

# MINUTES

## BOARD OF DIRECTORS PLACER COUNTY WATER AGENCY

Thursday, April 5, 2012  
2:00 p.m., Regular Meeting

Board Members Present: CHAIRMAN MICHAEL LEE, GRAY ALLEN, ALEX FERREIRA, LOWELL JARVIS, 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; RICHARD CUTLIP, Deputy Director of Customer Services; TONY FIRENZA, Senior Engineer; JAY L'ESTRANGE, Director of Power Generation Services; HARLEY LUKENBILL, Deputy Director of Customer Services; BRIAN MARTIN, Director of Technical Services; MIKE NICHOL, Director of Field Services; JOSEPH PARKER, Director of Financial Services; MICHAEL WILLIHNGANZ, Director of Administrative Services;

### A. CALL TO ORDER

#### 1. Roll call

Chairman Lee called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:03 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

#### 2. Pledge of Allegiance

Led by Ron Parr

#### 3. Introductions and Presentations:

##### a. Presentation:

(1) Update on Sierra Nevada Conservancy (SNC) and Sierra Nevada Watershed Ecosystem Enhancement Project

##### b. Other introductions and presentations

Under item A.3.(b) Terry Wardley, District Director for Senator Gaines, and Jeff Short, Field Representative for Assemblywoman Gaines presented certificates of recognition to David Breninger in honor of receiving the National Water Resources Association President's Award.

Under item A.3.(a) Jim Branham, Sierra Nevada Conservancy Executive Director, noted a little over a year ago the Agency Board endorsed the Sierra Nevada Forest and Community Initiative. He noted the Sierra Nevada watersheds are the State's primary watersheds and they are important to the State's economy, municipal use, agriculture and environmental purposes. It is important to help

people understand the importance of the region. We want to focus on how to make our forests healthy and do so in a way that creates economic and social well-being in communities.

He gave a PowerPoint presentation, which included the following information:

- More than 60 percent of the state's developed water supply comes from the Sierra Nevada watershed.
- The SNC-sponsored regional initiative addresses forest and community health in an integrated fashion.
- Parties have been brought together to focus on what needs to be done; what has been agreed, and not those things that separate.
- PCWA endorsed the initiative along with all 22 counties, numerous other interests, including environmental community, forest products industry, local governments, the Association of California Water Agencies, and others.
- Communities throughout the Sierras are focusing on reducing the risk and consequences of large damaging fires, while improving economic well-being through local collaborative efforts
- Sierra Watershed Ecosystem Enhancement Project (SWEEP):
  - Research to better answer the question of how forest management relates to water yield and timing of runoff
  - SNC provided funding for Phase 1

Roger Bales, Ph.D., University of Merced, and William Stewart, Ph.D., University of Berkeley Forest Specialist reported on how upstream management of Sierra Nevada forests can significantly increase the value of downstream water resources by shifting water towards higher value uses and optimizing the timing of runoff.

Dr. Bales reported the climate is going to warm further which will affect the relation between forests and yield of water. There is a shift from snow to rain resulting in lower snowpack. The average temperatures in the Sierra have increased by about two degrees over the past century, and if this continues into the future, it may mean more precipitation will fall as rain, and less as snow. The present forests present an unacceptable fire risk.

Dr. Stewart reported the Sierra forests, once defined by tall trees and less forest density have become more crowded with smaller, less healthy trees in the Sierra watershed. He explained that the thick forest canopy prevents snow from reaching the ground, resulting in more evapotranspiration and less snowpack buildup and less water being available.

Forest management practices to cut trees and leave more open areas between those that remain can result in a more robust snowpack and water resources. The size of the gap under the canopy matters. There is one-half to two-thirds of water in the open space. Too little space between trees prevents snow from accumulating on the ground, while too much space allows sunlight in and premature melting. Improved watershed management can result in deeper snowpack, the delay of snowmelt later into spring and more water availability.

The U.S. Forest Service is working with SWEEP and also conducting its own research. A snow sensing program will begin this year on the upper American River watershed in Placer County.

More information about steady precipitation can be found Cal-adapt.org.

(Handout provided)

Board comment, inquiry, and response followed.

B. PUBLIC COMMENT:

Tony Jackson, a local Auburn homeowner, is in the process of purchasing short sale house. He wants to conduct a home inspection and addressed the Board concerning a policy shutting off water to residential homes. He noted the house was listed for \$124,000; he negotiated with the Bank of America to lower the price to \$100,000, plus \$1,000, which he asked the bank to pay to reset the meter. The bank refused to pay to reset the meter. He wants to get a home inspection and has to have a meter set for the home inspection is okay. He asked if he could pay for just the time to set and pull the meter.

Deputy Director of Customer Services, Richard Cutlip, responded that currently there is no process for someone to come in and have the water turned back on in a foreclosed home while it's vacant. The meter isn't pulled for non-payment until, three billing cycles, 180 days. For non-payment, the Agency sends a letter to the owner before the meter is pulled. There is not a process in place to set a meter for a brief period of time and then remove it.

Director of Field Services reported staff is following policies. He suggested accepting a time and material deposit during a certain time frame to set and pull a meter.

The General Manager said the Agency would charge against the deposit. At the end of the time frame, the meter would be removed and whatever outstanding commitments are still owing when the meter is later reset because someone is really moving in, the Agency would expect to be paid. He noted that if the connection were to remain in place, there are still arrearages and issues that need to be handled. The General Manager directed staff to work with Mr. Jackson to have a meter installed on a time and material basis for the purpose of accommodating a house inspection, on a pilot basis. He requested staff to investigate our policy and return to the Board with a recommendation at a later date as to whether changes should be made to the Board's policy.

C. REPORTS BY DEPARTMENT HEADS

Director of Power Generation Services reported on March 31, 2012, an incident occurred shortly after midnight at the Oxbow Powerhouse. Staff became aware of the incident when the Oxbow Powerhouse tripped offline. PG&E controls Oxbow from their powerhouse in Alta. They called our roving operator who arrived on the scene to find emergency services personnel inside the switchyard at Oxbow.

From witness statements to the Sheriff's deputy and emergency services, and reports from the Auburn Journal, staff has found out there was a group of people partying in the parking lot below the Oxbow Powerhouse Friday night until Saturday morning. Three men, all from Foresthill, went exploring inside the substation. There is a standard security fence around the substation, with well-

marked signage denoting high voltage and no trespassing. The men climbed the fence into the substation; one climbed on the main power transformer and was electrocuted. While he was electrocuted another man received an arc flash burn. The third man climbed out of the yard and fell and hurt himself. Some others climbed the fence to stand by their friends, while others drove to Foresthill to call 911 because there's no phone reception in the canyon. There was no damage to facility but there was lost generation.

Yesterday's Auburn Journal reported the man who was electrocuted is in fair condition and the other two were treated and released on Saturday.

D. AGENDA CHANGES AND REVIEW

Item G.3. was heard after item G.5.c.(1).

E. CONSENT CALENDAR:

1. Approve and file:
  - a. March 1, 2012, minutes
  - b. Check Register 12-07 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.***
2. Receive report for the Test Well at Tinker Road Water Storage Tank Site Project, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
3. Receive report for the Hell Hole Water Systems Improvement Project, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
4. Receive report for the French Meadows Boat Ramp Facilities, declare the project categorically exempt from CEQA and authorize the filing of the Notice of Exemption.
5. Receive report and approve adoption of the change in salary range for the Multimedia Specialist position in the Confidential Bargaining Unit from 33.0 to 35.5.
6. Approve out-of-state travel and related expenses for the General Manager to attend the National Water Resources Association's Western Water Seminar August 1 – 3, 2012, in Sun Valley, Idaho.

Motion by Director Mavy approving Consent Calendar items 1, 2, 3, 4, and 6; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

Director Mavy expressed concern regarding item E.5. Director of Administrative Services responded.

Motion by Director Ferreira approving Consent Calendar item 5; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

F. AGREEMENTS AND CONTRACTS:

Award:

1. Approve Grower Irrigation Management Services Pilot Program with JVB Consulting in an amount not to exceed \$27,500.
2. Approve sole source vendor, Kässbohrer All-Terrain Vehicles of Nevada, and purchase of PistenBully Scout tracked utility vehicle.
3. Approve sole source vendor, Webb Engineering, and purchase and repair of Power System specialized coolers and heat exchangers.
4. Award formally bid Contract #P-12-02, Equipment Rates, for emergency and on-call construction equipment to Baldoni Construction.
5. Approve a consulting services contract with Contractor Compliance and Monitoring Inc., for Labor Compliance Program Services in an amount not to exceed \$100,000.
6. Approve Facilities Agreement, FA 2328 Amendment No. One with Rocklin Pavilions, LLC, for the Sierra Ridge Pipeline Extension Project.
7. Approve contract with CYCG to provide settlement, invoicing and associated services for a monthly amount of \$6,500 and monthly charges shall not exceed \$11,000.

Existing:

8. Approve Modification #4 to the United States Forest Service, Tahoe National Forest Collection Agreement.
9. Approve Modification #4 to United States Forest Service, Eldorado National Forest Collection Agreement.
10. Approve Progress Pay Estimate No. Four with Mountain Cascade, Inc., for the Auburn Tunnel Outlet Modification Project, Contract #2011-01, in the amount of \$340,441.20
11. 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. Eight for an increase in the contract amount of \$31,019.04, as approved by the Director of Technical Services pursuant to authority previously granted by the Board of Directors
  - b. Progress Pay Estimate No. Fourteen in the amount of \$39,024.84
12. Approve the following for the Colfax Distribution Box and Header Pipe Project, Contract #2011-03, with Sierra National Construction, Inc.:
  - a. Receive for filing Non-Discretionary Contract Change Order No. Two for an increase in the contract amount of \$9,846, 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 \$189,866.40

Chair Lee made an inquiry regarding item F.2. Director of Financial Services and Director of Technical Services responded.

Motion by Director Mavy approving Agreement and Contract items 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

There was Board inquiry regarding item F.1. Harley Lukenbill, Deputy Director of Customer Services responded. Director Mavy expressed his concern regarding item F.1.

Motion by Director Ferreira approving Agreement and Contract item 1; motion seconded by Director Allen.

Director Mavy made a motion to amend the motion in order to reduce the amount of Agency financial support from \$27,500 to \$13,500, with the expectation that anyone who wants to participate would be expected to meet the Agency halfway and pay for half the cost of the program; motion seconded by Director Jarvis. Board discussion followed. Motion denied by 1 /4 vote (Mavy in favor of)

The Board then voted on the original motion which was approved 4/1 (Mavy opposed)

G. WATER AVAILABILITY AND WATER SUPPLY

1. Zone 1 water service:
  - a. Treated Water:
    - 1) Three Facilities Agreements (FA) for a total of 68.4 acre-feet or 104.5 equivalent dwelling units (EDUs)
      - 🌿 FA 2503 – Auburn Senior Housing
      - 🌿 FA 2493, Revision No. One – St. Joseph’s Parish Hall
    - 2) Single Connections (In fill): three applications for a total of 2.0 acre-feet or 3.0 EDUs
    - 3) Cal-Am Contract for Water Connection Charge Payment Program for Housing Development, Revision No. One.
  - b. Raw Water: eighteen applications for service for a total of 40.5 acre-feet or 61.9 EDUs

Director of Technical Services reported that the applications for facilities agreements, single connections, and raw water would equal an increase of 110.9 acre-feet of water service commitment in Zone 1. There were 52.4 acre-feet reductions in customer commitments. Total remaining capacity is 1,327 acre-feet or 2,041 EDUs of water.

Motion by Director Ferreira approving Facilities Agreements 2503; 2493, Revision One; and 2485, Revision One; and applications for single and raw water connections in the total amount of 110.9 acre-feet Cal-Am Contract for Water Connection Charge Payment Program for Housing Development, Revision No. One; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

2. Zone 4 water service:  
Two Facilities Agreements (FA) for a total of 67.4 acre-feet or 103 equivalent dwelling units (EDUs)
  - 🌿 FA 2500 – Martis Camp Unit No. 8B
  - 🌿 FA 2507 – Martis Camp Unit No. 4B

Director of Technical Services reported that the applications for facilities agreements would equal an increase of 67.4 acre-feet of water service commitment in Zone 4.

Motion by Director Allen approving Facilities Agreements 2500 and 2507 in the total amount of 67.4 acre-feet; motion seconded by Director Ferreira and adopted by unanimous vote of Directors present.

3. Zone 5 water service:
  - a. Declare up to 17,000 acre-feet of water be available for Zone 5 customers for the 2012 irrigation season before losses, with the intent that up to 13,700 acre-feet be available for customers after losses through the existing conveyance system.

Director of Field Services reported to meet the 13,700 acre-feet of water

Motion by Director Jarvis declaring up to 17,000 acre-feet of water be available for Zone 5 customers for the 2012 irrigation season before losses, with the intent that up to 13,700 acre-feet be available for customers after losses through the existing conveyance system; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

4. 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 were received.

5. 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) Report on surface water storage and supply in 2012.
    - (2) Approve Resolution 12-\_\_ Extending the Water Connection Charge Payment Program for Housing Developments for One Year
  - d. Water use education, efficiency and conservation
  - e. Water financial matters

f. Regional, Delta and State water matters

(1) Report on the various Bay-Delta planning processes and proposed Delta flow standards.

Under item G.5.c.(1) the Senior Engineer reported March was a banner month for water supply. There were a total of 23 inches at Lake Spaulding—236 percent of normal. Since March 15 there has been 15 inches of precipitation. This year's precipitation totals are still expected to trail the annual average, but enough rain and snow has fallen to put water supplies comfortably in the normal range.

Director of Field Services reported:

- By April 4, Lake Spaulding received 85 percent of normal precipitation, which is about 58 inches.
- The April 1 snow surveys show NID is 75 percent of normal; the American River is 61 percent of normal.
- Storage in mountains is higher than normal due to maintenance work at Lake Spaulding.
- Spaulding is within 1 to 2 inches of spilling on Monday, April 2.
- Hell Hole and French Meadows are 105 percent of normal storage; statewide storage is at 108 percent of normal; Folsom is 110 percent full.
- There is significant snowpack; so as water is pulled out of storage, it will be restocked by melting snow.
- There is enough water supply to meet commitments to Zone 1, 3, and 5.
- Staff made progress on contingency plans.

Under item G.5.c.(2) Director of Technical Services reported on the pilot payment program for the Water Connection Charge. He received a letter from the developer for the American Vineyard Village Project who requested an extension of the pilot program. He received two more requests this week to extend the WCC program.

Board comment followed.

Motion by Director Allen adopting **Resolution 12-09 Extending the Water Connection Charge Payment Program for Housing Developments for One Year**; motion seconded by Director Ferreira and adopted by unanimous roll call vote of Directors present.

Under item G.5.f.(1) Legal Counsel has been monitoring the proceedings of the Bay-Delta planning process at the State Water Resources Control Board. She reported water supplies of many upstream areas of the Sierra, including Placer County, could be seriously impacted if 75 percent of unimpaired flows into the Delta are required as proposed by the State Board. The 75 percent impaired inflow criteria would have drastic impacts and not help the fish. The plan would deplete the supply for agriculture, energy to pump groundwater, harm fish, loss of available water supplies for cities, farms, businesses, and environment.

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. Receive report regarding Project of the Year Awards from American Society of Civil Engineers.

Director of Technical Services reported the Agency received the following awards:

- Utility Project of the Year for the Gold Run Pipeline Phase 4
- Emergency Response Project of the Year for PG&E Canal Emergency Response
- Heavy Civil Construction Project of the Year for the L.L. Anderson Dam Spillway Modifications Project

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

No report received.

J. REPORTS BY DIRECTORS:

Director Ferreira wished everyone a fine Easter.

Director Mavy handed out a Sacramento Bee article regarding CalPERS' reducing its investment forecast by a quarter percentage point. He urged the Board to consider making changes for new hires.

Director Jarvis reported on today's Finance Committee meeting. The committee would like to bring a plan for new hires before the Board.

The General Manager suggested the Finance Committee bring a template Plan B to the Board. He also suggested seeing what is going to be keyed up on the November ballot which could make a difference to the Agency and impact what Plan B could look like.

Directors Jarvis and Allen wished everyone a happy Easter.

K. REPORTS BY LEGAL COUNSEL

No report received.

L. REPORTS BY GENERAL MANAGER

No report received.

M. ADJOURNMENT

At 4:19 p.m. Director Jarvis made a motion to adjourn; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

ATTEST:

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Cheri Sprunck, Clerk to the Board  
Placer County Water Agency