



C/O PLACER COUNTY WATER AGENCY
P.O. BOX 6570, AUBURN CA 95604 (530) 823-4860

MINUTES

BOARD OF DIRECTORS
AMERICAN RIVER AUTHORITY
3:00 P.M. ADJOURNED BOARD MEETING
Monday, February 12, 2007

MEETING LOCATION:
El Dorado County Administrative Center
330 Fair Lane
Placerville, CA 95667

ENTITY	DIRECTORS	ALTERNATES
County of El Dorado	Jack Sweeney	Helen Baumann
County of Placer	Bruce Kranz	Robert Weygandt
County of San Joaquin	Steve Gutierrez	Ken Vogel
El Dorado Co. Water Agency		Helen Baumann
Placer County Water Agency	Lowell Jarvis	Mike Lee
Public Member	Roy Ruhkala	John Fraser

Bruce Kranz (Chair of the Board)
Jack Sieglock (Vice-Chair)

David Breninger (Executive Director)
Chris Williams (Counsel)

A. CALL TO ORDER - by Chair Bruce Kranz

1. Roll Call & Introductions

Meeting was called to order at 3:00 p.m. by Chairman Bruce Kranz

ARA Members Present: Jack Sweeney, El Dorado County
Bruce Kranz, Placer County
Lowell Jarvis, Placer County Water Agency
Roy Ruhkala, Public Member
John Fraser, Public Member

ARA Staff Present: Ed Horton, ARA Consultant
Chris Williams, Legal Counsel

2. Pledge of Allegiance
3. Organizational Matters; take action as necessary and appropriate:
 - a. Affirm members appointed to ARA
Action: The County of San Joaquin has appointed Steve Gutierrez as Director and Ken Vogel as Alternate Director.
 - b. Select ARA Chair and Vice-Chair

Action: It was moved by Director Jarvis and seconded by Director Sweeney that Director Kranz be re-elected as Chair. Approved by unanimous vote. It was moved by Director Jarvis and seconded by Director Fraser that Director Sweeney be elected as Vice-Chair. Approved by unanimous vote.

- c. Such other organizational matters as deemed necessary by ARA Board of Directors.
Action: Public Member Roy Ruhkala of Placer County announced his intent to resign his position on the ARA board at the end of this session. Roy introduced Ken Yorde of Rocklin (Placer County) and stated Ken is interested in serving as a Public Member on the ARA board.

B. PUBLIC COMMENT: Any member of the public may address the Board at this time on any subject matter *not* on the agenda and that is within the jurisdictional authority of the American River Authority. All items described on the agenda will be open for public comment before final action is taken. Speakers are requested to restrict comments to the item as it appears on the agenda and stay within a *three-minute* time limit.

No public comment.

C. CONSENT CALENDER:

- 1. Approval of minutes: November 13, 2006, adjourned board meeting.
Action: Minutes were approved by unanimous vote.

D. GENERAL ITEMS:

- 1. Presentation by the El Dorado County Auditor, Joe Harn, of audit results for the years ending June 30, 1999 through 2006
 - a. Receive audit report and take action as necessary and appropriate.
Action: El Dorado County Auditor, Joe Harn, presented audit results for the years ending June 30, 1999 through 2005 (2006 audit results will be presented at a future meeting). It was moved by Director Jarvis and seconded by Director Sweeney that the board receive and file the audit report and instructed the ARA legal counsel and staff to come back with recommendations on four findings stated in the Management Letter Comments. Approved by unanimous vote.
- 2. Presentation by Bureau of Reclamation of the recently-released, updated Auburn Dam Project Report. Take action as necessary and appropriate.
Action: Richard Johnson, Deputy Area Manager, Bureau of Reclamation, presented the highlights of the recently-released, updated Auburn Dam Project Report.

Discussion followed, and Director Sweeney stated the land taken for the proposed project, from El Dorado and Placer County tax rolls, has been a financial burden to both counties. Director Sweeney also questioned what the project's cost of power production would be and how it compares to current WAPA costs. Director Sweeney mentioned that Sacramento County is desperately in need of additional flood control. Director Kranz agreed that flood protection for Sacramento County was a major component of an Auburn project but needed a realistic value placed on that benefit. Director Sweeney mentioned that Folsom Dam and Reservoirs'

operation has been changed through the years to provide additional flood control which reduces its ability to store water for beneficial uses, and an Auburn project would provide additional flood control for the Sacramento Region. Director Fraser stated that the Sacramento area is a major benefactor of an Auburn project because of additional flood protection.

Director Jarvis commented he had taken the time to read much of the report and the attachments and pointed out the flood benefits on an annual basis. He questioned the cost share between the locals and the Federal Government and how it appeared to have changed through the years, and based on the current estimated cost of the project, it could take multiple decades to retire the cost of the project. He also questioned what the real water yield of the project might be, and guessed the yield might be as high as 300,000 AF per year.

Director Ruhkala felt the spread in estimated costs was so great that it was most difficult to evaluate the cost benefit ratio of the proposed project.

Director Kranz mentioned additional work needed to be done to determine the cost of a present-day project.

Director Fraser suggested that additional analysis is needed on the report so the ARA could more accurately determine the cost of a project at Auburn and the benefits derived from such a project.

It was moved by Director Sweeney and seconded by Director Kranz that staff explore bringing on an engineering firm to provide a proposal which would evaluate the current Bureau report and compare it to other reports relating to the Auburn project to determine the cost benefit ratios of water supply, energy production and flood protection provided by an Auburn project.

3. Update by Public Awareness Committee (Chairman Kranz and Director Fraser) on the ongoing ARA outreach program and take action as necessary and appropriate.
 - a. Progress report by Kelli Reid of McNally Temple & Associates.
Action: Kelli Reid of McNally Temple reported on the ongoing ARA outreach program.
4. Current budget update. Take action as necessary and appropriate.
Action: Nothing to report.
5. Report on legislation. Take action as necessary and appropriate.
Action: Nothing to report

E. REPORTS BY ARA DIRECTORS: In accordance with Government Code § 54954.2(a), Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.
Director Sweeney reported he recently attended a variety of meetings in Washington D.C. and he observed a degree of political turmoil in the Capitol.

Director Ruhkala reported this would be his last meeting as an ARA Director.


F. REPORT BY ARA LEGAL COUNSEL
None.

G. REPORT BY ARA EXECUTIVE DIRECTOR
None.

H. NEXT REGULAR MEETING DATE:
To be determined.

I. ADJOURNMENT
Meeting was adjourned by Chairman Kranz at 5:05 p.m.

APPROVED:



Darcy Erickson, Acting Secretary
American River Authority
(530) 823-4962