



**American
River
Authority**

c/o: Placer County Water Agency
P.O. Box 6570, Auburn CA 95604
(530) 823-4860

MINUTES

BOARD OF DIRECTORS
AMERICAN RIVER AUTHORITY

Monday, May 16, 2016
2:00 p.m. Regular Meeting

MEETING LOCATION
Placer County Administrative Center
Conference Room A
175 Fulweiler Avenue
Auburn, California

ENTITY

County of El Dorado
County of Placer
County of San Joaquin
El Dorado County Water Agency
Placer County Water Agency
Public Member

DIRECTORS

Michael Ranalli
Jennifer Montgomery
Chuck Winn
Brian Veerkamp
Robert Dugan
Ken Yorde

ALTERNATES

VACANT
Robert Weygandt
VACANT
VACANT
Mike Lee
VACANT

Jennifer Montgomery (Chair of the Board)
Brian Veerkamp (Vice-Chair)

Einar Maisch (Executive Director)
Chris Williams (Legal Counsel)

American River Authority (ARA) Members Present:

Primo Santini on behalf of Robert Dugan
Jennifer Montgomery, Chair
Michael Ranalli
Brian Veerkamp, Vice-Chair (via phone)
Chuck Winn
Ken Yorde, Vice-Chair

ARA Staff Present:

Einar Maisch, Executive Director
Ed Horton, ARA Consultant
Joseph Parker, Treasurer
Cheri Sprunck, Secretary

A. CALL TO ORDER

Chair Montgomery called the meeting to order at 2:01 p.m.

1. Pledge of Allegiance

Led by Director Santini.

2. Roll Call and introductions

Roll call was conducted.

Mr. Maisch pointed out PCWA Director Robert Dugan and alternate Director Mike Lee are unavailable so PCWA Director Primo Santini is filling in for them.

He also noted Supervisor Veerkamp is on the phone, but since Supervisor Veerkamp didn't know he was going to be on the phone there isn't an agenda that is posted at the teleconference location. Under the Brown Act he is not participating (voting) in the meeting.

3. Organizational matters; take action as necessary and appropriate:
 - a. Recognize newly appointed members

There were no changes in members.

- b. Make appointments, if any, to the vacant alternate positions

No appointments were made.

- c. Select Chair and Vice Chair for July 1, 2016, through June 30, 2017

Action: Motion by Director Santini to keep last year's slate of officers; motion seconded by Director Ranalli and adopted by unanimous vote of Directors present.

B. PUBLIC COMMENT:

No member of the public commented.

C. CONSENT CALENDER

1. Consider approving June 22, 2015, minutes.

Action: Motion by Director Ranalli approving Consent Calendar item C.1.; motion seconded by Director Winn and adopted by unanimous vote of Directors present.

D. GENERAL ITEMS

1. Receive and file the American River Authority financial reports through March 31, 2016.

Mr. Parker reported there are balance sheet statements and net positions for the last couple of years and through March 31, 2016. Currently the Authority has \$81,756 cash with the County Treasurer. In 2016 there was \$743 received in interest income and \$302 spent for website maintenance.

Action: Chair Montgomery noted the item is considered received and filed.

2. Consider approving the proposed 2017 Budget.

Mr. Parker reported the 2017 Budget is a total of \$8,800 of expenses, which includes legal, an audit, consultant work for the webpage, and contingencies. That would bring the cash balance to \$74,000.

Action: Motion by Director Santini approving item D.2.; motion seconded by Director Ranalli and adopted by unanimous vote of Directors present.

3. Consider the necessity of the existence of the ARA.

Mr. Maisch reported on the history, purpose, and powers of the ARA. It was created to try to promote restart of construction of the Auburn Dam. In 2006 U.S. Bureau of Reclamation (Reclamation) was asked to update the Auburn Dam cost estimate, which had escalated to \$12 billion. No one came forward to build it. In 2008 the State Water Resources Control Board (SWRCB) held a hearing and the water rights were rescinded. In 2010, the ARA purpose and powers were amended to pursue a new project that could seek to gain those water rights for the beneficiaries. Nothing has happened since then. The ARA has been meeting annually and the only activities are like those taken today. The ARA could be something more if the group wanted to stay together and go after a mission; there are common interests, but we have not been pursuing those.

Director Yorde asked if PCWA had its own lobbyist and if it had one when the ARA was formed.

Mr. Maisch said PCWA did not.

Director Yorde noted there is some redundancy of political pressures, but it is good to keep a forum open.

Director Santini asked what other regional groups or organizations are doing the same thing.

Mr. Maisch said Sites Reservoir is in the running for Prop 1 funding. It is an off stream reservoir with nearly the yield expected from the Auburn Dam at a third of the cost. The resource agencies are primarily focused on preserving endangered species that affect flows in the Delta. There is the tunnels project, which is an attempt to get export intakes out of the Delta and move them upstream where they will be less affected by endangered species. The Sacramento Region is trying to convince the Reclamation that they ought to adopt a different operating plan for Folsom Reservoir for fisheries and water supply reliability. There are lots of new initiatives that have taken the place of the Auburn Dam at the top of the list as new water supply projects. Only the ARA is focused on the Auburn Dam.

Director Winn said he chaired the Sustainable Groundwater Management Act (SGMA) Board for the San Joaquin Groundwater Basin Authority which consists of 23 agencies in three counties. He serves on the Delta Protection Commission, has served on a 5 counties coalition, and the San Joaquin Regional Council. Every one of those bodies has different priorities and issues to resolve. It is important for the ARA to have a unified body to meet and collaborate. It is a united group of counties that can talk to its legislature and have more influence on decision makers. The ARA has

tremendous potential. There are counties in Northern California that would like to sell water. If the twin tunnels are ever build, there will have to be additional water to feed the Delta to keep the salt water down. Everything he has read says that water will come from the mountain counties.

Director Ranalli said because he has not had a significant amount of time participating in the ARA, it is hard for him to know what the downside is of not having it. He wants to be cautious and hear any argument why they shouldn't stand together. El Dorado County is pursuing additional water rights and can use any collateral support they can get.

Director Veerkamp concurs and said with the water issues in the State of California, any group that can stand together on such matters can quickly reach out and discuss that item which is a good. He thinks we should maintain what we are doing.

Chair Montgomery said she wanted to look more closely at what are the purposes of this Board; have we been meeting those purposes and do we have a hope that we would meet those purposes. There may well be a purpose for the ARA as a Board to continue to exist to address things like protection, preservation, perfection of rights, participation in regulatory proceedings, court actions and other activities which serves a purpose but is redundant because other water agencies are effectively doing so. If the Board decides to keep the ARA, she strongly suggests removing the purpose it was originally formed for, which was promotion of completion of the Auburn Dam project but continue to focus on the other pieces.

Directors Ranalli, Veerkamp, and Yorde agreed.

Eric Peach, of Protect American River Canyons (PARC), said he has followed the history of the ARA since it was formed. It doesn't seem to have the purpose anymore for which it was formed. In 2008 the State revoked the water rights in place for the Auburn Dam. No water rights, cost and safety all play against the Auburn Dam. By continuing without focus, you create the illusion that it could someday happen. He passed around a map of the American River Pump Station which PCWA and Reclamation spent millions to build. The Pump Station is right at the footprint of the proposed dam. He doesn't believe the dam is going to be built and having the possibility linger is impacting recreation in the area. PARC is working on a recreational bridge across the river. He thinks the ARA has served its purpose. He suggested some of the money in the treasury could be used for public education for safety. (Handout provided) They have put a picnic table in a recreation area at the site of the Auburn Dam site.

Ed Horton noted the JPIA is very clear about where the money goes; it goes back to the people that put it in and they can do what they want with it. A condition put on the ARA when it was formed was to do work on the American River between the PCWA Middle Fork American River Project (MFARP) and Folsom Reservoir.

Mr. Peach asked if Hell Hole can be raised in the MFARP and asked if there was something there the group could focus on.

Director Winn noted on the Delta they had issues regarding recreation because of a hyacinth invasive species. He met with several counties about Temperance Flat in the Sites Reservoir area. It has no effect on San Joaquin County, but they support it because it benefits their neighbors. They

have a contract with East Bay Municipal Utility District regarding the public rain project. He brings these items up because we are all in this together.

Director Ranalli said it makes sense to adjust the scope of our interest away from original focus. He met with members of PARC about the bridge at China Bar. He wanted to make sure there is not a conflict with this group regarding the proposed bridge. The benefits of the bridge, as it relates to trail use, is that the it opens recreation on El Dorado County side and alleviates crowding at the Confluence.

Director Veerkamp noted the ARA management discussion analysis stated the purpose includes protection, preservation, and perfection of rights belonging to all the members of the waters of the American River. Water rights are the biggest thing to be concerned with.

Chair Montgomery said if we keep the ARA in place, we should strike the purpose for promoting completion of the Auburn Dam project, but there is value to the rest of what we are being asked to look at. She is concerned by the second to last paragraph in the staff report that says, "The ARA could still be an opportunity for members to meet and discuss water issues that affect their common interests but considerable work by the Board and staff would be required to identify those interests and provide meaningful presentations." Is the time, effort, and money worth continuing to do this second group of things which is being done by many other agencies and organizations in the area?

Director Santini said if the ARA's focus is not on the Auburn Dam, and we are going to refocus on watershed restoration, regulations, and water rights, are there other entities already duplicating that work? If we are going to refocus, and hope to be effective other than just making pronouncements, you need to have money, be attending state meetings, and preparing the record in such a way that when you do make your comments that you are able to sue later. Unless you are dealing with the State in that manner, they are not going to take you seriously. Decisions are now being made in the legal arena much or more than in the legislative arena. Are we duplicating efforts elsewhere, and if we do that, what would that add to those efforts?

Mr. Maisch said he heard today that there is a recognition that the Auburn Dam is a long ways out. This group has not focused on promotion of construction of the Auburn Dam for a long time. If we eliminated that as a purpose of this group, everyone would be fine with that. So we are left with having information sharing sessions. It's cheap to run the organization. If you want to make the ARA significant, it would take more work and money. PCWA is spending millions on the Delta Tunnels.

Director Winn asked if it is a concern about overusing the water agency regarding work that may be necessary in the future.

Mr. Maisch said if there is going to be a serious effort, we will all have to be involved. He doesn't sense there is a need for an additional venue of engagement. That isn't to say that getting together and sharing perspectives annually or more frequently is a bad thing, but he is concerned there is not something more significant on the agenda to discuss.

Director Santini asked for an explanation about the makeup of the ARA. Could this organization function like the Cosumnes, American, Bear, Yuba (CABY) entity, which can obtain grants?

Mr. Maisch said CABY was formed to prepare a Regional Water Management Plan. El Dorado County, Nevada Irrigation District, and PCWA are members of CABY. We have a watershed stewardship interest that is strong.

Supervisor Winn said he appreciates meeting with different regions because you get different perspectives.

Action: Motion by Director Ranalli to modify the ARA JPA to strip out the parts dealing with the promotion of the Auburn Dam and bring it back to the next meeting; motion seconded by Director Yorde and adopted by unanimous vote of Director present.

E. REPORTS BY DIRECTORS

Director Ranalli confirmed this organization wouldn't have any problem with supporting a recommendation to his Board to support the China Bar Bridge Project.

Director Veerkamp reported they are still in their water rights application development process and campaign is still active. Hopefully they will have a project before the SWRCB within the next year.

F. REPORT BY LEGAL COUNSEL

No report received.

G. REPORT BY EXECUTIVE DIRECTOR

Mr. Maisch said, regarding the proposed China Bar Bridge, PCWA, as part of the American River Pump Station, recognized in the environmental document that there was an impact created by restoring the river to its original channel. The people that used to be able to cross the river because it was dewatered for construction of the Auburn Dam, are now obstructed from crossing the river. PCWA grudgingly agreed to put up ½ million from Water Connection Charge income for construction of the bridge.

Regarding SGMA, a western portion of Placer County overlies the North American groundwater basin as do portions of Sacramento and Sutter counties. PCWA had a 303 Groundwater Management Plan in the Placer County portion, but it didn't include the County. While we were getting organized in Placer County to have all of the groundwater basin covered, Sacramento County said the Sacramento Groundwater Authority (SGA) was going to be the Groundwater Sustainability Agency (GSA) for their portion of the basin. That meant there was no way to do a single agency for the entirety of the basin. We are dealing with that and slowly moving forward in what will probably be three separate entities. We have a groundwater basin as a result of efforts we took to transfer surface water in wet years to Northridge/Sacramento Suburban Water District. Their groundwater basin had a 10' rise, is very stable, and is not a threat. The threat is the State if we fail to form the GSA/GSP.

Regarding the Delta tunnels, there is a recognition that Southern California needs water, but the current location of the diversions is bad for water supply and the environment. We understand if they are going to pay for it, maybe we don't have a problem, but maybe we do, if they move their intakes upstream to solve their water supply and environmental problems. Currently they are limited on how much water they can take. The state and federal regulators have come up with a new paradigm on how much water is required to the environment. If Southern California diverts more water in addition to this increased need for environmental water, where does that put the rest of us in Northern California and in our region—those who are dependent upon Folsom Reservoir or those who would like to renew their water rights above Folsom or acquire new water rights above Folsom. It puts us in a very difficult position to be supportive of the project without some agreements about how the system is going to be operated, or at least without an understanding of how the system might be operating, none of which we have gotten from the Bureau or DWR. We are officially opposed to the project and are willing to put a lot of money in a legal battle until issue is resolved.

Ed Horton reported since the Board adopted a records retention schedule, we have been going through and sorting all the old stuff and digitizing the important items.

H. ADJOURNMENT

Chair Montgomery adjourned the meeting at 3:00 p.m.

Respectfully submitted,

/s/ Cheri Sprunck

Cheri Sprunck
Agency Secretary/Clerk to the Board
Placer County Water Agency
on behalf of the American River Authority