

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, June 2, 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 2:00 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

2. Pledge of Allegiance

Led by Don Anderson

3. Introductions and Presentations:

There were no introductions or presentations.

### B. PUBLIC COMMENT:

No member of the public commented.

### C. REPORTS BY DEPARTMENT HEADS

No reports received.

### D. AGENDA CHANGES AND REVIEW

Item I.1 was heard before item E.

E. CONSENT CALENDAR:

1. Approve and file:
  - a. April 28, 2011, minutes
  - b. Check Register 11-11 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 out-of-state travel for the Lead Meter Technician to attend the Itron Users Conference in Scottsdale, Arizona, September 18 – 21, 2011.
3. Approve sponsoring the 2011 California Extreme Precipitation Symposium in the amount of \$250.

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

Motion by Director Ferreira approving Consent Calendar item 3 motion seconded by Director Allen and adopted by 4:1 vote of Directors present (Mavy opposed)

Director Mavy noted his opposition to item E.3.

F. AGREEMENTS AND CONTRACTS:

Existing:

1. Approve Progress Pay Estimate No. Two for the Boardman Canal Pacific Heights Siphon, Contract #2009-06, with Marques Pipeline, Inc. in the amount of \$86,706.
2. Approve PCWA's portion of the Interagency Agreement for Cost Sharing the FY 2011/2012 Budget of the Water Forum Successor Effort in an amount not to exceed \$19,390.


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

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 treated water service:
  - a. One Facilities Agreement (FA) for a total of 0.0 acre-feet or 0.0 equivalent dwelling units (EDU):
    - ☑ FA 2345, 0.0 acre-feet or 0.0 EDU
  - b. Single Connections (In fill): One application for a total of 0.7 acre-feet or 1.0 EDU

Director of Technical Services reported on the applications for the facilities agreement and application for single connection. There are 8.4 acre-feet of reductions in commitment from customers. Remaining in the water availability account is 1,743 acre-feet of water.

Motion by Director Lee approving Facilities Agreement 2345 and the application for single connections in the total amount of 0.7 acre-feet; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

2. Zone 4 water service:  
One Facilities Agreement (FA) for a total of 3.3 acre-feet or 5.0 EDU:  
 FA 2487, Martis Camp Mountain Clubhouse

Director of Technical Services reported on the application for a facilities agreement.

Motion by Director Allen approving Facilities Agreement 2487 in the total amount of 3.3 acre-feet; motion seconded by Director Ferreira 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.

#### 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 Western Water System water shortage emergency relevant to Resolutions 11-16 and 11-17; report on status of water supplies, the adequacy of conservation to meet health and safety needs; consider if additional conservation measures should be requested or required.

General Manager noted the Agency received a letter today from Pacific Gas & Electric Company (PG&E) regarding the Bear River Canal failure and repairs.

Alvin Thoma, PG&E Director of Power Generation, reported PG&E received approval from the Federal Energy Regulatory Commission (FERC) to restore full flows to the Bear River Canal. PG&E is in the process of removing the bypass. He summarized the events of the last 6½ weeks since canal broke on April 19. PG&E has worked parallel with Nevada Irrigation District and PCWA—trucking water for livestock and targeted customers, pumped high lift to move water downstream of break, helped PCWA make changes at Ophir to move water into canals, worked with FERC in 24-hour cycles rather than 60 days, poured 2,200 yards of concrete and had inspections, worked 24/7. A normal construction schedule would have been three to four months. He showed photographs of the break, concrete fill, construction workers building forms, walls and floor of new canal, and bypass pipe. He complimented crews and everyone for working safely. There were no injuries. Partial water will begin flowing into the canal tomorrow. The partial flows are to make sure everything is operating correctly through the 22-mile length of the canal. Early week flows will be brought up to normal.

There is still restoration work to do at site, roads to repave and repair, and trees to plant.

He stated PG&E has an agreement with PCWA to credit back the incremental pumping costs that the Agency incurred to lift water up and move it in lieu of the supply from the canal. Also the Agency has some foregone revenue from customers that would have been paying for water that they are not paying for because they didn't get the water. PG&E will reimburse on that as well.

He thanked the Agency for great cooperation; he thanked PG&E's engineering teams, construction teams, and FERC for working diligently to bring everything back into service.

Director Allan congratulated PG&E for the expedited work.

Board inquiry and PG&E staff response followed.

The General Manager thanked Mr. Thoma on behalf of the Agency staff for the partnership developed in a very short period of time during the crises and cooperation and coordination to find ways to stage in water, for trips to the site, trucking of water, and outreach to others, such as the Resource Conservation District.

He noted staff will ramp down double lifting of pumping; the extra added inspections of canals, and replace summer orifices. He summarized operations during the water shortage emergency.

He suggested analyzing customer accounts which were impacted to find out which customers went without and for how long so adjustments can be determined.

Director of Field Services reported staff is reorificing back to normal flows starting this morning. The support structures for the diversion dams in the Auburn Ravine are being replaced. A resolution needs to be brought back to the Board to declare water available for the Zone 5 customers.

Director of Customer Services reported personal and automated calls will be made to customers and letters will be sent informing them of the status of the outage and that the emergency is rescinded.

He reported approximately 5,000 to 7,000 acre-feet is anticipated for the Zone 5 growers. Regarding follow-up of suspension of service there were 28 requests equaling 52 miners' inches.

Director Lee reported one of the biggest benefits due to the catastrophe has been public education because people didn't realize how valuable the resource is. You can't put a price tag on the education. The weather was great during the time of the failure. He complimented the press for being invaluable to the Agency to get the word out to customers.

Director of Financial Services reported on media outreach for conservation which was done via the Auburn Journal and KAHN Radio. The ads will end today.

General Manager reported on the draft Urban Water Management Plan (UWMP). The UWMP includes a water shortage contingency plan will include a case study and samples of documents that would be useful tools for future use.

Director Ferreira reported it is too late for Zone 5 customers to plant rice. There are some growers that are using wells. If the surface water becomes available, it will be cheaper than running wells.

The Chairman thanked the General Manager for all the extra work and coordination he did due to the emergency.

(Handout provided)

2. Receive year-end 2010 reports relating to the Agency's financial statement audit.
  - a. Audited Basic Financial Statements
  - b. Memorandum on Internal Controls and Required Communications
  - c. Middle Fork Project Relicensing Project Historical Review Agreed Upon Procedures

Director of Financial Services and Cory Biggs of Maze & Associates briefly reported.

The Director of Financial noted the Audit Committee met today and went over the reports in detail.

Director Allen and the Chairman express pleasure with the report and staff.

Board inquiry and staff response followed.

Motion by Director Allen to receive and file the Audited Basic Financial Statements, Memorandum on Internal Controls and Required Communications, and the Middle Fork Project Relicensing Project Historical Review Agreed Upon Procedures; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

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

Legal Counsel reported on the SB 457, HR 1837, and Delta Stewardship Council activities.

Board comment followed.

Director of Strategic Affairs reported on meeting with Region Water Authority members and members of the export community who are preparing the Bay Delta Conservation Plan.

General Manager reported on recent Sacramento Area Council of Governments' activity.

Board inquiry and staff response followed.

J. REPORTS BY DIRECTORS:

Director Mavy reported the Board Ad Hoc Committee on Retirement Alternatives for New Hires met with Rocklin City Manager Ricky Horst.

K. REPORTS BY LEGAL COUNSEL

Legal Counsel noted the Environmental Protection Agency has come out with a Clean Water Act that the Agency should monitor.

L. REPORTS BY GENERAL MANAGER

General Manager reported the Association of California Water Agencies (ACWA) is accepting nominations for ACWA Region 3.

He noted there are copies of the Agency's draft Urban Water Management Plan available for anyone who is interested.

He thanked Agency staff and consultants, including Agency Consultant Dave Carter, and Bridgett Jones of the Auburn Journal who all worked on the water shortage emergency. He also expressed appreciation of Tony Hazarian who assisted Agency staff to think through ideas for the upcoming Fire and Water insert.

M. ADJOURNMENT

At 3:02 p.m. Director Mavy made a motion to adjourn to Monday, June 6, 2011, 2:00 p.m.; motion seconded by Director Lee and adopted by unanimous vote of Directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency