

RESOLUTION NO. 2018-05
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-01

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

FEBRUARY 14, 2018

Directors Present: Russ Thomas, Vice President
Bertha Underhill, Director
Terry Strange, Director
Jeff Davidson, Director

Directors(s) Absent: Scott Ratterman, President

Staff Present: Dave Eggerton, General Manager
Mona Walker, Clerk to the Board
Matt Weber, General Counsel
Jeffrey Meyer, Director of Administrative Services
Charles Palmer, District Engineer
Peter Martin, Manager of Water Resources
Joel Metzger, Mgr. of External Affairs, Conservation, and Grants

Others Present: Jeff Meyer, ECORP Consultants
Antonie Warster, Calaveras Co. Taxpayers Association
Elaine St. John
Shawn Koorn, HDR Engineering Inc.
Randy Bowersox, NCPA
Bob Dean
Chris Tuggle, Modesto Irrigation District
Katherine Evatt, Foothill Conservancy
Andy Fecko, Placer County Water Agency
Ben Ransom, Placer County Water Agency

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

Vice President Thomas called the Regular Board Meeting to order at approximately 1:05 p.m. and led the pledge of allegiance. Director Ratterman was absent.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

**MOTION: Directors Davidson / Underhill – Approved Consent Agenda Items:
3a, Minutes for the Board Meetings of January 10 and January 24, 2018;
and 3b, Review of the Board of Directors Monthly Time Sheets for
January, 2018**

3a Approval of Minutes for the Board Meetings of January 10 and January 24, 2018

3b Review Board of Directors Monthly Time Sheets for January, 2018

Director Strange pulled Item 3c from the Consent Agenda

3c Approve to Ratify Claim Summary #551 Secretarial Fund in the Amount
of \$1,422,409.44 for January, 2018
(Jeffrey Meyer, Director of Administrative Services) **RES 2018-_____**

AYES: Directors Davidson, Underhill, Strange and Thomas

NOES: None

ABSTAIN: None

ABSENT: Director Ratterman

OFF CONSENT AGENDA

Director Strange pulled Item 3c from the Consent Agenda

3c Approve to Ratify Claim Summary #551 Secretarial Fund in the Amount
of \$1,422,409.44 for January, 2018
(Jeffrey Meyer, Director of Administrative Services) **RES 2018-05**

**MOTION: Directors Strange / Underhill – Adopted Resolution No. 2018-05
Approving to Ratify Claim Summary #551 Secretarial Fund in the
Amount of \$1,422,409.44 for January, 2018**

DISCUSSION: Director Strange inquired about expenses related to the Ebbetts Pass Reach 1A Transmission Line Replacement Project. Staff responded that the costs were related to engineering work for the design phase of the project and there would be on-going engineering costs.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Strange, Underhill, Davidson and Thomas

NOES: None

ABSTAIN: None

ABSENT: Director Ratterman

4. NEW BUSINESS

- 4a Presentation on FERC Relicensing Efforts by Placer County Water Agency
(Peter Martin, Manager of Water Resources)

Mr. Eggerton reported that today's presentation is at the request of the Board on FERC relicensing efforts, and there will be many discussions at a later date on CCWD's two hydro projects that will be up for relicensing in 2032. Mr. Martin addressed the Board with background on the District's two hydro projects, FERC No. 2409 and No. 2403, the North Fork Stanislaus River Hydroelectric Development Project and the New Hogan Power Project, respectively.

Mr. Fecko, Director of Strategic Planning Affairs of Placer County Water Agency (PCWA) discussed PCWA's hydro relicensing efforts for their Middle Fork Project relicensed in 2013. Mr. Fecko discussed their relicensing team, and process involvement including stakeholder groups consisting of governmental agencies, non-government agencies, tribes, and the public. He discussed the milestones of the relicensing process and timelines. Mr. Ben Ransom, Senior Environmental Scientist of PCWA discussed the staffing needs, implementation and financial needs, and technical study plans for the relicensing process. PCWA reported a cost of approximately \$35 Million to complete the relicensing process. Mr. Fecko and Mr. Ransom responded to questions from Board Members. The Board thanked Mr. Fecko and Mr. Ransom for their presentation.

PUBLIC COMMENT: Ms. Katherine Evatt commented on PCWA's presentation and using PCWA's process as a model for other relicensing efforts.

Mr. Randy Bowersox commented on the good relationship between NCPA and CCWD in their partnership of the North Fork Hydro Project.

RECESS was called at 2:37 p.m. **SESSION RESUMED** at 2:46 p.m.

- 4b Update / Direction on the CA Natural Resources Agency – Mokelumne River
Wild and Scenic Designation Study
(Peter Martin, Manager of Water Resources)

Mr. Martin provided a PowerPoint presentation on the release of the California Natural Resources Agency's (CNRA) AB 142 (Bigelow) Mokelumne River Wild and Scenic Designation Draft Study. CCWD and CPUD worked together to develop an associated report identifying the future water resources needs of each agency which has helped inform CNRA's AB 142 Report. Director Davidson shared his concerns with water supply and CCWD's beneficial uses for the Mokelumne River. Director Strange voiced his views on water usage on the Mokelumne River. Mr. Eggerton reported that staff is working with our partner agencies (Calaveras Public Utility District, Amador Water Agency and Jackson Valley Irrigation District) as well as water law counsel to prepare joint comments on the Report.

PUBLIC COMMENT: Ms. Antonie Warster, Calaveras County Tax Payers Association, reported that the Tax Payers Association continues to oppose the wild and scenic designation. She shared concerns about the Draft Study and suggested that CCWD and the Amador Water Agency needs stronger language within the special provisions to protect water usage and have adequate protection for the counties water needs.

Ms. Katherine Evatt voiced her concerns and views on the draft report and will continue to review the report and proposed special provisions concerning the wild and scenic designation.

Ms. Elaine St. John commented on the protection of water rights and the reasons why she opposes the wild and scenic designation.

5. OLD BUSINESS

5a Discussion / Direction Regarding Cost of Service and Rate Design Analysis (Jeffrey Meyer, Director of Administrative Services)

Mr. Meyer discussed how staff has worked with the Board's Cost of Service Study ad hoc Committee and are moving forward with HDR Engineering Inc. in recommending scenarios for rate design options.

Mr. Koorn of HDR Engineering Inc. addressed the Board and reviewed scenarios of combined water and sewer bi-monthly rate increases for consideration, along with recommendations of identified classes of services: residential customers, non-residential, and irrigation / landscape. The rate design scenarios shown in a PowerPoint presentation included: 1) an even adjustment scenario; 2) a two year catch up scenario; and 3) a one year scenario. Mr. Koorn stated that the District has had to borrow from its water fund to pay for the shortfalls in the sewer fund and offered a fast "catch up" or "even adjustment" approach to the phased-in rate increases for both water and sewer which would repay the water fund and appropriately fund the water/sewer operations. He indicated that the proposed rate models being considered do not include monthly consumptive "free water" as no longer allowed under Prop. 218 and eliminate tier fees for non-residential customers. Mr. Koorn responded to questions from the Board Members.

Director Strange left the meeting at approximately 3:40 p.m.

After reviewing the proposed rate options, Directors Thomas, Underhill and Davidson agreed with the recommendation of customer classes of service identified by the Cost of Service Study ad hoc Committee Members. After some discussion, the Board Members concurred on the "even adjustment" approach of a rate increase. Mr. Koorn indicated that he will return at the February 28th Board Meeting with final numbers under the "even adjustment" scenario for the customer classes for Board consideration to move forward with the Proposition 218 rate process. The Board thanked Mr. Koorn for his presentation.

6. GENERAL MANAGER REPORT

Mr. Eggerton reported on the following activities: 1) CCWD has received recognition from ACWA on its legislative/advocacy; 2) the Little Hoover Commission Report has been released with recommendations on improved forest management, in which he testified before the Commission; and 3) Mr. Eggerton will be absent at the February 28th Board Meeting, as he will be attending an ACWA conference in Washington, DC and meeting with Congressional offices on behalf of the District.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Underhill reported on her attendance at the Highway 4 Working Group and the Ebbetts Pass Property Owners Council meetings.

Director Thomas reported on his attendance at the Highway 4 Working Group meeting, and today's meeting of the Eastern San Joaquin Groundwater Authority.

Director Davidson – nothing to report.

8. NEXT BOARD MEETINGS

- Wednesday, February 28, 2018, 1:00 p.m., Regular Board Meeting
- Wednesday, March 14, 2018, 1:00 p.m., Regular Board Meeting

The Open Session ended at 4:28 p.m.

The meeting adjourned into Closed Session at approximately 4:30 p.m. Those present were Board Members: Russ Thomas, Bertha Underhill and Jeff Davidson (Directors Ratterman and Strange were absent), staff member Dave Eggerton, General Manager; and Matt Weber, General Counsel.

9. CLOSED SESSION

- 9a Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a)
La Contenta Investors, LTD vs. CCWD (Calaveras County Superior Court
#11CV37713)

10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 4:55 p.m. There was no reportable action.

11. ADJOURNMENT

With no further business, the meeting adjourned at approximately 4:55 p.m.

By:



Dave Eggerton
General Manager

ATTEST:



Mona Walker
Clerk to the Board