWA) initiated a new state-wide water education program supported by voluntary contributions by ACWA members. The objective of the program is to raise awareness and concern among the public regarding the state's water crisis. The program will focus exclusively on problem definition and will not suggest or promote solutions. He showed brief video clips of the programs. He reported on the benefits of public education and how the Agency has been a leader in education in the past, including public awareness about MTBE (a petroleum product) polluting water systems.

Motion by Director Allen to support ACWA's proposed education program in the amount of \$30,000; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

4. Review activities scheduled for PCWA 50th Anniversary.

The General Manager reported on the following:

- An article about the Agency is in the Sierra Heritage magazine
- Additional wording to the logo/icon: Water/Energy/Stewardship (handout provided)
- New logo signage on doors of vehicles (handout provided)
- Agenda and activities for the Oct. 11 East Slope Board meeting

The Clerk to the Board noted the following upcoming events: Oct. 6 Eggplant Festival and Oct. 19 Sierra Business Council event.

Director of Strategic Affairs showed a draft video of the new PCWA video. Discussion followed on how the video will be used at a tool in the future.

Director Allen noted he has received a lot of compliments from people who attended the Sept. 13 Agency event. He suggested the Agency do oral history video tapes of people who were involved in the early formation of the Middle Fork American River Project.

Director Jarvis thanked the Board Committee and employees for their planning and putting on the Sept. 13 Anniversary event.

J. REPORTS BY DIRECTORS:

Director Ferreira noted Shasta Lake is the lowest he has seen.

Director Lee reported on the Sept. 28 media event the Bureau of Reclamation held at the American River Pump Station site.

Director Allen reported the following:

- On Oct. 18 he will be at an ACWA Region 3 tour on hydrology of the Sierra.
- He attended the NCPA annual meeting. The whole program was about climate change and how we are going to cope with it. He noted rapid population growth on the earth and how it will tax energy in the future.
- He inquired about an overarching conservation Agency policy.

- He went fishing on the North Fork of the Middle Fork and on the Rubicon Rivers and noted the Rubicon River is very high. Staff responded the water is being released from Hell Hole to cover for the outages.
- An acquaintance of his received an e-mail from PCWA staff assisting him when he had problems with his bill and the Director of Customer Services and his staff quickly resolved the issue. He thanked them.

Director Jarvis reported the following:

- On Sept. 27 he met with staff at Kronick, Moskovitz, Tiedemann, and Girard's firm and signed the Certificates of Participation documents.
- He attended a California Energy Commission meeting on climate change.
- He has attended CALFED brown bag meetings where topics have included flood plains and how it impacts fish growth in the Sacramento area, possibly taking the watershed element out of the Bay-Delta process, and restoration of riparian area along the Manhattan Island and Hudson River and how they looked at restoration of that watershed in the context of how we can restore the Bay-Delta.

K. REPORTS BY LEGAL COUNSEL

General Counsel advised the Agency to not call the Oct. 11 Board meeting as a "special" meeting because there can be no changes made to the agenda if needed.

L. REPORTS BY GENERAL MANAGER

He brought to the Board's attention copies of the Proposition 218 notices that went to customers. The Director of Customer Services reported briefly on the notices and the responses received.

The General Manager noted Director Allen has been elected to be on the ACWA Region 3 Board. Ane Deister is continuing as Chair and Duane Frink will be Vice-Chair.

M. CLOSED SESSION: There was no closed session.

N. REPORT FROM CLOSED SESSION

O. ADJOURNMENT

At 4:34 p.m. Director Allen made a motion to adjourn to the October 11, 2007, adjourned regular meeting; motion seconded by Director Lee and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency