

**MINUTES of the REGULAR MEETING of the BOARD of DIRECTORS of  
SOUTH FEATHER WATER & POWER AGENCY**

Tuesday, April 27, 2010, 2:00 P.M.,  
Agency Board Room, 2310 Oro-Quincy Hwy. Oroville, California

**DIRECTORS PRESENT:** Lou Cecchi, Dee Hunter, Lou Lodigiani, and Dennis Moreland.

**DIRECTORS ABSENT:** James Edwards.

**STAFF PRESENT:** Alex Brown, Regulatory Compliance Manager;  
Steve Wong, Finance Division Manager;  
Art Martinez, Information Systems Manager;  
Kathy Zancanella, Power Division Manager;  
Matt Colwell, Water Division Manager;  
Jeffrey Meith, Legal Counsel;  
Michael Glaze, General Manager.

**OTHERS PRESENT:** Hank Bailey.

**CALL TO ORDER**

President Cecchi called the meeting to order at 2:00 p.m. and led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

M/S/C (Hunter/Moreland) approving the Minutes of the regular monthly meeting of March 23, 2010.

**APPROVAL OF WARRANTS**

M/S/C (Hunter/Lodigiani) approving the total Water Division expenditures for the month of March 2010 in the amount of \$759,654.67 – Warrants #25199 through #25224, #25273 through #25300, and #25325 through #25377; and, the total Power Division expenditures for the month of March 2010 in the amount of \$500,654.40 – Warrants #66203 through #66224, #66264 through #66284, and #66301 through #66333.

**PUBLIC PARTICIPATION** – Hank Bailey asked why there was no water in the Lower Forbestown Ditch if irrigation season began on April 15. Matt Colwell told him that it was because there was no demand for the water given the ongoing wet-weather patterns.

**REGULATORY COMPLIANCE MANAGER'S REPORT**

The Board reviewed a written report from Alex Brown, Regulatory Compliance Manager.

Dam Safety and Security

Emergency Action Plan Time Sensitivity Analysis

With the Time Sensitivity Analysis (TSA) of Little Grass Valley, Sly Creek and Lost Creek dams finished in the first quarter of 2010, the Time Sensitivity Analysis is continuing with an assessment of Miners Ranch Dam. This Sudden Failure Assessment is based on a theoretical fair-weather/sunny-day inundation zone and includes an analysis of the time-to-impact, detection times, verification time, and notification time. The output from this analysis results in the SFWPA response time. The summation of the Agency's response time and emergency management agency response time are then used to estimate the effectiveness of the Emergency Action Plan of Miners Ranch Dam. It is estimated that this report will be completed by the end of the second quarter of 2010.

Vulnerability Analysis

Changes to security classifications of FERC project features (dams) throughout the country have resulted in a need to update the existing security analysis and plans for all project infrastructures in the appropriate security groups as designated by FERC. Notable revisions to the vulnerability and security assessments and plans include analysis of insider attack, vandalism/theft, groups of three to five individuals carrying small arms and back pack explosives on foot or in a vehicle, SCADA control attacks, and Vehicle Borne Improvised Explosives (VBIED). Examples of VBIED

attacks exist in recent years but are usually conducted against targets of high visibility that are nationally iconic in nature such as the attack on the Alfred P. Murrah Federal Building in downtown Oklahoma City on April 19, 1995, an act of domestic terrorism that became known as the Oklahoma City Bombing. Examples of the payload of various ground VBIED's are given in the table above. This sort of attack can also take place in waterborne scenarios as in the attack against the U.S. Navy Destroyer USS Cole on October 12, 2002. The vulnerability SFWPA infrastructure to such attacks will be analyzed using an upgraded version of the DAMSVR software provided by FERC. Contained in the vulnerability analysis is an assessment of existing security measures. These efforts will result in an upgraded security plan and filing the annual security certification to FERC.

Resource Management

Forbestown trash rake successfully removes Large Woody Debris

Large woody debris (LWD) refers to downed, dead or dying wood at least 20 feet long. LWD often plays an important role in streams by storing sediment and organic matter, and providing hydraulically diverse habitat for aquatic species. As a condition of the FERC license, large woody debris must annually be returned to a location immediately downstream of Forbestown Diversion Dam. This has been successfully accomplished with the placement of a trash rake at Forbestown Diversion Dam.

**WATER DIVISION MANAGER'S REPORT**

The Board reviewed a written report from Matt Colwell, Water Division Manager.

Water Distribution Operations

Water Division staff have been accomplishing normal water system operation and maintenance tasks. Ongoing projects include irrigation and domestic distribution system betterments, new service installations, and leak repairs.

MRTP Filter #3 Rebuild

For the past month a significant effort from Water Division staff has been directed towards the rebuilding of filter #3. The filter has been out of service for the past three months and has been undergoing a retrofitting of the new underdrain system. On March 29 the new underdrain system was received, and on April 5 the manufacturer's representative arrived to assist with more precise and critical filter modifications. On April 15, filter #3 was placed back on line and has already shown improvements in operational efficiencies. This superior underdrain system will be the standard for the five other filter underdrain systems. The manufacturer representative repeatedly expressed how impressed he was with the skills and abilities of SFWPA staff. Mr. Colwell commended the water distribution crew and the treatment plant operators for a fantastic job-well-done.

The Agency irrigation system current releases are:	<b>Forbestown Ditch</b>	SF 14 = 0 cfs
		SFWPA = 0 cfs
Currently NYWD is operating their irrigation system		NYWD = 0 cfs
from natural runoff. SFWPA's Forbestown ditch system	<b>Bangor Canal</b>	SF 25 = 5 cfs
will be dedicated to operate on April 28 depending	<b>Palermo Canal</b>	= 1 cfs
on demand requests.		

Water Treatment Operations

The Miners Ranch water treatment plant volumes for 2010 continue to run below average as a result of wetter than normal precipitation. The cumulative January through March volume is at 88% of the recent five-year average.

Solar Plant Production

The monthly MRTP power consumption was less than the solar power production by 7,500 KWH during the month of March.

**POWER DIVISION MANAGER'S REPORT**

The Board reviewed a written report from Kathy Zancanella, Power Division Manager, including storage, generation and precipitation statistics through April 19. She reported that April storms brought additional snowfall to the watershed above 3,000 feet, and over five inches of rainfall at

Forbestown. DWR's Bulletin 120 April update indicates that runoff will be about 77% of average on the South Fork Feather River, and 84% for the Feather River at Oroville.

### Operations

#### Slate Creek Sediment Pass-Through

On March 31, a sediment-pass-through operation was conducted at Slate Creek Diversion. Flows in the stream during pass-through operations were between 650–680 cfs and significant movement of sediment occurred. The operation was ended after about two hours because woody debris began to clog the grizzly covering the outlet structure. The debris will be removed when flows stabilize and crews can safely get it off the structure.

### Maintenance Projects

#### Miners Ranch Canal – Station 5 Road

Geotechnical consultants Cotton Shires & Associates brought in an exploratory drilling rig to determine soil and rock characteristics along the Miners Ranch Canal access road on March 24 and 25. This is in preparation for developing plans to install soldier piles and retaining walls where the road edge has been compromised. The project manager indicated that the borings went well and provided good information regarding the geology of the site.

#### Temporary Gauging Station at Sly Creek Dam

As part of the construction at Sly Creek Dam, a new control building and gauging station will be built near the spillway. However, it was necessary for the crew to erect a temporary gauging structure as the existing one will be demolished early in the construction process.

