

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

March 22, 2017

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 22nd day of March, 2017, at 9:00 a.m.

Present were Nick Wilcox, President (Division V); William Morebeck, Vice President (Division IV), Nancy Weber, (Division I); John H. Drew (Division II), and W. Scott Miller (Division III), Directors.

Staff members present included Remleh Scherzinger, General Manager; Greg Jones, Assistant General Manager; Marvin V. Davis, Finance Manager/Treasurer; Chip Close, Operations Manager; Keane Sommers, Hydroelectric Manager; Gary King, Engineering Manager; Jana Kolakowski, Human Resources Manager; Monica Reyes, Recreation Manager; Shannon Wood, Business Services Technician; Doug Roderick, Senior Engineer; Dustin Cooper, District Counsel; and Kristi Kelly, Deputy Board Secretary.

PUBLIC COMMENT –Haufler

James Haufler, a resident of Lincoln and an NID customer, who is also with Friends of Auburn Ravine, reported on the salmon camera project that NID is participating with them on. He shared pictures with the Board, and offered electronic copies to anyone else wanting them, asking that they see him after the meeting. Mr. Haufler explained that the salmon camera project has been running since October 26, 2016, with four cameras. One is overhead and three are under water, and they are running 24-hours per day. As of the end of January 2017, they have counted approximately 300 adult fall-run Chinook salmon coming up Auburn Ravine. They have hopes that this will help to build the case when the time comes for external government funding for the Hemphill modifications for improved fish passage along Auburn Ravine. Mr. Haufler explained that the Department of Fish and Wildlife retrieves the data collected from the computer at the gauging station every week or two. That information is copied to smaller disk drives and given to volunteers who read them at home. It is tedious work that takes approximately six hours to go through 24 hours of video. So far approximately 600 hours have been spent on this, and they are estimating that there will be about 700 hours spent on it by the end of the season. He shared that he thought it was a very

positive project. He passed out a few pictures of the adult fall-run Chinook salmon that have come through and one of the overhead view that helps to get a measurement of the fish. The fish are measured as they pass the sixty inch white plate that was installed. Measurements are done visually, and Friends of Auburn Ravine are looking for volunteers. Mr. Haufler pointed out that their year-end summary was included with the photos, to show some of the other projects they are working on. He explained that it is turning out to be a good program, and they have training for the volunteers. In addition to Nevada Irrigation District, their partners include Cramer Fish Sciences; California Department of Fish and Wildlife; California Fly Fishers Unlimited, who donated \$5,000 for recording gear; Sportsman's Warehouse; City of Lincoln; and Stantec, whom he thanked for bringing power to the site, which was no small task.

PUBLIC COMMENT – Suarez

Dianna Suarez, resident of Colfax, stated that she lives across the Bear River, which is outside of the District. She cannot vote for the NID Board, yet her life and the lives of her neighbors have been negatively impacted by some decisions that the Board has made lately. She represents the people who say "No inundation without representation". Ms. Suarez explained that according to Wikipedia, the main stem of the Bear River is 73 miles long. There are seven miles left of public access to the Bear River. That means that over 90 percent of the river has already been taken and lies beneath Camp Far West, Combie, and Rollins Reservoirs, numerous forebays, canals, diversions and powerhouses. She asked the Board to leave this 10 percent of the Bear River alone for the people who live here and for the many people who come to recreate on it, and to please not dam the Bear River. Many of her neighbors go down to their river 3-4 times per week, to walk their dogs, hike, fish, kayak, picnic and visit with family, pray and do ceremony, gather herbs and craft materials, and simply sit and listen to the living water as it rushes toward the next reservoir. The trees and plants that live around the river form a community that she has gotten to know. Many of these trees are hundreds of years old. The idea of these ancient trees being cut down and hauled away or inundated in place, makes many people feel sick and heartbroken. The plant communities where elderberry and redbud grow, along with bay laurel and buckeye are fruitful, diverse and support the wildlife, that is also robust and plentiful. A terrible anxiety hangs over the joy that they feel when they go to visit their river now. The happiness and beauty of dunking in the water on a hot day is tinged with sadness, because of the District's terrible plan to take this away from them. She asked to please back away from this plan, and to put attention toward the less destructive alternatives to achieve District goals. She said that they support meadow restoration, fixing the leaks in canals and diversions, dredging reservoirs and storing water in groundwater basins to refill the aquifers. Please focus on the natural alternatives and let the river flow.

PUBLIC COMMENT – Lebowitz

Marin Lebowitz, Grass Valley resident and NID customer, shared the following questions about the Centennial Dam:

1. Is any water from the dam is promised to private investments, possibly real estate developers?
2. Does suburban real estate presently use water classified as "agricultural" for landscaping purposes and is that expected to increase with future development?

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3. In light of this year's record snow levels, after 4-5 years of hard drought, could a case be made for the fact that there is an unpredictability factor in the climate change scenario, and is that enough to question the need for destroying the last six or seven miles of the free-flowing Bear River?
4. What is the repayment plan and how will it impact NID customers?

PUBLIC COMMENT – Wilson

Mark Wilson, Nevada City resident and NID customer, came to support Director Weber's idea of live-streaming, and video archiving of Board Meetings, so that people who work during this time can see what is going on. If live-streaming is impossible, he would like the Board to consider the idea of evening meetings, so people can come after work. He noticed that the Waterways newsletter is not coming out any more. He said it was a great newsletter that gave a lot of information to NID customers about current projects and events, as well as the history of the District. He shared that he read the newsletter regularly and found it very entertaining and interesting, and encouraged the Board to bring it back.

Director Weber thanked Mr. Wilson for his emails and contact.

PUBLIC COMMENT – Goar

Bob Goar, Co-Chair of FONA (Federation of Neighborhood Associations), spoke in support of live-streaming video. He said that he represents a number of neighborhood associations, including Cascade Shores, Greater Cement Hill, Rattlesnake Neighborhood Association, Greater Champion Neighborhood Association, Nevada Street/Willow Valley Area Friends of Nevada City, and the Glenbrook Neighborhood Association. These groups, along with others that will be joining, are having a meeting on April 4, 2017. He feels that he represents a good amount of people that live in the District. He was unable to attend the last Board meeting due to a family situation, but understands that there was a negative vote on video taping of Board meetings. Mr. Goar noted a comment from one of the Board members that the public has their devices and can video tape what they want. He thinks that is a good idea and that people may be doing that. He gave an example of the dangers of the public taking their own video from the Board meetings. He explained that the video could be edited and changed from saying "In the near future, NID is planning to flood parts of downtown Grass Valley with flyers and posters to inform the residents of upcoming meetings" to "In the near future, NID is planning on flooding parts of downtown Grass Valley". This would be something that would need to be dealt with and could be broadcast on any news media. When a lie goes out, it is very hard to overcome, no matter what the facts are. He urged the Board to be very careful what they ask for. If the Board wants people to video tape what is said, the Board needs to keep in mind that people may also edit and broadcast as they wish. He thinks the Board may find that they would prefer to be in control of broadcasting their own Board meetings.

PUBLIC COMMENT – Courtright

Caroline Courtright, Grass Valley resident in the Bear River Watershed, and also an NID customer, shared that she has many concerns regarding the Centennial Dam, including the flooding of beautiful land, and the taking of homes and property by

eminent domain. She narrowed down her concerns to present at this time to the following:

1. It is a well-known fact that reservoirs created by dams will fill with sedimentation. Every reservoir loses storage to sedimentation, although the rate varies. Sedimentation is still probably the most serious technical problem faced by the dam industry. Maybe a new dam on the Bear River has ten years at the expected storage capacity, and that is highly compromised and joins the other reservoirs in Gold Country which cannot be dredged because of the toxins left over in the sediment from gold mining. Arsenic, mercury and other toxins prevent Gold Country reservoirs from being dredged, joining Englebright Lake, Rollins Lake, Lake of the Pines, Lake Shasta and others that have lost storage efficiency, and yet cannot be dredged or corrected to get back storage capacity. She asked that this be addressed in the EIS (Environmental Impact Statement).
2. Oroville Dam repair costs – Two weeks ago, The Department of Water Resources came out with information suggesting that repair costs are estimated at \$4.7 Million per day. They estimated that the cost can run between \$100 Million to \$200 Million, and are now saying that the cost will be much higher. They hope to receive 75 percent reimbursement from FEMA (Federal Emergency Management Agency).

If a problem were to happen with the newly proposed Centennial Dam ten years down the road, it is likely to be well beyond NID's ability and capacity to take care of or finance it. Let us look at the hope of FEMA picking up the repair bill. What if FEMA goes the same way as the EPA (Environmental Protection Agency), the Endangered Species Act or as Meals on Wheels? FEMA may not be available in ten years for a bailout. She asked the District to stick with what they do best. She said they do a good job and thanked them. She urged NID to not get in over their head, and to not be fooled with the need for a continuous growth economy. It is not sustainable. She asked for the issue of financing and the possible unavailability of FEMA to be addressed in the EIS.

3. To what extent would this project rely on water from the Yuba River and what impacts would the project have on the river flows in the Middle Yuba, South Yuba and Canyon Creek? Would the project lead to increased percentages of water diverted from the Yuba Watershed to the Bear River? When would this happen and why? How can NID kill flows and habitat on one river to feed the profit needs in another? Please address this in the EIS.

PUBLIC COMMENT – Mateo

Carmen Mateo, Grass Valley resident, shared her concerns about the Centennial Dam. A few weeks ago, after the Army Corps of Engineers held their informational meeting at the Holiday Inn, she was speaking with an engineer who had experience working on dams. She asked him why alternatives have not been proposed. He replied to her that he had proposed rainwater catchment systems and that his proposal was completely dismissed. She would like to know why it was dismissed, and why the public does not see other alternatives. It was mentioned that 85 percent of the community was in favor of the dam, and she does not know of anyone that has ever been questioned in that regard. She would like to know who was selected for these numbers.

PUBLIC COMMENT – Osgood

Shirley Osgood, Grass Valley resident and NID customer, shared that she does not feel that she is the most informed on the issue about the Centennial Dam. She is part of a group of people who recently have awakened, and realized that they need to be at the very bottom level of our government, and informed and active about what is going on in our community. This may be one reason why the Boardroom was in good attendance. Ms. Osgood said that she was in attendance to speak in solidarity with the Nisenan people, who have grave concerns about the destruction of the very small remaining bit of their sacred land on this bit of river that is left. She also spoke in solidarity with those that cannot speak, which is the diverse and plentiful plant and animal life that will be destroyed by the dam.

PUBLIC COMMENT – O'Connell

Itara O'Connell, Grass Valley resident, wanted clarification that her letter was received by the Board and the Director for her Division, and inquired as to when she would receive correspondence back.

Director Drew replied that there was a letter on its way.

PUBLIC COMMENT – Pasner

Mike Pasner, an organic farmer from Penn Valley, an NID customer and a tax payer, said that he was glad to see so many people in attendance who are good at public speaking, and that this will be extremely important in the near future. He was also happy to see a camera in the room. Mr. Pasner said that four Board members voted against spending money on a camera, and that it was going to turn out to be a bad mistake. The District is willing to spend millions to acquire lands to build a dam, and not willing to spend \$20,000 to keep the public, the voters, and the customers informed on what it is exactly that they do. The Centennial Reservoir was originally called the Parker Dam, and was renamed by Remleh Scherzinger, General Manager, as the Centennial Reservoir and Power. Mr. Pasner shared that he was at a Grange meeting, where a woman proudly announced the equivalent acronym for Centennial Reservoir and Power, and said it was an amazing moment.

NID is currently re-writing their vegetation management program. This governs 450 miles of canals in Nevada County and its herbicide use. This is an extremely important issue that is also going on besides the dam. People are not paying close attention to it, and it needs to be before the eyes of the public. This water ends up in approximately five water treatment plants (he is still researching that) and gives water to the people in Nevada County. So it is important to keep close track of what NID allows to be put into this water.

PUBLIC COMMENT – Brown

Syd Brown, Nevada City resident, shared that she had recently become awakened as a citizen, and would like to bring the Board's attention to the broad and growing support that they will be seeing to encourage them to reconsider daylighting the business of the Board. She recognized and applauded Yuba Net for doing that now. She wanted to let the Board know it is her belief that the citizens deserve the District's support in that kind of activity. She knows the Board has evaluated a proposal and thinks they need to re-

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evaluate the proposal. She has been coming to NID Board meetings since early January. At the last meeting she had to leave early for another commitment. Not everybody has the ability to attend on a Wednesday morning to sit and be informed. She would like the Board to understand that there is a growing sentiment among community members that really urge the Board to re-evaluate the decision that they have made.

PUBLIC COMMENT – Mott

David Mott, Grass Valley resident and customer of NID, wanted to echo the daylight sentiment. He was lucky to attend this Board meeting. Normally he cannot attend these meetings, and it would be great to be able to see them online whenever he would like to.

PUBLIC COMMENT – Good

David Good, Grass Valley resident, said he thinks he is on City water, but he does vote. He told the Board that they were going to need to get a bigger boardroom if the meetings are not broadcast. That will perhaps be more expensive. He thinks a lot of people are going to start showing up and that is why he is in attendance also.

President Wilcox called for a two minute recess at 9:24 a.m. and meeting reconvened at 9:26 a.m.

MINUTES – March 7, 2017 Regular Meeting

Director Miller congratulated Marvin Davis, Finance Manager/Treasurer, on an excellent job, and reviewed some highlights from his presentation at the last Board Meeting.

**Approved the minutes of the regular meeting on March 7, 2017, as amended.
M/S/C Drew/Weber unanimously approved**

WARRANTS

Approved warrants as submitted on check and payroll registers. M/S/C Drew/Weber, unanimously approved

TEMPORARY SERVICE LOCATION POLICY MODIFICATIONS

Approved minor modifications as appropriate, as recommended by the Water & Hydroelectric Operations Committee. M/S/C Drew/Weber, unanimously approved

NEWTOWN RESERVOIR CLEANING PROJECT – PRELIMINARY REVIEW AND INITIAL STUDY

Adrian Schneider, Senior Engineer, presented the project and thanked members of Stantec for their support. He stated that two slides were added to the presentation to include all the mitigation measures.

Director Weber requested a copy of the two additional slides after the meeting.

Project Background:

- 1.6 Acre Reservoir
- On private property (DeMartini)

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- Fed by Newtown Canal (4 cfs – 11 cfs winter/summer flow)
- 30+ years of service / sediment buildup and vegetative growth
- 6,600 cubic yards estimated removal amount
- 2 to 3 month cleanup period or multiyear removal, depending on weather/funding

Construction Activities:

- Divert canal flows around reservoir
- Allow drying of reservoir over summer months
- Remove Sediment
- Dewater Sediment on site
- Transport off site or use as fill on Property

Project Mitigations:

- Air-1 Dust & Emissions Control Plan
- BIO-1,2,3,4,5,6
 - Pre-construction training
 - Survey special plants species
 - Protocol-level survey Red legged frogs
 - Pre-construction survey for Coast Horned Lizard
 - Disturbance avoidance for birds/raptors
 - Wetland Impacts – 401 & 404 permits
 - Aquatic species removal/relocation
- Cultural Impact-1,2,3
 - Discovery of Cultural Remains
 - Proper handling Paleontologic Resources
 - Proper handling Human Remains
- GEO-1 - Potential Soil Erosion or loss of topsoil
 - Erosion Control Plan & SWPPP (Stormwater Pollution Prevention Plan)
- HAZ-1 - Potential release of hazardous materials
 - Follow SPCCP to minimize potential of spills
- HAZ-1 - Potential Wildland Fire
 - Fire suppression equipment & fire control measures
- HYD-1 - Potential degrading water quality
 - SPCCP to minimize potential of spills

President Wilcox opened the public hearing.

Bob Goar, representative of the Federation of Neighborhoods Association (FONA), asked for clarification of the acronym SPCCP.

Dustin Cooper, District Counsel replied that it was the acronym for Spill Prevention and Countermeasure Control Plan.

Director Drew made an important note that there are many people that are concerned about the District removing sediment from their reservoirs. Not only is this a classic example of that effort, but the District is doing this at many other locations.

Shirley Osgood, resident of Grass Valley, asked to hear more about the impact on the lizard, frog and other animals.

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Mr. Schneider shared that the pre-construction reconnaissance level field survey done in December of 2013, did not indicate the presence of any special species or indication of red legged frogs. The impacts would be mitigated if those are found and the District would go through the mitigation measures.

Ricki Heck, resident of Grass Valley, inquired what the cost estimate was for the project.

Gary King, Engineering Manager, requested that all of the questions be received during the public comment, and all be responded to once public comment is closed.

President Wilcox explained that Staff would respond to the question after the hearing.

Director Weber asked Mr. King to repeat the request to hear clearly, and to confirm that the responses would be provided during this Board meeting.

Mr. King repeated the request, and confirmed that the responses would be made directly following the closing of public comment.

Itara O'Connell, resident of Grass Valley, asked if once the sediment is removed from the reservoir, if there is an analysis done to show what is in that sludge, that might show what is coming up from the mining tailings and so forth.

Maury Hull, an NID customer, asked why the project is necessary. It seems like a very small reservoir. Looking at the process that needs to be followed, it is fairly complex, and he imagines there will be a cost incurred, and he is wondering about the justification.

Debbie Gebbs, who lives across the street from the DeMartini property, asked about the sludge that is spread there, and if there is any effort to put any sort of ground cover or greenery on top of it.

President Wilcox closed public hearing.

Director Miller stated that he liked Mr. Hull's question. He was curious about the operational need of the reservoir and to understand the need of it.

Mr. Schneider responded to the questions presented.

- Testing of the sludge: If not suspected to be toxic, there are no testing requirements. It is hauled out as sediment and dried out.
- Cost: Estimated to cost roughly between \$350,000 to \$500,000.
- Groundcover: Sometimes sediment is used as fertilizer. It would need to be discussed with the property owner if they want it covered or left exposed.
- Why it is necessary: It is a very small reservoir, and he would like to defer this to Operations or Maintenance.

Director Miller also asked about de-watering the reservoir for cleaning.

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Chip Close, Water Operations Manager, explained that this reservoir acts as a buffer for the District. The Newtown Canal feeds the Lake Wildwood Water Treatment Facility. There are many occasions where the District needs to have very short term outages on the Newtown Canal. Having this reservoir in the middle allows the District to continue to convey those waters down the canal as maintenance is being done in the upper portion of the facility, and does not create a bobble or a water outage for the lower half or for the treatment plant.

Director Drew added that one of the primary functional aspects of this reservoir is that it is a sedimentation reservoir, and it is intended to collect sediment before it goes on to the Lake Wildwood Treatment Plant.

Director Weber said that she received the EIR about six weeks ago and thanked Mr. Schneider for getting that to her. She noted that the Board Packet did not contain an Executive Summary.

Mr. Schneider said the Executive Summary was sent out about a month ago. He apologized it was not included in the Board Packet, and will include it next time.

Director Weber said that CEQA closed March 2, 2017, and asked where this was advertised.

Mr. Schneider replied that it was advertised in The Union and with the people within the vicinity of the project area.

Director Weber asked for clarification that the neighborhood received letters.

Mr. Schneider confirmed that the neighborhood received letters, in addition to the Madelyn Helling Library and The County.

Director Weber asked what the nature was of the easement that the District has with DeMartini for the reservoir on his property, if it is a deeded or prescriptive easement, and if the road is included.

Mr. Schneider replied that from his understanding it is a maintenance easement, and he would need to get back to her with the other specifics.

Director Weber stated she was alarmed when she saw there were no biological mitigations in the Board Packet, and thanked Mr. Schneider for producing those and including in the presentation. She asked him to describe the protocol level study for the red legged frog.

Mr. Schneider gave a brief description of a protocol level study that is done to determine the presence of frogs, and asked a representative from Stantec to give a more thorough explanation.

Meagan Kersten, an archeologist with Stantec, apologized that her biologists could not be in attendance. She explained that she understands that before a protocol level survey takes place, a habitat assessment needs to occur, and then a letter with the results of the habitat assessment would be sent to the U.S. Fish and Wildlife Service to determine if a protocol level survey is necessary. That would be the first

step. The protocol level survey would then essentially involve biologists going to the site day and night for a couple of days, during appropriate time periods that she believes are between April and October.

Director Weber said she cannot believe that it was not necessary to look an analysis of the sediment. If it was tracked where it might have come from, it could be considered that there was some mercury in that sediment. Disturbing that could cause it to methylate, and before doing anything the sediment should be analyzed. Any potential environmental damage to that area should be looked at even though it is on private property. She asked what happened to the beavers there.

Mr. Schneider said this was the first time he has heard anything about beavers there, and he will get back to her with responses to these questions.

Director Drew stated that one of the reason there has been a decline in California of the red legged frog, is because of the introduction of the bullfrog and the channel catfish. NID has been responsible for increasing the habitat of the red legged frog thousands of times over.

President Wilcox shared that he spent many years of his life teaching at the neighboring property, and he is very familiar with this reservoir. It does act as a sediment trap. Just downstream of the reservoir is a rather long inverted syphon that crosses Jones Bar Road, and it is operationally necessary to pull some of that sediment out, so this reservoir is acting exactly as it was designed to do. He shared that there are some nice big trout there. The cost horned lizards in the area are very rare, and will not be affected as they like it dry and are generally associated with the serpentine scrub manzanita community that is adjacent to this area.

Director Drew made a motion for Adoption of Resolution 2017-08, for Mitigated Negative Declaration, and Approval of the Project and Mitigation Monitoring and Reporting Program for the Project. Director Miller Seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	No
Drew, Division II	Aye
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

HEMPHILL DIVERSION FACILITY – PROPOSED STUDIES AS OUTLINED IN THE ATTACHED GRANT (FATR# 7032)

Gary King, Engineering Manager, explained that the purpose of this item. The District is working on developing a project to either modify or replace the Hemphill Diversion facility. As part of this project, the District has requested a grant from California Department of Fish and Wildlife (CDFW) to study fish and other items within the project area. The grant agreement outlines the items to be evaluated as part of our ongoing project assessment and alternative development for the existing diversion facility.

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The District has studied an Option Analysis with five options to replace the Hemphill structure, and has narrowed it down to Option numbers 4 and 5. Those two options are currently under further study as to whether they are viable. However, if it is not proved that Option 4 or 5 will work, then Staff will need to go back and look at modifications to the structure. Over the past few months, multiple inquiries have been made asking if there is a schedule of when the revisions to this diversion structure will be done. There is currently no schedule, because the solution has not yet been decided.

The study with CDFW ties into giving some background information of what is going on. Mr. King pointed out on Page 4 of 14 of the agreement, the following objectives of the project:

- Objective 1: Oversee Project and Convene Technical Advisory Group to Participate in Planning Process
- Objective 2: Hydraulic Analysis of Project Affected Area of Auburn Ravine
- Objective 3: Complete a Sediment Transport Study of Project Affected Area of Auburn Ravine
- Objective 4: Collect Pre-project Baseline Water Quality Data to Document Baseline Conditions in the Project Affected Area – Mr. King stated that this is currently in the RFP (request for proposal) and is due March 31, 2017.
- Objective 5: Conduct Two Seasons of Salmon and Steelhead Adult and Redd Surveys Above and Below Hemphill Diversion site in Auburn Ravine – Mr. King stated this is out in the RFP and due on March 31, 2017.

Director Weber asked if copies of the agreement were available for the public in attendance to follow along

Mr. King replied that a copy of the agreement is in the Board packet and is posted on the website. He explained that he was going through the list of objectives in the agreement, because the agreement will merge into the construction, and will give base lines of what is going on in that area. Staff and legal counsel has reviewed the grant agreement and recommend the Board to approve the agreement.

Budget: This is a multi-year project with total grant value is \$295,127, with \$177,042 of the grant funds from California Department of Fish and Wildlife (CDFW) Proposition 1 Grant Program and \$118,085 from the Applicant (NID). The Applicant funds can be in-kind funds such as employee labor and equipment.

Director Miller congratulated Neysa King, Watershed Resources Planner, for doing an excellent job.

Jim Hauffer, with Friends of Auburn Ravine, a resident of Lincoln and customer of NID, thanked the Board and Staff for their work on this. To date, there has been a lot done already. Everyone wants this to be done as soon as possible, but at Friends of Auburn Ravine, they understand there are certain practicalities involved. Going too fast can create bad mistakes to be made. He and Friends of Auburn Ravine appreciate the thoroughness in which NID Staff is proceeding on this, working all the

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details, and considering all the consequences, so that when something is done, it really does work. Across the State of California, there are probably dozens of fish ladders that looked good to humans, and did not look real good to the salmon. Getting it done right is a very important thing. Speed is nice, but too much speed can be a danger. They really appreciate what has been going on, and he was happy to learn today that there are steps underway already, as mentioned by Mr. King, for the sediment study of the dam and also for the permeability study. Practicalities are being taken care of, and he hopes that the Board supports this proposal, because he thinks it is the right thing to do at this time.

Director Weber requested that a map tracing where the salmon might traverse to get to this point, dams along that way and any other barriers. She inquired who the land owner is, as noted on Page 4 of the agreement, Item 6.02.

Mr. King replied that NID is a land owner, as well as the Turkey Creek Golf Course and East Lincoln LLC.

Director Morebeck mentioned that it is important to understand the barriers before Hemphill, where they start from and how they get to how they get there.

Mr. King stated that at the discretion of the General Manager, a map can be provided to the Board at the next meeting.

Mr. Haufler commented on the dams and diversions, and said there are quite a few diversion dams downstream from Hemphill. They are all removed October 15th of every year, and replaced April 15th of every year, so irrigation can proceed after April 15th. As far as salmon migrating upstream, they need to get over the low sills of those dams, but they do not have to get over the flashboards of those dams, because flashboards are taken out October 15th. He shared that there are a number of dams downstream from where Auburn Ravine goes into the Sacramento River, including the Davis Dam and the Tom Glenn Dam, among a number of others. He said that he calls them dams, but "diversion facilities" is the proper word for it. They are not an impediment to fall-run Chinook at all, because the boards are taken down October 15th every year.

Director Drew requested confirmation that that none of these facilities are NID facilities.

Mr. Haufler confirmed that is correct, and added that they are all either private or South Sutter Water District facilities.

President Wilcox requested confirmation that the sills on those dams are not a fish passage impediment.

Mr. Haufler replied that was correct. They are all just 6" to a foot high and salmon get over them very easily.

Director Weber stated that this knowledge gives us a picture.

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Mr. Haufler agreed and said that it explains the value of making a modification to Hemphill. There is mostly free passage during the fall coming all the way up, and then at Hemphill there is a certain percentage of fish that do not get over. By making the modifications that are being talked about, it opens up six more miles of good spawning area above Hemphill going all the way up to the Gold Hill Dam. There are some cascades that would probably prevent the fish from getting all the way to the Gold Hill Diversion. He has been to them himself, and they are along Chaparral Lane, just upstream from Gold Hill Bridge, and those look to be pretty serious natural barriers that would probably prevent many fish at all from getting as far as the Gold Hill Diversion.

Director Drew mentioned that he believes the Department of Fish and Wildlife has already looked at those, and have determined that they are not passable. He shared a historical fact that previous to NID, PG&E and PCWA showing up, the Auburn Ravine was virtually dry all of the time. There were no salmon in that stream, but since the introduction of water from NID, PG&E, PCWA, those salmon that are now present have become part of the public trust doctrine. It is our responsibility to protect them and enhance their lives, and that is what we are doing.

President Wilcox pointed out that the Hemphill Dam is a seasonal facility. The flashboards are taken out when irrigation season is over and replaced the following spring. The problem with Hemphill is that the sill is probably a little higher than the other dams, and does form at least a partial fish impediment.

Director Miller said that the District has been doing good work in the areas where there are salmon, such as the Highway 65 Gauging Station done a few years ago. It successfully opened up approximately two miles there and everyone is happy with it. He asked if there is a way to recognize through mitigation the successes and good work that the District has been doing in areas that have salmon, as the District intends to impact seven miles of Bear River which has no salmon.

Director Drew asked to reply to Director Miller's question, and asked that it be noted that the Centennial Reservoir will benefit salmon throughout the area below the reservoir, below Combie Reservoir, by being able to provide flow when needed in cool water when needed for spawning purposes. So it is a functional component for salmon protection.

Director Miller added that as far as the question to how the amount of water that will be taken from the Yuba River for the Centennial Reservoir, it is his understanding that it would actually relieve the taking of water from up top. It will not need to be diverted as it has been these many years if the rainwaters were caught at the mid-level. So the Centennial Reservoir should have a benefit to the Yuba River.

Mr. King stated that the goal today is the Hemphill Diversion structure and agreement with the Department of Fish and Wildlife.

Director Weber asked for more information about the technical advisory committee.

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Neysa King, Watershed Resources Planner, shared that the technical advisory committee is yet to be established and determined, but the initial thinking is that it would include all of the relevant agencies from Federal to State for fisheries, including U.S. Fish and Wildlife, National Marine Fisheries Service, Cal Fish and Wildlife, as well as Friends of Auburn Ravine and other groups who are working on this section of Auburn Ravine with the District.

Director Weber requested that those meetings will be advertised and open to the public, and thanked Ms. King for her good work.

Director Morebeck asked if some of the studies done previously could be used to go towards the \$118,085 in-kind services that the District is paying for.

Mr. King said that they can be, and that the Department of Fish and Wildlife has been very aggressive to help the District here. The studies that are currently being worked on could be applicable to this. So some of those funds that have not been spent yet can be used on this project, and includes labor, graphics and meetings.

Director Morebeck pointed out Pages 8 & 9 of the agreement, that provides a good overview of what is going to occur, and includes a timeline showing the involvement of what needs to be done to make this work.

Director Weber asked that Pages 8 & 9 be posted on the NID website.

Mr. King said that it will be posted, and explained how to get to the information of each project on the website.

Adopted Resolution approving a grant agreement and associated paperwork for studies related to the Hemphill Diversion modification or replacement as reviewed as an informational item in the Engineering Committee on January 17, 2017. M/S/C Morebeck/Miller, unanimously approved.

WEST PLACER GROUNDWATER SUSTAINABILITY AGENCY (WPGSA) PARTICIPATION

Chip Close, Water Operations Manager, recalled the informative presentation given at the last Board meeting by Mr. Bret Storey of Placer County, regarding the formation of the West Placer Groundwater Sustainability Agency (WPGSA). Staff has returned to the Board with hopes of receiving authorization and recommendation to move forward in working with members that are going to be forming the WPGSA.

Staff believes there are many benefits of becoming a member of the agency. The District initially passed on the groundwater subject, as it is solely a surface water agency. However, with the realization that the District's boundaries cross into the North American Sub-basin, staff believes it is time to join in this discussion. It is not only to provide representation to customers that are within that boundary area, but also to avail the District a seat at the groundwater discussion table in case future operations involve groundwater banking or withdrawal.

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If directed to proceed today, this is not a commitment to join, it is only to allow staff to begin investigating the Memorandum of Agreement. Mr. Close noted the correction to be made on the staff report that erroneously called it a Memorandum of Understanding. Mr. Close added that staff will also investigate all of the related documents and conditions in becoming a member. Due to SGMA (Sustainable Groundwater Management Act) regulations, the timeline for the establishment of the GSA is rather tight, as it must be completed by the end of June. Therefore, staff anticipates a short turnaround for document review, and expects returning to the Board at the April 26th Board meeting with all the details necessary, including the MOA, Resolution and the necessary budget transfer documentation for the Board to review at that time.

Brett Storey, Placer County Principal Management Analyst, welcomed NID's participation, and thinks it will continue a long term ability to work together not only on this issue, but on other issues. On behalf of all the agencies, they look forward to working with NID on this issue and others.

Director Weber noted the budgetary impact on the staff report stating that all neighboring water purveyors have all pledged a buy in fee of \$50,000. She does not think that this is exactly correct, since being told at the presentation that some form a sort of partnership and pay a lesser amount.

Mr. Close stated that further detail on the budgetary impact will be provided when this comes back to the Board. To answer this specific question, all of the public agencies that are authorized to form a GSA are pledging the full allotment of \$50,000. Cal Am (California American Water Agency) is not a public agency, it is a privately owned utility, and therefore does not have the same voting authority or same representation at the table as the public agencies, and therefore, has contributed a lesser amount.

Director Weber said she would like to see how this basin interrelates with other basins in the valley area, if there is continuity between them so that there is potential for greater storage, and what the potential storage is for each one.

Mr. Storey said that part of this answer is going to be developed in what is known as the Groundwater Sustainability Plan. After forming the GSA, they are required to develop that plan. Modeling will be done not only on our groundwater basin, what is known as a sub-basin, but they are also required to work with the other adjacent basins to understand how that relationship is. In general, based on modeling, in the entire North American Sub-basin there is approximately 5 million acre feet. The geologists and scientists working on this, and believe there is the potential for another million acre feet. So it could be as high as 6 million acre feet. Within the West Placer portion, there is approximately 800,000 acre feet that may go as high as a million acre feet, if a groundwater bank and it there are other attributes to it. This will all be studied over the next couple of years and the model will be developed.

The agencies and GSAs of the adjacent basins will be doing the same exact work. All the plans are then turned in to the Department of Water Resources, and their responsibility is to make sure that the inflows and outflows match-up between each basin. That analysis all needs to be done and will be done over the next four to five years.

Authorized and Received Recommendation to begin working with the West Placer Groundwater Sustainability Agency (WPGSA) to develop the necessary documents for NID's participation in the agency. MSC Miller/Drew, unanimously approved

GENERAL MANGER'S REPORT:

Remleh Scherzinger, General Manager, reported that the District is currently sitting at 238,446 acre feet in storage, roughly 135 percent of average, and at 90 percent of capacity. A couple of the reservoirs have been drawn down, due to storms, for operational management. The District is currently at 112 inches of precipitation at Bowman, second only to 1903-1904, and at roughly 211 percent of average. It is the wettest drought on record.

Mr. Scherzinger was pleased to announce that the Hemphill interpretive sign that NID produced for the Lincoln Gauging Station has been installed. People can now understand the facility when they go to visit.

The construction on Table Meadows District Funded Waterline Extension has begun. The District is bringing more water to the Table Meadows area as well as preparing to work on Scooter Bug Lane.

The District is also preparing for the pipe re-fit work that will occur in Penn Valley, as part of studies identifying that there were some low pressures on some hydrants in that area.

The Elizabeth George Treatment Plant is now providing water to the Cascade Shores. The District is in the process of mothballing the Cascade Shores Facility, which will occur over the next year or so.

The Rock Creek Road DFWLE has collapsed. They were unable to bring enough members to it within the 120 days. Those funds will roll into the next project. The Alderwood Way District Funded Waterline Extension seems to have momentum and remains on track.

PG&E is finalizing plans to restore the South Yuba Canal, which includes reshaping and stabilizing of the slope, cutting a new bench and installing approximately 300 feet of new timber flume. Approximately 200 trees had to be removed as part of that project, and that work should be complete by the end of the week, with just a little bit of stump removal left to be done. Excavation is anticipated to begin next week and is on track. PG&E intends to work safely, but has agreed to accelerate their schedule at NID's request.

Mr. Scherzinger reported that he had the pleasure of meeting with Supervisor Heidi Hall, and they shared a very informative conversation. He shared with her about the District itself in its totality, as well as some of the projects the District is engaged in.

Mr. Scherzinger reported that he and Director Morebeck had the opportunity to meet with Lincoln Council Member, Stan Nader, and Lincoln City Manager, Matt Brower. They discussed the Regional Water Supply Project, and how the District will continue to

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make sure that the deliveries to 3,427 customers that NID is responsible for within Lincoln are protected.

Mr. Scherzinger had the pleasure of working with ACWA (Association of California Water Agencies) this week on policy that is being developed at both the state and federal levels around headwaters protection and improvement. The policy development is moving forward. The policy working group is working with CAFWAS (California Watershed Alliance), RCRC (Rural Counties Representatives of California), California Forestry Association, The Nature Conservancy and The California Farm Bureau Federation. This group is working to ensure headwaters protection, and it is important that NID connects to that group.

The Sphere of Influence (SOI) Meeting is scheduled to take place at the NID Boardroom on March 30, 2017, from 5:00 p.m. – 6:30 p.m., and has been advertised. A similar meeting in Placer County will not be held, because of the agreement with PCWA (Placer County Water Association) not to expand the District's boundary in that area.

Director Weber asked for an update regarding the need to provide unimpaired flows to the Delta and where that is with the State Water Resources Control Board (SWRCB).

Dustin Cooper, District Counsel, provided a Delta Plan update on governance water quality for the entire Bay-Delta Watershed, and explained that it has been divided into phases. Phase 1 is the San Joaquin River and tributaries; Phase 2 is the Sacramento River and tributaries; and Phase 3 is the anticipated water right proceeding. The phase that impacts NID, and what the District is concerned about, is Phase 2.

Mr. Cooper reported that the SWRCB sent out a Draft Scientific Basis Report that is a public document and available online. They are proposing a range of between 35 percent and 75 percent of unimpaired flow from January through June. That would have a significant water supply impact and an environmental impact as well, in his opinion, on many tributaries. The document went through a round of public comments. NID was a participant in those comments, as well as many other associations and districts. The SWRCB is currently seeking peer review of their scientific basis report. It is anticipated that it will be finalized in the very near future. When it is finalized, they will transition into what is effectively a CEQA (California Environmental Quality Act) analysis of whatever their preferred alternative is, plus other project alternatives. On the San Joaquin system's Phase 1, a 40 percent unimpaired flow was selected as their alternative. They currently have the equivalent of a CEQA document out for public comment.

Director Weber inquired as to what it will mean to NID when they get to Phase 2.

Mr. Scherzinger explained that it will have a direct impact, and we are working on what that impact will be. The Bear River, among others, has been identified as having between 500,000 cfs to 90 cfs from wet to critical dry. Using those same numbers, they would be looking at roughly anywhere from approximately 200,000 to 20,000 acre feet per year that they would be looking for in water to come out of the systems to back-stop the Sacramento River and the Delta as part of this process. The District needs to be active in this and working from the position of our water rights packages, and those systems that are heavily permitted and licensed to those that are less permitted.

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Discussion ensued about unimpaired flow, which is currently an undefined block of water. Information about this is available from the State Water Board.

BOARD MEMBER COMMENTS

Director Weber reported that she recently attended a CABY meeting. They are almost done with the governance chapter. Money was set aside by Proposition 1 to help get water supply to disadvantaged communities that cannot afford to extend waterlines. CABY is involved in a process to identify those areas. She asked Neysa King, Watershed Resources Planner, if someone has been hired for this.

Neysa King, Watershed Resources Planner, said that as she understands it, the District is part of a coordinated effort for the entire Mountain Counties funding area. This group is being facilitated by the Sierra Water Working Group, and she thinks they are in the process of getting an indication of support and agreement. She believes it has been reduced to one applicant to handle the disadvantaged community assessment work that needs to be done.

Director Weber said there is good progress there and it can make a big difference to small communities, like the nearby town of Washington.

Director Morebeck reported that he and Mr. Scherzinger recently met with the Lincoln City Manager, Matt Brower and Lincoln City Council Member Stan Nader, about the regional water supply project, which is a project to bring treated water to the City of Lincoln.

Director Miller reported that he recently attended and spoke at the Golden Oaks Association annual meeting. There were many discussions, including discussions about cannabis and the Immigrant Trail, and if there had been a trail in place it would have been washed out with all this year's rain. The group there thought it best to be left as a historical easement. He was prepared to talk about the Centennial Project at that meeting, but the discussion became more driven by questions about waterline extensions. He shared that everyone is happy and that the contractors are doing a great job, and on occasion, referred them to Shannon Wood, Business Services Technician, as the NID contact person. He took a non-scientific poll of those for and against the Centennial Project. Of the 80-100 people in attendance, one person raised their hand against it, and half the room raised their hand supporting the project. He said there were also a number of questions about the potential for the raw water serving the South County and questions about new canals. Everyone was very interested, and the majority of the folks there seemed to be very supportive of the Centennial Reservoir and how it can support South County.

President Wilcox announced that he looks forward to seeing the equipment in Penn Valley and in getting that project finished. Currently, almost all of the fire hydrants in Penn Valley do not meet fire standards.

Discussion ensued about how happy the community and Jerry Good, Battalion Chief at Higgins Fire District is about the fire hydrants coming into the community. It is a great benefit to the folks down in that area.

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PUBLIC COMMENT ON ANY ITEM TO BE CONSIDERED IN CLOSED SESSION

Ricki Heck, resident of Grass Valley, stated that over the time she has spent attending NID Board meetings, she has noticed several references to real property acquisitions in Closed Sessions. She is wondering how the public will be informed as to how many parcels the District has purchased, the total cost incurred, and some general information about those properties. She understands that the Closed Session is in negotiation, but would like to know how the public gets the information about what the District has done, what has been purchased and how much has been spent.

Remleh Scherzinger, General Manager, replied that the public is more than welcome to submit a Public Records Act Request with the District, and the District would happily respond to it.

Ms. Heck asked if it could be posted on the District's website, and if not is there a reason why it is not posted.

Mr. Scherzinger stated that it is not on any of the reports that the District generates. There is no specific reason why it is not posted on the website; it is just not something that the District does.

Coy Miller, owner of The Sleep Shop in Auburn and Grass Valley, shared that this is his first Board meeting, and that it has been very entertaining. He does not envy what the Board does, and he now has a new appreciation of what they do. He grew up in Grass Valley. His dad was a banker in town. He shared that he came home from eighth grade at Lyman Gilmore one day, and they had purchased a furniture store, Hedman Furniture from Mr. Hedman. He grew up in working there throughout high school and college, and ended up with his own furniture store, a branch of Hedman Furniture in Auburn. Mr. Miller's sister offered him the Grass Valley store when their mother passed. At the time he was a pastor at a large local church and coached little league and basketball. So they separated from the family 23 years ago, and opened The Sleep Shop in Auburn, which allowed him to be with his family. He became an expert in the area of mattresses, and his sons both followed suit. When his sister liquidated her Hedman's store in town, they opened The Sleep Shop in Brunswick that his two boys manage. In 2013, they purchased the building in question for their warehouse. They turned it into a very successful gift and furniture store. Mr. Miller has four kids and all four of them work for the family business, as well as two of their four spouses. He shared that his son-in-law once managed 72 stores for Sleep Train in Seattle. The Sleep Shop is family operated, not on commission and they never pressure anyone to buy anything.

Mr. Miller shared that in 2014 they flooded. At that point, the spill canal was in bad shape, and the report on that was submitted to the District. It was cleaned out, and his responsibility is to maintain it. They have stayed on the maintenance, including cutting trees, weed-eating, and sandbagging the area. Looking forward to the winter, he had NID come out around September of 2016, and said there is an issue with the main way that this spill channel is constructed. There is a curve at the corner of his building, where if there is a big flow of water, it is going to backup there and come around the side like it did in 2014 and flood, which it did. He had a fellow come out, as well as NID, who took reports on that flood. Rather than waiting for NID, he had this fellow triple the

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width of the spill canal and then doubled the depth. The good news is that with all the rains since then, he would have flooded four or five times, and instead it is dry and the issue is solved. What he is asking is just that the Board consider his claim.

Meeting recessed at 10:52 a.m. and reconvened at 10:56 a.m.

CLOSED SESSION was declared pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim of The Sleep Shop Auburn

CLOSED SESSION was declared at 10:56 a.m., pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger and/or District Counsel regarding price and terms of payment; the property subject to negotiation is Placer County Assessor’s Parcel Numbers 071-090-003 & 071-100-004.

CLOSED SESSION CONFERENCE WITH LEGAL COUNCEL - EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Government Code § 54956.9). Nevada Irrigation District’s Petition for Assignment of Water Rights for Centennial Reservoir and the Protest by South Sutter Water District to that Petition pending before the State Water Resources Control Board

MEETING RECONVENED in regular session at 11:18 a.m.

MEETING ADJOURNED at 11:18 a.m. to reconvene in regular session on April 12, 2017, at 9:00 a.m. at the District’s main office located at 1036 W. Main Street, Grass Valley, California.

Board Secretary

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

Director
Division I

Division II

Division III

Division IV

Division V