

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, April 21, 2011
2:00 p.m., Regular Meeting

Board Members Present: CHAIRMAN LOWELL JARVIS, GRAY ALLEN, ALEX FERREIRA, 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; STEVE JONES, Power System Manager; BRIAN MARTIN, Director of Technical Services; MIKE NICHOL, Director of Field Services

A. CALL TO ORDER

1. Roll call

Chairman Jarvis called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:01 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 of Financial Services

3. Introductions and Presentations:

There were no introductions or presentations.

B. PUBLIC COMMENT:

No comments received.

C. REPORTS BY DEPARTMENT HEADS

No reports received.

D. AGENDA CHANGES AND REVIEW

The General Manager noted the following agenda changes:

- Report under item G.3.b. regarding the Water Connection Charge pilot program.
- Brief report under G.3.f. regarding Delta plan and letters.
- Agenda Item I.2. added: Impacts of PG&E Bear River Canal failure and implications to PCWA customers

E. CONSENT CALENDAR:

1. Approve and file:
 - a. Check Register 11-08 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.
2. For the State Storm Water Pollution Prevention Plan, designate the Director of Technical Services, the Director of Field Services, and the Director of Power Generation Services as Legally Responsible Persons for applicable projects within their respective departments.
3. Adopt **Resolution No. 11-14 Authorizing an Application to the Pacific Forest and Watershed Lands Stewardship Council to Acquire Surplus Pacific Gas & Electric Lands.**
4. Receive and file Treasurer's Investment Report for period ending March 31, 2011.

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

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve a construction contract with Syblon Reid for the Gold Run Pipe Phase IV Project, Contract #2011-02, in the amount of \$1,284,499.
2. Award the formally bid contract #P-11-01 for the purchase of herbicides to the lowest responsible and responsive bidder: Crop Production Services.

Existing:

3. Approve Amendment No. One to the Consulting Services Contract with Tully & Young for the Urban Water Management Plan and Integrated Water Resources Plan Updates, in an amount not to exceed \$7,500.
4. Approve the following for the Bowman Water Treatment Plant Tube Settler Replacement Project, Contract #2010-14, with Gateway Pacific Contractors, Inc.:
 - a. Receive for filing Non-Discretionary Contract Change Order No. One for an increase in the contract amount of \$3,923.19, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
 - b. Progress Pay Estimate No. One and Final in the amount of \$102,224.19.
 - c. Authorize the Clerk of the Board to file the Notice of Completion.
5. Approve the following for the Bowman Water Treatment Plant Residuals Handling Project, Contract #2010-08, with Gateway Pacific Contractors, Inc.:
 - a. Receive for filing Non-Discretionary Contract Change Order No. Two for an increase in the contract amount of \$1,392, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
 - b. Progress Pay Estimate No. Three in the amount of \$45,540.17.

6. Approve the following for the Bowman Canal Replacement Project, Contract #2010-03, with Mountain Cascade, Inc.,:
 - a. Receive for filing Non-Discretionary Contract Change Order No. Five in the increased amount of \$21,863, 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 \$179,201.85.
7. Approve Progress Pay Estimate No. Two for the Foothill and Sunset Water Treatment Plants Improvements Project, Contract #2010-09, with Manito Construction, Inc. in the amount of \$72,916.11.
8. Approve Modification No. 3 to the Recreation Facilities Collection Agreement between the Agency and Eldorado National Forest for \$84,096.

Motion by Director Lee approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, and 8; 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) Two Facilities Agreements (FAs) for a total of 66.1 acre-feet or 101 equivalent dwelling units (EDUs)
 - FA 2486-PP, 66.1 acre-feet or 101 EDU
 - ~~FA 2328 Amendment No. 1, 0.0 acre-feet or 0.0 EDUs~~
 - 2) Single Connections (In fill): one application for a total of 0.7 acre-feet or 0.0 EDUs
 - b. Raw Water: two applications for a total of 4.5 acre-feet or 6.9 EDUs

Director of Technical Services reported FA 2328, Amendment No. 1, was removed from the agenda. (Handout provided) He further reported on the applications for a facilities agreement, single connections, and raw water for an increase of 71.3 acre-feet of water service commitment in Zone 1. There are 25.4 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,754 acre-feet of water.

Motion by Director Allen approving Facilities Agreement 2486-PP (payment program), applications for single connections and raw water in the total amount of 71.3 acre-feet; motion seconded by Director Ferreira 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 item G.3.b. Director of Technical Services noted the first Facilities Agreement with a payment program was presented today to the Board.

He also reported the Agency received letter from the Building Industry Association asking the Board to extend the payment program. (Handout provided). If the Board is in agreement staff will come back to the next meeting with a resolution to extend the program one year.

Board inquiry and staff response followed.

