

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Thursday, October 7, 2010
8:15 a.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: DAVID BRENINGER, General Manager; JANET GOLDSMITH, General 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; JOSEPH PARKER, Director of Financial Services

A. CALL TO ORDER

Chairman Ferreira called the adjourned meeting of the Placer County Water Agency Board of Directors to order at 8:17 a.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

1. Roll Call

B. 8:15 a.m. (approximate) RECESS TO TRAVEL TO EAST PLACER COUNTY

At 8:17 a.m. the Board recessed to travel to East Placer County.

C. 10:15 a.m. (approximate) RECONVENE AND CALL TO ORDER at Tahoe City Public Utility District

At 10:14 a.m. the Board reconvened at Tahoe City Public Utility District.

1. Roll Call
2. Pledge of Allegiance

Led by Cindy Gustafson.

3. Introductions and presentations

There were no introductions or presentations.

D. PUBLIC COMMENT:

No member of the public commented.

E. GENERAL ITEMS:

1. Receive updates from the following districts including presentations and comments.
 - Mike Staudenmayer, General Manager, Northstar Community Services District.
 - Rick Lierman, General Manager, Squaw Valley Public Service District.
 - Cindy Gustafson, General Manager, Tahoe City Public Utility District.
 - ~~Tony Lashbrook, Town Manager, Town of Truckee.~~
 - Steven Poncelet, Public Information Officer, Truckee Donner Public Utility District.
 - Wade Freedle, President, Sierra Lakes County Water District.

Assistant General Manager/Director of Administrative Services thanked Ms. Gustafson for hosting the Agency's Board meeting. She introduced Mr. Staudenmayer, Mr. Lierman, Ms. Gustafson, Mr. Poncelet, Mr. Freedle; and Curtis Sanders, North Tahoe PUD. Mr. Lashbrook had a conflict and was not present.

On behalf of Northstar Community Services District, Mr. Staudenmayer gave a PowerPoint presentation and briefed the Board regarding the District's computer-based asset management program, ViewWorks, that tracks maintenance and replacement needs for the water system infrastructure. The District strives to set aside enough funding for preparedness while keeping water rates at equitable levels. He expressed an interest in forming a collaboration group with neighboring water purveyors to figure out the most cost efficient way for ratepayers to handle future expenses.

He introduced Mike Geary, Northstar CSD Director of Public Works.

The General Manager responded and suggested there be some workshops of information sharing.

On behalf of Squaw Valley Public Service District, Mr. Lierman reported on the Olympic Valley Groundwater Management Plan, Groundwater Monitoring Plan and Database Development, Stream-Aquifer-Well Interaction Study Phase 1, and the replacement of their Main Well House and Well 2.

Two handouts provided.

On behalf of Tahoe City Public Utility District, Ms. Gustafson provided an update on the Northwest Lake Tahoe Area Master Plan. She went over the challenges the District faces with having multiple investor-owned utilities and mutual water systems. They don't have new growth and so fees are expensive to existing customers to upkeep infrastructure.

Because of the Angora Fire, a Bi-State Fire Commission was formed to review the water system to see how adequate fire flows can be provided. The District was able to do a fire-prevention study as a result of funds received via the Agency's Financial Assistance Program. She went over the planning area, deficiency evaluation, design criteria of connecting the systems, potential funding sources, and recommendations—including forming a JPA. Handout provided.

Board inquiry and response followed.

On behalf of Truckee Donner Public Utility District, Mr. Poncelet reported on bringing renewable energy to Truckee. The District is transitioning from fossil fuels to renewable energy sources. The District bought into a large wind project in Idaho for a reasonable amount.

The District has done an aggressive main replacement program, implemented a meter replacement program and will have 95 percent done by the end of this year. Billing by usage will begin in 2011. They are addressing leaks and have a customer leak detection program. New water conservation programs include Commercial Smart Water Controllers, Water Leak Repair Rebate Program, Water-Efficient Toilet Rebate Program, and water wise demonstration garden at the District office.

As a result of partnering with others, the District has a Green School Program, Energy Savings Program, Neighborhood Resource Mobilization, and Martis Valley Groundwater Management Plan. Handout provided.

On behalf of Sierra Lakes County Water District, Mr. Freedle thanked the Agency for a grant for a Water Supply Assessment. He gave a PowerPoint presentation and reported on a water supply study which shows water supplies appear adequate to serve build-out of the existing lots at Serene Lakes. The greatest restriction on the local supply is the annual winter ice-over of Lake Serena. He explained his District's challenge is with the shape of their reservoir and the ice that forms and shrinks the available water.

Board inquiry and response followed.

At 12:03 the Board recessed for lunch.

2. Report on California Urban Water Conservation Council Board representation.

No verbal report received. Handout provided.

3. Report on the Middle Fork Project relicensing and power sales contract.

No report received.

4. Report on State and Federal legislation.

No verbal report received. Handout provided.

F. 12:15 p.m. (approximate) RECESS TO TRAVEL TO PCWA BUSINESS CENTER

At 12:35 p.m. the Board recessed to travel to the PCWA Business Center

G. 2:00 p.m. (approximate) RECONVENE AND CALL TO ORDER AT PCWA BUSINESS CENTER

At 2:13 p.m. the Board reconvened at the PCWA Business Center.

1. Roll Call
2. Pledge of Allegiance

Led by Bob Snyder, former Auburn Mayor.

3. Introductions and presentations

Mr. Snyder thanked the Board for their continued support of Leadership Auburn. He noted the Chamber has added a session on water in the leadership training.

H. PUBLIC COMMENT:

Fred Walsh, realtor, thanked the Board for their assistance to quickly help him with his need to get water turned on at properties he is trying to sell.

He commended Agency employee Heidi LaFountain.

I. AGENDA CHANGES AND REVIEW

There were no changes.

J. REPORTS BY DEPARTMENT HEADS

No reports received.

K. CONSENT CALENDAR:

1. Approve and file:
 - a. September 2, 2010, September 7, 2010, and September 16, 2010, minutes.
 - b. Check Register 10-18 expenses disbursed.
 - c. Budget transfers, as recommended by the Director of Financial Services.
 - d. General Manager's expense reimbursement claim summary.
2. Approve non-exclusive easement to the Foresthill Public Utility District for the PCWA Foresthill Facilities Center Site and adopt **Resolution No. 10-15 Granting an Easement to the Foresthill Public Utility District.**
3. Approve sponsorship in Leadership Auburn 2011 in the amount of \$500.

Item K.3 was pulled for discussion.

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

Director Mavy expressed his opposition to item K.3.

Motion by Director Allen approving Consent Calendar item 3; motion seconded by Director Jarvis and adopted by roll call vote of directors present: 4:1 (Mavy opposing).

L. AGREEMENTS AND CONTRACTS:

Award:

1. ~~Award a formal bid for Canal Gunite Services, Contract #P-10-06, to Hardway Concrete.~~
2. Approve Netvad, Inc., as a sole source vendor and approve Netvad, Inc. Consulting Services Contract for Power SCADA NERC in an amount not to exceed \$41,830.
3. Approve a consulting services contract with Assad Zamani for control systems management and planning services.
4. Approve the following for the Sunset Water Treatment Plant Sludge Cleaning Project, Contract #2010-13:
 - a. Budget amendment in the amount of \$85,000 from the Western Water System Replacement and Improvements Designation account.
 - b. Construction contract to the lowest responsible bidder, Delta Oilfield Services, Inc., in the amount of \$150,500.
5. Award the construction contract for the Bowman Water Treatment Plant Residuals Handling Improvements Project to Gateway Pacific Contractors, Inc. in the amount of \$3,997,077.

Existing:

6. Approve Amendment No. Two to the Engineering Services Contract with Domenichelli and Associates, Inc. for the Colfax Distribution Box and Header Pipe Project, in an amount not to exceed \$10,365.

Regarding Item L.1., Darrin Menezes, representing Sacramento Prestige Gunite, noted he previously filed a protest and today he lodged a formal appeal. He gave reasons why he is protesting the bid for canal gunite service.

Robert Icelow of Hardway Concrete spoke about how his bid response packet was delivered. He noted his history with Hardway Concrete.

Director of Financial Services went over the process of preparing and releasing the bid packet and the process the Agency went through in evaluating the canal gunite bid.

Jim Wiesel, Agency legal counsel, responded. He explained this was the appeal hearing. He noted he would provide a written response to the points of protest presented by Mr. Menezes.

Robert Icelow noted there is a timeline for filling out insurance paperwork, associated costs, and expressed concern that a delay in awarding the bid could cause him to pay additional costs to complete insurance paperwork again.

Director Jarvis moved the action on item L.1. be deferred to an adjourned meeting on Wednesday, Oct. 13, 2:00 p.m.; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

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

Regarding item L.2., Lee Hamrick, of IT Professional, expressed concern that the Agency didn't seek additional bids for Power SCADA NERC.

Director of Financial Services and Assistant General Manager/Director of Administrative Services responded noting the item is for a sole source vendor so it doesn't fall under the same procedures as going out to bid.

Motion by Director Allen approving Agreement and Contract item 2; motion seconded by Director Lee and adopted by unanimous vote of directors present.

M. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service.
 - a. Treated water: Single Connections (In fill): five applications for service for a total of 5.2 acre-feet or 8.0 Equivalent Dwelling Units (EDUs).
 - b. Raw water: three applications for service for a total of 6.8 acre-feet or 10.3 EDUs.

Director of Technical Services reported on the applications for single connections and raw water for a total net increase of 12.0 acre-feet. There are 3.3 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,830 acre-feet of water.

Motion by Director Lee approving applications for single connections and raw water in the total amount of 12.0 acre-feet; motion seconded by Director Allen and adopted by unanimous vote of directors present.

2. 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
 - 🌿 Approve U.S. Bureau of Reclamation Water Efficiency Matching Grant in the amount of \$24,875.
 - e. Water financial matters
 - f. Regional Delta and State water matters

Under item M.2.d. Director of Customer Services reported that because of a deadline for submitting the Water Efficiency Matching Grant, staff went ahead and submitted the application, and is now asking the Board ratify and approve the grant application.

Motion by Director Jarvis approving item M.2.d. grant application; motion seconded by Director Allen and adopted by unanimous vote by Directors present.

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

1. Report on relicensing process and power sales contract, schedule, and activities.
2. Report on financial matters and services.

No reports received.

O. REPORTS BY DIRECTORS:

Director Jarvis reported he attended a Water Commission meeting in Sacramento on September 28. At the Commission there was a presentation about how water is managed in the State of California. Option 4 was also discussed at the Commission meeting.

Director Lee reported he and Chairman Ferreira went on a tour of the project at L.L. Anderson and various projects on the Middle Fork Project.

Chairman Ferreira reported the Board met this morning at Tahoe City and heard reports from many East Slope agencies.

P. REPORTS BY LEGAL COUNSEL

Legal Counsel reported Method 4 for the 20x2020 conservation is still under consideration by the Department of Water Resources (DWR). She and the Director of Customer Services will attend the last of the DWR stakeholder meetings next week. After that meeting, the DWR will come out with its proposals.

Q. REPORTS BY GENERAL MANAGER

No reports received.

R. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 3:13 p.m. to consider the following:

1. **Conference with legal counsel – existing litigation** - pursuant to subdivision (a) of Section 54956.9 of the Government Code:
Name of case: David and Ramona Brockman, dba Cristaldi Vineyards v. Placer County Water Agency
Case No. SCV 27225
2. **Conference with labor negotiator** - pursuant to Section 54957.6 of the Government Code:
Agency negotiators: David Breninger and Valerie Lord
Employee organizations: Power, Water, and Confidential

S. REPORT FROM CLOSED SESSION

The Board returned at 3:33 p.m. No reportable action taken.

T. ADJOURNMENT

At 3:33 p.m. Director Mavy made a motion to adjourn; motion seconded by Director Allen and adopted by unanimous vote of directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency