

MINUTES
BOARD OF DIRECTORS
PLACER COUNTY WATER AGENCY

Thursday, June 17, 2021
2:00 p.m. Regular Meeting

Board Members Present: Chair JOSHUA ALPINE, GRAHAM “GRAY” ALLEN, ROBERT DUGAN, Vice-Chair MICHAEL “MIKE” LEE, and PRIMO SANTINI, III

Board Members Absent: none

Agency Personnel Present Who Spoke: ANDY FECKO, General Manager; SCOTT MORRIS, General Counsel; LORI YOUNG, Clerk to the Board; CHRIS BONNENFANT, Procurement Specialist II; TONY FIRENZI, Director of Strategic Affairs; CARRIE PARKS, Deputy Director of Financial Services; BRIAN RICKARDS, Associate Engineer; MICHAEL WILLIHNGANZ, Director of Administrative Services; LINDA HIGGINS, Deputy Director of Customer Services; MATT YOUNG, Director of Customer Services

A. CALL TO ORDER

Chair Alpine called the regular meeting of the Placer County Water Agency Board of Directors to order at 2:06 p.m. in the American River Room, Placer County Water Agency Business Center, 144 Ferguson Road, Auburn, California.

1. Roll Call

The Clerk to the Board called roll.

2. Pledge of Allegiance

Director Dugan led the Pledge of Allegiance.

3. Announcements, introductions, and recognitions

Director of Administrative Services announced June is National Safety Month. The Agency has a very enthusiastic Safety Committee which contributes in significant ways to keeping employees healthy and safe. He introduced Chris Bonnenfant, Procurement Specialist II and Chair of the Safety Committee.

On behalf of the Safety Committee, Ms. Bonnenfant presented the Board with cookies in recognition of National Safety Month and in appreciation of their support.

Director of Customer Services welcomed Placer Resource Conservation District (RCD) Board Chair Claudia Smith and Executive Director Sarah Jones.

Ms. Jones shared some of the work the Placer RCD has been doing over the past 18 months. Currently, Placer RCD's main focus is forestry and fuels reduction which includes projects such as the North Fork American River Shaded Fuel Break, the Auburn Shaded Fuel Break, and Placer County Coordinated Fuel Break – Phase 1. She reviewed the Placer County Chipper Program which is operated by Placer RCD and other activities they are involved with including the Red Sesbania invasive weed removal, prescribed burning on private land, hedgerow projects, wildlife monitoring, seedling and produce giveaway, and education and outreach events.

B. PUBLIC COMMENT:

The Chair invited the public to comment. There were no comments.

C. REPORTS BY DEPARTMENT HEADS

There were no reports.

D. AGENDA CHANGES AND REVIEW

There were none.

E. CONSENT CALENDAR:

Action:

1. Consider approving May 10, 2021, Minutes.
2. Consider approving the rolling three-year renewal of the Agency's participation in the Association of California Water Agencies Joint Powers Insurance Authority insurance pool for the purchase of property insurance in an amount not to exceed \$221,873 for Agency Wide and Water Division assets, effective July 1, 2021.
3. Consider approving Workers' Compensation costs for program administration and excess insurance in an amount not to exceed \$281,000 with the Municipal Insurance Cooperative Joint Powers Authority.
4. Consider approving premiums in an amount not to exceed \$1,034,000 for the renewal of insurance with the Associated Electric & Gas Insurance Services Company for Power Division property assets, equipment, and business interruption coverage.
5. Consider approving insurance premiums in an amount not to exceed \$35,000 for the Agency's cyber liability coverage with Lloyd's of London.

Information, Receive and File:

6. Treasurer's Investment Report for month ended May 31, 2021.

7. Check Register 21-12 expenses disbursed.
8. Board of Directors' expenses for May 2021.

Motion by Director Santini approving Consent Calendar items 1, 2, 3, 4, 5, 6, 7, and 8; motion seconded by Director Allen and adopted by unanimous roll call vote of Directors present.

F. AGREEMENTS AND CONTRACTS:

Action:

1. Consider approving a Water Connection Charge installment payments agreement with David W. Crow and Deborah Crow.
2. Consider approving Amendment No. Four to exercise the third optional extension to the 2018 Janitorial Services Agreement #P-18-07 with Jani-King of California, Inc. extending the time to perform services from June 26, 2021 through June 25, 2022. The annual not-to-exceed amount remains at \$45,000.
3. Consider approving water service applications for the following:
 - a. Facilities Agreement 2769, Whitney Ranch Units 44B Phase 2, Rocklin, 9.4 Units of Capacity (UOC); and
 - b. Water service application for Variance LS63 per the Agency Rules and Regulations providing a Water Use Limit of 1.0 UOC and an infill connection for APN 032-252-040 in Newcastle.
4. Consider approving a Design Professional Services Agreement with EN Engineering Inc., to analyze and provide hydroelectric generating unit modeling data as outlined in NERC Reliability Standards MOD-026 and MOD-027 in the amount of \$150,000.
5. Consider approving Amendment No. One to the On-Call Agreement with Synagro-WWT, Inc., to extend the time to perform Sludge Removal services through June 20, 2024 and to increase the not-to-exceed amount by \$450,000, from \$450,000 to \$900,000.
6. Consider approving a Water Purchase and Sale Agreement of 20,000 acre-feet of surplus water in 2021 to Westlands Water District.
7. Consider approving a Professional Services Agreement with West Yost and Associates, Inc. for on-call project management support for the French Meadows Project in an amount not to exceed \$142,000.

Information, Receive and File:

8. Progress Pay Estimate and Non-discretionary Contract Change Order Summary for the period May 24, 2021, through June 6, 2021.

Motion by Director Dugan approving Agreement and Contract items 1, 2, 3, 4, 5, 6, 7, and 8; motion seconded by Director Santini and adopted by unanimous roll call vote of Directors present.

G. WATER:

1. Consider the following for the Agency's Water Connection Charge (WCC) for treated water service within the Alta, Monte Vista, Colfax, and Applegate drinking water systems (Upper Zone 6):
 - a. Receive report from staff.
 - b. Open the noticed public hearing on the proposed Upper Zone 6 WCC fee adjustment.
 - c. If no comments are received that warrant continuation of the hearing, close the hearing and consider adopting Resolution 21-22 Amending and Readopting Chapter 4 of the Agency's Personnel and Administrative Manual Setting Forth Rules and Regulations Governing the Distribution and Use of Water.

Deputy Director of Financial Services explained the Agency's WCC is a one-time capital charge assessed for new connections to the existing water system to provide or cover a proportional share of the costs of capital facilities constructed or to be constructed for use. Per Government Code, Capacity Fees must reflect the link between fees and benefits to the new customers and not exceed the proportional share of costs associated with providing service. The four standard methodologies used for determining the fee include equity buy-in, capacity buy-in, incremental cost, and a hybrid approach. The Agency has a WCC for new customers wanting treated water service for the upper and lower systems and we have traditionally used the incremental cost method for calculating the fee. The last analysis for the upper system was completed in 2007. It was determined the equity buy-in approach was most suitable for the upper system because there is not as much development as the lower system, growth projections are very low, and there is existing capacity in the system. The equity buy-in method analysis calculated a proposed WCC per UOC at \$13,624 which is a \$25 increase, or 0.2% over the current \$13,599 WCC.

Staff confirmed the Notice of a Public Hearing was properly advertised and no written comments were received.

Director Lee noted the Water Capacity Fee Study for Upper Zone 6 was well done.

Director Allen concurred.

At 2:31 p.m. the Chair opened the public hearing. There being no public comment, the Chair closed the hearing at 2:32 p.m.

Director Dugan added his compliments for making the entire Board item easy to read and comprehend.

Motion by Director Lee adopting **Resolution 21-22 Amending and Readopting Chapter 4 of the Agency's Personnel and Administrative Manual Setting Forth Rules and Regulations Governing the Distribution and Use of Water**; motion seconded by Director Dugan and adopted by unanimous roll call vote of Directors present.

2. Receive report on Urban Water Use Efficiency Legislation status.

Deputy Director of Customer Services reported the Agency, in compliance with SBX7-7, has met the target of 20% reduction of gallons per capita per day by 2020. SB606 and AB1668, intended to provide a new long-term conservation framework for conservation and drought planning after 2020, requires each urban retail water supplier to calculate its urban water use objective by November 1, 2023, and then by November 1 every year thereafter. The objective is the sum of indoor residential water use, outdoor residential water use and Commercial Industrial Institutional (CII) water use, water loss, variances, and bonuses. Water loss is one of the components of the objective that the Agency must comply with independently through SB555. By October 1, 2021, the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) will do the following: conduct studies on performance measures for CII water use, engage the public through stakeholder meetings, recommend minimum size thresholds for converting mixed use CII meters to dedicated irrigation meters, and recommend CII water use best management practices. SWRCB and DWR shall adopt CII water performance measures June 30, 2022. Staff's recommendations to the Association of California Water Agencies work group relate to policy considerations: final performance measures must have an associated water savings, should be cost effective, and must be feasible for agencies to implement.

Associate Engineer stated outdoor residential water use is the most complex and controversial of the water use categories. He reported using arial imagery, DWR is looking at individual parcels to see what landscaping has been done and whether or not plants are receiving some type of water. They need to be sure a parcel is an occupied residence in order to be included in the treated water residential outdoor budget.

DWR provides irrigation status (Class 1 Irrigable-Irrigated 14% of our service area, Class 2 Irrigable-Not-Irrigated 8% of our service area, and Class 3 Non-Irrigable 78% of our service area) which is rolled up by parcel; there is no geospatial differentiation between the three classifications. DWR also provides land masks which can be a variance process: agricultural (irrigated crops>one acre), horse corrals, and undeveloped lands. Other summaries DWR provides by individual parcel are pool, tree canopy, and impervious area. He explained a water use objective equation similar to one that DWR will use to determine outdoor water use standards. DWR will make recommendations to SWRCB by October 1, 2021, and SWRCB will adopt standards by June 30, 2022.

Staff has reviewed the data for the following: service area boundaries, disputed parcels, vacant parcels, new developments, mid-coded parcels, and Variance applicability. Staff is preparing a response to DWR on disputed parcels and served parcels and we continue to participate in all workgroups. Calculation of the outdoor water budget will apply to irrigable lands.

Director of Strategic Affairs reported the spirit of this legislation was efficient water use. Staff has provided comments to the state on errors in their data set and on the issue of irrigable lands as opposed to irrigated lands as applied to the water use budget. PCWA has a unique situation in that we have rural residential, large parcels that happen to have rich water resources and we are capable of fully utilizing our water resources. We want to go on record that DWR has misinterpreted the legislation in a manner that may damage us with their arbitrary guidelines.

This has been a lengthy and evolving process. With one year left in the regulatory process, we then go into implementation for compliance by 2027. Our region believes in efficient water use. Staff is committed to efficient water use and to representing the Agency and beneficial use of our water supplies.

H. REPORTS BY DIRECTORS:

Director Lee reported he attended the Regional Water Authority's (RWA) briefing on drought impacts to water supplies and the environment. There was a lot of emphasis on collaborating with other agencies in the region, understanding their issues, and coming up with solutions to these issues.

He also participated in the Joint Economic Development & Government Affairs virtual meeting featuring the mayors of Roseville, Rocklin, and Lincoln. The mayors reported on their respective city's economic development, growth, and transportation issues.

Director Dugan reported he too participated in the Joint Economic Development & Government Affairs meeting at the end of which he provided a brief update on the drought and the need to conserve water.

Placer County District 4 Supervisor Suzanne Jones was taken on a tour of the watershed. It provided us the opportunity to help her understand how the Agency does our best to manage and maximize our resources throughout the region.

He also participated in the RWA briefing on drought impacts to water supplies and the environment. Many local elected leaders attended and they were able to speak to the current water supply conditions in their municipalities. RWA was able to engage and educate other elected leaders so they know what we are doing regionally for the drought.

Chair Alpine reported he and Director Santini toured Nevada Irrigation District's (NID) lower Combie system (Combie Phase 1 Project) with the NID-PCWA Water Committee and NID's new General Manager, Jennifer Hanson.

I. REPORTS BY LEGAL COUNSEL:

Legal Counsel reported pursuant to Governor Newsom's Executive Order issued today, the Brown Act special rules will remain in effect through September 30, 2021.

Cal/OSHA is meeting this afternoon to discuss face coverings to ensure consistency with public health guidance.

J. REPORTS BY GENERAL MANAGER:

General Manager thanked the Board for approving the Water Purchase and Sale Agreement on today's agenda allowing the Agency to meet our Water Forum commitment for this year. The Agency is working very hard with the Bureau of Reclamation to make sure the lower American River stays as healthy as it can be.

K. ADJOURNMENT:

At 3:33 p.m. Director Santini made a motion to adjourn; motion seconded by Director Allen and adopted by unanimous vote of Directors present.

ATTEST:

Lori Young, Clerk to the Board
Placer County Water Agency