The Board directed staff to bring a resolution back to the Board to extend the program.

Under Item G.3.f. Legal Counsel reported on the letter to the Delta Stewardship Council that she and the Association of California Water Agencies put together. Sixty entities signed the letter. As a result of the letter, the Delta Stewardship Council asked local leaders from entities to come to speak to the Council about their concerns. There was a follow-up meeting of the group that generated another letter. There will be follow-up one-on-one meetings with council members. Five Delta counties sent a letter signed by administrative officers echoing the same thing—stick to your legislative jurisdiction. One of the key drafters of the legislation had the same message that the Delta Stewardship Council was going outside its jurisdiction. An alternate draft Delta Plan that more reflects the Agency's beliefs is going to be drafted and presented to the Council.

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

1. Relicensing process, schedule and finances.

Legal Counsel reported the Simitian bill to impose \$100.00 per acre-foot was amended removing the dollar amount and leaving a blank in the bill. It had originally been proposed as a bill to indicate the intent for these fees and therefore would have required only 50 percent passage rate, but now it will actually impose the fee so it will require 2/3 votes to pass.

She also reported that SB 200 regarding a cross-Delta conveyance facility had been amended to eliminate many of the originally proposed pre-requisites, leaving three pre-requisites that the Agency could support: no redirected impacts, no fees required of those who do not directly benefit by either water supply or permits, and upstream users would not be required to furnish any additional flows needed for the conveyance.

2. Power generation management and finances.
 - a. Approve submission of proposed Power System Budget for 2012 with projection for the partial year through April 30, 2013, through the end of the Power Purchase Contract to PG&E Company.

Power System Manager reported PG&E requested the Agency to submit its budget early. He reported on the budget amount, details, and how the budget was planned. He noted some projects in the budget, including Ralston Penstock and French Meadows Penstock, and a pipe under French Meadows dam.

Motion by Director Lee approving submission of proposed Power System Budget for 2012 with projection for the partial year through April 30, 2013, through the end of the Power Purchase Contract to PG&E Company; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

I. GENERAL ITEMS

1. Report on State and Federal legislation on regulatory matters.

No reports received.

2. Impacts of PG&E Bear River Canal failure and implications to PCWA Customers.

General Manager introduced the item of PG&E's Bear River Canal having a total failure. Agency staff worked closely with PG&E, Nevada Irrigation District and others assessing the situation and trying to determine long-term impacts to Agency customers.

Director of Field Services reported on the location of the failure. Staff received the report of failure at about 5:30 a.m. on Tuesday, April 19, 2011. The failure is in the Colfax area. PG&E's Drum system above Alta is intact. The Agency can get all the water it needs from Alta to the Zone 3 customers. However, below Rollins Reservoir, the Bear River Canal feeds the Wise Canal, and feeds the South Canal. All are out of service. All of the by-points in Zone 1 are dry. The Agency is currently operating off the water it can transport through Zone 3 which is limited right now because of storms. Staff doesn't want to load up the canal and then have additional water flow into it from the storm and causing us potential failure. The Agency is currently transporting about 10 cfs. Water from Zone 3 is being transported to the lower system. Water is being fed out of Halsey Forebay to the Agency's Bowman Water Treatment Plant. The Agency is just finishing up a project there. That is a limited supply because no additional water is going into Halsey Forebay. Water is also coming from Rock Creek Reservoir. However Rock Creek was only half full.

The best thing the Agency has is the American River Pump Station that allows service to the Dutch Ravine System, the Caperton, the Antelope system, and Lower Boardman Canal from Newcastle to Roseville – those are all in service right now. The Agency is pumping approximately 20 cfs in Auburn Ravine to offset Nevada Irrigation District's needs that NID cannot otherwise supply because their by-point adjacent to Wise canal is dry because of the failure. The Agency is double lifting about 70 cfs and has another 20 going down the Auburn Ravine for NID's purposes. In exchange NID is putting water into Rock Creek

Reservoir and not withdrawing water it would normally to send down the Auburn Ravine. NID has opened a treated water intertie allowing the Agency to reduce flows that would otherwise be served by the Bowman Water Treatment Plant. As the weather gets warmer the demands will increase and the outages will become more severe. There are pumps below Rock Creek to help pump into the Fiddler Green system, but two were vandalized last night by people stealing copper. The pumps are rotating pumping daily.

Alvin Thoma, PG&E Director, Power Generation, reported he understands the issue and is working on figuring out the problem. He reported on the different types of people that are working on the failure and their roles. They are working with neighbors in the area because there will be a lot of traffic in the area for a while. For a water bypass they are contemplating two scenarios, but it is too early to discuss the alternatives. They hope to have all of the survey data ready on Monday, and then meet with their engineering staff and PCWA on Tuesday to go through the pros and cons of the alternatives for both short-term and long-term alternatives. They lost around 40-linear feet of the canal. There was a landslide on the downhill side of the canal that sloughed and took out the edges. Water of the canal then flowed that way and probably magnified the landslide that was there. From where the canal was to any kind of soil is at least a 10 or 20-foot drop, so they cannot fix the problem overnight. They have a full engineering team mobilized to figure out, in the next handful of days, the solution. They are assessing what materials they have on hand that can help them with a temporary bypass.

He thanked the Auburn Journal and Agency for getting the word out so they can get help with conservation measures in the meantime.

He noted it is a historic slide area; they can tell from the geology in the area that there have been slides in that area before. They had inspected the area a couple of weeks ago and did not see cracking in the canal.

Board inquiry followed.

General Manager asked for an estimate when normalcy might be returned.

Mr. Thoma responded the complete fix will be well into the year, but depends on trade-offs that we all assess between bypass water and (inaudible).

Bill Williams, PG&E Hydro Superintendent, said he tried to let the Agency know everything as it happened and will continue. But by the end of Monday they hope to have the technical data collected. At that point they can look at alternative repairs. He noted there is no way to build up the ground or foundation beneath it. Access is a challenge because it is so steep.

He said, based on experience, it will probably take them almost a month to get all of the engineering design completed, approved and all of the permits through FERC before they probably start major construction.

However, they will work on bypass system as early as tomorrow, but a lot of that depends on geological information. There are voids still under the canal. From the time he visited after daybreak and then later in the day, the void area had grown by about 30 percent and

had not stopped moving. Hopefully they will have data and be able to move forward early next week.

Director of Field Services reported those served by Drum are not affected by the outage, however, the Agency is asking all customers to conserve so any water not used can be used to assist needed areas.

He pointed out the Agency is using storage reservoirs – Halsey Forebay, Lake Theodore, and Rock Creek. The Agency uses water as it can resupply it. These three small reservoirs are supplying all of the Agency's raw water customers and a couple of the water treatment plants.

The Agency is already doing rolling outages. He detailed the canal rotation. Agency staff is calling customers and keeping the website current so that customers know what is occurring.

Zone 5 customers will be limited to 30 cfs in the Auburn Ravine, which historically lasts them until mid-May. The Agency will not be able to supply them with 17,000 acre-feet this year.

Director of Technical Services reported the Bowman Water Treatment Plant receives water from Halsey Forebay and serves water to Auburn. Because of limitations through the canal system to put water into Halsey Forebay, the Agency is limited to operating its plants with less water. The Auburn plant has been cranked up. At the Auburn plant the Agency can pump back into the Channel Hill system. Pressure has been reduced in the pressure reducing stations where possible. NID has been asked to open their intertie to provide water to the DeWitt government area. As the weather warms up, it will have to be monitored closely.

The Agency has permission from PG&E to pump into the South Canal to feed the Foothill Water Treatment Plant.

Agency staff has talked to the City of Lincoln about their pumps/wells and asked them to turn them on and test them.

The Agency can take some water back from the City of Roseville for a limited period of time. The Agency can pump a small amount of water from the Los Lagos tank. The Agency has a pump station at the Foothill plant and can pump to the Newcastle plant.

The U.S. Bureau of Reclamation was planning on having an outage for San Juan Water District and Roseville on Monday. The Agency is trying to get that turned around since the entities rely on water from the Agency during the outage.

Deputy Director of Customer Services reported the Agency has contacted 3,800 irrigation customers and will continue to do so over the weeks. Staff has posted details on the website so customers can view the maps. Agency news releases have been posted on the website. Letters are being sent to involved customers. All customer feedback has been positive and they appreciate the Agency's quick response. Agency e-mails are posted on the website too.

Director Allen congratulated the General Manager and staff on how quick and thorough they were.

Director Lee noted he is proud of our staff on how they responded to the emergency. The quick collaboration between staff, PG&E and media is impressive.

J. REPORTS BY DIRECTORS:

Director Lee noted he and Director Allen attended and spoke at the Leadership Roseville event today. He also met today with the Financial Assistance Screening Committee.

Director Ferreira noted he and Director Mavy attended the NID/PCWA Water Planning Committee today.

Director Mavy noted the NID/PCWA Water Planning Committee meeting was good and staff coordinates well with NID.

K. REPORTS BY LEGAL COUNSEL

Legal Counsel noted she was impressed by Agency's staff work during the emergency.

L. REPORTS BY GENERAL MANAGER

General Manager noted the challenges that will impact our customers due to the Bear River Canal failure. Staff will continue to keep information available to customers.

M. CLOSED SESSION

There was no closed session.

N. REPORT FROM CLOSED SESSION

No report.

O. ADJOURNMENT

At 3:38 p.m. Director Mavy made a motion to adjourn; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency