

SIERRA LAKES COUNTY WATER DISTRICT

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AGENDA SPECIAL MEETING

5:00 PM – August 18, 2011

District Office, Soda Springs, California

I. Open Meeting

A. Roll Call (Action)

The meeting is being teleconferenced pursuant to Government Code Section 54953 to allow for attendance by Director Martin D Bern from offices located at 560 Mission Street, 27th Floor, San Francisco, California. Any interested member of the public may also attend the meeting from that location.

II. Public Forum*

III. Review of Water Rights Petition: (Discussion and Possible Action)

A. Resolution Identifying Procedures to Address Environmental Review for Petitions Before the State Water Resources Control Board

IV. Adjournment

* Members of the Public shall be allowed to address the Board of Directors on items of interest to the public and which are within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless otherwise authorized by law. The public also may address each item on the agenda before or during discussion of that item. All items will be considered by the Board for possible action.

** Consent Items Calendar – Consent items are expected to be routine and non-controversial. They will be acted upon by the Board, at one time, without discussion. Any Board member, advisor, staff, or interested person may request that an item be removed from the Consent Items Calendar for discussion.

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NOTE: The meeting will convene on the ground floor of the Water Filtration Plant; if there is no handicap requirement, the meeting may reconvene in the meeting room upstairs. In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Anna Nickerson at 530-426-7800 or (fax) 530-426-1120. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Correspondence

Next Regular Meeting: September 9, 2011

**BEFORE THE BOARD OF DIRECTORS FOR
THE SIERRA LAKES COUNTY WATER DISTRICT**

RESOLUTION NO. ____

**RESOLUTION IDENTIFYING PROCEDURES TO ADDRESS ENVIRONMENTAL
REVIEW FOR PETITIONS BEFORE
THE STATE WATER RESOURCES CONTROL BOARD**

WHEREAS, Sierra Lakes County Water District ("SLCWD") holds Water Right Permit 14248 for the diversion and storage of 1,177 acre-feet per year from Serena Creek for storage in Serene Lakes.

WHEREAS, on or about December 27, 2005, SLCWD filed with the State Water Resources Control Board ("SWRCB") a Petition for Extension of Time, requesting an additional ten years to put the water under Permit 14248 to beneficial use.

WHEREAS, on or about May 19, 2009, SLCWD filed with the SWRCB a Petition for Change, requesting amendment of Permit 14248 to include direct diversion appropriative water rights, which would reflect SLCWD's historical water diversion practices (the Petition for Change and Petition for Extension of Time, described above, are collectively referred to herein as the "Petitions").

WHEREAS, SLCWD serves as lead agency for the environmental review process pertaining to the Petitions, in accordance with the California Environmental Quality Act, California Public Resources Code sections 21000 et seq. ("CEQA").

WHEREAS, pursuant to CEQA, SLCWD has initiated environmental review for the Petitions, leading to the drafting of a mitigated negative declaration; however the District has not completed the environmental review process for the reasons set forth below.

WHEREAS, Royal Gorge has advised SLCWD that at some point in the distant future it may propose a development project that would be located mostly within SLCWD's service area ("Possible Royal Gorge Future Development"), but Royal Gorge has not submitted a specific plan to the County of Placer and has not identified any date for doing so.

WHEREAS, Royal Gorge has requested that SLCWD include water to serve the Possible Royal Gorge Future Development within the scope of the environmental review process for the Petitions undertaken by SLCWD pursuant to CEQA, and has provided SLCWD with a water supply analysis setting forth several water supply alternatives for the Possible Royal Gorge Future Development.

WHEREAS, inclusion of analyses of the water supply alternative for providing water service to the Possible Royal Gorge Future Development within the scope of environmental review for the Petitions would require environmental analysis of impacts associated with infrastructure improvements required to provide water to Royal Gorge, thereby substantially increasing the cost of environmental review by requiring the preparation of an Environmental

Impact Report, as admitted by Royal Gorge's owner at the public meeting held on August 12, 2011.

WHEREAS, it would be unlawful to require SLCWD's existing customers to pay for the increased environmental review costs that would be incurred in analyzing the environmental impacts associated with the water supply options presented by Royal Gorge to SLCWD for the Possible Royal Gorge Future Development.

WHEREAS, SLCWD has repeatedly informed Royal Gorge that, if Royal Gorge desires to ensure that SLCWD's environmental review for the Petitions includes water service to the Possible Royal Gorge Future Development, Royal Gorge must immediately agree to fund the increased environmental review costs.

WHEREAS, SLCWD has attempted in good faith to reach an agreement with Royal Gorge regarding the allocation of the costs between the additional environmental review related to the Possible Royal Gorge Future Development and the remaining environmental review necessary to support SLCWD's Petitions without inclusion of the Possible Royal Gorge Future Development.

WHEREAS, SLCWD has requested Royal Gorge to provide a letter of credit securing its obligation to pay for the additional environmental costs described above.

WHEREAS, over a period of several months, SLCWD met and corresponded with Royal Gorge, drafted and proposed a cost-sharing agreement, and responded to multiple requests for information from Royal Gorge in furtherance of SLCWD's attempt to reach a cost-sharing agreement with Royal Gorge.

WHEREAS, despite SLCWD's efforts, Royal Gorge to date has failed to make a firm commitment to execute a cost-sharing agreement with SLCWD or to provide the requested letter of credit, but instead has made additional requests for information and raised new issues about the form of agreement that was considered final several months ago but for the inclusion of certain financial amounts, which have now been provided.

WHEREAS, time is of the essence because SLCWD needs to complete environmental review related to the Petitions so that (1) any additional field can be completed prior to the winter season, and (2) SLCWD can complete its Petitions and secure an extension from the SWRCB in a timely manner without further jeopardizing renewal of water rights that currently allow SLWCD to provide water service to the existing customer base within its boundaries.

WHEREAS, the SLCWD Board of Directors voted on August 12, 2011 to prepare and issue a Notice of Preparation under CEQA to solicit public comment on the environmental review process for the pending Petitions believing that such public comment would be received on the question whether or not it should prepare an Environmental Impact Report.

WHEREAS, Title 14, chapter 3 of the California Code of Regulations ("CEQA Guidelines"), sections 15082 and 15375, directs that a Notice of Preparation be prepared only when the lead agency has already determined that it will prepare an Environmental Impact Report for a project, which at this time the SLCWD Board of Directors has not done.

WHEREAS, because the SLCWD Board of Directors has not decided that an Environmental Impact Report will be required for the pending Petitions, it desires to rescind the action taken on August 12, 2011 directing the preparation and issuance of a Notice of Preparation.

NOW, THEREFORE, BE IT RESOLVED:

1. SLCWD, through its Board of Directors, hereby rescinds the action taken at the August 12, 2011 meeting directing the preparation and issuance of a Notice of Preparation.
2. SLCWD and its legal counsel shall meet and confer with representatives of Royal Gorge in an effort to reach final agreement regarding a cost-sharing agreement covering the additional incremental costs associated with environmental review of the water supply alternatives provided by Royal Gorge to SLCWD for the Possible Royal Gorge Future Development. Royal Gorge shall be placed on notice that negotiations of the cost-sharing agreement shall be completed on or before September 4, 2011, at which time the Board of Directors intend to consider and decide the appropriate environmental documentation to submit with its Petitions.
4. SLCWD will further direct its environmental consultant to finalize the preparation of the mitigated negative declaration as the proposed environmental document for the Petitions. The scope of the environmental document will not, due to the lack of cooperation by Royal Gorge, include analysis of impacts associated with the provision of water to the Possible Royal Gorge Future Development. In the event that SLCWD and Royal Gorge reach agreement on a cost-sharing arrangement in accordance with paragraph 3 of this Resolution, SLCWD shall cause its consultant to revise the associated environmental documents so that the scope of environmental review includes impacts associated with the provision of water to the Possible Royal Gorge Future Development.
5. No actions taken pursuant to this Resolution shall be construed as a final determination as to the scope of environmental review for the Petitions or a final determination regarding the specific type of environmental document that SLCWD will ultimately approve for the Petitions.

On motion of director _____, seconded by director _____, the foregoing Resolution is adopted this ___ day of _____, 2011 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

CERTIFICATION

I, Anna Nickerson, hereby certify that I am and at all times mentioned herein was duly elected, qualified and acting Secretary of Sierra Lakes County Water District organized and existing under and by virtue of the laws of the State of California, that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted at a meeting of the Board of Directors of said District duly held on _____, 2011, a majority and quorum of the members of said Board of Directors being present and voting in favor of said Resolution; and that said Resolution has not been modified, rescinded, altered or amended and is now in full force and effect.

Anna Nickerson
District Secretary