

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Thursday, May 15, 2008
2:00 p.m., Regular Meeting**

Board Members Present: CHAIRMAN MIKE LEE, GRAY ALLEN, ALEX FERREIRA, LOWELL JARVIS

Board Members Absent: VICE-CHAIR OTIS WOLLAN

Agency Personnel Present Who Spoke: DAVID BRENINGER, General Manager; JANET GOLDSMITH, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; STEVE JONES, Power System Manager; JOHN KINGSBURY, Director of Customer Services; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; MAL TOY, Director of Resource Development

A. CALL TO ORDER

1. Roll Call

Chairman Lee called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:05 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

2. Pledge of Allegiance: Led by Director of Strategic Affairs

3. Introductions & Presentations: None

B. PUBLIC COMMENT:

Gary Estes reported on the upcoming June 20, 2008, California Extreme Precipitation Symposium. (Handout provided)

Don Anderson reported on AB 2690, SB 1345 (defeated), and AB 2535 regarding prevailing wages.

C. REPORTS BY DEPARTMENT HEADS

Director of Field Services reported on the asbestos cement pipe failure and repair on Pinnacle Drive at Sunset Whitney which took out 30' of road.

Director of Customer Services reported on the following:

- The Agency's water use efficiency program;
- Applying for Proposition 50 grants for 1) simulating our IMS program for growers and comparing with our existing program and 2) a program for landscape rebates;
- The Agency will be in the home show this weekend.

D. AGENDA CHANGES AND REVIEW

Items I.1. and I.2. were heard first. Reports were given under items G.3.a., G.3.c., and G.3.h.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. April 17, 2008, minutes.
 - b. Check Register 08-09 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. **None at this time.**
2. Approve application to discharge uncollectible accounts in the amount of \$407.51.
3. Receive and file Treasurer's Investment Report for period ending March 31, 2008.
4. Receive Report on Review for CEQA for Shirland Canal Spill 6A Project, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
5. Approve the following Quitclaim of Easements for the West Perry Extension #2 and Pump:
 - a. The Ed and Sarah Truitt Revocable Trust, APN No. 036-360-004
 - b. The Don and Gayle Koehler Family Revocable Trust, APN No. 036-360-005
 - c. Westwood Monserrat, Ltd., A California Limited Liability Partnership, APN No. 045-170-039
6. Approve request from Eldorado and Tahoe National Forests to transfer funds remaining in previous recreation facilities collection agreement to new collection agreements with each Forest.

A handout was provided for item E.2. for backup material that was not included in the agenda packet. Motion by Director Ferreira approving Consent Calendar items 1, 2, 3, 4, 5, and 6; motion seconded by Director Allen and adopted by unanimous vote of directors present.

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve contract between Agency and the Placer County Air Pollution Control District to receive \$50,000.00 in partial funding to replace two older

- fleet service trucks with two 2008 or newer Ford 450s and the destruction and disposal of the two older trucks (Water System vehicles).
2. Award the Landscape Maintenance Services Contract, P-08-01, to Baker Landscape, Inc., for the annual cost not to exceed \$107,880.00, meeting all bid contract terms and conditions set forth for a period of one year.
 3. Award Contract P-08-02, of personal computers, including software for Category A and B to Haldane Computers and Category D to PC Solutions of Auburn, in the amount included in the adopted 2008 budget.

Existing:

4. Approve Progress Pay Estimate No. One with W.R. Forde Associates for the Channel Hill Neighborhood Water System Improvements Project, Contract #2008-01, in the amount of \$104,016.42.
5. Approve Amendment No. Two to the Engineering Services Contract with West Yost and Associates for the Auburn Tunnel Outlet Modifications Project in an amount not to exceed \$54,273.00.
6. Approve the following for the Auburn Water Treatment Plant Expansion Project, Contract #2003-06, with Auburn Constructors, Inc.:
 - a. Progress Pay Estimate No. Thirty-Eight in the amount of \$224,062.22;
 - b. Receive for filing Non-Discretionary Contract Change Order No. Twenty-Nine in the increased amount of \$56,269.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
7. Approve Amendment No. One with Ryan Group Architects for the PCWA Zone 4 Business Center in an amount not to exceed \$17,000.00 and attached budget amendment totaling \$30,000.00 for funding.

Motion by Director Jarvis approving Agreement and Contract items 1, 2, 3, 4, 5, 6, and 7; 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: Three applications for single connections (in fill) for a total of 1.3 acre-feet or 2 Equivalent Dwelling Units (EDUs)
 - b. Raw Water: One application for a total of 4.5 acre-feet or 5.9 EDUs

Director of Technical Services reported on applications for treated water single connections and raw water for a total net increase of 5.8 acre-feet. There was 14.9 acre-feet reduction in commitment. There are 1,790 acre-feet remaining in the water availability account.

Motion by Director Ferreira approving applications for single connections and raw water in the total amount of 5.8 acre-feet; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

2. 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.

3. 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
 - 🌿 Receive report and consider request for formation of Bella Tuscany Improvement District.
 - 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.3.a. General Manager, General Counsel, and Director of Strategic Affairs reported on a proposed State Water Resources Control Board (SWRCB) notice to hold hearings on the potential revocation of four water rights permits issued to the Bureau in 1971 related to the Auburn Dam. If the federal Bureau of Reclamation were to have water rights on the North Fork American River revoked by the SWRCB, the Agency will request any resulting unappropriated water be reserved as a supply for unmet local needs. Discussion followed. (Handout provided)

Gary Estes, public member, reported on a form that needs to be filled out for the May 23 SWRCB meeting. He provided a copy of the form to the Agency's General Counsel.

Motion by Director Ferreira authorizing staff to prepare a conceptual policy position to the State Water Board and bring it back to the Agency Board; motion seconded by Director Allen and approved by 3/0 vote of Directors present. Director Jarvis abstained.

Under item G.3.c. the Director of Technical Services reported on a request from Black Oak Ventures LLC aka Bella Tuscany Project for formation of an improvement district. The Bella Tuscany Project was required by the County to build a water storage tank. The Agency has a facilities agreement with the developer and is reimbursing the developer as the tank is constructed. Part of the Bella Tuscany Project is to build a pipeline from the tank to tie into the system with Black Oak. Bella Tuscany is seeking financing for the remaining portion of the development, including the road, drainage, and other associated facilities. The map has not yet been finalized.

Bella Tuscany developer Brad Beer said the tentative map is at the title company; the improvement plans are at the County ready to be picked up and signed; the environment and planning are signed off. The access road, drainage and tank pad are installed and inspected. There are no monies owed on the subdivision. The Project had financing with Placer Sierra Bank. Since Placer Sierra Bank was taken over by Wells Fargo, Wells Fargo is not interested in pursuing the project, including financing. He has not yet approached the County yet for assistance with an improvement district.

Black Oak owner Wayne Nader spoke about the Wells Fargo's action. He has explored alternatives and found none. He spoke about the remaining portion of Bella Tuscany to be completed, money property owners have invested to get a pipeline, and associated costs.

Discussion followed. Staff will continue to work with legal counsel for resolution.

Under item G.3.h. General Manager and Director of Strategic Affairs reported on the Department of Water Resources Notice of Preparation, Environmental Impact Report and Statement for the Bay Delta Conservation Plan. Processes dealing with Delta issues could potentially affect PCWA. There is a May 30 deadline to respond with a position. Inquiry, response, and discussion followed.

Motion by Director Allen directing staff to prepare an appropriate response and submit it by May 30; motion seconded by Director Jarvis and adopted by unanimous vote of Directors present.

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

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

Director of Resource Development reported the Agency is proceeding successfully in efforts to notify FERC to have them collapse the schedule in the integrated relicensing process to allow for them to make a Notice of Determination on the Agency's study plans for the relicensing which would move the final determination from November 2008 to June 2008.

The Agency has reviewed the letters submitted to FERC and the Agency as a result of the FERC scoping meeting. The results that require staff to respond to revising studies were very minor. Staff is proposing to FERC a minor study revision and for them to approve the studies in June. This approach and response has been run by our collaborative and they supported our actions to revise the studies and inform FERC. Staff is working on putting out notice to people who didn't attend the plenary meeting to inform them and see if they have any comments. Staff will know by next Tuesday whether the Agency will proceed. If so, the Agency can save 120 days of process.

2. Report on financial matters and services:

- a. Approve Task Order 2008-17 with Entrix, Inc. for the addition of a new subconsultant, Watercourse Engineering, Inc., for water temperature modeling in an amount not to exceed \$300,212.00.

Director of Resource Development reported on the need to develop a water temperature model on the Middle Fork Project. There are cold and warm water fisheries and there is a need to know how to balance the fisheries.

Motion by Director Allen approving item H.2.a; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

I. GENERAL ITEMS

1. Receive report regarding climate change.

The General Manager introduced Marion Gee, Sierra Water and Climate Change Program Assistant from the Sierra Nevada Alliance.

Ms. Gee provided a PowerPoint presentation overview of the Sierra Nevada Alliance water and climate change campaign, including the Sierra Climate Change Toolkit, wildlife issues, climate change impacts, and reducing greenhouse gas emissions. (Handout provided)

2. Receive report and discuss development of a PCWA energy efficiency strategy and policy statement including reduction of Agency "carbon footprint" and greenhouse gas emissions.

Director of Technical Services introduced the item. Agency Consultant Paul Selsky introduced James Schettler of Brown and Caldwell.

Mr. Schettler gave a PowerPoint presentation regarding energy issues. He reported on how and when energy costs will increase, Renewable Portfolio Standards, energy benchmarking, energy conservation and efficiency, savings techniques and technologies, usage patterns and habits, working with electric utilities, alternative and renewable energy, public and private partnerships, energy grants and incentives. (Handout provided)

3. Receive report on the education focus of the American River Watershed Group.

Agency consultant Marie Davis reported the American River Water Group (ARWG) feels ongoing education regarding resource diversity, interconnectivity, management and use is part of long-term watershed stewardship responsibilities. She has been selected the informal leader of the ARWG Education Committee.

4. Approve submittal of proposed Power System Budget for 2009 with projections for 2010-2012 to PG&E.

Power System Manager reported the Agency has submitted its proposed 2009 budget with projections for 2010 and 2011. The proposed budget for 2009 is approximately \$8.2 million. Projects include design and engineering of L.L. Anderson Dam spillway widening. (Handout provided)

Motion by Director Ferreira approving item I.4.; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

J. REPORTS BY DIRECTORS:

Chairman Lee reported on today's Audit Committee meeting. The audit was reviewed and will come to the full Board some time in June.

K. REPORTS BY LEGAL COUNSEL: No report received.

L. REPORTS BY GENERAL MANAGER

The General Manager reported on the following:

- State Parks Superintendent Jay Galloway wants to address the Board and seek their support for an alcohol ban on a portion of the North Fork American River.
- The Sacramento Metropolitan Chamber of Commerce has a State Advocacy Day on June 18.
- The Agency received a letter from City Manager Craig Robinson regarding the City of Roseville's water supply and surface water availability from the Agency.
- Another diverter off American River above the Delta is having a Notice of Preparation and draft Environmental Impact Report to identify solutions to meet dry year water needs for the year 2040. Staff doesn't yet know if there are implications to the Agency.
- The Auburn Rancheria Tribal Office held a reception for their new educational facility.
- The City of Auburn would like to get reclaimed water to the farmers.
- The Director of Strategic Affairs had an article in the California Forests magazine
- The Agency has an ad in the 2008 Placer County Agricultural Guide
- May 29 will be the dedication of the American River Pump Station Project.

M. ADJOURNMENT

At 4:31 p.m. Director Jarvis made a motion to adjourn the meeting to the American River Pump Station dedication meeting on May 29, 2008, 10:00 a.m.; motion seconded by Director Allen and adopted by unanimous vote of directors present.

Chairman Lee adjourned the meeting in memory of the late Bill Santucci, former Placer County supervisor, Roseville mayor and long-time community leader.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency