

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, January 15, 2009
2:00 p.m., Regular Meeting

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

Board Members Absent: ALEX FERREIRA

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; JOSEPH PARKER, Director of Financial Services

A. CALL TO ORDER

1. Roll Call

Chairman Allen 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: Led by Director Lee

3. Introductions & Presentations

- Briefing on Property Tax Issues
 - Kristen Spears, Placer County Assessor
 - Katherine Martinis, Placer County Auditor Controller

Deputy Director of Administrative Services introduced Ms. Spears, Ms. Martinis, and Jane Golding, Property Tax Manager.

Ms. Spears gave a PowerPoint presentation of the duties performed by the Placer County Tax Assessor's office. She went over statutory requirements, secured and unsecured tax rolls, exemptions, market value adjustments, market value appraisals, residential market value appraisals, county-wide building permit activity and total parcels created.

Ms. Martinez provided a handout and reported on Property Tax Apportionment in a post-Prop 13 world. She went over pre-Prop 13 rules, Prop 13 rules, and the purpose of AB 8. She went over a summary of AB 8 one percent levies for the Agency.

The Power System Manager introduced Jay Correa, Administrative Specialist in Power System.

The General Manager introduced Rosario Kapeller, Assistant Executive Director of the California Municipal Utilities Association (CMUA).

Ms. Kapeller commented on CMUA's January 26 legislative day.

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

C. REPORTS BY DEPARTMENT HEADS

Director of Field Services reported a body was found yesterday in one of PG&E's canals by one of the Agency's employees.

He also reported PG&E cut their flows in the Bear River Canal due to lack of rainfall. The flows were cut 350 cubic feet per second (CFS) level to 100 CFS level. The Agency's current flow is 67 CFS and Nevada Irrigation District's flows are 4 CFS. If precipitation remains low on Tuesday, PG&E might reduce the flows more.

Director of Customer Services updated the Board on the Association of California Water Agencies' (ACWA) alternative to the Governor's 2020 plan. He summarized ACWA's draft water conservation policy principals.

He also reported on Mayor Holmes' work with the Auburn Youth Advisory Commission. Staff met with the Commission who will be conveying the Agency's water use efficiency message to other students.

The Director of Customer Services reported he and Chair Allen met with Zone 2 customers last night and will bring details back to the Board.

The General Manager reported on AB 885. He noted Jill Pahl, Placer County Environment Health Director, is concerned that the State Board is looking at one size fits all for imposing mandates.

The Director of Technical Services reported on the Sanitary Survey updates. The Agency is required by law to update our Sanitary Survey every five years. The Agency has two watersheds—Yuba/Bear and American River that fall under the Sanitary Survey. The Agency looks for potential contaminants. Both rivers have some of the most pristine water in the State of California. The Agency doesn't have a lot of contaminants and monitors raw water into its treatment plants all the time. He discussed how the County handles new septic or renewing septic systems.

General Counsel reported AB 885 is a bill that is aimed at monitoring and improving quality of the State's water from degradation that can occur from septic systems. The Agency would not typically be involved in the issue unless it impacts the Agency's water system.

She noted the requirements by State Water Resources Control Board to adopt regulations for permitting, their draft regulations and requirements. Comments are due on the draft regulations by February 9. In Placer County the only water bodies identified as "impaired" are Lake Tahoe and Ward and Blackwood Creeks (two tributaries to Lake Tahoe). The Agency is not aware of any evidence that septic systems are impairing the water quality of

the streams that supply water to its treatment plants or delivery systems. She pointed out the costs and requirements that could be imposed by the new law.

Agency Consultant Ed Horton reported the Regional Council of Rural Counties is monitoring the issue.

Board discussion followed.

Ed Cummings requested information to include in a letter he wants to write to the State to oppose AB 885.

The Board directed staff to draft a letter on behalf of the Board to submit to the Surface Water Resources Control Board.

Director of Technical Services provided a handout showing an aerial photo of the proposed 36-inch raw water supply line to the Auburn Water Treatment Plant. The County is requiring the Agency to do night work. The contractor is going to proceed to "pothole" to locate the utilities. There will be work 24 hours a day. The project should be done in three phases. The first phase to be done by April 29; phase two will be construction to conjunction box at Sizzler; the third phase will be clean up. The project is scheduled to be completed by June 30. Updates will be on website and newspapers.

Director of Financial Services reported on property taxes. He noted NID's tax revenues and the Agency's tax revenues.

He reported the Department of Water Resources will cease authorizing any new obligations for general obligation bond projects and will freeze disbursements from Pooled Money Investment Account loans.

D. AGENDA CHANGES AND REVIEW

There were no agenda changes.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. December 8, 2008, and December 18, 2008, minutes
 - b. Check Register 09-01 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. Board of Directors expenses for previous months
 - e. General Manager's expense reimbursement claim summary
2. Approve **Resolution 09-01 Declaring Certain Items to Be Surplus Property and No longer necessary for Agency use; and Authorizing Sale thereof.**
3. Approve out-of-state travel pre-authorization authority for the General Manager and Director of Strategic Affairs to attend hearings, meetings, seminars or conferences to represent, testify, or advocate on behalf of the Agency and pre-authorize the General Manager, as he finds necessary, to

- approve department heads or alternate(s) for similar out-of-state travel and expenses when on Agency business.
4. Approve out-of-state travel and related expenses for Environmental Scientist to attend the Northwest Hydroelectric Association's 2009 Annual Conference in Portland, Oregon, March 17 – 19, 2009.

Motion by Director Lee approving Consent Calendar items 1, 2, 3, and 4; motion seconded by Director Jarvis and adopted by unanimous roll call vote of directors present.

F. AGREEMENTS AND CONTRACTS:

Existing:

1. Approve the following for the Gold Run Phase II & III Pipeline Improvements Project, Contract #2007-01, with Marques Pipeline, Inc.:
 - a. Progress Pay Estimate No. Six and Final in the amount of \$133,917.20;
 - b. Authorize the Clerk to the Board to file the Notice of Completion.
2. Approve Amendment No. One to the Engineering Services Contract with Charpier Engineering for the Bella Tuscany Waterline Project and Miscellaneous Services in an amount not to exceed \$104,000.00.
3. Approve Amendment No. Seven to Power System Contract #04-05 with MWH Americas, Inc. for an increased scope of work for engineering services for the L.L. Anderson Dam – Increase Spillway Capacity Project, in an amount not to exceed \$470,000.00.

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

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service: ***None at this time***
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 on requests relative to timing for paying the Agency's water service fixed charges following payment of Water Connection Charges (WCC).

- d. Water use efficiency and conservation
 - 🌿 Adopt Resolution 09-02 Approving the Proposal for a United States Bureau of Reclamation Water for America Grant Opportunity No. 9SF811468 for the Pilot Study to Install and Monitor the Performance of 21 Improved Customer Delivery Boxes and adopt Resolution 09-03 Approving the Proposal for a United State Bureau of Reclamation Water for America Grant Opportunity No. 9SF811468 for Cedar Creek Canal Lining Project
- 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 reported some developers are not able to complete projects, but are still required to pay fixed fees without receiving water. The Agency has received a number of requests from developers to modify Board policy about paying for water they are not receiving.

Director of Customer Services provided the Board with the following options: 1) Modify timing of monthly charges where there are no meters in the ground. 2) Charge when meter goes into the ground. 3) Apply Renewal and Replacement charge – continue it to acceptance of facilities. 4) Customers can stop the monthly charges, but that, in turn, relieves the Agency from the obligation to serve a property. Current policy provides a WCC credit to the parcel in the amount equal to the paid WCC. To later reinstate service, the Agency applies the WCC credit in the amount that was previously paid and the customer must pay the difference between the applied WCC credit and the current WCC. A change would provide the WCC credit in the amount of WCC applicable when the water service was discontinued rather than the amount when it was originally paid. 5) Defer monthly charges and have a sunset date—all or a portion of them.

Director of Financial Services reported on the financial impacts to the Agency if WCC changes are made.

George Phillips, on behalf of Monserrat, reported there was only one house built and sold in Monserrat. Water Connection Charges were paid in June 2006 (a little under \$900,000). They are paying bimonthly water rates, don't have meters, and are not receiving water. He requested the Board reevaluate the policy on charging bi-monthly rate charges without receiving any water. He also requested a \$50,000 credit for water rates paid.

Board discussion followed.

Under item G.3.d. Director of Field Services reported on two grant applications for water use efficiency and conservation for 1) gunite in Cedar Creek and 2) pilot study to install and monitor the performance of 21 improved customer delivery boxes.

Inquiry and response followed.

Motion by Director Lee adopting **Resolution 09-02 Approving the Proposal for a United States Bureau of Reclamation Water for America Grant Opportunity No. 9SF811468 for the Pilot Study to Install and Monitor the Performance of 21 Improved Customer Delivery Boxes** and **Resolution 09-03 Approving the Proposal for a United State Bureau of Reclamation Water for America Grant Opportunity No. 9SF811468 for Cedar Creek Canal Lining Project**; motion seconded by Director Mavy and adopted by unanimous roll call vote of Directors present.

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.

No reports received.

I. GENERAL ITEMS

1. Presentation on replacement of 230,000 volt circuit breaker at Middle Fork Powerhouse.

The Power System Manager gave a PowerPoint presentation showing photographs and schedule of the emergency 230 kV circuit breaker replacement at the Middle Fork Powerhouse.

2. Workshop and discussion on Agency strategic planning.
 - Board of Directors' near and long-term issues
 - ~~Staff report on the significant issues and interests achieved in 2008 and anticipated in 2009~~

The Board recessed at 4:07 p.m. and returned at 4:15 p.m.

The Board held a strategic planning session for long-term planning and discussed issues and priorities anticipated to occur over the next several years.

3. Report on State or Federal legislation.

No report received.

J. REPORTS BY DIRECTORS:

Director Jarvis reported he and the General Manager met with the Army Corp of Engineer's General.

Director Mavy reported his first son, Nathan Hale Mavy, was born.

K. REPORTS BY LEGAL COUNSEL

General Counsel reported the Agency did the right thing when it went with the National Pollutant Discharge System permit with the State Board about dripping copper into Agency canals because the 6th Circuit Court of Appeals just invalidated EPA's rules that entities can rely on the label of pesticides and avoid a permitting.

She noted the Agency's permit expires this year and the Agency will be in negotiations again.

L. REPORTS BY GENERAL MANAGER

No report received.

M. ADJOURNMENT

The Chairman adjourned the meeting at 5:01 p.m.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency