

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

November 14, 2018

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 14th day of November, 2018, at 9:00 a.m.

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

John H. Drew, Vice President (Division II) was absent.

Staff members present included Remleh Scherzinger, General Manager; Greg Jones, Assistant General Manager; Chip Close, Water Operations Manager; Gary King, Engineering Manager; Brian Powell, Maintenance Manager; Keane Sommers, Hydroelectric Manager; Monica Reyes, Recreation Manager; Jana Kolakowski, Human Resource Manager; Susan Lauer, Communication Specialist; Andrew McClure and Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

EMERGENCY ITEM ADDED TO BOARD AGENDA

Remleh Scherzinger, General Manager, made a request to add a consideration of a Mutual Aid Agreement with Paradise Irrigation District, in support of their current emergency as a result from the Camp Fire. Dustin Cooper, District Counsel, provided further instruction as to the addition of the item.

Director Weber made a motion to add the emergency item to the agenda for consideration of a Mutual Aid Agreement with Paradise Irrigation District. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

MUTUAL AID AGREEMENT WITH PARADISE IRRIGATION DISTRICT

Remleh Scherzinger, General Manager, presented the item.

Director Wilcox made a motion to approve the Mutual Aid Agreement with Paradise Irrigation District (PID), and direct the General Manager to support PID in the Camp Fire Emergency, through this agreement and/or through the

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Nevada County Office of Emergency Services, and authorize the General Manager to execute the necessary documents. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

EMPLOYEE RELATIONS – Kelly, Retirement Presentation (Res. 2018-29)

Kris Stepanian, Board Secretary, presented the item and recognized Kristi Kelly for her 20 years of service with the District.

EMPLOYEE RELATIONS – Smith, Retirement Presentation (Res. 2018-30)

Gary King, Engineering Manager, presented the item.

RESOLUTION OF APPRECIATION PRESENTATIONS – Weber (Res. 2018-27),
Drew (Res. 2018-28) and Morebeck (Res. 2018-31)

Remleh Scherzinger, General Manager, presented the items.

Public Comment:

- Melinda Booth, Executive Director of South Yuba River Citizens League
- Bob Goar, resident of Nevada City
- Tracie Sheehan, with Foothills Water Network
- Mike Pasner, owner of Indian Springs Organic Farm in Penn Valley
- Ricki Heck, resident of Grass Valley and incoming Director for Division I

The meeting recessed at 9:30 a.m. and reconvened at 10:00 a.m.

PUBLIC COMMENT

The following members of the public addressed the Board:

- Dianna Suarez, resident of Colfax, addressed the Board regarding the new Board members, Proposition 218 and water rates
- Marin Lipowitz, resident of Cedar Ridge, addressed the Board regarding the Bear River
- Mike Pasner, owner of Indian Springs Organic Farm in Penn Valley, addressed the Board regarding the Raw Water Master Plan, Integrated Vegetation Management Working Group and herbicide use

President Morebeck pulled the following items from the Consent Agenda at the request of Director Weber:

- Item 3 - Revisions to District Policy 1070 - Contributions/Donations – Requests by Non-Profit / Community Organizations
- Item 7 - Establish Administrative Policy 3050 – Watershed Investment Fund

MINUTES – October 24, 2018 Regular Meeting

Director Weber made a motion to approve the minutes of the regular meeting on September 26, 2018, as submitted. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

IRON HORSE/BREWER ROAD DISTRICT FINANCED WATERLINE EXTENSION FUNDING AGREEMENTS

Director Weber made a motion to approve funding agreements with ten (10) property owners within the Iron Horse/ Brewer Road District Financed Waterline Extension Project. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

QUARTERLY BUDGET VS ACTUAL REPORT

Director Weber made a motion to receive the quarterly budget vs actual report for the period ending September 30, 2018. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

QUARTERLY INVESTMENT, SHORT-TERM FORECAST & RESERVES

Director Weber made a motion to receive the quarterly investment, short-term cash forecast and reserve report for the period ending September 30, 2018. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

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2019 RECREATION RATES

Director Weber made a motion to approve the 2019 Recreation rates, as recommended by the Maintenance and Resources Management Committee. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

REVISIONS TO DISTRICT POLICY 1070 - CONTRIBUTIONS/DONATIONS – REQUESTS BY NON-PROFIT / COMMUNITY ORGANIZATIONS

Greg Jones, Assistant General Manager, presented the item.

Staff to also create a policy for sponsorships and run back through the Administrative Practices Committee.

ESTABLISH ADMINISTRATIVE POLICY 3050 – WATERSHED INVESTMENT FUND

Remleh Scherzinger, General Manager, presented the item.

Public Comment:

- Ricki Heck, resident of Grass Valley

Staff to make changes to proposed policy as suggested by the Board and run back through the Administrative Practices Committee.

E. HACIENDA VALVE STATION AND TIMBER RIDGE VALVE PROJECT (FATR #2114):

Gary King, Engineering Manager, presented the item.

Director Wilcox made a motion to award a construction contract to T&S Construction, Inc. in the amount of \$761,645.00, and authorize the General Manager to execute the necessary documents. Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

EMPLOYEE RELATIONS – Morebeck Resignation (Res. No. 2018-31)

Director Miller made a motion to adopt Resolution No. 2018-31 (Resolution of Appreciation upon Resignation – William Morebeck). Director Wilcox seconded the motion.

Motion passed on the following roll call vote:

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Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

REVISIONS TO DISTRICT POLICY 5020 – BOARD MEETING AGENDA

Kris Stepanian, Board Secretary, presented the item.

Public Comment:

- Tracie Sheehan, with Foothills Water Network
- Marin Lipowitz, resident of Cedar Ridge
- Dianna Suarez, resident of Colfax

Director Morebeck made a motion to adopt Resolution No. 2018-33 (Updating Administrative Policy 5020 - Board Meeting Agenda), as recommended by the Administrative Practices Committee. Director Miller seconded the motion.

Motion died based on the following roll call vote:

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

WARRANTS/FINANCIALS

Director Wilcox made a motion to approve warrants/financials as submitted. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

GENERAL MANAGER'S REPORT

Remleh Scherzinger, General Manager, reported on the following items:

- Storage and Precipitation update
- Conservation update
- San Joaquin hearing delayed to December 12, 2018
- CCA (Community Choice Aggregate) update
- Offered support to City of Lincoln – Nexus Study
- Recently spoke to the Nevada County Board of Realtors Association
- Met with South Sutter Water District
- Attended Nevada County Farm Bureau dinner
- Attended Placer County Farm Bureau dinner

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- Hemphill Diversion is up
- Water Rates Committee meetings are completed
- Water Rates and 2019 Budget coming to the Board soon
- Newtown Canal regrading updates
- Survey work complete for the Iron Horse project
- Table Meadows District Financed Waterline Extension update
- Newtown Reservoir work has been stopped for the year
- Rock Creek Raw Water Intertie is complete
- Restarting Maben Phase 2 and emergency work has been approved by the Board
- Orr Creek CEQA to go out at the of the month and to Board in January
- Ditch Tender's House deck work – construction to be done in house, and in process of purchasing those materials
- Combie Trash Rack update
- Sediment at Combie Lake update

BOARD OF DIRECTORS' ITEMS / REPORTS

President Weber reported on the following items:

- Shared highlights from Mountain Counties Water Resources event

Director Miller reported on the following items:

- Shared highlights from Mountain Counties Water Resources event

Director Wilcox reported on the following items:

- Attended Sierra College Science lecture series

President Morebeck reported on the following items:

- Attended the Harvest Hoedown event put on by the Placer County Farm Bureau

PUBLIC COMMENT ON ANY ITEM TO BE CONSIDERED IN CLOSED SESSION

- Alan Trapani, resident of Rough and Ready, addressed the Board regarding Secession Lane claim item
- Marin Lipowitz, resident of Cedar Ridge, addressed the Board regarding the SYRCL claim item
- Mike Pasner, resident of Penn Valley, addressed the Board regarding time of Item 13 - Plan for Water Community Representatives Group Guidelines
- Dianna Suarez, resident of Colfax, addressed the Board regarding Item 13 - Plan for Water Community Representatives Group Guidelines

Meeting recessed at 11:17 a.m. and reconvened at 11:30 a.m., in Closed Session in the East Annex Conference Room located at 1036 W. Main Street, Grass Valley, CA

CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim: Lime Kiln Road, Grass Valley

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Board Action: Director Wilcox made a motion to deny the claim. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim: Secession Lane, Rough & Ready

Board Action: Director Wilcox made a motion to deny the claim. Director Morebeck seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim: Personal Injury, Scotts Flat Campground

Board Action: Director Morebeck made a motion to deny the claim. Director Wilcox seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code Section 54956.9 to confer with District Counsel regarding pending litigation – Claim: Magnolia Road, Grass Valley

Board Action: Director Weber made a motion to deny the claim. Director Wilcox seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

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CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code sections 54956.9(d)(1) and (d)(2) regarding pending and potential litigation pertaining to the proposed Centennial Reservoir Project

Board Action: Direction given to Legal Counsel.

CLOSED SESSION Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation was declared at 11:30 a.m., pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9. One case; consider claim by South Yuba River Citizens League that District violated Brown Act at its October 9, 2018 meeting

Board Action: Direction given to Legal Counsel, and;

Director Wilcox made a motion to rescind Resolution No. 2018-26 (Reprioritization of The Centennial Water Supply Project). Director Miller seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

CLOSED SESSION was declared at 11:30 a.m., pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger, Sommers, and/or District Counsel regarding price and terms of payment for acquisition and sale of rights in real property; properties subject to negotiations:

- South Yuba Canal, Chalk Bluff Canal, Deer Creek Powerhouse; flowage/wheeling rights in Drum Canal, Bear River Canal, Wise Canal, and South Canal (all owned by PG&E)
- Flowage Rights in Bowman-Spaulding Canal, Fall Creek Flume, Dutch Flat Flume, and Chicago Park Flume; right to storage in Rollins Reservoir (all owned by NID)

Persons with whom negotiations will be conducted: PG&E Management

Board Action: Direction was given to real property negotiators.

Meeting recessed at 1:25 p.m. and reconvened in open session at 1:40 p.m., in the NID Board room, located at 1036 W. Main Street, Grass Valley, CA

Dustin Cooper, District Counsel, reported on actions taken during Closed Session.

AGREEMENTS WITH PACIFIC GAS AND ELECTRIC COMPANY

Remleh Scherzinger, General Manager, presented the item. David Moller, Director, Power Generation at Pacific Gas and Electric Company addressed the Board regarding the item.

Director Wilcox made a motion to adopt Resolution No. 2018-35 (Approving and Authorizing Execution of the Following Agreements with Pacific Gas and Electric Company: (i) The Coordinated Operations Agreement; (ii) The Deer Creek Asset Sale

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and Purchase Agreement; and (iii) The Deer Creek Wheeling Agreement). Director Weber seconded the motion.

Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

Meeting recessed at 1:55 p.m. and reconvened at 2:00 p.m.

PLAN FOR WATER COMMUNITY REPRESENTATIVES GROUP GUIDELINES

Director Miller made a motion to table the item until a future date when the new Board would be seated. Director Weber seconded the motion.



Motion passed on the following roll call vote:

Weber, Division I	Aye
Drew, Division II	Absent
Miller, Division III	Aye
Morebeck, Division IV	Aye
Wilcox, Division V	Aye

MEETING ADJOURNED at 2:05 p.m., and will reconvene on Wednesday, December 12, 2018 at 9:00 a.m. at the District's Business Center located at 1036 West 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.

<u>Abstain - present</u>	Director Division I
<u>ABSTAIN</u>	Division II
	Division III
<u>Abstain</u>	Division IV
	Division V