

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Monday, May 10, 2010  
2:00 p.m., Adjourned Meeting**

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

Board Members Absent: None

Agency Personnel Present Who Spoke: VALERIE LORD, Assistant General Manager and Director of Administrative Services; JANET GOLDSMITH, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; STEVE JONES, Power System Manager; JOHN KINGSBURY, Director of Customer Services; JASON LARRABEE, Agency Consultant; 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 Ferreira called the adjourned 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 Mike Nichol.
3. Introductions & Presentations:
  - a. Recognition of employees Mark Warren and Bob D'Elia

Power System Manager introduced and recognized Mark Warren and Bob D'Elia, station attendants, who rescued a snowbound fisherman on Ralston Ridge near Hell Hole Reservoir.

B. PUBLIC COMMENT:

No member of the public commented.

C. REPORTS BY DEPARTMENT HEADS

Director of Field Services reported on water supply.

D. AGENDA CHANGES AND REVIEW

There were no agenda changes.

E. CONSENT CALENDAR:

1. Approve and file:
  - a. April 1, 2010, and April 15, 2010, minutes
  - b. Check Register 10-08 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
  - e. General Manager's expense reimbursement claim summary
2. Adopt **Resolution No. 10-06 Approving the Proposal for a United States Bureau of Reclamation WaterSMART Grant Opportunity No. R10SF80157 to Replace Leaking Wooden Box Flumes and Lining Adjacent Section of Open Canal to Reduce Water Losses.**
3. Receive and file Treasurer's Investment Report for period ending March 31, 2010.
4. Approve out-of-state travel and expenses for Associate Engineer and SCADA Supervisor to attend a Hydro Control System Seminar June 8 - 10, 2010, in Wausau, Wisconsin.

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

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve a Construction Contract with Marques Pipeline, Inc. for the Boardman Canal-Pacific Heights Siphon, Contract #2009-06, in the amount of \$839,558.

Existing:

2. Approve Modification No. 2 to the Recreation Facilities Collection Agreement with Eldorado National Forest for \$106,066.
3. Approve Change Order No. 3 for an extension for a twelve-month period beginning May 24, 2010, through May 23, 2011, with A&P Helicopters for charter helicopter services in an amount not to exceed \$95,300.
4. Approve Amendment No. Two with Calpo, Horn & Dong Architects for the Foresthill Facilities Center project in an amount not to exceed \$10,500.
5. Approve the following for the Fuel Management, Tank Monitoring and Dispensing System Upgrade Project, Contract #2009-05, with Bagley Enterprises, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order Two adding an additional 35 calendar days to the Contract Time, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
  - b. Progress Pay Estimate One in the amount of \$81,834.13.

Motion by Director Mavy approving Agreement and Contract items 1, 2, 3, 4, and 5; 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) One Facilities Agreement (FA) for a total of 0.0 acre-feet or 0.0 equivalent dwelling units (EDUs)
      - FA 2407, SAFE School Route V, Rocklin
    - 2) Single Connections (In fill): Three applications for a total of 2.0 acre-feet or 3.0 EDUs
  - b. Raw Water: One application for a total of 4.5 acre-feet or 6.9 EDUs

Director of Technical Services reported on the applications for a facilities agreements, single connections, and raw water for a total net increase of 6.5 acre-feet. There are 11 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,821 acre-feet of water.

Board inquiry and response followed.

Motion by Director Lee approving FA 2407 and applications for single connections and raw water in the total amount of 6.5 acre-feet; motion seconded by Director Allen 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 report received.

3. Reports and response on water resource policy, planning and management issues and interests:
  - a. Water rights and contracts:
    - (1) Authorize the Agency to file a protest with the State Water Resources Control Board regarding Application #31807, which seeks to appropriate water from North Shirttail Canyon Creek, a tributary to the North Fork American River (one of the sources of water for the Agency's water permits); and to support the Foresthill Public Utility District in their protest to Application #31807
  - b. Land use and water policy
  - c. Water supply, service, and infrastructure system:
    - (1) Report regarding proposed Water Connection Charge Facilities Agreement Payment Program; adopt Resolution 10-07 Authorizing Water Connection Charge Facilities Agreement Payment Program for Housing Development.
  - 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

Assistant General Manager introduced Kurt Reed, General Manager, Foresthill Public Utility District. Mr. Reed introduced George Shaw, Vice-President, Foresthill Public Utility District Vice-President.

Under item G.3.a. General Counsel reported on an application to divert water from Shirttail Creek to Sugar Pine Reservoir. The proposed diversion would be upstream from the Agency's American River Pump Station and could affect availability of water at the Agency's diversion. A protest has been prepared for submission based on impairment of the Agency's prior right. Additionally, approval of the application would set poor public policy. The application is for a 2,200-unit subdivision for which a tentative map has not yet been filed with the County. It would rely on storage of water in Sugar Pine Reservoir, owned by Foresthill Public Utility District, but the developer has not yet asked Foresthill Public Utility District for permission to use Sugar Pine Reservoir or for annexation to the district. The application states that the appropriation would be for a temporary water right, but it is not clear what permanent water supply the developer can obtain for the residences to be served. The application looks like an end run around LAFCo to take over current water rights owned by Foresthill PUD.

Mr. Reed reported there has never been a formal application to Foresthill Public Utility District for annexation. The applicant is planning on starting its own public utility district. His board views the application as a hostile action by the developer. (Handout provided)

Director Allen moved to authorize General Counsel to file a protest on the Agency's behalf; motion seconded by Director Lee and approved by unanimous vote of Directors present.

General Counsel reported on the State Water Resources Control Board's issuance of a Notice of Public Hearing and Pre-Hearing Conference to consider water right applications and petitions for change filed by the U.S. Bureau of Reclamation for various water rights in the Truckee River watershed. The changes are needed to implement the Truckee River Operating Agreement and are contingent on final resolution of all legal challenges to the Agreement. Once that occurs, the Congressionally-approved settlement with the Pyramid Lake Paiute Tribe would result in dismissal of the Tribe's protests against all pending applications and petitions for water rights in the Truckee and Tahoe basins. (Handout provided)

Under item G.3.c. Director of Financial Services gave a PowerPoint presentation regarding the proposed Water Connection Charge Facilities Agreement Payment Program. He gave detailed eligibility examples and revenue projections. He recapped basic program terms Options 1 and 2, procedure if a parcel is sold and there are successor owners, past and present WCC Payment/cash flow timeline, historic and projected Equivalent Dwelling Units, and revenue projections. (Handout provided)

Board inquiry and response followed.

Motion by Director Allen adopting **Resolution 10-07 Authorizing Water Connection Charge Facilities Agreement Payment Program for Housing Development**; 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. Report on State and Federal legislation or proposed regulatory actions:

Director of Strategic Affairs reported on Proposition 16 which would require a two-thirds vote of approval before a public entity could pursue establishing a public power agency or increase the territory in which it provides such service. The Northern California Power Agency has taken a position of opposition to Proposition 16. If Proposition 16 passes, it would likely end any further expansion of publicly owned retail power service, since the two-thirds approval requirement is such a high barrier. The Agency's ability to market its MFP power supply on a wholesale basis would be largely unaffected. (Two handouts provided)

Board discussion, inquiry, and response followed.

The Board directed staff to prepare a resolution opposing Proposition 16 for the May 20 Board meeting.

Agency Consultant Jason Larrabee reported:

- On the Cap-to-Cap trip there were 15 meetings with legislators regarding three bills—a fee bill to help fund the Delta Stewardship Council, a bill dealing with water rights, and a bill on categorizing unreasonable use of water.
- The Regional Water Alliance Government Affairs Committee has created a list of bills they are tracking. RWA Executive Director John Woodling has outlined positions and areas the RWA Board may want to consider taking policies position statements.
- A new bill, SB 1469 (Simitian) seeks to assess fees on all water users within the Bay-Delta watershed.
- The Sacramento Regional Water Alliance is monitoring bills and has been meeting for weeks with State legislators.
- In Washington, D.C. he met with and received good direction FERC's legislative legal counsel and regarding federal land issues. - Language has been given to Congressman McClintock's office regarding the land use fees issue and they have forwarded it to the House Legislative Counsel. Staff is working on a discussion draft with the Agency's D.C. legal counsel. Senators Feinstein and Boxer are interested in the issue.
- He met with the House Energy and Commerce staff regarding the federal land issue.

- He met with the U.S. Bureau of Reclamation regarding future water transfers. Senator Feinstein's office wants to be involved.
- There is a new bill introduced about the Clean Water Act to bring all waters under the jurisdiction of the EPA.

Board inquiry and response followed.

J. REPORTS BY DIRECTORS:

Director Jarvis reported the Association of California Water Agencies (ACWA) had its Centennial celebration during the ACWA Conference. At the Conference, sessions he attended included a meeting presented by National Geographic, a meeting about the Water Bond (So. California is in favor of the bond), a meeting about regional cooperation and water conservation, and the ACWA/Joint Powers Insurance Association Executive Committee meeting. He reported on different aids offered to entities by ACWA/JPIA.

While at the ACWA Conference the question came up: "Are we out of the drought yet?" He noted locally we are out of the drought.

He pointed out a news release by the Department of Water Resources (DWR) regarding the State Water Plan Update 2009, Integrated Water Management. You can subscribe to DWR updates on-line.

He attended the PG&E hosted California Association of Public Power Agencies dinner with members. He noted PG&E went through an audit with the Western Electricity Coordinating Council.

Director Mavy reported he would like to change Public Employee Retirement System retirement formula.

Director Allen reported on his attendance at the ACWA Conference.

At the Mountain Counties Water Resources Association session, the Association identified a goal of better educating Southern California residents, water purveyors and legislators that Southern California water supplies are dependent on the health of the watersheds in Northern California. The Association is seeking for legislative support for maintenance of these watersheds.

He reported on a session regarding current electorate trends.

Director Lee reported he participated in the National Day of Prayer at the William Jessup University where about 700 people attended.

K. REPORTS BY LEGAL COUNSEL

No report received.

L. REPORTS BY GENERAL MANAGER

No report received.

M. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 3:48 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 organization:* Power
2. **Conference with legal counsel – anticipated litigation** – Pursuant to Subdivision (b) of Section 54956.9 of the Government Code.  
*Potential Number of Cases:* One
3. **Conference with legal counsel – existing litigation** – Pursuant to Subdivision (a) of Section 54956.9 of the Government Code.  
*Case Name:* *Department of Fair Employment and Housing v. Placer County Water Agency, Steven Johnstone, Complainant.* (Case No. E-200809-E-1157-00-p).

N REPORT FROM CLOSED SESSION:

The Board returned at 4:18 p.m. No reportable action taken.

O. ADJOURNMENT

At 4:18 p.m. Director Allen made a motion to adjourn; motion seconded by Director Lee and adopted by unanimous vote of directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency