

**MINUTES of the REGULAR MEETING of the BOARD of DIRECTORS of  
the  
SOUTH FEATHER WATER & POWER AGENCY  
Tuesday, April 26, 2005, 2:00 PM,  
Agency Conference Room, 2310 Oro Quincy Hwy. Oroville, California**

**DIRECTORS PRESENT:** Jean Brown; Lou Cecchi; Jim Edwards; Dee Hunter;  
Vivian Meyer.

**DIRECTORS ABSENT:** None

**STAFF PRESENT:** Michael Glaze, General Manager/Secretary;  
Kathy Petersen, Power Division Manager;  
Matt Colwell, Water Division Manager;  
Patricia A. Sands, Business Manager/Treasurer.  
Art Martinez, Manager of Information Systems  
Jeff Meith, Legal Counsel.

**STAFF ABSENT:** Patricia Douglass, Administrative Assistant.

**OTHERS PRESENT:** Maurice Martinez; Hank Bailey; Ron Fink; Jim Lynch,  
Devine Tarbell & Associates; Scott Wilcox, Stillwater  
Sciences; David Guy, NCWA.

**CALL TO ORDER**

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

**FERC RELICENSING UPDATE AND 2005 RELICENSING BUDGET APPROVAL**

Jim Lynch of Devine Tarbell & Associates provided the Board with an update on the status of the Agency's FERC relicensing project. He reported that the work is on schedule; all planned 2004 fieldwork, with some exceptions that he itemized, is complete; and, that the Revised Draft Exhibit E (existing information, results of completed 2004 studies, an assessment of impacts, recommendation for additional studies in 2005, and preliminary proposed resource management measures) was distributed to resource agencies and other interested parties on March 8, 2005. The Draft Exhibit E will eventually be included in SFWPA's license application filed with FERC in March 2007.

Mr. Lynch reported that, overall, the work is within budget. As of March 27, 2005 DTA has expended \$3,144,753, or 82% of the total authorized budget (\$700,580

remaining). After explaining in detail the status of the individual subtasks within the budget, he detailed his request for an increased budget authorization of \$592,325 in 2005, summarized as follows:

<u>Category</u>	<u>Budget Requests</u>
Previously Completed Tasks (1 & 4)	none
Completed Tasks (3,5,6 & 7)	\$ 17,325
Open Administrative Tasks (2 & 8)	210,000
Open Study Task (9) – Completed Studies	(30,000)
Open Study Task (9) – Substantially Completed Studies	30,000
Open Study Task (9) – Incomplete Studies	40,000
New 2005 Studies	<u>325,000</u>
	<u>\$592,325</u>

Director Cecchi explained that he and Director Brown, as the Hydro Committee, had met earlier in the day and received a detailed explanation of the status of the relicensing project and the reasons for the budget-increase request. He said that the Committee's questions had been answered and that the budget increase request was in order.

M/S/C (Cecchi/Meyer) approving the relicensing budget amendments and additions as requested by consultant Jim Lynch.

#### **PRESENTATION BY NORTHERN CALIFORNIA WATER ASSOCIATION**

David Guy, Executive Director of NCWA was introduced by Manager Glaze and Director Meyer (who is also on the NCWA Board of Directors). Mr. Guy explained that his purpose was to update SFWPA directors on the various projects and efforts in which NCWA, on behalf of SFWPA and its other members, is involved. He focused primarily on the proposed Sacramento Valley Integrated Regional Water Management Plan, but also discussed Delta-related issues and conflicts, especially regarding the historical struggle for Bay-Delta water quality. Additionally, he explained the current agreement principles that resulted in the Phase 8 dismissal, and the need for continued cooperation amongst, and a powerful common voice for, Association members for region-wide effectiveness.

#### **APPROVAL OF MINUTES**

M/S/C (Edwards/Brown) approving the Minutes of the Regular Meeting of March 26, 2005 as presented.

#### **APPROVAL OF WARRANTS**

M/S/C (Cecchi/Brown) approving the total Water Division expenditures for the month of March 2005 in the amount of \$800,433.42 - Warrants #20046 through #20114; and, the total Power Division expenditures for the

month of March 2005 in the amount of \$576,205.33 - Warrants #61198 through #61247.

## **PUBLIC PARTICIPATION**

Ron Fink inquired about the draft agreement between SFWPA and Yuba County Water District. It was explained that the current draft is available for public review and that negotiations are ongoing. He asked what specifications were in the agreement for the Forbestown Ditch. It was explained that SFWPA is proposing that YCWD assume complete ownership and operation of the Forbestown Ditch after 2010, including assuming responsibility for all of SFWPA's raw-water customers on the ditch. YCWD understands the significance of the Railroad Commission order that applies to certain properties along the Forbestown Ditch.

## **BUSINESS MANAGER'S REPORT**

The Board reviewed financial reports by Pat Sands, Business Manager.

### South Fork Relicensing Consulting Services

The Board was provided with the Monthly Activity Report from Devine, Tarbell and Associates, Inc. (DTA) for the period of February 28 through March 27, 2005.

### Annual Audit

Steve Norman (Davis Hammon & Company) conducted the annual physical inventory test with staff on January 6, 2005. His auditing team will return on April 27 to conduct the field audit.

## **POWER DIVISION REPORT**

The Board reviewed a written report by Kathy Petersen, Power Division Manager.

### **Operations**

The Board was provided with the Storage and Generation Report and Forbestown Precipitation Report for March.

### **Maintenance Projects**

#### Woodleaf Heat Transformer

Ms. Petersen discussed and provided pictures of the replacement of the Woodleaf Transformer that was accomplished between March 19 and April 3, 2005.

#### Woodleaf Rock Topple

A rock slide began occurring at the Woodleaf Powerhouse on April 9, 2005. A team of geologists were on site by April 11 to assess the damage and begin preparing a rock-removal and stabilization plan. Ms. Petersen provided pictures of the slide, together with graphics prepared by the geologists explaining the cause of the event.

### **2006-2007 Budget**

The Board was provided copies of the forecast budget for 2006 and 2007. The budgets were reviewed by the Hydro Committee on April 18, forwarded to PG&E on April 22, and will be brought back to the Board for approval once negotiations with PG&E have been completed.

### **General Information**

Dennis Overfield, Operations Foreman, has announced his retirement, effective May 31, 2005.

## **WATER DIVISION REPORT**

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

### **Distribution Operations**

Water Division staff has been working on the new office construction, service installations, leak repairs, and irrigation and domestic distribution system betterments.

New operational controls were installed by Agency personnel at the Bangor siphon tower to better regulate the upstream head pressure needed for the Bangor Treatment Plant and downstream demands. It is anticipated that these improvements will eventually permit the elimination of the tower and associated hazards. Director Hunter complimented Mr. Colwell on being able to perform the work without depriving downstream users of service.

### **Water Treatment Operations**

The photovoltaic solar system at Miners Ranch Treatment Plant generated electricity in excess of demand for the month of March.

Treatment plant operator Steve Owsley was transferred to a new Operator-in-Training position in the Power Division. He had worked as a treatment-plant operator for 12 years. Replacing him is Rex Carbah, a new employee who had previously been Operations and Treatment Superintendent at Yuba County Water District.

### **Water Plant Production**

All bacteriological requirements were met for the Miners Ranch Treatment Plant and Bangor Treatment Plant.

Treated Water Production: Miners Ranch – 86.5 MG; Bangor – 0.23 MG.

Leaks Repaired: Two main-line and ten service-line leaks were repaired. Fourteen new backflows and meters were installed in March.

## **LEGAL COUNSEL**

No report.

## **GENERAL MANAGER'S REPORT**

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

### Constructed Conveyances Rule

Mr. Glaze reported that staff is continuing to implement the Department of Health Services' requirement that irrigation customers without an alternate source of treated water for consumption begin purchasing a minimum of five gallons of bottled water. Out of 643 irrigation accounts, a total of 128 are in the program and being required to purchase bottled water. Of the 128, 85 accounts are receiving notification that their continued failure to comply with the state and federal regulations the Agency is required to enforce will result in their raw-water service being terminated, or not reinstated as the case may be, on or after May 16.

### Surplus Water Agreement

An application for 8 MI of surplus water from the Upper Forbestown Ditch was received and approved for Young Life's Woodleaf, in accordance with Policy #480.

### Methodist Church Water Service

The First United Methodist Church has failed to comply with requirements to pursue the annexation of its property to the Agency, and to make financial arrangements for the installation of its new 5/8" meter service. Church officials will be notified after May 2 that failure to comply with the pre-specified requirements for water service will result in termination of the service on June 1.

### Meeting with FERC Officials

Manager Glaze was in Washington, D.C. for the National Hydro Association (NHA) conference earlier in the month. While there he had the opportunity to meet with a number of FERC officials involved in relicensing, including Commission Chairman Pat Wood.

## **DIRECTORS REPORTS**

Vivian Meyer expressed her continued concern about the "beneficiary pays" provisions of the Water Use Efficiency Grant program, and Lou Cecchi discussed the workings of the ag discharge waiver coalition.

## **ACCEPTANCE OF FACILITIES – THE RIDGE, UNIT 1 OF PHASE 1**

M/S/C (Meyer/Edwards) adopting Resolution 05-4-3 to accept the water distribution facilities installed by Thurman & Thurman, Inc. within Unit 1 of Phase 1 of The Ridge Subdivision into the Agency's maintained system, subject to receipt of a one-year maintenance surety approved by the General Manager.

**EASEMENT ABANDONMENT – APN 068-150-083**

M/S/C (Cecchi/Brown) adopting Resolution 05-4-1 to quitclaim all of the Agency’s rights, title and interest in easements and reservations across property owned by Fred Silva (APN 068-150-083).

**EASEMENT ACCEPTANCE – APN 068-360-116**

M/S/C (Brown/Cecchi) adopting Resolution 05-4-2 to accept an easement for ditch pipeline purposes from Chris and Samantha Carter across their property identified as APN 068-360-116.

**EMPLOYMENT AGREEMENT – FINANCE DIVISION MANAGER**

M/S/C (Cecchi/Edwards) approving the Agreement for Employment of Finance Division Manager for Jennifer Jellison, effective May 16, 2005.

**SLATE CREEK FORBEARANCE AGREEMENT**

M/S/C (Brown/Cecchi) approving the agreement with PG&E for delivery by South Feather Water and Power of excess water at Slate Creek Diversion for use by Yuba County Water Agency at Colgate Powerhouse.

**CLOSED SESSION** (convened by President Hunter at 4:26 p.m.).

Conference with Labor Negotiator (Govt. Code §54957.6)

Negotiator: Michael Glaze, General Manager

Employee Units: Hydropower Generation Employees Unit  
Management and Professional Employees Unit

**ADJOURNMENT** (open session reconvened at 4:50 p.m.)

President Hunter announced that the Board took no action during the closed session. The meeting was adjourned at 4:51 p.m.

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Michael C. Glaze, Secretary

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Dee Hunter, President