

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Thursday, January 17, 2008  
2:00 p.m., Regular Meeting**

Board Members Present: VICE-CHAIR OTIS WOLLAN, GRAY ALLEN, ALEX FERREIRA, and LOWELL JARVIS

Board Members Absent: MIKE LEE

Agency Personnel Present Who Spoke: 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; BRENT SMITH, Deputy Director of Technical Services

A. CALL TO ORDER

1. Roll Call

Vice-Chairman Wollan 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: Director Jarvis led the Pledge of Allegiance.

3. Introductions & Presentations:

- Presentation by Tim Woodall, President, Board of Directors, Protect American River Canyons (PARC), regarding 1) the June 8, 2008, Confluence Festival and extending an invitation to the Agency to be a co-sponsor and 2) PARC's Proposition 84 grant request to Sierra Nevada Conservancy and requesting a letter of support from the Agency

The General Manager introduced Mr. Woodall. Mr. Woodall noted PARC is a community-based conservation organization that promotes awareness, stewardship, and preservation of the natural assets of the North Fork and Middle Fork of the American River and their canyons. The Confluence Festival is June 8, 2008. It celebrates the return of the American River to its channel. He requested the Agency co-sponsor of the event. (Handout provided)

Vice-Chair Wollan noted he met with Auburn City Councilman Bob Snyder about the City assisting with transportation and traffic flow during the festival. He appointed Director Jarvis and himself to an ad hoc committee to plan and assist with the Confluence Festival. Inquiry, response and discussion followed.

Mr. Woodall also reported PARC submitted a Proposition 84 grant application to the Sierra Nevada Conservancy seeing funds for a stakeholder-based planning effort to develop strategies for lessening the impacts of residential development on the North and Middle Fork American River watershed lands. He invited the Agency's participation in the process and requested a letter of support. (Handout provided)

B. PUBLIC COMMENT:

Don Anderson, member of the Taxpayer's League, reported he attended a Chamber of Commerce Forum meeting where Supervisor Holmes reported the County is facing a deficit of approximately \$22 million. He noted the Agency Board recently adopted rate increases and said all of us have faced 50 to 75% percent increased energy costs over the last couple of years. He spoke against the Agency Board sponsoring the Confluence Festival and stated the user should pay—not the Water Agency.

C. REPORTS BY DEPARTMENT HEADS

Director of Financial Services reported the Agency does not receive property tax revenue for the water system operations; however, both Nevada Irrigation District and El Dorado Irrigation District receive and include property tax revenue to fund water system operations. The Agency receives approximately \$800,000 in property tax revenue to fund Agency Wide stewardship functions. (Handout provided)

He also reported on the historical and projected Educational Revenue Augmentation Funds (ERAF) property tax shift. Over a period of time the Agency has only received 58% property tax revenues because the State has been taking the money. Inquiry, response, and discussion followed. (Handout provided)

D. AGENDA CHANGES AND REVIEW

There were no agenda changes.

E. CONSENT CALENDAR:

1. Approve and file:
  - a. December 6, 2007, and December 20, 2007, minutes.
  - b. Check Register 08-01 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;
    - 3) Anticipated costs of transportation, lodging, and associated fees for travel outside the State of California to be paid by the Agency;
  - e. General Manager's expense reimbursement claim summary. **None at this time.**

2. Approve out-of-state travel and expenses for Chairman Lee, Director Allen and Director of Strategic Affairs to attend the Sacramento Metropolitan Chamber of Commerce "Cap-to-Cap" Conference April 5 - 9, 2008, Washington, D.C.
3. Approve out-of-state travel and expenses for Director Strategic Affairs and the Director of Resource Development to attend the National Hydro Association Conference April 13 - 16, 2008, Washington, D.C.
4. Approve out-of-state travel and related expenses in 2008 for the Director of Strategic Affairs, Director of Resource Development, General Manager, and such others as authorized by the General Manager to travel to Washington, D.C., whenever necessary to represent, testify, or advocate Agency interests with members of Congress, the Administration, or regulatory agencies.

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 a Consulting Services Contract with Calpo Hom and Dong Architects for the Foresthill Facilities Center in an amount not to exceed \$51,860.00.

Existing:

2. Approve revised Fee Agreement with Kronick, Moskovitz, Tiedemann & Girard for legal services effective February 1, 2008.
3. Approve Task Order No. 6 with Brown and Caldwell for planning services for energy and water efficiency strategies in an amount not to exceed \$15,000.00.
4. Approve the following for the Auburn Water Treatment Plant Expansion Project, Contract #2003-06, with Auburn Constructors, Inc.:
  - a. Progress Pay Estimate No. Thirty-Four in the amount of \$380,715.48;
  - b. Receive for filing Non-Discretionary Contract Change Order No. Twenty-Five in the increased amount of \$95,701.00 and a time extension of twenty-eight calendar days, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
5. Approve the following for the Middle Fiddler Green Siphon Replacement Project, Contract #2005-15, with Teichert Construction, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order No. One for an increase of \$78,117.34, approved by Director of Technical Services pursuant to authority previously granted by the Board of Directors;
  - b. Receive for filing Non-Discretionary Contract Change Order No. Two for a decrease of \$8,956.05, approved by Director of Technical Services pursuant to authority previously granted by the Board of Directors;
  - c. Progress Pay Estimate No. Three in the amount of \$85,736.27.
6. Approve Amendment No. One to the Engineering Services Contract with Kimley-Horn and Associates, Inc. for the Baker Siphon Replacement Project in an amount not to exceed \$3,500.00.

Motion by Director Jarvis approving Agreement and Contract items 1, 2, 3, 4, 5, and 6; 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) Two Facilities Agreements (FA) for a total of 0 acre-feet or 0 equivalent dwelling units (EDUs):
      - 🌊 FA 2115, Revision No. 2, Safe School Route VI, Rocklin
      - 🌊 FA 2121, Amendment No. 6, Bella Tuscany, North Auburn
    - 2) Single Connections (In fill): **None at this time**
  - b. Raw Water: **None at this time**

Director of Technical Services reported on the two applications for Facilities Agreements. There are no applications for increases, but there was 34.8 acre-feet reduction in service.

Motion by Director Ferreira approving Facilities Agreements 2115, Revision No. 2 and 2121, Amendment No. 6; motion seconded by Director Allen and adopted by unanimous vote of directors present.

2. Zone 4 water service:
  - a. Treated Water:
    - 1) One Facility Agreement for 0 EDUs:
      - 🌊 FA 2273, Timilick Phase 1, Amendment No. 2, Martis Valley

Director of Technical Services reported Well #3 being developed in the Timilick Subdivision will supply treated water to a portion of the subdivision on an interim basis. It will be temporarily operated and maintained by the Agency. A primary well capable of supplying all proposed Timilick phases must be installed and accepted by the Agency prior to water availability for the remaining units. Timilick will drill a well next summer. They will build a treatment facility and it will become the permanent supply. The Agency will then quitclaim our well back to the developer.

Roger Cook with Timilick pointed out they have a significant amount of bonding in place held by the County specifically for the water improvements and substantially in excess of what is needed and noted there is minimal risk to the Agency and homeowners.

Motion by Director Allen approving Facilities Agreement 2273, Amendment No. 2; 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

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.a. Director of Strategic Affairs reported the Agency submitted its application to the State Water Resources Control Board for an extension of time to fully utilize its consumptive water rights on the American River. The Sierra Club and Friends of the River submitted a letter to the State Water Resources Control Board in support of the Agency's water rights extension request. He noted the Environmental Impact Reports needed for the State Board will be completed concurrently with the EIR/EIS for the Middle Fork Project relicensing.

Under item G.4.d. Director of Customer Services gave a PowerPoint presentation about the water use efficiency rebate incentive program. Rebates are available for high efficiency washing machines, low flow toilets, and high efficiency commercial toilets. 524 rebates have been given since 2005. The rebate for washing machines has increased from \$100 to \$150 to provide more incentive. The Bureau of Reclamation matches \$75 ultra low flow toilet rebates. Rebates for commercial toilets are \$200. He reported on the water savings in the different types of toilets and urinals. He reported on the William Jessup University waterless urinal survey results. He listed a number of possible future rebate programs.

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

1. Report on relicensing process, schedule, and activities:

No report received.

2. Report on financial matters and services:

No report received.

I. GENERAL ITEMS

1. For the Boardman Canal on Edgehill Lane Maintenance Project consider the following:
  - a. At 2:00 p.m., or as soon thereafter as can be heard, open the noticed 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 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.
- c. If no comments are received which are sufficient to warrant continuation of the hearing, adopt **Resolution 08-\_\_Approving a Negative Declaration and Approving the Boardman Canal on Edgehill Lane Maintenance Project** and authorize staff to file a Notice of Determination.

Director of Technical Services reported on the two comment letters received and the Agency's responses.

The Vice-Chair opened the public hearing opened at 3:08 p.m.

Barbara McElravey noted the beauty of the area and asked that repairs be done with sensitivity to the environment and creatures in the area. She thanked staff for their communication with her.

Sue Stack noted she received the Agency's letter in response to her concerns, but she has more concerns. She didn't believe the Agency's initial study was specific enough, she's concerned the Agency will eventually gunite the whole canal and that could change the environment, the ephemeral drainage may or may not be fed by the leak in the canal, she doesn't think the Agency has complete accurate information, and she didn't believe the document conveyed accurate information. She commented on the CEQA guidelines and noted she didn't think the Agency included the significant criteria. She suggested the Agency amend the project to fix the leak but to leave a tiny trickle of water into the natural streambed.

Director of Technical Services, Deputy Director of Technical Services, Director of Field Services, and Terry Reed from Jones and Stokes responded. Discussion followed.

Staff was directed to meet further with the concerned parties and look at options. Motion by Director Jarvis continuing the hearing to February 7, 2008; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

2. Receive report regarding Regional Water Authority (RWA).

The General Manager reported the RWA Board met January 10 and elected a new Executive Committee. Director Gray was elected to the Board.

He also reported Ed Winkler, Executive Director of RWA, submitted his resignation. It is important the Agency provide direction to the Executive Committee with areas the Agency believes is important for the Executive Director position.

3. Receive and discuss "Issues and Interests Achieved in 2007 and Anticipated in 2008" for PCWA.

Assistant General Manager/Director of Administrative Services introduced the Board to the Issues and Interests' binder. She thanked the Director of Field Services for being the Project Manager on this project for the last several years. She handed out a list of Consultants and Professional Services Providers. She briefly noted information on the workforce planning, annual employee report, and current temporary help.

Director of Strategic Affairs reported the Agency anticipated 900 new water connections in west Placer in Zones 1 & 3 during 2007 but there were only 320. It is the lowest number of paid connections since the Agency began keeping records in 1986. In 2007, 497 new units went to plan check, 1,089 units were completed (609 are "no demand," and 480 units were occupied. (Handout provided)

Director of Financial Services referred to a chart in the handout and reported on the WCC received and construction expenses comparison by year. He also referred to the other chart in the handout and reported on WCC connections and revenue – projected, actual and revised 2007 – 2010.

Director of Strategic Affairs reported the Agency hired R.W. Beck to assist in developing the Middle Fork Project Business and Power Marketing Plan. There are many costs that PG&E currently handles that need to be identified and funded. The Agency must enter into a new power sale agreement before the existing contract expires.

He reported on PG&E/Nevada Irrigation District's Relicensing. The Agency participated financially in joint modeling. Staff learned there isn't enough storage in the system to provide the water reliability we currently enjoy. Staff is putting together an interest statement. The Agency has to establish its position and let others know the Agency's job is to defend its water supplies it has received since the late 1800s.

Vice-Chair Wollan left the room at 4:55 p.m. and returned at 4:58 p.m.

Director of Technical Services reported on Capital Improvement Expansion projects. Since the Agency's Water Connection Charge revenues are down significantly, a new water treatment plant for the Ophir area will probably be delayed for a few more years. Other projects have been scaled back due to slow growth.

He reported the American River Pump Station is getting close to completion. The Agency will take over SCADA on the project. The Bureau will concentrate on physical improvements on site. There's one pump that needs repair. The Agency would like to get the work done before summer just in case there is need to turn it on.

The Agency borrowed money to complete the Auburn Tunnel Pump Station. It should be finished in May 2008.

The Foothill Water Treatment Plant study is done. The Agency can gain 3 mgd by doing a little work on the plant. The design and environmental will be done this year.

Depending on weather, the estimated time for completion of the Auburn Water Treatment Plant is February. The plant has been operating since May 2007. The SCADA and maintenance building is being completed now.

\$12 million was borrowed last year for renewal and replacement projects, including the Gold Run pipeline project; replacing a section of old pipe on the Safe Route to School Phase 4 Project; the Middle Fiddler Green Siphon Replacement; recoating all 20 storage tanks (1 to 2 per year); repair to the damaged gates, valves, and leaky pipe at the Lake Alta Outlet Pipe Project; design and repair of leaks at Baker Siphon; rerouting the Boardman Canal pipe that runs under an apartment complex at Pacific Heights.

He further reported the Board approved the design to replace the pipeline from Ikedas that feeds the Auburn Water Treatment Plant.

Director of Field Services highlighted water efficiency activities. He reported on the Proposition 13 grant the Agency received in 2003. Monitoring required by the grant has been completed. Five pipelines were replaced in Auburn area.

With a DWR grant the Agency installed affluent meters at Alta and Colfax.

Through a grant the Agency purchased leak detection equipment and 29.6 miles of mains in Alta, Colfax, Newcastle and Penryn have been surveyed, 27 leaks were found, and the Agency will save 108 acre-feet of water per year.

Director of Customer Services reported the following:

- The Agency continues to meet the terms of the Water Forum Agreement.
- The Agency did 733 water wise house calls.
- The Agency participated on Water Forum negotiations.
- The Agency implemented an irrigation management system pilot program for growers.
- The Agency is exploring rebates and looking for ways to encourage customers to decrease outside water use.
- The Agency is developing a Water Conservation Master Plan. Experts have been enlisted to help.
- The Agency became a member of the Urban Water Conservation Council to help develop revisions of BMPs.
- The Agency received a grant to make the Heritage Center a resource center for the Community. The Agency is enlisting partners to help.

Director Ferreira left the room at 5:13 p.m. and returned at 5:15 p.m.

Director of Field Services reported on the East Loomis Basin Canal Efficiency Study. Staff will be back by mid year with recommendations from the group.

The Newcastle Canal and Upper Banvard Canal Seepage Reduction Project was awarded last year and will be constructed by the end of this year.

The Agency lined or relined 3.18 miles of canal. In the recent storm 65 trees came down. The canal overflowed in a couple of minor locations.

He recognized the work of Randy Cox who is working to increase the accuracy of our water measurement data.

Director of Customer Services reported the Agency has a drought contingency plan in the Urban Water Management Plan.

Director of Strategic Affairs reported on the status of the draft water supply contract submitted to PG&E.

J. REPORTS BY DIRECTORS:

Vice-Chair Wollan reported he and Director Ferreira met with Nevada Irrigation District today.

K. REPORTS BY LEGAL COUNSEL: No report received.

L. REPORTS BY GENERAL MANAGER: No report received.

M. CLOSED SESSION AND REPORT: There was no closed session.

N. ADJOURNMENT

At 5:30 p.m. Director Ferreira made a motion to adjourn to January 24 meeting; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency