

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, September 16, 2010  
2:00 p.m., Regular 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: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel, CHERI SPRUNCK, Agency Secretary/Clerk to the Board; ED BIANCHI, Agency Consultant; ANDY FECKO, Resource Development Administrator; 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

### A. CALL TO ORDER

Chairman Ferreira 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.

1. Roll call
2. Pledge of Allegiance: Led by Auburn Journal Publisher Tony Hazarian.
3. Introductions & presentations

The General Manager introduced Auburn Journal Publisher Tony Hazarian.

Mr. Hazarian noted this is the second year of the Fire and Water publication. He noted the dates, papers, and location the publication is being distributed. Copies were provided for Agency distribution. He noted other key participants of the publication. He reminded the Board of the 49 Fire and steps that are being taken in the area to keep the area fire safe. He thanked Agency consultant Dave Carter for his assistance with the publication. (Handout provided).

### B. PUBLIC COMMENT:

Sherry Wicks, Foresthill resident representing Foresthill Residents for Responsible Growth (FROG) spoke regarding their concern about social, economic, and environmental decisions being made that could affect quality of life for Foresthill residents. Their specific concern was regarding the old lumber mill land use, of which the Agency owns a portion. FROG is concerned about loss of jobs and housing in the area due to the Agency use of the land. They are going to submit a letter of comment and/or statement of interest concerning

the matter. She noted FROG supports the FERC Relicensing, but has an issue with land use reduction.

The General Manager responded.

Jeff Bosby, representing people from Zone 3, thanked the Board for the motion they made on September 7.

C. REPORTS BY DEPARTMENT HEADS

No reports received.

D. AGENDA CHANGES AND REVIEW

Item E.5. includes a Resolution as a handout.

Item F.2. to be pulled because of protest received this morning.

Item F.8. to be pulled due to coordination needed by FERC and PG&E.

Under G.3. there will be reports regarding: 1) El Dorado Water and Power Authority water rights project; 2) Feedback to PG&E regarding their flow modeling regarding licensing of the Yuba-Bear Drum Spaulding relicensing; 3) Additional federal regulatory expansion occurring on the National Pollution Discharge Elimination System permit; 4) G.3.d. report on the California Urban Water Conservation Council.

E. CONSENT CALENDAR:

1. Approve and file:
  - a. August 19, 2010, minutes
  - b. Check Register 10-17 expenses disbursed
  - c. Revised Power Systems Check Register 10-14 expenses disbursed
  - d. 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.**
  - e. 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**
  - f. General Manager's expense reimbursement claim summary.
2. Approve the following late employee claims pursuant to Chapter 3, Article 1, Section 3003, of the Agency's Personnel and Administration Manual:
  - a. Mike Nichol's expenses dating back to May 2010 in the amount of \$25.
3. Approve application to write off uncollectible accounts in the amount of \$1,383.79.

4. Authorize the Director of Technical Services to approve up to \$100,000 in changes in the scope of work for L&S Electric for each of the governor replacements for the Middle Fork Project Governor Upgrade and Aggregated Operations Project.
5. Adopt **Resolution 10-14 Amending Rules and Regulations Relating to Temporary Service for Realtors** - proposed changes to Sections 40301 and 41313 of the Rules and Regulations Governing the Distribution and Use and Water.

Handout provided for E.5. – Resolution.

Motion by Director Jarvis approving Consent Calendar items 1, 2, 3, 4, and 5; motion seconded by Director Mavy and adopted by unanimous roll call vote of directors present.

#### F. AGREEMENTS AND CONTRACTS

##### Award:

1. Award a construction contract with the lowest responsible bidder for the PCWA Business Center Exterior Painting Project, Contract #2010-12, pending an acceptable bid is received from a responsible bidder on September 14, 2010.
2. ~~Award a formal bid for Canal Gunite Services, Contract P#-10-06, to Hardway Concrete.~~
3. Approve a consulting services contract with Ken Mellor for power marketing services.
4. Approve a consulting services contract with Jason Larrabee Ventures, LLC for governmental affairs services.
5. Approve a consulting services contract with Surface Water Data, Inc. for operation and maintenance of gaging stations in an amount not to exceed \$145,140.
6. Approve a consulting services contract with WorkSmart Automation, Inc. to provide SCADA reporting enhancements in an amount not to exceed \$85,000.
7. Approve a consulting services contract with MCC Control Systems, Inc. to provide SCADA programming in an amount not to exceed \$31,000.
8. ~~Approve the following for the Bowman Canal Encasement Project, Contract #2010-03:~~
  - a. ~~Approve a budget amendment in the amount of \$225,000 from Renewal and Replacement.~~
  - b. ~~Award a construction contract to the lowest responsible bidder, Mountain Cascade, in the amount of \$1,121,438.~~
9. Approve participation in the Regional Water Authority's Water Use Efficiency Program and authorize payment of core program fees in the not to exceed amount of \$34,009.

Existing:

10. Approve Change Order No. One to Contract #P-09-07 for a one-year contract extension with Simpson & Simpson, Inc. for Patching and Paving Services.
11. Approve Change Order No. One to Contract #P-09-08 for a one-year contract extension with Sterling Water Technologies and Sierra Chemical for the purchase of water treatment chemicals and silica sand.
12. Approve Amendment No. Three to the consulting services contract with Blackburn Consulting for the Sierra Center Improvements Project, Contract #2009-09, in an amount not to exceed \$13,898.
13. Approve Amendment No. Four to the consulting services contract with West Yost Associates for the Bowman Canal Replacement Project, Contract #2010-03, in an amount not to exceed \$39,400.
14. Approve the following for the Sierra Center Improvements Project, Contract #2009-09, with Doug Veerkamp General Engineering, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order No. Three for an increase in the Contract Amount of \$36,052, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
  - b. Progress Pay Estimate No. Seven in the amount of \$78,734.35.
15. Approve the following for the Bella Tuscany Pipeline and Tank Site Improvements Project, Contract #2009-12, with Doug Veerkamp General Engineering, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order No. Two for an increase in the Contract Amount of \$4,103.14, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
  - b. Progress Pay Estimate No. Five in the amount of \$51,877.99.
16. Approve the following for the Lake Alta Primary Outlet Works Rehabilitation Phase II Project, Contract #2010-02, with Civil Engineering Construction, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order No. Two adding an additional 131 days to the Contract Time, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
  - b. Progress Pay Estimate No. One in the amount of \$59,467.50.
17. Approve Progress Pay Estimate No. One with SW Allen Construction, Inc. for the Foresthill Facilities Center Site Improvements, Contract #2010-04, in the amount of \$156,779.73.
18. Approve Progress Pay Estimate No. Five with Kiewit Infrastructure West Company for the LL Anderson Dam Spillway Modification Project, Contract #PS-2009-01, in the amount of \$468,614.20.

Items F.2. and F.8. pulled from the agenda. Items F.4. and F.9. pulled for discussion. Handout for Item F.1. provided.

Motion by Director Mavy approving Agreements and Contracts items 1, 3, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, and 18; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

Regarding item F.4., Director of Strategic Affairs explained the reasons for increasing the cost for the Agency's lobbyist Jason Larrabee.

Board comment followed.

Motion by Director Lee approving Agreements and Contracts item 4; motion seconded by Director Allen and adopted by 4:1 (Director Mavy opposing) vote of directors present.

There was Board inquiry and staff response regarding item F.9.

Motion by Director Jarvis approving Agreements and Contracts item 9; motion seconded by Director Allen and adopted by 4:1 (Director Mavy opposing) 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 0.00 acre feet or 0.0 equivalent dwelling units (EDUs)
      - FA 2483, Auburn Business Park, Auburn
    - 2) Single Connections (In fill): six applications for a total of 4.2 acre feet or 6.5 EDUs
  - b. Raw Water: two applications for a total of 4.5 acre feet or 6.9 EDUs

Director of Technical Services reported on the applications for facilities agreements, single connections, and raw water. There are 0.3 acre-feet of reductions in commitment from customers in treated water. Remaining in the water availability account is 1,839 acre-feet of water.

Motion by Director Jarvis approving Facilities Agreement 2483, applications for single connections and raw water in the total amount of 8.7 acre-feet; motion seconded by Director Lee 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 requests 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. Water financial matters

f. Regional Delta and State water matters

Under G.3.a. General Counsel reported regarding El Dorado Water & Power Authority filing for water rights on the American River and the Agency's protest and response to the Draft Environmental Impact Report. (Handout provided)

Board inquiry and response followed.

Under G.3.a. Director of Strategic Affairs reported on PG&E and Nevada Irrigation District (NID) relicensing renewal process for the intertwined PG&E Drum Spaulding Project. PG&E did not desegregated PCWA & NID water supplies which has been a problem. Some years PG&E has not been able to meet all water supply demands. The Agency sent a letter of concern to PG&E reminding them that water supply preceded hydroelectric power. The water is the only source for many in western Placer County. The Agency will take an aggressive position to defend its water supplies in Western Placer County. He requested the Board approve a letter signed by the Chair that would go to PG&E and NID expressing the Agency's concerns. (Handout provided)

Motion by Director Lee authorizing the Chairman sign the proposed letter; motion seconded by Director Allen and approved by unanimous vote of Directors present.

Under item G.3.c. Director of Field Services reported on National Pollution Discharge Elimination System permit proposed changes. The federal government is trying to get all states to have the same standards. The Association of California Water Agencies is working on the rewriting of the permit. The Agency is working with ACWA to tailor it to fit our needs.

Board inquiry and response followed.

Under item G.3.c. Director of Field Services reported on the annual PG&E fall outage, which will be October 11 to November 19. He noted the various items being fixed by PG&E.

Under G.3.d. Director of Customer Services reported on work with the California Urban Water Conservation Council (CUWCC) to get statewide representation. The Council formed a steering committee. A presentation regarding the topic was given to the Mountain Counties Water Resources Association last week. He handed out the proposal prepared and submitted to the CUWCC, a copy of ACWA's letter to the CUWCC, response from CUWCC to ACWA, and PCWA's letter to the CUWCC.

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

1. Report on relicensing process, schedule, and activities:
  - a. Authorize staff to submit a Draft License Application to the Federal Energy Regulatory Commission by October 1, 2010.
2. Report on financial matters and services.

Director of Strategic Affairs highlighted the history of the Agency's relicensing.

Agency Consultant Ed Bianchi gave an overview of the five-volume document which will be presented to FERC. The draft-to-final application schedule was reviewed. He noted the benefits of the proposed action to the people of Placer County and benefits of resource stewardship in the watershed.

The Resource Development Administrator reported on the cost of new programs, measures, and facilities for the Middle Fork American River Project, and the draft-to-final application schedule.

(Handout provided)

Director Jarvis moved that staff submit the Draft License Application to the Federal Energy Regulatory Commission; motion seconded by Director Allan and adopted by unanimous vote of Directors present.

I. GENERAL ITEMS

1. Report on State and Federal legislation or proposed regulatory actions

Jason Larrabee updated the Board on the FERC land use fees issue. He spoke with someone in the Chief Financial Officer's office at FERC about the Agency's appeal. He was told FERC is aware of what is happening and that they would have an announcement at the end of this week. The person indicated there may be some relief. Mr. Larrabee noted the Federal Lands Group appeal was denied by FERC.

He reported the Environmental Protection Agency (EPA) is becoming very active in water acts, in NPPS permitting, principles and guidelines, NEPA policy. The EPA is going to roll out proposed rules and regulations it feels need to be implemented. They are measures that Congress will not have the ability or will to act on. It relates to chemical security, climate change in NEPA documentation, how entities account for construction projects, e.g. do the principles and guidelines meet the environmental integrity of what needs to be done, etc.

J. REPORTS BY DIRECTORS:

Director Jarvis attended the Mountain Counties Water Resources Association meeting and reported the Agency's Director of Customer Services gave a presentation at the meeting regarding representation on the CUWCC.

Director Lee attended the Regional Water Authority (RWA) meeting last week and noted RWA gained the County of Sacramento as a new member but lost El Dorado County Water Agency as a member.

Discussions at the RWA meeting included the Delta Flow Criteria and the affects it could have on Folsom Lake. He asked if the FERC relicensing offers a safety net for our water rights off the Middle Fork of the American River. Staff responded.

K. REPORTS BY LEGAL COUNSEL

General Counsel noted the Board had some of the most important discussions today that they will have in a long time. The outcome of these things will dictate the Agency's future. Discussions included relicensing and a federal power sale contract, PG&E's Drum-Spaulding relicensing having a significant affect on the Agency's water rights, the Delta's impact on the Agency, and the Agency's request for an extension of its water rights.

L. REPORTS BY GENERAL MANAGER

General Manager reminded the Board of the October 7 adjourned Board meeting times.

M. CLOSED SESSION

There was no closed session.

N. REPORT FROM CLOSED SESSION

No report.

O. ADJOURNMENT

At 4:01 p.m. Director Mavy made a motion to adjourn the meeting to the October 7, 2010, adjourned Board meeting; motion seconded by Director Jarvis and adopted by unanimous vote of directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency