

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Tuesday, September 23, 2008
2:00 p.m., Adjourned Meeting**

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

Board Members Absent: None

Agency Personnel Present Who Spoke: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; 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; GREG YOUNG, Deputy Director of Administrative Services

A. CALL TO ORDER

1. Roll Call

Chairman Lee called the adjourned 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: Led by Otis Wollan

3. Introductions & Presentations: The General Manager introduced the new Deputy Director of Administrative Services, Greg Young.

B. PUBLIC COMMENT:

Carol Kramer noted she and Mrs. Fulweiler have been attending Board meetings over a year ago to educate themselves about the Agency. She gave accolades to the Board. She has been impressed with the breadth and depth of the Board members' knowledge. She noted other Boards could use the Agency's Board as a model. She complimented them for doing such an incredible job with such a big organization and further noted the Board is very knowledgeable and the Agency very complex.

She expressed concern about roll of consultants at the Agency.

Director Wollan addressed Ms. Kramer's concern about the Agency's use of consultants.

Ms. Kramer asked what percentage of water sold to Lincoln and Westlands Water District goes to Renewal and Replacement Charges.

Director of Technical Services responded to the inquiry about Renewal and Replacement to the City of Lincoln.

The General Manager responded to the inquiry about out-of-county water sales.

Ms. Kramer also suggested a sign-in sheet at Board meetings for the public.

C. REPORTS BY DEPARTMENT HEADS:

No reports received.

D. AGENDA CHANGES AND REVIEW:

Item F.11. will be pulled. There will be reports under items G.3.c. and G.3.d. Item I.1. will be heard after item G.1.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. August 21, 2008, August 28, 2008, and September 4, 2008, minutes.
 - b. Check Register 08-17 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 Offers of Dedication to County of Placer for Drainage Easement and Drainage Access Easement, Sewer Easement and Highway Easements for the Sierra Center Project.
3. Approve purchase of new International Model 7400 4X4 Dump Truck and Trade-in of old International Model 4800 4X4 Dump Truck to Riverview International Trucks, Inc.
4. Approve the following late employee claims pursuant to Chapter 3, Article 1, Section 3003, of the Agency's Personnel and Administration Manual:
 - 1) Jeffrey Smith's expenses dating back to May 2008 in the amount of \$102.55.

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

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve 2008/2009 South Placer Wastewater Authority – Wastewater Flow Reduction Rebate Agreement in the amount of \$10,000.00.





2. Award a Construction Contract for the PCWA Power System Stoplog Painting Project, Contract #2008-07, to the lowest responsible bidder, Crosno Construction, Inc., in the amount of \$71,000.00.
3. Approve an Engineering Services Contract with Blackburn Consulting for the Sierra Center Site Improvements project in an amount not to exceed \$49,018.00.
4. Approve award of bid for purchase of water treatment chemicals to the lowest responsible bidder(s).
5. Approve award of bid for canal guniting services to the lowest responsible bidder, Sacramento Prestige Gunite.
6. Approve award of bid for patching and paving services to the lowest responsible bidder, Simpson & Simpson, Inc.

Existing:

7. Approve Amendment No. Two with A.R. Associates for the Sierra Center Site Improvements Project in an amount not to exceed \$31,880.00.
8. Approve Amendment No. Two to the Administrative Contract with Surveyors Group, Inc. for the Bella Tuscany Pipeline Project in an amount not to exceed \$7,920.00.
9. Approve Amendment No. Two with Collins Engineers, Inc. for the Middle Fiddler Green Siphon Replacement Phase II Project in an amount not to exceed \$30,000.00.
10. Approve Amendment No. Two with HydroScience Engineers, Inc. for the Secret Town Pipeline Replacement Phase II Project in an amount not to exceed \$51,350.00.
11. ~~Approve Discretionary Contract Change Order No. Three with Teichert Construction for the Middle Fiddler Green Siphon Replacement, Contract #2005-15, in the increased amount of \$78,850.00 and a calendar day extension of 320 days.~~
12. Approve Amendment No. 1 to the agreement with Sacramento Suburban Water District for water supply for groundwater stabilization.

Item F.11. was pulled from the agenda. Motion by Director Jarvis approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 12; motion seconded by Director Allen 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 24.2 acre-feet or 37.0 equivalent dwelling units (EDUs)
 -  FA 2367, Palm Point Townhomes Revision No. 1, Auburn
 -  FA 2420, Tinker Business Center, Rocklin
 -  FA 2433, Quartz Drive Self Storage, Auburn
 -  FA 2436, Blue Oaks Marketplace Pad K, Rocklin
 - 2) Single Connections (In fill): *None*
 - b. Raw Water: *None*

Director of Technical Services reported on the applications for facilities agreements for a total net increase of 24.2 acre-feet. There was 3.9 acre-feet reduction in commitment. There are 1,736 acre-feet remaining in the water availability account.

Motion by Director Ferreira approving Facilities Agreements 2367, Revision No. 1; 2420, 2433, and 2436 in the total amount of 24.2 acre-feet; motion seconded by Director Wollan 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
 - 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.c. Director of Technical Services gave a status report on the Agency's renewal and replacement program and showed a PowerPoint presentation. He went over the history of the renewal and replacement charges, revenue of 2002-2012, projections into the future, and amount of expenditures on 2002 through 2008 projects. He reported on current and 2009 key renewal and replacement projects and budgets.

Director of Field Services reported on conservation practices in the field and how the 2009 proposed projects will assist those in Zone 3, including a pipeline in Alta that is rusted through the top and will be very expensive to replace but is critical. The pipeline was installed in the 1960s before the Agency acquired the system. Lake Alta is the backbone of the following water districts: Midway Heights, Weimar, Meadow Vista, Colfax, Gold Run, and Secret Town. Other pipes needing replacement include Techite pipe and pipes with multiple clamps to temporarily repair leaks. Also Zone 1 is dependent upon Zone 3 supplies during PG&E's annual outage (4-6 weeks long). The Auburn Water Treatment Plant pipeline needs to be upsized to feed plant expansion. He gave an overview of key renewal and replacement projects.

Director of Financial Services gave an overview of market conditions and assurance of the Agency's financial condition.

Under G.3.d. Director of Technical Services reported on the workshop on the Governor's Statewide Water Conservation Initiative. The Initiative includes a 20% per capita reduction in water use by the year 2020. Handout provided.

Under item G.3.d. Deputy Director of Technical Services gave a brief overview of Water Connection Charges history. He showed charts of Zone 1 projections, 2008 analysis of Zone 1 growth projection to build out, and 2006 analysis of Zone 1 historic and projected demands. He noted because of low growth rates there are opportunities to treat another three mgd at the Foothill Water Treatment Plant.

Inquiry, response and discussion followed.

Under item G.3.f. Director of Strategic Affairs reported on the status of the Sacramento Water Reliability Study.

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:
 - a. Approve Task Order 2008-5 with Andregg Geomatics for surveying and mapping services for the MFP Relicensing Project in an amount not to exceed \$30,000.

Director of Strategic Affairs reported staff is working on a budget to submit to the County. Betterments and improvements are moving into the design phase.

Motion by Director Wollan approving item H.2.1.; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

I. GENERAL ITEMS

1. 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 Paul Selsky, Vice President and Project Manager for Brown and Caldwell. Mr. Selsky introduced Don Trueblood, managing scientist with Brown and Caldwell.

Mr. Trueblood gave a PowerPoint presentation regarding ramifications and opportunities of greenhouse gas reductions. He showed a summary of the Agency's greenhouse gas inventory 2006/07 and noted the Agency's emissions of between 2,000 and 3,000 metric tons per year are far below 25,000 metric tons per year threshold to enter the AB 32 program. The Agency's largest emissions are dominated by electrical use and vehicle use.

He reported on the Agency's 2006 and 2007 electrical use and emissions, hydroelectric generation use, gasoline and diesel use in 2007.

He gave an overview of the California Air Resources Board actions to reduce greenhouse gas emissions, including their draft scoping plan of developing vehicle standards and low carbon fuel standards.

The Agency's next steps include joining the California Climate Action Registry, submitting 2006/07 inventories to CCAR, having third party verification, and then credits will be well documented and used in other programs.

Handout of PowerPoint presentation provided.

Director of Field Services reported the Agency is looking at more fuel-efficient vehicles, emission controls, the most efficient location to have the corporation yard, and more efficient trips.

Inquiry, response and discussion followed.

J. REPORTS BY DIRECTORS:

Director Allen reported on a Pasadena Weekly article from the Water News Digest from Brown and Caldwell regarding how they are going to get to 20 percent by 2020, including proposing fines.

Director Jarvis and Director Allen reported briefly on Proposition 7.

Director Ferreira reported on the Mississippi River quality and the results of the flooding.

Director Wollan attended the Sierra Nevada Alliance (SNA) conference and noted the SNA has completed their new landscape book.

K. REPORTS BY LEGAL COUNSEL:

Legal Counsel noted if the Board was going to have a signup sheet for the public, there are certain things which are not appropriate to ask on the signup sheet.

L. REPORTS BY GENERAL MANAGER:

The General Manager complimented Director Allen's work on the Regional Water Authority. He's working with the new Executive Director John Woodling to make sure RWA is on top of relevant issues in the area. Topics include water use efficiency by districts and Delta issues relevant to the Agency's upstream interests,

M. CLOSED SESSION AND REPORT:

With all members present, as heretofore designated, the meeting adjourned to closed session at 4:27 p.m. to consider the following:

1. **Conference with legal counsel – existing litigation**
[Subdivision (a) of Section 54956.9 of the Government Code]
Name of Case: Ron Volle and Terry Volle vs. Placer County Water Agency

2. Conference with legal counsel – anticipated litigation

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code

Number of potential cases: two

The Board returned at 4:52 p.m. No reportable action taken.

N. ADJOURNMENT

At 4:53 p.m. Chair Lee adjourned the meeting.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency