

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, May 5, 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; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; MATT YOUNG, Director of Customer 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 2:04 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

2. Pledge of Allegiance

Led by Kevin Goishi, PG&E Partnership Coordinator

3. Introductions and Presentations:
 - a. Presentation:
 - b. Other introductions and presentations

The General Manager acknowledged Norm Gonzales, Congressman McClintock Field Representative.

B. PUBLIC COMMENT:

No member of the public commented.

C. REPORTS BY DEPARTMENT HEADS

No reports received.

D. AGENDA CHANGES AND REVIEW

Item I.2. was heard immediately following item A.3.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. April 7, 2011, minutes
 - b. Check Register 11-09 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. General Manager's expense reimbursement claim summary.
2. Approve the Newcastle 12-inch Treated Water Pipeline Project and declare the project exempt from CEQA and authorize the filing of the Notice of Exemption.
3. Authorize out-of-state travel and related expenses for the Control Systems Analyst to attend OSI-Monarch Open View and OpenCal training June 20 – July 1, 2011, in Minneapolis, Minnesota.
4. Approve \$3,000 sponsorship of the Auburn Journal's annual Fire and Water publication.

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

Director Mavy expressed his opposition to item E.4.

Director Allen expressed his support of item E.4.

Motion by Director Ferreira approving Consent Calendar items 4; motion seconded by Director Allen and adopted by roll call vote of Directors present. 4/1 (Mavy opposed)

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve agreement between PCWA and Nevada Irrigation District for the Watershed Sanitary Survey Update of the Yuba and Bear River Watersheds.
2. Approve consulting services contract with AMEC Geomatrix, Inc., for the Hell Hole and L.L. Anderson Dams five-year Federal Energy Regulatory Commission inspections in an amount not to exceed \$88,598.

Existing:

3. Approve Amendment No. Two to the CABY (Cosumnes, American, Bear and Yuba) Integrated Regional Water Management Plan Cost Share Agreement for a one-year time extension at no additional cost to the Agency.
4. Approve Change Order No. 6 to the landscaping services contract with Baker Landscape, Inc., for an additional twelve-month period beginning June 1, 2011, through May 31, 2012, at the same price.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3, and 4; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service:
 - a. Treated Water: Cal-Am Contract for Water Connection Charge Payment Program for Housing Development: 51.0 acre-feet or 78.0 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 Cal-Am's request for a contract for a Water Connection Charge Payment Program for Housing Development and request for 51.0 acre-foot water service. He also reported on the applications for raw water. There are 2.3 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,699 acre-feet of water.

Motion by Director Lee approving the Cal-Am Contract for Water Connection Charge Payment Program for Housing Development and three applications for raw water service in the total amount of 57.8 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 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
 - (1) Approve Resolution 11-15 Extending the Water Connection Charge Payment Program for the Housing Developments for One Year.
 - d. Water use efficiency and conservation
 - e. Water financial matters
 - f. Regional, Delta and State water matters

General Manager noted there was a handout from the Building Industry Association.

Director of Financial Services reported there have been many meetings regarding the pilot program for the Water Connection Charge payment program. Two companies have taken advantage of the offer. The Finance Committee recommended the program be extended one year.

Motion by Director Allen approving **Resolution 11-15 Extending the Water Connection Charge Payment Program for the Housing Developments for One Year**; motion seconded by Director Lee and adopted by unanimous roll call vote of Directors present.

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

1. Relicensing process, schedule and finances.
2. Power generation management and finances.

No reports received.

I. GENERAL ITEMS

1. Report on Financial Assistance Program and recommendations by Financial Assistance Program Screening Committee.

Director of Financial Services reported 15 applications totaling \$336,000 were received by the Financial Assistance Program application deadline. Each applicant met the basic criteria. The Board Screening Committee met and recommended the following grants be awarded:

- Christian Valley Services District - \$10,000 for an engineering technical report and submission of the pre-application for USDA Rural Development Program funding. The project will protect and conserve water supply and increase reliability of the delivery system.
- Foresthill Public Utility District - \$5,000 to continue investigation and analysis of held water rights for feasibility of marketing/transferring and protecting appropriate water
- Heather Glen Community Services District - \$10,000 for water storage tank siting study – Phase 2
- Squaw Valley Public Service District - \$10,000 for East Booster Pump Station Retrofit, Phase 2

The total is \$35,000, which is available in the Agency-Wide budget.

Director Lee and Director Mavy commented. Director Mavy suggested a more specific criteria be developed.

Motion by Director Ferreira approving recommendation; motion seconded by Director Mavy and adopted by unanimous vote of Directors present.

2. Impact and consequences regarding water shortage and delivery and use restrictions to PCWA's Zone 1 and Zone 5 customers caused by the loss of water supply to PCWA from Pacific Gas and Electric Company (PG&E) as a result of the failure of a segment of PG&E Bear River Canal (on April 19, 2011): status report on possible actions available to the Agency until normal water supplies can be restored.

The General Manager noted the Agency held a public meeting last night and had an overview by partners on the impact of the Bear River Canal failure. Members of the public voiced their concerns.

He explained that Tuesday, May 10, an evening public hearing will be held at the Placer Hall of the Gold Country Fairgrounds. The meeting was legally noticed for the Holiday Inn, but because the facility is probably too small, at 5:30 p.m. the Board will convene the meeting at the Holiday Inn and then adjourn to the Placer Hall. Staff will be at the Holiday Inn with maps to direct people to the fairgrounds.

Mike Jones, PG&E Acting Vice President of Power Generation, shared a status report on progress toward repair of the canal: PG&E staff has been to the site to check safety. Crews removed trees today and are flying them out of the area. In preparation for construction, they are cutting in roads. They will provide a temporary bypass by June and restore flows by the end of June. They are meeting with the Federal Energy Regulatory Commission for approval of a site stabilization plan upon which to lay a foundation for the temporary and final canal repair. The area below the failure will be filled in starting Monday. Eight 4,000 gallon trucks are drawing water out of Rollins to truck to PCWA storage or conveyance site locations to help minimize impacts of the canal failure.

Board inquiry and PG&E response followed.

Mr. Jones reported PG&E has looked at alternatives, such as pumping into the Bear River Canal from the Bear River directly, but the terrain is too treacherous. A temporary bypass total flow will be in the 30 to 50 cubic feet per second (cfs) range.

Director of Strategic Affairs reported on the impacts to the Agency due to the canal failure. Through the Bear River Canal the Agency typically receives 244 cfs. That is the amount of water lost. When the failure happened on April 19 the demands were not that high, but they typically get that high starting in late June. Currently the Agency is receiving about 28 cfs from a canal in Alta. By the time the Agency serves all the communities in Zone 3, including Agency water treatment plants, raw water customers, and other community treated water systems, e.g. Dutch Flat, Alpine Meadows, Shady Glen, Heather Glen, and Weimar, there is about 18 cfs left at the bottom of the Zone 3 system which is the only supply to critical portions of the Upper Zone 1 system. The 18 cfs available through Zone 3 comes into the canal system through the treated water systems in our Upper Zone 1 that serve the greater Auburn community. Until PG&E can provide some relief, the 18 cfs is all the Agency has for the treated water systems in Auburn and surrounding canals.

The next group of canals is in the upper Auburn area. Their only source of supply is off the canals that go into the water treatment plants. Since the Agency doesn't have enough water for the water treatment plants, there is none available for those canals.

With the cooperation of Nevada Irrigation District (NID), the Agency is getting 9 cfs from Rock Creek Reservoir. The 9 cfs has to be shared by all canals in that area on a rotating basis. The normal peak day demand is 30 cfs, so there is less than 1/3 the normal supply.

NID has also taken over service to a portion of the Agency's treated water service area via an intertie that can be opened. NID is serving the Placer County Administrative Center.

In the Newcastle treated water system, the Agency can serve water from the Foothill Water Treatment Plant to take some of the load off the upper Zone 1 system.

In the lower portion of Zone 1 there is no water coming into the system from Zone 3 or from PG&E. All of the water coming into lower Zone 1 is from the Agency pumping from the American River. The water is pumped into a three-mile long tunnel that is 200 feet off the canyon floor where a second lift station at Ophir pumps the water another 200 feet to get water to the surface into the PG&E South Canal. The Agency is using PG&E's South Canal as a distribution system to feed the 60 million gallon per day Foothill Water Treatment Plant. It is the primary service of treated water to the entire area.

San Juan Water District opened an intertie near Los Lagos to provide treated water. The Agency has two interties with the City of Roseville—one in the Stoneridge area and one in the Sunset Industrial area. The City of Lincoln has turned on wells to decrease their demand from the PCWA Western Water System.

With the American River supply the Agency expects to be able to meet full demands of the treated water system, although those customers are being asked to cut back on their water use to help increase supply to irrigation customers. Canals in lower Zone 1 will be on rotating canal basis until crises is over.

Director of Field Services reported in the area of Colfax the Agency has shored up a couple of flumes and is now transporting 19 to 20 cfs through the system instead of 18 cfs. An additional 3 cfs helps augment flows out of Rock Creek Reservoir. Reorificing to restrict usage is almost done. Zone 3 customers are being asked to conserve water. NID is seeking ways to bring more than 9 cfs into Rock Creek Reservoir. The pumps below Rock Creek are alternating pumping into alternating canals. He described challenges with the wind knocking leaves into canals and blocking the system. Some canals have to be cleaned every couple of hours. Staff is now starting at 6:00 a.m. and touring all of the canals that are on rotation and monitoring them every two hours. Those employees are calling in conditions to Customer Services so the customer service employees know which canals have issues and can respond to customers. One of the greatest challenges is having enough water for the last customers on a canal. Employees walk the canals to make sure services and head gates aren't plugged.

In lower Zone 1 an alternating every other day outage started today on the Dutch Ravine system and the Boardman system because there was not enough water for the ends of the canals. We are operating with 70 cfs rather than normal 164 cfs. A second lift pump station has been activated to provide additional water to the area to help meet demands.

Director of Customer Services reported a lot of information has been posted on the website, including maps of upper and lower Zone 1 and Zone 3. Information has been added to assist customers to quickly access their canal information. Approximately 1,000 customers are being called each day. Staff will notify 3,800 irrigation water customers on an ongoing basis. Staff has been involved in several public outreach meetings. He has a list of customers who would like to receive the benefit of the water being hauled by PG&E water trucks. Staff will continue to push conservation. (Handouts provided)

The General Manager noted if some customers are willing to give up water this year, they won't lose rights to next year's water. Staff is looking at an approach to make the requests work.

The Agency has tools in place that are used during the annual fall outage, such as rotating outages, or reorificing.

The Auburn area treated water system is the one of most concern. The Agency is pumping at the maximum from the American River and at Ophir.

The General Manager described what is needed to provide fire service.

He noted most water is used for landscaping. He described what was on the proposed emergency treated water conservation request flyer. (Handout provided)

The Director of Strategic Affairs described the goals to achieve at least 10 percent conservation in the treated water system and 20-25 percent in the Auburn system—depending on the weather. It is not the objective to have people lose their landscaping. PG&E is going to join PCWA in the advertising to reach our customers in order to achieve the minimum reduction.

Kevin Goishi, PG&E Partnership Coordinator, reported water is coming from--Spaulding and Rollins and then to the Bear River.

Don Anderson spoke on behalf of Auburn District Cemetery and State owned Auburn Fairgrounds. He thanked Matt Young and Brent Smith for making a presentation today at the Cemetery District. He will convey the information to the Gold Country Fair board.

The General Manager thanked Norm Gonzales for being here on behalf of Congressman McClintock. He noted Terry Woodyly was here yesterday on behalf of Assemblyman Gaines.

Customer Jeff Reeger noted he has been farming a small mixed fruit orchard at 1380 Taylor Road for eight years. He measured snow on April 29 and noted there was 9 feet of snow when he is usually skiing on dirt at this time of year. He has run through one irrigation cycle. By June 1, he will have run through five more. Cutting his water in half puts him in the situation of letting half the trees die and producing a crop or just keeping all the trees alive. He said the outreach has been great. He noted how much water he usually uses. He uses an irrigation system, but he can't just turn it on and wait for it to come on. He received a automated call at noon, but he doesn't understand when 24 hours starts. He and others need to know exactly when ditches will be turned on. He is on the Penryn Canal. Some irrigation systems airlock if they run dry. He requested more detailed information be on the website. He is disappointed PG&E doesn't understand the significance of the water loss.

Director of Field Services noted one of the challenges with customers is "when am I going to get water?" He responded and described a scenario.

Mr. Jones said the bypass will be ready in early June and will supply 30-50 cfs and the full flow will be restored by the end of June.

The Director of Field Services noted the 30-50 cfs will be shared with NID.

Sue Potter, on behalf of the Cemetery District suggested Agency staff educate raw water customers about the low level switch on pumps. Otherwise pumps may burn up and cause people to be upset. She also suggested raising the depth on lawnmowers because the grass does better in drought situations.

General Manager reported under I.2. PG&E is confronting some permitting issues.

Kevin Goishi reported on the permitting issues. Placer County needs an emergency declaration to issue a permit.

Due to new facts that have arisen regarding the critical emergency that require the Board to take action before the next Board meeting, motion by Director Allen to add the emergency item to the agenda to address it at this meeting; motion seconded by director Mavy/Ferreira and adopted by unanimous vote of Directors present.

Director Mavy moved to adopt **Resolution 11-16 Finding and Declaring a Water Shortage Emergency Condition**; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

Mr. Goishi explained PG&E needs a CEQA exemption and to get a permit to waive the normal cultural resource requirements.

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

Legal Counsel reported the state lobbyist joint contract has come up for renewal.

She reported on the Delta Stewardship Council and their continuing draft of the Delta Plan. The third draft has been issued and it is roughly the same as the second draft. She is working with the Association of California Water Agencies to express opposition to portions of the draft plan.

J. REPORTS BY DIRECTORS:

Director Allen suggested staff think about ways to help injured customers to file claims.

Director Mavy reported the General Manager has been communicating with the community regarding PG&E's Bear River Canal failure. He noted people in his area don't have a clue that the water they save helps others affected by the outage. He has been contacting key people to get the word out. He expressed concern that the canal has not yet been repaired.

Director Lee recognized Director Ferreira's birthday.

K. REPORTS BY LEGAL COUNSEL

No report received.

L. REPORTS BY GENERAL MANAGER

General Manager thanked Janet Goldsmith for all she has done during the emergency.

He noted Agency staff started outreach in upper Zone 1 and are radiating out to all other areas affected and impacted.

He recognized the promotion of Matt Young to Director of Customer Services.

M. ADJOURNMENT

At 3:12 p.m. Chair Jarvis adjourned the meeting in recognition of Director Ferreira's birthday.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency