

MINUTES

BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, September 15, 2011
2:00 p.m., Regular Meeting

Board Members Present: CHAIRMAN LOWELL JARVIS, GRAY ALLEN, ALEX FERREIRA, MICHAEL LEE

Board Members Absent: BEN MAVY

Agency Personnel Present Who Spoke: DAVID BRENINGER, General Manager; ED TIEDEMANN, General Counsel; CHERI SPRUNCK, Agency Secretary/Clerk to the Board; ANDY FECKO, Resource Development Administrator; JAY L'ESTRANGE, Director of Power Generation Services; BRIAN MARTIN, Director of Technical Services; EINAR MAISCH, Director of Strategic Affairs; MIKE NICHOL, Director of Field Services; BRENT SMITH, Deputy Director of Technical 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 Jay L'Estrange

3. Introductions and Presentations:

a. Presentation:

- Review by Joanne Neft of the PBS television show American's Heartland with a segment celebrating Placer County Agriculture (aired on KVIE Channel 6 on September 14, 2011, 7:30 p.m.)
- Presentation by City of Roseville staff on concerns of proposed new stormwater requirements by the State Water Resources Control Board.

b. Other introductions and presentations

General Manager introduced Joanne Neft.

Ms. Neft reported she has worked for 22 years advocating for agriculture. The Farmers' Market was started 22 years ago; 4 years later PlacerGROWN and the Mountain Mandarin Festival were started. Two years ago she wrote a cookbook based on recipes from what they purchased from the Farmers' Market on Saturday and prepared as a meal every

Monday night for 52 weeks. No one has done something like that in this country, so Public Broadcasting System contacted her and did a story. The program is being aired across the country. She showed a video of the program. (Handout provided)

Director of Strategic Affairs introduced, from the City of Roseville, Kelye McKinney, Engineering Manager, and Sean Bigley, Administrative Analyst II. McKinney gave a history of stormwater regulations, California Phase II permits, overview of draft permit, impacts to Roseville, what the City is doing to change the permit and what others can do. She asked that the Agency review the permit, contact our legislators about concerns, and attend and provide comment at the December State Board hearing.

Board inquiry, staff response, and discussion followed.

B. PUBLIC COMMENT:

Joanne Neft asked the Board to consider reduced water rates for community gardens and people who are raising their own crops on their own lands. There is a trend in this country for community gardens and for people to raise their own foods. She gave an example of a business that started up in Petaluma to grow and sell heirloom seeds. The business expected to make \$250,000 the first year, but they made ½ million dollars. She noted it is healthier to eat from your own garden. She reported Dr. Oz did an expose on apple juice in this country. 60% apple juice sold in this country has a higher percentage of arsenic than is in our water. She has a friend that has 1½ acre and wants to start a community garden, but the water cost is high. She asked the Board to consider having a committee that she could participate on to think of a way to provide water at a more affordable cost for community gardens.

Board inquiry and response followed.

C. REPORTS BY DEPARTMENT HEADS

Director of Field Services reported the Surface Water Quality Regional Control Board (SWQRCB) is adding regulations to control the use of pesticides to control spread of invasive species. One of the SWQRCB's plan was to try to make permits uniform and add additional requirements and toxicity to the permits. They have updated other permits, which include rules governing the Agency's NPDES permit to use aquatic herbicides to control algae in the canal system. ACWA became involved in cause the SWQRCB updates appeared to be inconsistent with a number of interests of ACWA members. ACWA has a working group to assist the SWQRCB come up with workable regulations. Staff commented on the drafts via ACWA.

He reported last Thursday the Foresthill Public Utility District requested assistance with personnel because they were short staffed. The Agency provided two workers to assist and the Agency is recouping costs. We received letters of appreciation from the District.

He reported on PG&E's Oct 16 - Nov. 22 outage. PG&E is developing BMPs for what they normally replace. They have 18 different guniting jobs on the Bear River Canal. They will gunite on South Canal and Wise Canal.

Director of Customer Services reported on the non-capacity notification letters sent to the Agency's 205 customers on non-capacity list for additional water on the ditch system. The Agency had numerous requests for the additional water than is available. There are 70 new customers that the Agency is going to try to accommodate.

D. AGENDA CHANGES AND REVIEW

There were no changes.

E. CONSENT CALENDAR:

1. Approve and file:
 - a. August 18, 2011, minutes
 - b. Check Register 11-18 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. Board of Directors expenses for previous months
2. Receive report for the Foothill Water Treatment Plant Filter Rebuild Project, declare the project exempt from CEQA and authorize the filing of the Notice of Exemption.
3. Approve sponsoring the September 17 and 18, 2011, Save Auburn Ravine Salmon and Steelhead "Calling Back the Salmon Celebration" in the amount of \$250.

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

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve Actuarial Services for Retirement Alternatives contract to Bartel Associates in an amount not to exceed \$6,000.
2. Approve a Consulting Services Contract with Carlton Engineering, Inc. for the Auburn Tunnel Inspection in the amount of \$22,994.
3. Approve a Consulting Services Contract with Holdrege & Kull in the amount of \$73,581 for the Ophir Road Pipelines Project.
4. Approve an Engineering Services Contract with Peterson-Brustad for the Electric Street Tank Replacement Project, in an amount not to exceed \$440,388.
5. Waive formal bidding requirements and approve purchase of gate actuator in the open market in accordance with Public Contract Code 21321(b).

Existing:

6. Approve Engineering Services Contract Amendment No. Eight with Bennett Engineering Services for the Gold Run Pipeline Replacement Phase IV project in an amount not to exceed \$48,782.
7. 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. Four for an increase in the contract amount of \$13,446.85 as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
 - b. Progress Payment No. Eight in the amount of \$336,192.87.
8. Approve Progress Pay Estimate No. One for the Rocklin Road Tank and Werner Road Property Site Improvements Project, Contract #2011-06, in the amount of \$27,886.32 to PBM Construction, Inc.
9. Approve Progress Pay Estimate No. Twelve for the L.L. Anderson Dam Spillway Modification Project, Contract #PS 2009-01, with Kiewit Infrastructure West Company, in the amount of \$1,405,317.60.
10. Approve the following for the Foothill and Sunset Water Treatment Plant Improvements Project, Contract #2010-09, with Manito Construction, Inc.:
 - a. Receive for filing Non-Discretionary Contract Change Order No. Three for an increase in the contract amount of \$28,933, approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors.
 - b. Progress Payment No. Seven in the amount of \$57,031.66.
11. Approve Amendment No. One in the increased amount of \$30,000 with C. Frank Bradham, P.E., for the PCWA County-Wide Water Service Master Plan.

Board inquiry and staff response followed.

Motion by Director Ferreira approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 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 Single Connections (In fill): three applications for service for a total of 2.0 acre-feet or 3.0 Equivalent Dwelling Units (EDUs)
 - b. Raw Water: one application for service for a total of 2.2 acre-feet or 3.4 EDUs

Director of Technical Services reported on the applications for single connections and raw water for an increase of 4.2 acre-feet of water service commitment in Zone 1. There were 29.6 acre-feet reductions in commitment from customers. Remaining in the water availability account is 1,774 acre-feet of water.

Motion by Director Allen approving applications for single connections and raw water in the total amount of 4.2 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:
 - (1) RWA Public Affairs Program presentation; adopt Resolution 11-31 Supporting Participation in a Regional Water Resources Coalition.

Under item G.3.f.(1) Director of Strategic Affairs noted the Agency is a member of the Regional Water Authority (RWA). RWA is launching an outreach effort to reach as many local elected and opinion leaders as possible. He reported on the historic delivery facilities, foothill agriculture, and communities. Water is the strength of our economy and everywhere in California. Water today is a zero sum game. All systems are at capacity and economies are threatened. The ecology of the Delta is in collapse. Delta solutions pose serious risks to economy, environment, and sustainability. He went over various challenges, key concerns with the Delta Plan, Bay Delta Conservation Plan, federal legislation HR 1847, who pays, and the Regional Alliance on Water Resources.

Director Allen suggested any consideration of historical flows should be matched on the San Joaquin River. Board inquiry and staff response followed.

Brett Storey, County of Placer, noted last year was the first year the Board of Supervisors looked at water rights and it is on their legislative agenda. They would be willing to offer their support to the Agency.

Stan Nader, Lincoln City Council member, asked if the Agency is going to seek help from the cities. He invited the Director of Strategic Affairs to report to the City of Lincoln.

Motion by Director Lee adopting **Resolution 11-31 Supporting Participation in a Regional Water Resources Coalition**; motion seconded by Director Ferreira 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:

Resource Development Administrator reported on the filing alternative conditions with U.S.D.A. Forest Service management.

2. Power generation management and finances:

a. Report on the status of the Middle Fork Project power sales activities

Director of Strategic Affairs announced the Middle Fork Project Finance Authority staff recommended PG&E as the Agency's power purchaser. Staff started in May 2009 to seek a power purchaser. Twelve responses were received, seven entities were interviewed. A comparison matrix was developed to evaluate them against each other and goals and criteria developed. The field was narrowed to four—Shell, PG&E, NCPA and SMUD. He pointed out the positive benefits of each. The Agency received a detailed term sheet from each. Staff came to a significant understanding about PCWA's limitations of past operating parameters. The recommended new contract is a five-year term. There is a control room issue—the Agency doesn't have one. Staff did a qualitative analysis of the offers from Shell and PG&E. The power purchase agreement with PG&E has to be approved by the Public Utility Commission. He went over the next short-term and long-term steps.

Motion by Director Allen concurring with the decision of the Middle Fork Project Finance Authority to proceed with negotiations with PG&E; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

I. GENERAL ITEMS

1. Report on L.L. Anderson Dam Spillway Modification Project.

Deputy Director of Technical Services gave a PowerPoint presentation. The presentation included a summary of the project, current construction status, funding, and anticipated schedule.

2. Report on State and Federal legislation on regulatory matters:

General Manager reported on three letters the Agency sent: SB 293 – request for veto, AB 646 – request for veto, and HR 2842 support (3 handouts provided)

J. REPORTS BY DIRECTORS:

Director Lee reported he and Director Ferreira attended today's meeting of the Middle Fork Project Finance Authority.

Director Jarvis reported he attended the Mountain Counties Water Resources Association where the meeting was regarding forest management issues. Placer County gave a report on the biomass utilization facility and there was a panel of forest experts giving their perspectives on managing healthy forest in the future.

K. REPORTS BY LEGAL COUNSEL

No report received.

L. REPORTS BY GENERAL MANAGER

No reports received.

M. ADJOURNMENT

The Chair adjourned the meeting at 4:18 p.m.

ATTEST:

Cheri Sprunck, Clerk to the Board
Placer County Water Agency