

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

**Monday, December 6, 2010
2:00 p.m., Adjourned Meeting**

Board Members Present: CHAIR 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; VALERIE LORD, Assistant General Manager and Director of Administrative Services; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; JASON LARRABEE, Agency Consultant

A. CALL TO ORDER

1. Roll call

Chair Ferreira called the adjourned 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 Jim McCauley, Placer County Clerk-Recorder-Registrar of Voters

3. Introductions & presentations

There were no introductions or presentations.

B. INCOMING DIRECTORS' OATHS OF OFFICE AND BOARD ORGANIZATIONAL MATTERS:

1. Official election summary and Oath of Office:
 - a. Report from the Placer County Elections' Office on November 2, 2010, election results for PCWA Districts 1 and 2
 - b. Affirmation of Oaths of Office for Directors Gray Allen, District 1, and Alex Ferreira, District 2

General Manager summarized the organizational process.

Placer County Clerk-Recorder-Registrar of Voters Jim McCauley noted Placer County's voter turnout was 15 or 16 points higher than the state; 71.5 percent of the registered voters in the County vote. Most voters vote via absentee ballot. Absentee ballots are mailed 29 days before the election. 16 percent of those who receive absentee ballots vote within three days of receiving absentee ballot.

He reported Placer County Water Agency Director Alex Ferreira, District 2, and Director Gray Allen, District 3, were reelected. He administered the ceremonial Oaths of Office.

2. Annual organizational matters; take action as appropriate:
 - a. Selection of Board Chair and Vice-Chair;
 - b. Exchange of gavel and recognition of outgoing Chair;
 - c. Seating location of Directors at Board meetings;
 - d. Adopt Resolution 10-18 Electing a Chair and Vice Chair, Providing for the Time and Place of Holding Regular Meetings, and Providing for the Manner of Calling Special Meetings
 - e. Board member assignments to committees and organizations
 - f. Other Board organizational matters as the Board may find necessary
 - g. Comments by Chair and Directors

Under item B.2.a. Director Allen moved that the Board chairmanship follow sequentially and that District 3 Director Lowell Jarvis be appointed as Chair of the Board and District 4 Director Mike Lee appointed as Vice-Chair; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

Under item B.2.b. incoming Chair Jarvis presented outgoing Chair Ferreira with a plaque and highlighted the special achievements under Director Ferreira's chairmanship, including:

- Submittal of the draft Middle Fork American River Hydroelectric Project relicense application;
- Continued activities to protect the Agency's water rights;
- Commencement of construction of widening and modifying L.L. Anderson Dam spillway;
- Seeking relief from increased federal land use fees on the Middle Fork American River Hydroelectric Project;
- Making improvements to the Foresthill Service Center;
- Authorizing staff to develop a master plan and funding program for rural areas of Placer County where treated water supplies are not available;
- Pursuing work on 46 separate water projects in the western water system;
- Offering developers a Water Connection Charge payment plan;
- Sending a letter of support for the Tahoe Restoration Act;
- Awarding \$82,000 for financial assistance grants to local water districts;
- Partnering with Northstar Community Service District to participate in a Bureau of Reclamation WaterSMART Basin Study Program to obtain grant funding for a groundwater master plan and model regarding how Martis Valley basin recharges;
- Continued water efficiency program to assist water growers;
- Sought gaining a seat for Northern California on the California Urban Water Council.

Under item B.2.c. there were no seating changes except the incoming Chair switched with the outgoing Chair.

Under item B.2.d. Motion by Director Allen to adopt **Resolution 10-18 Electing a Chair and Vice Chair, Providing for the Time and Place of Holding Regular Meetings, and Providing for the Manner of Calling Special Meetings**; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

Under item B.2.e. the Chair appointed Director Lee as primary representative on the Regional Water Authority. The Chair appointed himself as the alternate representative. Other committee assignments will be decided at a later date.

Under item B.2.f. the General Manager noted the calendar in the agenda packet shows the first and third Thursdays of each month and dates of fixed Agency holidays.

Under item B.2.g. Chair Jarvis requested that only one person speak at a time and that there not be side conversations.

Ben congratulated Chair Jarvis on becoming the new Chair of the Board.

C. PUBLIC COMMENT:

No member of the public commented.

D. REPORTS BY DEPARTMENT HEADS

No reports received.

E. AGENDA CHANGES AND REVIEW

General Manager noted F.2. will be pulled from the agenda. He also noted there is an agenda addendum for item H.1.a.(2).

F. CONSENT CALENDAR:

1. Approve and file:
 - a. Check Register 10-22 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. General Manager's expense reimbursement claim summary.
2. Adopt ~~Resolution 10-___ Amending and Readopting Chapter 4 of the Agency's Personnel and Administrative Manual Setting Forth Rules and Regulations Governing the Distribution and Use of Water.~~
3. Adopt **Resolution 10-19 Declaring Agency Personal Property as Surplus to the Agency's Needs; and Authorizing, as appropriate, the Sale, or Destruction in Accordance with State Law, of Surplus Property.**

Item F.2. was pulled from the Consent Calendar.

Motion by Director Lee approving Consent Calendar items 1 and 3; motion seconded by Director Allen and adopted by unanimous roll call vote of Directors present.

G. AGREEMENTS AND CONTRACTS:

Award:

1. Approve 2011 On-Call Consulting Services Contract with Christensen Associates, Inc. for Hydropower Consulting Services, in an amount not to exceed \$250,000.

Existing:

2. 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. Four for an increase in the Contract Amount of \$2,628.58 and an addition of 35 calendar 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. Seven in the amount of \$23,275.15.
3. Approve Amendment No. Four with A.R. Associates for additional designer support services for the Sierra Center Improvements Project, in an amount not to exceed \$5,000.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3; motion seconded by Director Allen 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 2457, Revision 1, Rocklin and Loomis
 - 🌿 FA 2489, Auburn
 - 2) Single Connections (In fill): Seven applications for a total of 4.6 acre-feet or 7.0 EDUs
 - b. Raw Water: One application for service for a total of 2.3 acre-feet or 3.44 EDUs

Director of Technical Services reported on the applications for facilities agreements, single connections, and raw water for a total net increase of 7.9 acre-feet. There are 27.4 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,833 acre-feet of water.

Motion by Director Lee approving Facilities Agreements 2457, Revision 1; 2489; seven applications for single connections; and one application for raw water in the total amount of 7.9 acre-feet; motion seconded by Director Allen and adopted by unanimous vote of directors present.

2. Zone 4 water service:
 - a. One FA for a total of 57.6 acre-feet or 88.0 EDUs
 - 🌿 Amended and restated FA 2273, Timilick – Phase 1 Residential

Director of Technical Services noted Agency staff has negotiated for some time with Timilick and have reached an amended and restated facility agreement. He showed a map of the project and gave a summary history of the project. The Agency stopped hook-up until the issue was resolved.

A revised agreement has been prepared with modifications to Well 3. The Agency will accept Well 3 as a supply for the area—but Well 3 won't provide for the entire development. If Timilick wants to build out the rest of the development, it will have to come back to the Agency and look into other well options.

He reported on the progress of the East Slope water management plan.

Motion by Director Ferreira approving amended and restated Facilities Agreement 2273 for 57.6 acre-feet of water service commitment in Zone 4; 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 requests 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. Water financial matters
 - f. Regional Delta and State water matters

No reports received.

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

1. Report on relicensing process, schedule, and activities:
 - a. Approve the following 2011 consulting services task orders for the Middle Fork Project Relicensing, Betterments, Improvements, and Modernizations, and Power Resources Management:

- (1) Task Order 2011-1 to the Consulting Services Contract with CARDNO Entrix for Middle Fork Project Relicensing project management and environmental services in an amount not to exceed \$2,190,000; and authorize the use of a new sub-consultant Aquacoustics for entrainment studies.
- (2) Task Order 2011-1 to the Consulting Services Contract with ECORP Consulting, Inc. for Middle Fork Project Relicensing hydrology simulation modeling and hydrology field services; forecast model development for Betterments, Improvements, and Modernizations and power market scenario modeling for Power Resources Management in an amount not to exceed \$550,000;
- (3) Task Order 2011-1 to the Consulting Services Contract with Rainwater & Associates, LLC, for Middle Fork Project Relicensing facilitation services in an amount not to exceed \$100,000;
- (4) Task Order 2011-1 to the Independent Contractor Consulting Agreement with Davis² Consulting Earth Scientists, Inc. for consulting services for the Middle Fork Project Relicensing and watershed related issues in an amount not to exceed \$190,000;
- (5) Task Order 2011-1 to the Consulting Services Contract with Thomas Johnson, LLC for Betterments, Improvements, and Modernizations, Power Resources Management, and miscellaneous consulting services in an amount not to exceed \$255,000.
- (6) Task Order 2011-1 to the Agreement for GIS and Surveying Services with Andregg Geomatics for Middle Fork Project Relicensing related work in the amount not to exceed \$25,000.

Director of Strategic Affairs reported it has been the Agency's custom to annually renew the task orders setting forth the budget and work expectation for our consultants. The budget has already been adopted. Monies are provided by the Middle Fork Project Finance Authority.

Motion by Director Ferreira; seconded by Director Lee and adopted by unanimous vote of Directors present.

2. Report on financial matters and services:

No reports received.

J. GENERAL ITEMS

1. Approve Resolution No. 10-20 Authorizing Entering into a Stipulation Regarding Entry of Judgment to Acquire Real Property Necessary for the Bowman Water Treatment Plant Residuals Handling Project.

Director of Technical Services reported on negotiations with PG&E since last year for a solids handling project location. PG&E was willing to work with the Agency, but couldn't because PG&E had placed the land in Stewardship Council lands. Consequently the

Agency had to go through a condemnation process to acquire the land. The agreement is \$25,000 for purchase of the land.

Motion by Director Mavy adopting **Resolution No. 10-20 Authorizing Entering into a Stipulation Regarding Entry of Judgment to Acquire Real Property Necessary for the Bowman Water Treatment Plant Residuals Handling Project**; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

2. Report on State and Federal legislation or proposed regulatory actions:

General Manager and Jason Larrabee reported on meeting with Bureau of Reclamation officials at the Association of California Water Agencies' (ACWA) conference. The items brought up at the meeting included the Auburn Dam Project, NID/PG&E relicensing, El Dorado Water and Power Authority's water right application and petitions, Lower American River fish flows, recreational use of the American River Canyon, High Sierra and East Slope issues, and water transfers. (Handout provided).

Mr. Larrabee reported on the delays with the Federal Energy Regulatory Commission (FERC) regarding the exorbitant new land use fees. Senator Feinstein's office is assisting and will send a letter to FERC on behalf of the Agency.

K. REPORTS BY DIRECTORS:

Director Ferreira noted he had the pleasure of getting re-elected to the Board.

He noted he attended the annual Agency employee Christmas party.

Director Mavy attended the Auburn Dam Council meeting where Congressman McClintock asked the Council to put together a game plan for him to get the dam moving; however, the Congressman indicated he didn't see it going anywhere and now wasn't the time politically, but in the not too distant future the time might be right.

Director Lee commented on the Auburn Journal article about possibly getting a federal loan for the dam.

He also reported he and Chair Jarvis attended mandatory ethics training at the ACWA Conference.

He reported on various parts the ACWA conference, including a report from Patricia Mulroy, General Manager of Las Vegas Valley Water District. She worked California over about not being responsible for use of water from the Colorado River and how it becomes a statewide interest in that the Delta plays a big role in it. She said Lake Mead and Lake Powell are at critical points. The water goes to Los Angeles through Arizona and into Mexico. There will be a day of reckoning if they get to a critical point in those two lakes. There will not be any more water.

He noted the Agency needs to be at the table to protect Placer County's water rights and that there will be challenges in the near future.

Director Allen reported Ms. Mulroy's also talked about regionalism—about the Colorado River watershed—that all those involved need to work together (California, Nevada, Arizona, Colorado, and Utah), and not take it piece by piece. Most of the ACWA conference was about the Bay-Delta issues.

He noted he has been recertified in ethics training.

Chair Jarvis reported he attended the ACWA Conference and he is an ACWA/JPIA member. Meetings included best practices and he noted some things that can be done to keep the Agency out of trouble. He learned about thermal imaging which can help determine if there could be a failure in the system.

He attended the ACWA Region 3 meeting and voted for Lisa Brown for the California Urban Water Council.

He is interested in the Option 4/Method 4 being put forward by the Department of Water Resources regarding water conservation compliance based on SBx7-7 (20 percent by 2020) and attended many sessions on the topic.

He noted there is a Mountain Counties Water Resources Association meeting on December 9, which he will attend. One topic to be brought up will be delinquent accounts and non-payment of water bills.

L. REPORTS BY LEGAL COUNSEL

No reports received.

M. REPORTS BY GENERAL MANAGER

General Manager noted the meeting with Peter Brostrom of the Department of Water Resources was very good.

ACWA celebrated 100 years and presented the Agency with a commemorative book.

At 3:10 p.m. the Board recessed to have photographs taken.

N. CLOSED SESSION

With all members present, as heretofore designated, the meeting adjourned to closed session at 3:20 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: Power, Water, and Confidential

2. **Conference with Legal Counsel – Existing Litigation**
Pursuant to Subdivision (a) of Section 54956.9 of the Government Code
Name of case: ~~Placer County Water Agency v. Pacific Gas & Electric, a California Corporation~~
~~Placer County Superior Court Case No. S CV 25961~~
3. **Conference with Legal Counsel – Anticipated litigation**
~~Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; potential cases: one~~

O. REPORT FROM CLOSED SESSION

The Board returned at 3:37 p.m.

The Board did not hear/consider items N.2. or N.3.

Assistant General Manager/Director of Administrative Services reported two-year agreements have been made with the Water System and Confidential bargaining units.

The Water Systems proposed agreement is for a two-year contract with the first year having no Cost of Living Allowance (COLA) and the second year having a wage reopener that consists of if the average CPI from November of 2010 to October of 2011 exceeds 2.5 percent, then there is a contract reopener on that subject only.

Regarding health in both years of the agreement is for the increase on the average HMO's—that the Agency will share the increase with the Agency handling of 70 percent and the employees handling 30 percent. There are language changes on meal allowances, rest period, standby, filling of vacant position, and work out-of-class.

Regarding the Confidential Bargaining Unit, the agreement is the same regarding the two-year contract, the COLA, and 70/30 split on the insurance increase premiums. There are no other changes to the contract.

The management team doesn't bargain but she requests the Agency apply the same health insurance 70/30 split arrangement for the management team too as well.

Motion by Director Allen ratifying the agreements with Water Systems and Confidential bargaining units, and the changes on health insurance caps for the management team; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.”

P. ADJOURNMENT

At 3:39 p.m. Director Allen 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