#### Bangor Canal Outlet at Miners Ranch Dam

On April 14, the crew took the Bangor Canal outlet structure out of service for the annual inspection prior to the start of the irrigation season. The guard gate was operated several times to remove any barnacles that had formed in the past year, and the regulating gate was inspected and determined to be in good shape. John Davis inspected the outlet tunnel and found it in good condition as well. After conferring with the Division of Safety of Dams, the tunnel will now only need to be inspected every five years, or after a significant earthquake in the area.

## **MANAGER OF INFORMATION SYSTEM'S REPORT**

### Telephone Systems

A component of the new PG&E contract requirement refers to telephone call recording. The contract requires that any phone contact made between the Agency and PG&E must be recorded. Since this requirement will affect a number of people in both divisions, attempts are being made to make the change agency wide. The current phone system has reached its end of life and spending a significant amount of money on an antiquated phone system to accommodate the contract requirements is not logical. With the aid of Communications Technician Brian Howerton, implementation of a Voice over IP phone system has been initiated. It will meet current and future needs, including on-demand call recording. This phone system will have the facilities to meet the contract's phone recording requirements, as well as provide redundancy that the current phone system does not have. The plans to upgrade the current microwave system will tie in nicely with the capabilities of the new phone system, allowing further extension of the phone system to give off-site locations full access to the system.

### GOES Satellite System

As reported previously by Matt Colwell, infrastructure by which water flows are monitored are being revamped. The new system will use a satellite system that will allow remote location flow data to be beamed directly to the Agency's office, as well as to the USGS office. This data will be collected to provide the annual data required by the USGS. By moving the data processing and collection in house, the data-collection system will be more accurate and closer to real-time. The Agency's consultant, Innovative Hydrology, Inc. has already begun purchasing the equipment needed to start the upgrades. Their office is working closely with Eddie Paul (recently selected to assume the new Hydrographer position) and Brian Howerton, as well as managers Kathy Zancanella, Matt Colwell, and Art Martinez. Installation of the new equipment is anticipated to start as early as June 2010.

## **FINANCE DIVISION MANAGER'S REPORT**

The Board reviewed a written report from Mr. Wong, including a breakdown of revenue and expenses for each of the irrigation system's components.

### 2009 Annual Audit

Work on the 2009 annual audit is just about finished. The report will be forwarded to the Board's Finance Committee for review as soon as it is completed.

### State Mandated Cost-Brown Act

Last month legal counsel advised that a recent court case is requiring the State to re-activate the State Mandate reimbursement program allowing local governmental agencies subject to the Brown Act to seek reimbursement for the costs of preparing board agendas. South Feather will be seeking reimbursement for the costs related to Brown Act compliance incurred over the last four years. The initial deadline for filing these reimbursements is May 20, 2010.

### ACWA/JPIA Review of Assets

On March 24 and 25 a representative from ACWA/JPIA visited the Agency to review and inspect the assets covered by ACWA/JPIA insurance. It is anticipated that a report will be prepared and, upon its receipt, an adjustment of the Agency's asset listings and coverages will be made as appropriate.

### PG&E Audit

Last spring PG&E initiated an internal review of the Agency's financial controls, processes and procedures for Power Division reimbursements. Following the on-site visit by the PG&E auditor, a written report of the auditor's findings and conclusions was requested, but never received. In follow-up conversations with PG&E representatives, it was indicated that the auditor's conclusion was that there was no major action to be requested of the Agency. At a meeting on April 6, 2010, this matter was again discussed with PG&E representatives and the final conclusion of the matter was a net increase in revenues to the Agency in the amount of \$46,705.57.

## **LEGAL COUNSEL'S REPORT**

Directors reviewed documents provided by Jeff Meith's office regarding current issues: an update on ACWA Legislative Committee activities; and, a summary of an informational proceeding by the State Water Resources Control Board on hydrology of Delta outflows.

## **GENERAL MANAGER'S REPORT**

The Board reviewed a written report from Michael Glaze, General Manager.

### Relicensing

Patricia Nelson, HDR's Manager of Environmental Services, provided the following relicensing update.

#### *California Environmental Quality Act (CEQA)*

*The Project Draft Initial Study/ Mitigated Negative Declaration (ISMND) was submitted to the state Governor's Office of Planning and Research, State Clearinghouse (SCH) on February 1, 2010 that initiated the public comment period (February 2, 2010 through March 3, 2010). The public comment period was extended through March 17, 2010 to accommodate the California Department of Fish and Game (CDFG), per their February 25, 2010 request. Three sets of comments were received, one each from the California Department of Water Resources (DWR), dated March 2, 2010; State Water Contractors (SWC)/Metropolitan Water District (MWD), dated March 3, 2010 and also filed with the FERC; and the CDFG, dated March 17, 2010.*

*The comments received from these organizations were similar to those that were addressed during the Project Relicensing process and as part of the FERC Final Environmental Impact Statement (FEIS), on which the ISMND was based. On behalf of South Feather Water and Power Agency (SFWPA), Winston & Strawn, LLP, prepared a response to the comments the SWC/MWD submitted to FERC. HDR/DTA is assisting the SFWPA to develop an addendum to the ISMND to address the comments received and will be available by the month's end.*

#### *CWA Section 401 Water Quality Certification*

*In light of the need to address the comments on the ISMND, Jeff Parks of the State Water Resources Control Board (SWRCB) recommended that the SFWPA withdraw and resubmit its CWA Section 401 Water Quality Certification Application, which was done on April 12, 2010.*

#### Water Transfer – San Diego County Water Authority

San Diego County Water Authority (SDCWA) has officially withdrawn from the agreement for a water transfer this year. Directors reviewed a copy of its letter advising that it is electing not to exercise its option to proceed with the purchase of 10,000 acre-feet of water.

Subsequent to receipt of SDCWA's letter, Kathy Zancanella advised the State Water Resources Control Board that SFWPA was withdrawing its application for a permit for the proposed water transfer. Steve Wong will be sending SDCWA an invoice for expenses the Agency incurred in processing the transfer.

#### Upper Forbestown Ditch Pipeline Project

North Yuba Water District's board of directors held a special meeting on April 9 to approve a couple consulting-services agreements that will formally initiate its plan to realign and pipe the Upper Forbestown Ditch from SFWPA's SF-14 (diversion from Woodleaf Penstock) to NYWD's Forbestown Treatment Plant. Michael D. Brown Consulting Engineers and Magis Advisors Public Finance Consultants are being retained by the district for this project.

The project utilizes a public/private partnership for financing and a design/build approach for construction. Mr. Glaze opined that, for some inexplicable reason, NYWD believes it is imperative to move as quickly as possible to eliminate the open-channel ditch to avoid future maintenance/repair problems that they seem to view as significantly more risky and expensive than SFWPA's experience has proven them to be over the past 90 years of operations. NYWD has also been convinced by this consulting team that the public/private financing partnership will "fast-track" the project and save money.

Mr. Glaze expressed the opinion that NYWD is making an unnecessary and very expensive mistake and stated that he would never recommend such a project to SFWPA's board if that section of ditch was to continue being SFWPA's responsibility. There is no urgency for NYWD to pipe the ditch. It's in good shape and inevitable future repairs will not be overly difficult or extremely expensive to make (compared to the cost to replace it all with a piped system). NYWD's share of the power-generation value of the water that will be conserved once the pipeline is installed will not come anywhere close to offsetting the pipeline project's cost for many decades. Further, the public/private financing partnership will drive the ultimate cost of the project up and make it more complex than necessary for NYWD, compared to a project that could be financed through normal means in the future when NYWD's power-generation revenues would be sufficient to pay the debt service.

He said his recommendation would be for NYWD to continue operating the Upper Forbestown Ditch as SFWPA has been doing for decades and save its share of power-generation revenues for improvements to and expansion of its domestic and raw-water distribution systems, development of an equipment replacement and upgrade program, together with funding for all the other projects that are and have been priorities for NYWD for many years, and that would make its operations more secure and efficient. Then, in time, once higher priority issues were resolved, finance the pipeline project with power-generation revenue securing the debt service.

#### Annual Facilities Tour

The planning process for this year's facilities tour has begun. Directors were asked to submit their invitation-request list to Art Martinez. Staff will also be putting names on the list.

The itinerary this year will be a little different due to the fact that construction at Sly Creek Dam will prevent the nearby campground being used for the lunch event. Alternatively, the tentative plan is to have the BBQ at Long Creek Winery, and include a tour of the winery and vineyard irrigation system as part of the program.

Tuesday, June 29 is the tentative date for this year's tour.

**DIRECTORS' REPORTS** – None.

**NORTH YUBA WATER DISTRICT – AMENDMENT OF 2005 AGREEMENT**

At the Board's December 2009 meeting, an amendment to the 2005 Agreement ("Agreement") with North Yuba Water District (NYWD, previously Yuba County Water District (YCWD)) was approved. The amendment was needed to accommodate continuation of the long-term water sale by NYWD to Yuba City, and to relieve SFWPA of its Agreement-specified responsibility to rebuild a portion of the Hell-for-Stout Flume on the Upper Forbestown Ditch.

The amendment of the Agreement was submitted for Board approval in December after lengthy discussions with NYWD's general manager and attorney, and with the understanding that it had their blessing. Subsequent to the Board's approval of the amendment, Jeff Meith heard from NYWD's attorney that they wanted additional changes considered.

After three months of further discussions, Mr. Meith and Mr. Glaze believe that they have NYWD's tentative approval for an amendment to the Agreement (a copy of which was reviewed by Directors). The primary change is Paragraph H2 that allows NYWD to subtract its administrative costs from the transfer proceeds that get paid into the Joint Facilities Account.

Also during this time, Kathy Zancanella pointed out that the newly executed contract with PG&E necessitates amendment of Exhibits A and C of the original 2005 Agreement to correctly incorporate the actual pricing structure and procedures of that contract. So, the amendment now proposed includes both the NYWD-requested changes and the necessary modifications of Exhibits A and C.

M/S/C (Hunter/Moreland) approving and authorizing President Cecchi to execute the proposed amendment to the 2005 Agreement between South Feather Water and Power Agency and North Yuba Water District, and for the approval of the amendment to said Agreement that was authorized.

**SURPLUS WATER SALE – NYWD TO YUBA CITY**

NYWD has been selling 4,500 acre-feet of water to Yuba City for many years. This 4,500 acre-feet of water was allocated to NYWD in the original 1959 three-party agreement between OWID, PG&E and YCWD for delivery out of Miners Ranch Reservoir, down the Bangor Canal to storage or irrigation facilities that YCWD was supposed to construct but, ultimately, never did. Although contested by OWID for many years, YCWD ultimately prevailed before the State Water Resources Control Board (with OWID's support, eventually) in getting a permit for the transfer of this block of water to Yuba City. The water-sale agreement between NYWD and Yuba City is about to expire and they have negotiated a new 25-year agreement.

Directors reviewed a copy of the final draft (dated 3/19/10) of the proposed surplus-water sale agreement between North Yuba Water District and the City of Yuba City. The term of the agreement is 25 years, with the price of the water being \$55/AF in 2011, \$70/AF in 2012, and indexed thereafter through 2025 with the Consumer Price Index as the inflator. Prices after 2025 will be negotiated with the intent "to reflect the market prices for similar long-term water sales during these periods."

Although SFWPA is not a party to the proposed agreement, some of the language in it was included at Jeff Meith's request. Items 3(c), 7(b) and all of 8 include language especially important to the Agency's interests.

The agreement is between Yuba City and NYWD. SFWPA is only being asked to affirm its approve the agreement.

M/S/C (Hunter/Lodigiani) approving of the sale of surplus water by North Yuba Water District to the City of Yuba City, and authorizing the General Manager to provide written notification of said approval to interested parties, including North Yuba Water District and the City of Yuba City, subject to any succeeding changes in the reviewed draft not being substantive.

## STRATEGIC TEN-YEAR FINANCIAL PLAN FOR 2011-2020

A Ten-Year Strategic Financial Plan was reviewed at the board's last meeting. Direction from the board was to bring the item back on the agenda this month to give directors time to review and absorb the information.

### Proposed Action

Adopt the Strategic Ten-Year Financial Plan for 2011-2020, including the proposed modifications to potable water rates in 2012, 2014 and 2017, annual contributions of \$1,000,000 per year towards the Other Post Employment Benefits (OPEB) liabilities beginning in 2015, and authorization to proceed with discussions to issue bonds to assist with financing the expansion of the Miners Ranch Treatment Plant.

### Background

The 2010 Budget set forth the following four funds:

- Fund 1 – General Fund;
- Fund 7 – SFPP Joint Facilities Fund;
- Fund 12 – MRTP System Capacity Fund; and,
- Fund 51 – SFWPA Retiree Benefits Fund (OPEB).

One of the major questions at the commencement of these discussions is the ability and timing of the distribution of funds from Fund 7, the SFPP Joint Facilities Fund. Generation and power prices for the South Feather Power Project (SFPP) have been tracked since this past summer of 2009, and with these calculations, revenue to the Fund is projected to be about \$1,800,000 per month. The 2005 Agreement (Agreement) with the North Yuba Water District (NYWD) provides first for the payment of normal operating and maintenance expenses for the project, repayment of re-licensing expenses incurred by SFWPA, payment of a minimal annual amount to SFWPA and NYWD, the creation of a 15% working capital reserve, and the creation of a \$15,000,000 contingency reserve. Once these obligations are taken care of, then the remaining funds, or net power revenues, are distributed equally between the Agency and NYWD.

With that as a starting point, Financial Projections for the SFPP Joint Facilities Fund and the General Fund through the year 2020 were created. The Projections indicate a healthy financial picture for the Agency through 2015. Highlights incorporated into these projections for the next five years include the following:

- 1.) With the PG&E agreement approved last month to assist with paying for the dam-crest-modification projects, it appears that net power revenues will be available as soon as the 2012 year. The Agreement provides for the analysis and distribution of funds to occur on or before March 31 of each year for the prior calendar year. Therefore the 2012 distribution will be the result of 2011 activity.
- 2.) No funds from water transfers are included in these estimates.
- 3.) Current Consumption rates for potable water are \$0.64 per unit for the first 100 units (10,000 cubic feet) and \$0.25 per unit after the first 100 units (over 10,000 cubic feet). The following rate adjustments are proposed and have been incorporated into the attached Projections. Each adjustment reduces General Fund revenues by approximately \$110,000 to \$180,000 per year, or an estimated \$465,000 per year after the three adjustments are in effect. The recommended action, below, does not affect these rate changes, only direction to staff to consider the proposal at the appropriate time. Jeff Meith will also need to provide direction regarding the impact of Proposition 218 on this proposal.

	First	After First
Per Unit Chg	100 Units	100 Units
Current	\$0.64	\$0.25
2012	\$0.53	\$0.28
2014	\$0.42	\$0.31
2017	\$0.35	\$0.35

The foregoing proposed rate changes will result in lower water bills for the vast majority of SFWPA domestic-water customers. Only those customers who use large volumes of

water for irrigation or other similar uses will have to pay more money than they presently do. In most cases, however, even the large-volume customers will see savings in the winter time that will offset their increases in the summer time (assuming that their water demand is seasonal).

For the rate changes in 2012 and 2014, a customer would have to use in excess of 367 units (274,516 gallons) of water in a month before their bill would exceed what it is under the present rate structure. And the rate change in 2017 would lower than break-event point to 290 units (216,920 gallons) of monthly usage.

- 4.) Financing for the MRTP expansion is included at a total amount of \$18,000,000 with an interest rate of 4.75% over a twenty-year maturity schedule and repayment beginning in 2014.
- 5) Annual \$1,000,000 contributions for Other Post-Employment Benefits (OPEB) are scheduled to begin in the 2015 year. Repayment to PG&E for 60% of the costs associated with the dam-crest-modification projects, an estimated \$12,000,000, will also occur in 2015.

The combination of repayment to PG&E for the dam-crest-modification projects costs, the debt service for the MRTP expansion, and the annual contributions for OPEB taking place in the 2014-2015 period cause the 2016-2020 period to be more fragile financially although the projections continue to be positive.

M/S/C (Lodigiani/Moreland) approving the Strategic Ten-Year Financial Plan for 2011-2020, including, conceptually, modifications to potable water rates in 2012, 2014 and 2017, annual contributions of \$1,000,000 to Fund 51 for Other Post-Employment Benefits beginning in 2015, and the commencement of formal discussions to pursue financing for the expansion of the Miners Ranch Treatment Plant.

#### **STRUCTURAL STABILITY ANALYSIS – SLATE CREEK DIVERSION DAM**

Under the Federal Energy Regulatory Commission's (FERC) dam safety program, annual dam safety operations inspections of the dams of SFWPA, including Slate Creek Diversion Dam (SCDD), are performed. These inspections result in recommendations to improve the understanding of factors that might affect performance of the dams. Based on the 2009 dam safety and operations inspections, FERC recommended that the structural stability of SCDD be evaluated for loading appropriate to the current sediment accumulation against the dam.

SCDD is operated by SFWPA to divert water from the Slate Creek watershed (Yuba River basin) to Sly Creek Reservoir (Feather River basin) for hydropower generation purposes. Much of SCDD impoundment is filled with cobble, gravel, sand, and silt. The high rate of sedimentation is related to past hydraulic mining in the upstream source area. Delivery of material from upstream hydraulic mine sites and aggraded channel reaches to the SCDD impoundment was exacerbated in the 1950's by the breaching of the St. Louis Debris Dam, located approximately one mile upstream of SCDD on Forest Service-owned land. Sediment pass-through events have been attempted in 2002, 2003, 2004, 2005, and just recently. Most of these events were unsuccessful at moving any significant amount of sediment due to hydraulic conditions at the dam. The build-up of sediment and the upstream face places a potentially higher-than-desirable structural load on SCDD.

A Request for Proposal (RFP, a copy of which was reviewed by Directors) was delivered to several firms that routinely perform structural analysis of dams. Work tasks include determination of original structural loading capacity of SCDD, field investigations, structural stability analysis, and the preparation of a report of findings for review by SFWPA and to be filed with FERC.

The two firms responding are both well-qualified to provide the requested analysis: Mead & Hunt Inc., and Kleinschmidt Associates. Because both firms responded appropriately to the RFP and have offices nationwide with more than adequate expertise and resources, Mr. Glaze and Mr. Brown recommended that the proposal from Mead & Hunt be accepted, given that it contained the lower estimated project cost of \$49,900. Kleinschmidt's estimate was \$82,500.

M/S/C (Hunter/Lodigiani) authorizing the General Manager to execute a standard consulting services agreement with Mead & Hunt Inc. to provide structural stability analysis services for Slate Creek Diversion Dam, in conformance with the project RFP.

**CLOSED SESSION** (convened at 3:31 p.m.)

Conference with Legal Counsel – Government Code §54956.9 (one potential case).

**OPEN SESSION** (convened at 3:33 p.m.)

President Cecchi announced that no action was taken by the board during the closed session.

**ADJOURNMENT**

President Cecchi adjourned the meeting at 3:33 p.m.

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Michael C. Glaze, Secretary

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Louis F. Cecchi, President