



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: April 18, 2006

RE: General Information (regarding matters not scheduled on the agenda)
4/25/06 Board of Directors Meeting

Power Marketing

Consultants Michael and Sandra McDonald have concluded their initial future-valuation analysis of the Agency's power project and have given a presentation to the Hydro Committee (Directors Cecchi and Edwards). Subsequently, the Committee directed that we invite PG&E to submit a detailed proposal for a new power-purchase contract. I phoned that invitation to Kevin Goishi today, and expect that we should have an opportunity to begin conversations with PG&E representatives sometime in May.

CEQA Processing – Water Rights Permit Extension

You will recall that this is a project being done in cooperation with Yuba County Water District to satisfy the requirement of the State Water Resources Control Board. Our consultant, Jones & Stokes, has completed the administrative draft initial study/mitigated negative declaration for the proposed permit extensions. Jeff Meith, Kathy Petersen, and I, along with Alan Lilly for Yuba County Water District have reviewed and commented on the 150+ page document. The comments are presently being incorporated into the draft that will shortly be available for public review. Through April 2, the total cost for Jones & Stokes' work is \$26,300.

We are on schedule to meet the June 1 deadline for completion of this process. Meeting that deadline, however, will necessitate a special meeting on May 30 (2:00 p.m.) for the Board to consider adopting the mitigated negative declaration. Please put this date on your calendar, and let me know if you are unable to attend.

EAP Functional Exercise

I know that Kathy Petersen will be discussing the emergency-action-plan functional exercise that was conducted on April 12 but, because I was so impressed with the event's outcome, I wanted to add a few comments as well.

First, my compliments to Kathy Petersen for developing and managing the exercise. We've conducted functional EAP exercises in the past, prior to her employment, but never to the level of realism, outside-agency participation, and practical outcome as this one.

Second, my compliments to our staff who played themselves in the scenario. I have a much greater sense of confidence in our ability to deal with emergencies after watching how everyone fulfilled their responsibilities and demonstrated their ability to perform their jobs under stress.

Finally, my compliments to the representatives from Butte County Fire/CDF, emergency dispatch (911), CHP, DWR, and CalTrans. They also demonstrated their expertise and ability to respond effectively and efficiently in an emergency.

Also, thanks to directors Vivian Meyer and Jim Edwards for observing and assisting in the exercise.

Office Addition/Remodel

Before leaving, Tom Venus coordinated development of specifications for removing asbestos-containing material from the old upstairs office. Forensic Analytical Specialties, Inc., assisted him with researching the regulations and soliciting bids. Three asbestos-abatement contractors (all from the Sacramento area) submitted bids as follows:

American Technologies	\$16,820
JM Environmental	\$18,200
PARC Specialty Contractors	\$22,970

Based on their low bid and property certification, American Technologies was selected to do the work which began earlier this week. The first phase will be removal of all asbestos-containing material (walls, ceiling, floor tiles, and ducting) from the interior of the office. The second phase (removal of affected roofing materials) will begin as soon as the rainy season ends.

Once American Technologies has finished the second phase, Agency personnel will return to the project and begin installing new trusses and integrating the roof of the old office with the new building. Once the roof is on, they will move inside to complete the interior remodel. Although dependent on how soon we begin enjoying consistently dry weather, I suspect that the upstairs remodel will be finished in August.

Surplus Water Agreements

So far this year, applications for surplus water have been received from and approved for Pacific Coast Producers (from the Palermo Canal) and Young Life (from the Forbestown Ditch). These are both long-term surplus-water customers and the agreements are carbon copies of previous years. These agreements have been approved in conformance with Policy #480.

Ethics Training – AB 1234

Thank you all for attending the April 11 mandatory ethics training provided by attorney Jeff Meith. You have now satisfied the requirement to take this training prior to the end of the year, and will not have to take it again for another two years.