

Yolo County Flood Control & Water Conservation District

AGENDA Board Meeting 34274 State Highway 16 Woodland, CA 95695 Tuesday, February 7, 2012 7:00 P.M.

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, then please contact Christina Cobey at (530) 662-0265 or (530) 662-4982 fax. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

AGENDA

- 7:00 1. Consideration: The Board will consider adoption of the minutes of the January 3, 2012 Regular and January 12, 2012 Special Board Meetings.
- 7:02 2. Open forum (Limited to five minutes): Guest introductions, unscheduled appearances and opportunity for public comment on non-agenda items.
- 7:07 3. Consideration: Adding Items to the Posted Agenda.
In order to add an item to the agenda, it must fit one of the following categories:
 - a) A majority determination that an emergency (as defined by the Brown Act) exists; or
 - b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:10 4. Board Report: Appointment of District Representatives to Committees and various groups.
- 7:15 5. Staff Report: Indian Valley hydroelectric contract and District energy development opportunities.
- 7:45 6. Staff Report: Proposal to create a flood management JPA.
- 8:00 7. Consideration: Presentation of proposed rate schedule and setting of public hearing.

- 8:20 8. Directors' Reports: Each member of the Board will have the opportunity to report on meetings and conferences attended during the prior month on behalf of the District.
- 8:25 9. Attorney's Report: The District's attorney will report on the following:
a) Current legal and legislative activities.
- 8:35 10. General Manager's Report: The Board will receive a report from the General Manager or designated representatives regarding current general activities and projects of the District.
a) General Activities
b) Operations, Maintenance and Water Conditions
- 8:50 11. General Discussion: Opportunity for Board members to ask questions for clarification, provide information to staff, request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.
- 8:55 12. Consideration: The Board will consider the approval and the payment of bills.

9:00 13. Adjourn

The public may address the Board concerning an agenda item either before or during the Board's consideration of that agenda item. Public comment on items within the Board's jurisdiction is welcome, subject to reasonable time limits for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Times listed for consideration of agenda items are approximate only. The Board may consider any agenda item at any time during the Board meeting.

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control and Water Conservation District, 34274 State Highway 16, Woodland, CA on February 3, 2012.

By:

Christina Cobey, Administrative Assistant



FLOOD CONTROL &
WATER CONSERVATION
DISTRICT

BOARD MEETING MINUTES

Tuesday, February 7, 2012, 7:00 PM

YCFCWCD Offices
34274 State Highway 16
Woodland, CA 95695

The regular meeting of the Board of Directors of the Yolo County Flood Control and Water Conservation District was held at 7:00 p.m. on February 7, 2012, at its regular place of business, 34274 State Highway 16, Woodland, California. Chair Mayer convened the meeting. In attendance were:

District Board

James Mayer, Chair
Erik Vink, Vice Chair
Ann Brice
Bruce Rominger

District Staff

Tim O'Halloran, General Manager
Christy Barton, Assistant General Manager
Fran Borcalli, floodSAFE Yolo Program Manager
Jen Reed, Project Manager
Max Stevenson, Water Resources Associate
Paul Bartkiewicz, Legal Counsel

Members of the Public

Duane Chamberlain
Blake Harlan
Dave Pratt
Don Rominger
Tracy Wallace

1. CONSIDERATION: Approval of minutes.

M/S/C approved the minutes of the January 3, 2012 Regular and January 12, 2012 Special Board Meeting as submitted.

2. OPEN FORUM

None

3. CONSIDERATION: Adding Items to the posted agenda.

General Manager O'Halloran reported that Item #5 on the agenda was listed as a non-action item when the agenda was prepared because the District's extension to a Power Purchase Agreement (PPA) with PG&E does not expire until March 22, 2012. Subsequently, the District was informed by PG&E that it needs a decision regarding the PPA information soon and before the March Board meeting for preparation and processing of associated agreements if PG&E is to be ready to buy Indian Valley power on March 23, 2012. O'Halloran requested the Board approve changing Item #5 from a non-action item to an action item.

M/S/C by a 4/4ths vote determined that the need to take action arose subsequent to the agenda being posted and approved changing Item #5 from a staff report into an action item.

4. BOARD REPORT: Appointment of District representatives to committees and various groups.

Chair Mayer reported that he intends to retain the 2011 committee assignments for 2012, unless a Director expresses a desire to change. Director Vink volunteered to step down as Board representative to the Association of California Water Agencies/Joint Powers Insurance Agency, if another Director is interested in the position. No changes were made to the committee assignments.

5. STAFF REPORT: Indian Valley hydroelectric contract and District energy development opportunities.

General Manager O'Halloran reviewed the District's need for a new Power Purchase Agreement (PPA) with PG&E at the Indian Valley dam. O'Halloran introduced consultant Dr. Lon House, Water & Energy Consulting, to brief the Board on the direction proposed for the PPA and to discuss conceptual opportunities for the District regarding power production.

House summarized the background leading to the 1978 Public Utility Regulatory Policies Act that required regulated electric utilities to buy power from other power producers, and reviewed the history and development of power purchase agreements and legislations culminating in the current PPA options available to the District.

House reported on a number of changes being imposed on all power producers. In addition to a new

PPA, the District will have a new Interconnect Agreement, and be required to start providing advanced monthly, weekly, daily and hourly power production schedules, and to comply with new reporting requirements. Additionally, there may be a requirement for a special type of meter(s) depending on which PPA is selected.

House reviewed the District current PPA's and rate structure. Simply renewing the current PPA is no longer an option. House distributed and reviewed updated information related to the current PPA options. He explained benefits and drawbacks to the Feed in Tariff (FIT) and the various Qualified Facility (QF) options, how their rates are structured and what types of events trigger changes in the associated rates. He reported that another FIT program, recently legislated, would be a good match for the District but is not available until after the District's PPA extension expires on March 22, 2012.

O'Halloran reported at this time he is considering a number of options including placing at least one unit on the FIT program. The cost of new metering required by the FIT program needs to be considered, and is being investigated. O'Halloran reported that due to the uncertainties related to PPA, work to refurbish the small unit at Indian Valley has been put on hold.

Chair Mayer appointed a PPA Ad Hoc Committee to assist O'Halloran in reviewing the District's options.

M/S/C the Board delegated to General Manager O'Halloran, with the advice of the PPA Ad Hoc Committee, the authority to decide on and execute the appropriate PPA(s) and associated agreements.

O'Halloran announced that due to time constraints, the planned presentation by House regarding conceptual power opportunities for the District will be postponed to a later meeting.

6. STAFF REPORT: Proposal to create a flood management JPA.

Fran Borcalli, floodSAFE Yolo Program Manager, provided background information regarding the purpose and composition of the floodSAFE Yolo three-year pilot program (Program). Funded through a Memorandum of Understanding among the County of Yolo (County), the City of Woodland (City) and the District with \$200,000 each, the Program focuses on planning related to flood control issues identified in the Yolo County Integrated Regional Water Management Plan.

Borcalli noted that floodSAFE Yolo has no authority to execute contracts. Therefore in 2010, the City assumed the role of lead agency regarding the Lower Cache Creek flood control efforts reinitiating the US Army Corps of Engineers' Cache Creek Flood Control Feasibility Study and actively seeking Federal, State and local partners to cost share in project planning and implementation costs. He noted that Reclamation District 2035 (RD 2035) has been participating in this process.

Borcalli reported that, in order to raise the stature of the Lower Cache Creek flood control project, the City wants a Joint Powers Authority (JPA) created to be the project sponsor and coordinate with floodSAFE Yolo. Borcalli provided and reviewed the JPA's proposed initial budget and cost allocation, noting that flood SAFE Yolo funds and the extra proposed funds provided to the project would be considered a loan to be repaid through assessments levied, if the project is implemented.

General Manager O'Halloran affirmed the importance of flood control activities, but expressed some concerns regarding the current level of development of the JPA proposal. He questioned the timing noting that there is no project as yet; and expressed concern that there is no common understanding among the proposed partners regarding geographic footprint and jurisdiction of the proposed JPA.

Borcalli reported that two meetings are scheduled among the agencies and those issues should be addressed. Borcalli believes a viable project has been identified, but needs go through the necessary review processes. A floodSAFE Yolo staff report will be prepared for submittal to the County, City, RD 2035 and District addressing those issues and requesting participation in a Joint Powers Agreement to sponsor flood control efforts within a defined lower Cache Creek area.

7. STAFF REPORT: Presentation of proposed rate schedule and setting of public hearing

General Manager O'Halloran presented a PowerPoint presentation on the proposed water rate schedule as a follow up to the discussion at the January Regular and Special Board meetings. O'Halloran reviewed the considerations incorporated into the proposed rate schedule including the need to maintain the reliability and sustainability of the water system, to improve operational efficiency, to improve service and flexibility, to automate the system regarding communications and control capabilities, and to maintain regulatory compliance. He reviewed anticipated capital investments including major infrastructure projects, smaller transmission and distribution projects, and expected small capital needs such as vehicles, heavy equipment, and office and shop equipment.

O'Halloran provided and reviewed a water rate schedule, proposed for the next three years, that includes six rates based on water in storage on April 1. He reviewed scenarios for each rate to demonstrate the potential impacts on the District's reserves during a season. O'Halloran noted the two highest rates would put District's water costs in competition with groundwater pumping in some areas.

Blake Harlan stated that he supports the District's infrastructure efforts and the need for more flexibility on the system. He confirmed that the highest water rates would make groundwater more attractive, but expressed concern about the impact of a bad water year on the District reserves.

M/S/C the Board set April 3, 2012 at 7:10 p.m. for a public hearing to consider adopting increases to the District's water service charges and to explain the reasons for the range of proposed water rates.

8. DIRECTORS' REPORTS

None

9. ATTORNEY'S REPORT

Legal Counsel Bartkiewicz Announced a February 21, 2012 State Water Resources Control Board update on the current review of the 2006 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and its implementation. The Northern California Water Association is following these activities closely.

10. GENERAL MANAGER'S REPORT

General Manager O'Halloran reported on:

- a) General Activities
 - 1) Due to time constraints, no information was reported.
- b) Operations, Maintenance and Water Conditions
 - 1) The District currently has 164,000 acre feet in storage. Based on current storage, the District would impose a 1.34 acre-feet per acre allocation. O'Halloran will be meeting with customers regarding the District's water and budget situation.
 - 2) The downstream right shingle wall at the Indian Valley dam had some voids that were repaired. Photos of the shingle wall, before and after the repair, were provided.
 - 3) The Operations Summary report was available at the sign in table.

11. GENERAL DISCUSSION

None

12. CONSIDERATION: Payment of Bills

M/S/C approval for the following claim(s) for payment:

Yolo County Flood Control Checks: # 46661-46672

13. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

James Mayer, Chair

ATTEST:

Tim O'Halloran, Secretary