

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Monday, December 8, 2008
2:00 p.m., Adjourned Meeting**

Board Members Present: CHAIRMAN MICHAEL LEE, GRAY ALLEN, ALEX FERREIRA, LOWELL JARVIS, and BEN MAVY

Board Members Absent: None

Agency Personnel Present Who Spoke: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel; JANET GOLDSMITH, Legal 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; MAL TOY, Director of Resource Development

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 2:02 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

2. Pledge of Allegiance: Led by Lowell Jarvis

3. Introductions & Presentations

Chair Lee presented a plaque to retiring Director of Resource Development Mal Toy.

The General Manager reported on Mr. Toy's career history.

Chair Lee presented Director Ferreira with a ten-year service award.

The General Manager reported on Director Ferreira's public service history.

B. INCOMING DIRECTORS OATH OF OFFICE & BOARD ORGANIZATIONAL MATTERS

1. Report on election results and administration of Oath of Office to incoming Directors:

- District 3, Lowell Jarvis
- District 4, Michael R. Lee
- District 5, Ben Mavy

The Clerk to the Board reported on the election results, noting Directors Jarvis and Lee ran unopposed and were appointed to the Board by Placer County Supervisors. Director Mavy won in District 5 with 49.99 percent of the votes.

The Clerk to the Board administered the Oaths of Office to Directors Jarvis, Mavy, and Lee.

2. Comments by Directors

Director Allen congratulated the newly elected directors.

Director Mavy said he was excited to be here and serve with all present.

Director Jarvis welcomed the newly elected directors.

3. Annual Board organizational matters.
- a. Affirming Regular Board meeting days, time, and location
 - b. Selection of Chair and Vice-Chair
 - c. Seating location of Directors at Board meetings
 - d. Committee assignments for Directors
 - e. Such other Board organizational matters

Handout of Resolution provided.

Director Jarvis nominated Director Allen as Chairman of the Board and Director Ferreira as Vice-Chair and moved to adopt **Resolution 08-33 Electing a Chair and Vice-Chair, Providing for the Time and Place of Hold Regular Meetings, and Providing for the Manner of Calling Special Meetings**. Nomination for Chair seconded by Director Ferreira; nomination for Vice-Chair seconded by Director Allen. Nominations and motion adopted by unanimous vote of directors present.

There was Board discussion about Board seating. No action taken.

The General Manager highlighted the list existing Board committee assignments. No action taken.

The General Manager brought the Board meeting calendar to the Board's attention.

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

D. REPORTS BY DEPARTMENT HEADS

Director of Customer Services noted staff has met with Zone 2 customers, will have further discussions, and will report back to the Board.

E. AGENDA CHANGES AND REVIEW: There were no agenda changes.

F. CONSENT CALENDAR:

1. Approve and file:
 - a. Check Register 08-22 expenses disbursed.
 - b. 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.***
 - c. 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***
 - d. General Manager's expense reimbursement claim summary.
2. Approve **Resolution 08-34 Amending Section 40901 of the Agency's Personnel and Administrative Manual Relating to Water Connection Charges for Zone Nos. 1, 2, 3, 3A and 3B and Authorizing the Filing of a Notice of Exemption.**

Motion by Director Lee approving Consent Calendar items 1 and 2; motion seconded by Director Ferreira and adopted by unanimous roll call vote of directors present.

G. AGREEMENTS AND CONTRACTS:

Award:

1. Approve a Contract for the operation and maintenance of PCWA's Martis Valley water system with Truckee Donner Public Utility District in the amount of \$82,140.00.
2. Approve an Engineering Services Contract for the Gold Run Pipeline Replacement Phase IV with Bennett Engineering Services in an amount not to exceed \$393,551.00.
3. Award a Construction Contract for the Vintage Oaks Shirland Canal Pipe Lining Project, Contract #2008-06, to the lowest responsible bidder, PIPENOLGY, in the amount of \$276,492.00.
4. Award a contract to Smith Power Systems of Sparks, Nevada, for the installation of three HUSS, LLC Diesel Particulate Filters in the amount of \$55,587, for implementation of the off-road construction equipment particulate matter emission requirements.

Existing:

5. Approve Amendment No. Three for the Secret Town Pipeline Replacement Phase II Project with HydroScience Engineers, Inc. in an amount not to exceed \$9,750.00.
6. Approve Task Order No. 2008-4 to the Consulting Services Contract with Steve Yaeger, P.E. for the Sacramento River Water Reliability Study through 2009 in an amount not to exceed \$20,000.

7. Approve the following for the Foothill Raw Water Supply Pump Station Project, Contract #2005-09, with Pacific Mechanical Corporation:
 - a. Receive for filing Non-Discretionary Contract Change Order No. Thirty-Eight reconciling Change Order No. Twenty-Three in the decreased amount of \$17,395.00, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
 - b. Progress Pay Estimate No. Thirty-Two and Final in the amount of \$2,285,384.15 to Pacific Mechanical Corporation.
 - c. Authorize the Clerk to the Board to file a Notice of Completion.
8. Approve Contract Amendment No. One with Hilton Farnkopf & Hobson LLC Consultants for additional analysis and services in developing and calculating the Canadian Model in an amount not to exceed \$12,670.00.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, and 8; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

H. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service:
 - a. Treated Water
 - 1) Two Facilities Agreements (FA) for a total of 1.0 acre-feet or 1.5 equivalent dwelling units (EDUs)
 - FA 2433, Quartz Drive Self Storage, Revision No. 1, Auburn
 - FA 2352, Black Oak Road Waterline, Amendment No. 6, 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 1,702 acre-feet remaining in the water availability account.

Motion by Director Lee approving Facilities Agreements 2433, Revision 1, and 2352, Amendment No. 6 in the total amount of 1.0 acre-feet; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

2. Zone 3 water service:
 - a. Treated Water
 - 1) One Facilities Agreement (FA) for a total of 1.3 acre-feet or 2.0 equivalent dwelling units (EDUs)
 - FA 2439, Johnston Minor Subdivision, Colfax

Director of Technical Services reported.

Motion by Director Ferreira approving Facilities Agreement 2439 in the total amount of 1.3 acre-feet; motion seconded by Director Lee 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 H.4.a. Legal Counsel Janet Goldsmith reported on December 2, 2008, the State Water Board (SWB) unanimously revoked the Auburn Dam water rights. The State filings that provide priority for the area-of-origin are still there and provide protection for area-of-origin. To take advantage of the available water rights, someone needs to file on them and propose a project. Whoever files has to have the ability to store the water. The Agency needs to file for water rights for the potential raising of Hell Hole Dam for the FERC relicensing. She submitted, on behalf of the Agency, that the SWB notice the Agency's General Manager and herself on any potential filings to appropriate water.

Inquiry and response followed.

Director of Strategic Affairs reported that staff will be looking at various opportunities for further water rights and will put together an assessment of the facts.

He also noted Agency staff has had conversations with El Dorado County Water Agency and Georgetown Public Utility District about increasing their water supply.

Under item H.4.h. Legal Counsel Janet Goldsmith reported on Bay-Delta issues including the Governor's Delta Vision Blue Ribbon Task Force and the concerns to be addressed by the Task Force. The Task Force is preparing a draft strategic plan for comment. She highlighted the items proposed in the plan. She noted the Agency's interests to protect and preserve the Middle Fork Project water rights, the area-of-original water rights, and assure the Agency is not subjected to imposition of mitigation measures or "Delta fees" to finance mitigation for environmental damage not caused by the Agency's diversions. (Two handouts provided)

Director of Customer Services reported on the Governor's call for reduction of water per capita.

Under item H.4.e. Director of Technical Services introduced Steve Delledera of Pacific Mechanical Corporation, contractor for the Foothill Raw Water Supply Pump Station Project.

Mr. Delledera PMC noted the Foothill Raw Water Supply Pump Station Project started 36 months ago. He acknowledged Agency staff, West Yost Associates, and Pacific Mechanical Corporation for the challenges they went through producing the project and for producing an award-winning world-class facility. He asked the Board to make a special proclamation to the men and women who devoted themselves to producing a wonderful Project. He introduced Kyle Broughton and Frank Helmick with West Yost and Associations and Gary Howze with Pacific Mechanical Corporation.

I. 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.

J. GENERAL ITEMS

1. Receive Audit Committee report and recommendation to approve an annual agreement with Maze & Associates for financial statement audit services for the year ending December 31, 2008, in an amount not to exceed \$44,280.00.

Director of Financial Services noted a correction to the agenda backup. (Handout provided) He reported on the history of audit services by Gilbert Associates. He reported on the process to select a new audit firm. The Board Audit Committee reviewed the audit firms who presented proposals and met the qualifications of the requests for proposal. The Audit Committee recommended the Agency select the firm of Maze & Associates.

Director Lee complimented the firm of Gilbert Associates for the excellent services they provided to the Agency.

Motion by Director Jarvis approving an annual agreement with Maze & Associates for financial statement audit services for the year ending December 31, 2008; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

2. Receive report on Agency's membership in the California Climate Action Registry.

Director of Technical Services reported on energy use in the Agency. One of the Agency's goals was to become a member of the California Climate Action Registry (CCAR). CCAR is a volunteer program to inventory, certify, and publicly report the Agency's greenhouse gas emissions. The Agency went through the process of looking at its emissions and submitted an application to CCAR and was accepted as a member.

He noted staff will attend the orientation training, report emissions, and select an independent third party verifier. The verifier will review the data developed by the Agency to assure emissions are reported with a 95 percent accuracy range. He listed the types of things the Agency will report. The verifier will meet with Agency staff and check comparisons to what is done internally and what is turned into CCAR. Results will be posted on the CCAR. Inquiry and response followed.

K. REPORTS BY DIRECTORS:

Director Ferreira noted it would be good time for the Agency to take Director Mavy on tours of the Agency. He suggested a helicopter tour.

Director Lee reported on the ACWA Conference. He reported on task force meetings regarding communication on how to best get information out to constituents.

He attended the legally required ethics training while at the ACWA Conference.

Director Jarvis reported on the following from the ACWA Conference:

- The Governor's call for 20 percent water reduction by the year 2020
- Isolated conveyance facility—the peripheral canal
- Water transfers
- Yuba River Accord. They found a way to release water and save salmon. They sell 170,000 AF annually.
- He attended the legally required ethics training.
- He heard a presentation from a National Geographic who showed photos of changes in the planet and spoke about global warming and drought in Australia and their management of water resources

Chair Allen reported on the ACWA Conference and reported on meetings there, including the Communications meeting, ethics training, and Governance on Bay Vision.

L. REPORTS BY LEGAL COUNSEL

General Counsel reported two of the largest national newspapers filed for bankruptcy—the LA Times and the Chicago Tribune.

M. REPORTS BY GENERAL MANAGER

The General Manager reported on the ACWA Conference. He coordinated a presentation at the Conference by a variety of different State and local officials regarding the Quagga mussel infestation in California waterways. He reported on the Quagga mussel infestation.

He reported on water transfer to the Westlands Water District.

He noted the Agency is entertaining an offer from the San Diego County Water Authority for a water transfer in 2009.

He reported on the Placer Chapter of the Special District Associations' request for input for items of interest for presentations and when to meet.

He suggested ethics training be presented to the full Board and management team by the Agency's firm.

N. CLOSED SESSION AND REPORT

With all members present, as heretofore designated, the meeting adjourned to closed session at 3:56 p.m. to consider the following:

1. **Conference with Labor Negotiator** - Pursuant to Section 54957.6 of the Government Code
Agency negotiators: David Breninger and Valerie Lord
Employee organizations: All Units

No reportable action taken.

O. ADJOURNMENT

At 4:43 p.m. Director Ferreira made a motion to adjourn; motion seconded by Director Lee and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency