

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

April 24, 2019

The Board of Directors of the Nevada Irrigation District convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 24th day of April 2019, at 9:00 a.m.

Present were W. Scott Miller, President (Division III); Ricki Heck, Vice President (Division I); and Directors Chris Bierwagen (Division II); Laura L. Peters (Division IV); and Nick Wilcox (Division V).

Staff members present included Remleh Scherzinger, General Manager; Greg Jones, Assistant General Manager; Chip Close, Water Operations Manager; Marvin Davis, Finance Manager; Susan Lauer, Communication Specialist; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

PUBLIC COMMENT

The following members of the public addressed the Board:

- Dianna Suarez, resident of Colfax, addressed the Board in opposition of the proposed Centennial Water Supply Project and property acquisitions
- Nicole Raglin, resident of Nevada City, addressed the Board regarding climate change and biodiversity
- Mark Johnson, resident of Grass Valley, addressed the Board in opposition of the proposed Centennial Water Supply Project
- Marin Lipowitz, resident of Cedar Ridge, addressed the Board in opposition of the proposed Centennial Water Supply Project

Dustin Cooper, District Counsel, noted that the public hearing would be opened at the conclusion of the presentation.

TREATED WATER AND RAW WATER ADJUSTMENTS/INCREASES – PUBLIC HEARING: Potential Rate Change Under Proposition 218

Greg Jones, Assistant General Manager, presented the item.

Mr. Jones, Marvin Davis, Finance Manager/Treasurer, and Greg Klumpner, with NBS, provided a presentation.

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Public Hearing to Receive Public Comment and Public Protest

The following members of the public addressed the Board:

- Mark Lyon, member of the public

The meeting recessed at 9:48 a.m. and reconvened at 10:00 a.m.

Dustin Cooper, District Counsel, provided information about Proposition 218.

- Dianna Suarez, resident of Colfax
- Itara O'Connell, resident of Grass Valley
- Vickie Stokes of Moonshine Water Company in Chicago Park
- Marin Lipowitz, resident of Cedar Ridge
- Phil Damask, resident of Lake Wildwood
- Cornelius Stam, resident of Lake of the Pines
- Steve Pettit, resident of North Auburn
- Joe Wellhoff, resident of Rough & Ready
- Bob Branstrom, resident of Grass Valley
- Brad Fowler with Nevada County Farm Bureau
- Shirley Osgood, resident of Grass Valley
- Pamela Osgood, resident of Grass Valley
- Terrell Watson, member of the public
- Nancy Weber, resident of Nevada City
- Donn Coenen, member of the public
- Joy Waite, resident of Grass Valley
- Maryann Frank, resident of North Auburn
- Nicole Raglin, resident of Nevada City
- Mark Johnson, resident of Grass Valley
- Larry Ellert, resident of Lake Wildwood
- Alice Root, resident of Rough & Ready
- Patty Wilkins, resident of Penn Valley
- Mikos Fabersunne, resident of Nevada City
- Sam Oliver, resident of Alta Sierra
- Chrissy Oliver, resident of Alta Sierra
- Pamela Ruth, member of the public
- Lilly Marie Mora, member of the public
- Maureen Collins, member of the public
- Don Smith, resident of Chicago Park
- Ron Egenes, member of the public

Dustin Cooper, District Counsel, notified the public that it was time to close the public hearing officially.

The meeting recessed at 12:22 p.m.

Conduct Count of Public Protests Received

This process occurred during recess, and the meeting was reconvened at 2:32 p.m.

Kris Stepanian, Board Secretary, announced the provisional count of public protests received was 4,694.

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Consider Adopting Resolution No. 2019-06 (Authorizing Increases in Rates and Charges for Treated and Raw Water)

Board deliberation ensued.

The meeting recessed at 4:10 p.m. and reconvened at 4:40 p.m.

Director Miller made a motion to adopt Resolution No. 2019-06 (Authorizing Increases in Rates and Charges for Treated and Raw Water), as amended to reflect the following:

- **Removal of “the proposed” on Page 3**
- **Addition of the following:**

WHEREAS, the rates set forth in Exhibit “A” in all cases reflect a reduction in the proposed increase in rates and charges as set forth in the Cost of Service Study and Notices; and,

WHEREAS, because the rates and charges set forth in Exhibit “A” represent in all cases a reduction in rates applicable to parcels within NID as compared to the Cost of Service Study and Notices, the Board of Directors finds that NID is not required to repeat the Proposition 218 process prior to adopting and implementing the rate changes set forth in Exhibit “A”; and,

- **Item 5: Remove “proposed” and change “2023” to “2021”**
- **Item 6: Change effective date from the first of “May” to “July” and reflect a 3-year period, not a 5-year period**
- **Item 7: Transfer of hydroelectric reserves to the water fund - Change from \$34 million over 5-years to \$22 million over 3-years**
- **Item 8: Transfer of investment earnings to the water fund - Change from \$8.2 million over 5-years to \$3.6 million over 3-years**
- **Item 9: Transfer of non-operating revenue to the water fund – Change from \$6.9 million over 5-years to \$1.2 million over 3-years**
- **Insert the following for Items 11 and 12:**

11. District staff is directed to develop options for presentation to the Board of Directors at the July board meeting to reduce the 2019 budget by a minimum of 5%.

12. District staff is directed to deliver a new cost of service study under Proposition 218 in the first quarter of 2020, utilizing a more detailed cost of service study; including specific allocations between raw and treated water customers.

- **Items 11 and 12 of the draft resolution become Items 13 and 14**

➤ Exhibit “A” updated as follows:

Proposed Treated Water Rate Schedule					
Water Rate Schedule	Current Rates - Bi-Monthly	Current Rates - Monthly	Proposed Monthly Treated Water Rates		
			2019	2020	2021
Fixed Service Charge					
<i>Monthly Fixed Service Charge Inside District, Treated Water Customers Standard Meters:</i>					
5/8 inch	\$49.65	\$24.83	\$26.25	\$27.75	\$29.33
3/4 inch	\$74.49	\$37.25	\$39.37	\$41.62	\$44.00
1 inch	\$124.13	\$62.07	\$65.61	\$69.37	\$73.34
1.5 inch	\$248.29	\$124.15	\$131.23	\$138.74	\$146.67
2 inch	\$397.27	\$198.64	\$209.97	\$221.98	\$234.68
3 inch	\$744.86	\$372.43	\$419.94	\$443.96	\$469.35
4 inch	\$1,241.45	\$620.73	\$656.15	\$693.68	\$733.36
6 inch	\$2,482.89	\$1,241.45	\$1,312.30	\$1,387.36	\$1,466.72
8 inch	\$3,972.63	\$1,986.32	\$2,099.68	\$2,219.78	\$2,346.75
<i>Monthly Fixed Service Charge Outside District, Treated Water Customers Standard Meters:</i>					
5/8 inch	\$62.06	\$31.03	\$32.81	\$34.68	\$36.67
3/4 inch	\$93.11	\$46.56	\$49.21	\$52.03	\$55.00
1 inch	\$155.16	\$77.58	\$82.02	\$86.71	\$91.67
1.5 inch	\$310.36	\$155.18	\$164.04	\$173.42	\$183.34
2 inch	\$496.59	\$248.29	\$262.46	\$277.47	\$293.34
3 inch	\$931.08	\$465.54	\$524.92	\$554.95	\$586.69
4 inch	\$1,551.81	\$775.91	\$820.19	\$867.10	\$916.70
6 inch	\$3,103.61	\$1,551.81	\$1,640.37	\$1,734.20	\$1,833.40
8 inch	\$4,965.79	\$2,482.89	\$2,624.60	\$2,774.73	\$2,933.44
<i>Additional Monthly Regulatory Fee</i>					
All Treated Customers			\$1.90	\$1.90	\$1.90
Volumetric Service Charge					
<i>Tiered Rate Charge Inside District, Treated Water Customers Standard Meters:</i>					
Tier One	(same as current monthly)	\$2.05	\$2.17	\$2.29	\$2.42
Tier Two		\$2.65	\$2.80	\$2.96	\$3.13
<i>Tiered Rate Charge Outside District, Treated Water Customers Standard Meters:</i>					
Tier One	(same as current monthly)	\$2.56	\$2.71	\$2.86	\$3.03
Tier Two		\$3.31	\$3.50	\$3.70	\$3.91

Proposed Seasonal Raw Rate Schedule					
Water Rate Schedule	Current Rates	Proposed Raw Rates			
		2019	2020	2021	2022
Fixed Service Charge					
Inside	\$483.23	\$510.87	\$540.09	\$570.99	\$570.99
Outside ¹	\$604.04	\$638.59	\$675.12	\$713.73	\$713.73
Volumetric Service Charge					
<i>Volumetric Service Charge, Inside District Raw Customers:</i>					
Per MI	\$284.77	\$301.06	\$318.28	\$336.48	\$336.48
<i>Volumetric Service Charge, Outside District Raw Customers:</i>					
Per MI	\$355.96	\$376.32	\$397.85	\$420.61	\$420.61
Small Hydroelectric Generators: Water customers who generate electricity using canal water will pay the Fixed Service Charge and 10 percent of the Volumetric Service Charge.					

1. Winter Seasonal Raw Rates = 125% of Summer Raw Rates, and outside winter users = 1.56% of Inside Summer Raw Rates (i.e., 1.25 x 1.25).

2. Small Hydroelectric Rates = Fixed Charge plus 10% of volumetric charge

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Director Heck seconded the motion.

Motion failed on the following roll call vote:

Heck, Division I	Aye
Bierwagen, Division II	No
Miller, Division III	Aye
Peters, Division IV	No
Wilcox, Division V	No

Director Peters made a motion to adopt Resolution No. 2019-06 (Authorizing Increases in Rates and Charges for Raw Water), as amended with the same changes listed in the original motion above. Director Heck seconded the motion.

Public Comment:

- Christine Oliver, member of the public
- Shirley Osgood, resident of Grass Valley

Motion passed on the following roll call vote:

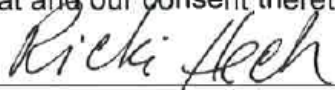
Heck, Division I	Aye
Bierwagen, Division II	No
Miller, Division III	Aye
Peters, Division IV	Aye
Wilcox, Division V	No

MEETING ADJOURNED at 5:35 p.m., to reconvene in regular session on Wednesday, May 22, 2019, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

The Wednesday, May 8, 2019 meeting of the Board of Directors has been canceled.


 Board Secretary

Attest a true record of actions had and taken at the above and foregoing meeting our presence thereat and our consent thereto.


 Division I


 Division II


 Division III


 Division IV


 Division V