

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

December 9, 2015

The Board of Directors of the Nevada Irrigation District and the Nevada Irrigation District Joint Powers Authority convened in regular session at the District's main office located at 1036 W. Main Street, Grass Valley, on the 9th day of December 2015 at 9:00 a.m.

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

Staff members present included Rem Scherzinger, General Manager; Tim Crough, Assistant General Manager; Marvin V. Davis, Finance Manager/Treasurer; Gary King, Engineering Manager; Brian Powell, Maintenance Manager; Chip Close, Operations Manager; Keane Sommers, Hydroelectric Manager; Karen Fassler, Human Resources Manager; Peggy Davidson, Recreation Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

EMPLOYEE RELATIONS – New Employee Introduction, Kluge

Keane Sommers, Hydroelectric Manager, introduced Thomas Kluge, Senior Hydroelectric Systems Technician. Mr. Kluge started working with the German railroad at the age of 16 and wanted to be an engineer, but needed to learn the trade. He became an electrical technician. He came to the United States and worked in various power plants and paper mills. He moved to Hawaii and worked there for nine years before moving to California. He is married and has five children, four of which are living at home. In his spare time, he enjoys walking his small dogs near some of the local irrigation canals.

Mr. Kluge stated that he worked in Kona, Hawaii at a power plant which was the workplace of choice. In California, the District has become his workplace of choice. He is thankful for the opportunity of working with the District.

The Board and Staff welcomed Mr. Kluge to the District.

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PRESENTATION: DIRECTOR JIM BACHMAN – Resolution of Appreciation

President Miller presented a Resolution of Appreciation to Jim Bachman, former Director in Division IV.

Mr. Bachman stated that he enjoyed his time serving on the Board of Directors. He did not want to leave the way he did, but he did not have any choice. He enjoyed working with the Board and Staff. He wished everyone well.

The meeting recessed at 9:08 a.m. to honor Mr. Bachman and reconvened at 9:20 a.m.

DUTCH FLAT NO. 2 AND CHICAGO PARK SYSTEMS – Real Property Acquisition

Rem Scherzinger, General Manager, stated that Pacific Gas & Electric Company has requested a 30 day extension regarding this matter. He asked the Board to pull the item from the agenda and take the matter under consideration at the January 13, 2016 Board of Directors meeting.

President Miller pulled this item from the agenda.

MINUTES – November 18, 2015 Regular Meeting

Approved the minutes of the regular meeting on November 18, 2015. M/S/C Weber/Drew, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Account No. 28724 being void; All Fund Nos. 71641 through 71931 and 900132 through 900162; General Fund Revolving Account Nos. 67519, 67625, 67903, 67911, 68932, 68943, 68988, 69512, 69812, 70011, 71237, 71796 and 71450 all being void; and Payroll Direct Deposit and Warrant Nos. 80183 through 80203 and V7885 through V8245, inclusive. M/S/C Weber/Drew unanimously approved

DISTRICT TRAINING/SEMINARS – Machinist and Electric Technician Training

Approved expenditure of approximately \$75,000 in 2016 for training, lodging, meals and related expenses for two Hydroelectric Division employees to attend Machinist and Electric Technician Training at the Pacific Gas & Electric Company's training facility in San Ramon, CA. M/S/C Weber/Drew, unanimously approved

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UNIFORM ALLOWANCE REPORTING (Res. Nos. 2015-35 and 2015-36)

Adopted Resolution No. 2015-35 (Authorizing Changes in Wages, Hours, and Terms and Conditions of Employment for Employees Represented by AFSCME - Field and Supervisory Units). M/S/C Weber/Drew, unanimously approved

Adopted Resolution No. 2015-36 (Amending Benefit and Compensation Plan, and Authorizing Changes in Wages, Hours, and Terms and Conditions of Employment for Unrepresented Employees). M/S/C Weber/Drew, unanimously approved

LOAN FROM NEVADA IRRIGATION DISTRICT WATER FUND TO HYDROELECTRIC FUND (Res. No. 2015-37)

Adopted Resolution No. 2015-37 (Confirming the Terms and Conditions of a Loan from the Nevada Irrigation District Water Fund to the Hydroelectric Fund). M/S/C Weber/Drew, unanimously approved

INVESTMENT POLICY (Res. No. 2015-38)

Adopted Resolution No. 2015-38 (Adopting Investment Policy). M/S/C Weber/Drew, unanimously carried

COSUMNES, AMERICAN, BEAR AND YUBA (CABY) RIVER WATERSHED – Joint Exercise of Powers Agreement

Approved CABY Joint Exercise of Powers Agreement between the District, Placer County Water Agency, El Dorado Irrigation District and El Dorado Water Agency, subject to non-substantive edits by the other agencies; authorized the General Manager to execute the necessary documents. M/S/C Weber/Drew, unanimously approved

TABLE MEADOW ROAD DISTRICT FINANCED WATERLINE EXTENSION – Funding Agreements

Approved Funding Agreements with property owners for Assessor Parcel Nos. 21-670-10 (Beeman), 21-670-32 (Chalko), 21-660-50 (Forest Lake Christian School, Inc.), 21-670-28 (French), 21-670-11 (Greenwood), 21-670-17 (Head), 21-670-14 (Mackey), 21-670-18 (Pettus), 21-670-31 (Ritchart), 21-670-30 (Sample), 21-670-19 (Sans), 21-670-16 (Stevens/MacDonald), 21-670-29 (Uhl), and 21-670-06 (Walker) for the Table Meadow Road District Financed Waterline Extension Project. M/S/C Weber/Drew, unanimously approved

PEAR DRIVE WATERLINE EXTENSION – Conveyance Agreement

Approved Conveyance Agreement with Vian Properties for the installation of approximately 180 feet of 8-inch pipe, 800 feet of 10-inch pipe, and all appurtenances to serve Placer County Assessor Parcel Nos. 052-470-005 and 052-470-029. M/S/C Weber/Drew, unanimously approved

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LOWER SCOTTS FLAT RESERVOIR AREA – Acceptable Use (Res. No. 2015-39)

Peggy Davidson, Recreation Manager, presented a recommendation from the Maintenance and Resource Management Committee to adopt Resolution No. 2015-39. The neighbors of Lower Scotts Flat Dam Road have appeared before the Maintenance and Resource Management Committee for many years and shared their concerns of road maintenance, illegal campfires, camping, signage, trespassing and illegal parking. The neighbors felt it was the District's responsibility to take care of these issues. The District does not promote recreation in this area. There is a dirt boat ramp that the District owns along with three parking places.

With direction from Director Weber, a meeting was scheduled for October 5, 2015. Attendees from the District were: Director Weber, Rem Scherzinger and Peggy Davidson; Attendees from Nevada County were: Nate Beason, Board of Supervisors; Alison Lehman, Assistant County Executive Officer; Steve Castleberry, Public Works; Joe Salivar, Undersheriff; and about ten (10) neighbors. This meeting was productive; the County officials provided the neighbors with contact information so that the neighbors' concerns can be addressed efficiently. Representatives from the Fire Department did not attend the meeting, so another meeting was held on November 18, 2015 at the NID offices, spearheaded by Director Weber. In attendance were representatives from Consolidated, Cal Fire and the Sheriff's Department as well as the Lower Scotts Flat Dam Road neighbors. This was also a very productive meeting. The neighbors left feeling that they knew who to call so that their concerns can be addressed.

Ms. Davidson stated that the Resolution will provide the agencies the authority to address the concerns of the neighbors.

Director Drew expressed thanks to Director Weber for the energy she spent on this issue.

Director Weber thanked Director Drew for his support.

Adopted Resolution No. 2015-39 (Acceptable Usage of District Lands on and Around Lower Scotts Flat). M/S/C Drew/Wilcox, unanimously approved

BEAR RIVER SEDIMENT REMOVAL AT ROLLINS RESERVOIR PROJECT – Final Environmental Impact Report (Res. No. 2015-40)

Tim Crough, Assistant General Manager, stated that RJ Miles stopped removing sediment at Steephollow in 2002. The District made an effort to continue the operation with Chevreux Aggregates. Due to a number of reasons, this did not progress forward. As a result, the District has completed the required environmental documentation for the Bear River Sediment Removal at Rollins Reservoir Project to remove the sand and aggregate in order to increase water storage capacity.

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Mr. Crough introduced the Project Team: Brian Grattidge, Dudek; Tom Parillo, Consultant; Jim Wallace, Geologist; and Dr. Carrie Monohan, Science Director with the Sierra Fund.

Mr. Crough provided the following presentation:

Environmental Impact Report – Timeline:

- Notice of Preparation posting – May 24, 2013 to July 9, 2013
- Property Owner Information Meeting – April 30, 2015
- Draft EIR Public Review Period – June 11, 2015 to July 27, 2015
- Noise Testing with Old Emigrant Trail Neighbors – August 24, 2015
- Notice of Final EIR Publication – November 23, 2015
- Review Period (Final EIR) – November 23, 2015 to December 9, 2015
- Public Hearing – Board Meeting – December 9, 2015

Project Sequence

Following Certification of FEIR and Approval of Preferred Project Alternative:

- Submit Revised Reclamation Plan and updated FACE to Nevada County
- Begin Right-of-Way Negotiations
- Finalize Design and Operational Plan
- Obtain Environmental Permits:
 - Clean Water Act Permits (401 and 404)
 - California Department of Fish and Wildlife – 1600 Permit
 - Air Quality Permits (from local Air District)
 - Hazardous Waste Management Plan – Nevada County Environmental Health
- Finalize Right-of-Way
- Select Contractor/Operator for Aggregate Removal
- Construct Scour Protection, Road and Site Improvements
- Begin Aggregate Removal Operations

Rem Scherzinger, General Manager, pointed out that the District will be selling the aggregate. The revenues from these sales will be applied to the District's Watershed Reserve Fund.

Mitigation Monitoring and Reporting:

- Mitigation Monitoring and Reporting Plan (MMRP) to be Approved with Project
- Project Manager uses MMRP to implement and track mitigation, both one-time and ongoing measures

Dr. Monohan stated that the Sierra Fund is very interested in supporting the District in handling the hydraulic mining debris that continues to come down the watershed and take up space in the reservoirs. A conceptual model was created using best mining practices. She hopes that this will be a Best Management Practice to handle sediment, particularly mercury contaminated sediment. Mercury is called particulate bound defined silts and clays. If there is a clay particle the size of a basketball, the elemental mercury bound to it might be the size of a cherry. The fine silts and clay particles are behaving not like mercury, but like silts and clays. They stay suspended in the water

column for a very long period of time. They will also be transported long distances during high storm events. The challenge is to extract the aggregate without stirring up the defined silts and clays which presumably have particulate bound mercury associated with them. Consequently, excavation would be conducted in the dry, and a dewatering channel is needed to keep a flushing flow of oxygenated water to inhibit methylation in the channel.

Select Preferred Project Alternative

Primary Features:

- To mitigate mercury methylation concerns
- Construct dewatering channel (reconnect a portion of the Bear River into the dewatering channel to oxygenate and flush the channel to assure that mercury methylating bacteria do not establish in the dewatering channel)
- All aggregate/sediment scraping in the dry

Director Wilcox stated that the alternative project appears to be different than the alternative that was initially described in the project description. He asked what attempts have been made to circulate a revised project description to those who originally commented on the EIR. Under the California Environmental Quality Act (CEQA), the project description needs to be “nailed down” early in the process so that agencies and the public can provide comments. If the project changes later in the process, then there may be potential issues with the CEQA process.

Dr. Monohan understands that this is exactly the way CEQA is supposed to work. Project impacts are reviewed, and alternatives may arise from better thinking to mitigate the potential impacts.

Mr. Crough stated that the alternative was part of the Draft EIR that was reviewed by the public.

Director Weber asked how the model that was created will be replicated.

Mr. Scherzinger stated that the State Water Board is very interested in the District’s work in this area. He also pointed out that the District is part of the State-wide Mercury Mitigation Plan and has been working with other stakeholders on this matter.

Mr. Crough addressed Director Wilcox’s question about the project description. The project description that was defined in the EIR is identical to what the alternative shows with one minor exception – the dewatering channel. RJ Miles removed the driest material they could access and hauled it to stockpiles. As the water level receded in Rollins Reservoir, they could go deeper down river (toward the lake). This is essentially the project description. The purpose of the dewatering channel is to minimize mercury methylation. With stagnant water, mercury methylation would be promoted. The alternative project will consist of a dewatering channel that will be flushed on a periodic basis (every 24 hours) to minimize potential methylating bacteria.

Brian Grattidge, Dudek, stated that there was a slight engineering change to the project description in the Final EIR.

Director Wilcox asked Mr. Grattidge to point out the change in the document.

Mr. Grattidge referenced Section 5.5.3 (page 5-9) which describes the change. The change was also mentioned in the Executive Summary.

Director Wilcox stated that it is unusual to have to go five chapters in to the EIR to ascertain what the preferred alternative project is.

Mr. Crough pointed out that the mitigation measures for the project are described comprehensively in the document, as well as the mitigation measures for the alternative project.

Director Wilcox stated that he understands the reasoning behind the alternative project; therefore, he supports the alternative project, but he does not like the way the process has been somewhat convoluted.

Mr. Crough asked Director Wilcox to bear with Staff, because this is the first time that Staff has proposed an alternative project.

Mr. Grattidge explained the Mitigation Monitoring and Reporting Plan:

Mitigation Monitoring and Reporting:

- Aesthetics and Visual Resources
 - Use “cut-off” nighttime security lighting
- Air Quality
 - Dust control
 - Placer County Air Pollution Control District NO_x offset program
- Biological Resources
 - Worker Environmental Awareness Training
 - Surveys and Monitoring
 - Work Window
 - Avoidance Measures
 - Revegetation
 - Minimum Gravel Depth
- Cultural Resources
 - Unanticipated discovery of Cultural Resources
 - Unanticipated discovery of Human Remains
- Hazards and Hazardous Materials
 - Training
 - Waste Containment and Disposal Procedures
 - Hazardous Substances Management Plan
 - Spill Response
 - Vegetation Management
- Hydrology / Water Quality

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- Management Plan and Design Parameters
- Storm Water Pollution Prevention Plan
- Noise (Voluntary Measures)
 - Use of latest and least obtrusive warning device technology
 - Site design to minimize equipment backup
 - Signage and training
- Transportation
 - Minor improvements to Chicago Park Powerhouse Road
 - Safety training (voluntary measure)

Comments on the Draft EIR:

- Five written comment letters (two agencies and three property owners)
- Written responses in Final EIR
- Additional noise simulation and measurement on August 24, 2015

The Board Secretary stated that the District has not received any additional correspondence.

President Miller opened the public hearing.

Nick Kelly, property owner, stated that he has owned property in the Steephollow area for 45 years. The main concern of the property owners is the trespassing. This past summer, a fire occurred in this area which caused some damage. People are living in the canyon, cutting trees, dumping bodies, etc. The last few years, the area has become a shooting range for a number of people. The Sheriff has been somewhat helpful, but by the time they arrive, the people have left. If they have not left, the Sheriff runs them off. His point of view is that these people are trespassing on private property, and that their weapons should be confiscated. They would need to pay to have the weapons returned. The concern is the security aspect. He would request that the District, once the project is underway, police the area and to keep the people that should not be there out of the area. The illegal trespassing needs to stop.

Hearing no other testimony, President Miller closed the public hearing.

At the request of Director Drew, Mr. Crough played a short video that demonstrated the amount of sediment that has accumulated in the Project area.

Director Drew pointed out that the District has lost approximately 10,000 acre feet of storage due to the amount of sediment.

Director Weber asked what the hours of operation will be during the project.

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Mr. Crough stated that hours of operation will be 7:00 a.m. to 7:00 p.m. Monday through Saturday.

Director Weber referenced page 2-6 regarding mining all year above the high water mark level. She asked if this would be considered part of the project.

Mr. Crough stated that sale and loading material in trucks would occur near the bridge; this is a plateau area above the river where some of the stockpile material would be located. This operation could occur year round because it is high and dry, as long as access can be made across the bridge.

Director Weber stated that one year there was so much rain that vehicles were washed off the sand bar and headed downstream. She expressed concern about fuel storage.

Mr. Crough stated that all of the fuel storage will be above the high water line which is on the Bureau of Land Management property.

Director Weber thanked Mr. Crough for the thoroughness of the Final EIR.

Director Wilcox echoed Director Weber's comment, with the minor exception about the project description.

Adopted Resolution No. 2015-40 (Certifying the Final Environmental Impact Report, Adopting the Mitigation Monitoring and Reporting Program and Findings of Fact and Statement of Overriding Considerations, and Approving the Bear River Sediment Removal at Rollins Reservoir Project – Dewatering Channel Alternative). M/S/C Weber/Drew, unanimously approved

E. GEORGE TO CASCADE SHORES INTERTIE PROJECT – Letter to Outside of District Residents

Gary King, Engineering Manager, presented a recommendation from the Administrative Practices Committee and the Engineering Committee to authorize the General Manager to send a letter informing local residents of the planned E. George to Cascade Shores Intertie Project. The District is presently designing a pipeline and plans to bid in early 2016. The Project will consist of installation of a pipeline from E. George system to the Cascade Shores system. The ultimate goal is to no longer have a Cascade Shores Water Treatment Plant. This Project also has relevance to the South Yuba Canal issues. If the South Yuba Canal is out of service, the Cascade Shores Plant will presently run off storage and pipelines for a short time. When the District takes over the South Yuba facility, it allows Staff more time to do repairs. This Project is also related to the Siphon Lane Pump Station Project. This pump station pumps from the DS Canal to the Banner Cascade facility. The letter will be sent to property owners that are currently outside the District boundaries. He noted that an annexation outside of District boundaries has not occurred since 1926. This Project relates to Goal No. 3 of the District's Strategic Plan (Streamlining Facilities) and Goal No. 1 (Serving Water). This pipeline will serve as a raw water pipeline. There have been a number of property owners that have expressed the need for water based on bad wells in the area. Mr. King

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stated that with the Reimbursement Policy, the District has the opportunity to receive reimbursement for the 8-inch cross section of the pipe. The Community Investment Program can also be used eventually once the Project is in place.

The goal is to serve water to these property owners. He pointed out that the letter is not intended to be a commitment of water service. Before parcels outside of the District can be served, a number of items must be completed including *(these bullets and the following paragraph are contained in the draft letter)*:

- Construction of the pipeline and facilities – District Staff are currently designing the pipeline and we anticipate going to bid in early 2016. Completion of construction is anticipated by end of 2016.
- Approval of an annexation into the District through the Local Area Formation Commission (LAFCo) – Any adjustment of the District's boundaries must be reviewed and approved by LAFCo. It is anticipated that the District will handle the LAFCo application process, which will entail compliance with the California Environmental Quality Act.
- Completion of Water Rights Licensing – The District is in active negotiations to license a number of water rights. Until the current negotiations process is settled, additional water right adjustments to supply this area cannot begin.
- Sphere of Influence Amendment – The District will need to modify the current sphere of influence planning document.
- Water Right Amendment – The District's Post 1914 appropriate water rights must be amended to include this area as a new place of use.
- Application for service – Residents who wish to connect to the District's water system will be responsible for payment of all fees such as costs for pipeline construction, capacity fees, and meter installation fees.

There is a significant amount of effort to necessary to provide service to this area and it will take time, however rest assured that it is part of the Districts long range plans. In the meantime, the immediate benefits of the pipeline will include the installation of fire hydrants for community fire protection and water services for future customers. Please note this will be the first annexation outside of the District's boundary since 1926.

Director Wilcox stated that one of the issues that LAFCo is concerned with is whether or not the annexation will create conflicts with other districts. In this case, the District would be annexing into "no man's land" so those issues fall away. He pointed out a correction to the paragraph above. The first sentence should read as follows: There is a significant amount of effort to necessary to provide service to this area and it will take time . . ." He referenced the bullet point regarding the Sphere of Influence Amendment. He suggested changing the wording as follows: The District will need to modify the current LAFCo sphere of influence planning document. He also suggested moving this bullet underneath the bullet regarding Approval of an annexation into the District through LAFCo. He asked if the letter will be sent to all of the property owners listed in the area to be annexed.

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Mr. King stated that this is Staff's intent.

Director Weber expressed concern about the bullet regarding Application for Service. She stated that she has asked that the word 'all' be taken out of the sentence. She suggested another way of wording this bullet point: NID has policies that offer opportunities for financing waterline extensions. You will be notified when the Project is complete and water becomes available.

Mr. King suggested incorporating language into the letter explaining the District's Community Investment Program.

Director Morebeck asked if property owners will be able to opt out of being annexed.

SR Jones, LAFCo Executive Director, stated that property owners can opt out if that is the District's pleasure. Unless the property owners are connected to the District's system, she does not see that the annexation will be a disadvantage. She would want to ensure that there are no major "holes" in the District's boundaries.

Director Wilcox pointed out that this annexation would be a zero sum game for the property owners.

Ms. Jones added that there will be no impact to the property owner's tax bill.

Ms. Jones thanked the Board and Staff for working pre-emptively with LAFCo on this Project. It is gratifying to work through these issues.

John Paye, property owner outside of the District, stated that his family has owned the property for 65 years. It has always been frustrating to him because the District has an easement across his property, but he is not able to have water. He is very interested in having water service, and the property owners in this area are just as interested.

Authorized the General Manager to send a letter to all property owners affected by the proposed annexation informing them of the planned E. George to Cascade Shores Intertie Project, as amended, and allow the General Manager to make minor non-substantive changes if necessary. M/S/C Wilcox/Drew, unanimously approved

AGRICULTURAL WATER MANAGEMENT PLAN (Res. No. 2015-42)

Chip Close, Operations Manager, explained that the intent was for the Board to consider adopting the Agricultural Water Management Plan; however, it has been requested that the timeframe be extended to receive more comments and further review the document. A public hearing will be held today, and the item will be brought back before the Board of Directors for consideration in January 2016. Mr. Close provided the following presentation:

Why?

- Agricultural Water Management Plan (AWMP) mandated as part of SBx 7-7, the associated Agricultural Management Planning Act, the Agricultural Water Measurement Regulation, and Executive Order B-29-15
- Suppliers who irrigate over 10,000 acres are required to complete
- Bill required development of plan by December 31, 2012
- Update required by December 31, 2015
- Future updates will be required every five years
- Needed to be eligible for grants or loans from the State

Changes for 2015 Update:

- Executive Order B-29-15 by Governor
 - Added requirement for Drought Management Plan
 - Required water supply and demand for current drought
- Updated the following
 - Supply and Demand totals for 2011-2015
 - Water quality data for 2011-2015
 - Included updated Drought Contingency Plan

What the Plan Entails:

- Plan was developed following the Department of Water Resources guidebook and includes:
 - Introduction
 - Description of Service Area
 - Description of Uses and Quantity Used
 - Description of Quantity and Quality of Water
 - Water Accounting and Reliability
 - Climate Change
 - Water Use Efficiency Information
 - Water Measurement Documentation

Draft Distribution:

- Notification of this Draft was sent to neighboring agencies
- Notification of Draft was also published in local newspapers

Draft Comments to Date:

- Section 2.25.1 – last sentence change to:
 - The Drought Contingency Plan is reviewed every five years and updated if necessary with Board approval.
- Table 3-1 – deleted duplicated numbers in a portion of the 2014 column
- Section 3.2 Environmental Water – last sentence change to:
 - The total amount for non-recoverable instream flow and environmental water use is shown in Table 3-4.
- Table 4-5 – updated values through 2015
- Table 7-4 EWMP No. 3 – deleted last sentence – it is repetitive of prior sentence
- Minor formatting changes to Section 2.2.5.2

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NID AWMP Update:

Staff will continue to review and insert appropriate comments and bring this item back to the Board in January for adoption.

The Board Secretary stated that the District has not received any additional correspondence.

President Miller opened the public hearing.

Allan Eberhart, Garden Bar Road, thanked the Board for extending the comment period. One concern he has is that near the front of the document, it states that there is no intended expansion of the service area of the District. He does not believe that this is the case. He was disappointed that he did not see more aggressive conservation measures proposed.

Lily Maria-Mora, District customer, expressed concern that the public hearing will not be continued to the meeting in January.

Rem Scherzinger, General Manager, stated that comments can be sent by letter.

President Miller closed the public hearing.

Mr. Close will continue to review the document and address the issues brought forth today. Additional comments can also be provided by the public at the January Board of Director's meeting.

Director Weber requested that a letter be sent to the Agriculture Commission and to the Farm Bureau informing them of the extension and the opportunity to provide comment.

WATER STORAGE AND CONSERVATION – Update

Rem Scherzinger, General Manager, reported that the District has 129,134 acre feet in storage, which is 87 percent of average and 49 percent of capacity. Precipitation at Bowman Lake as of December 2, 2015 is 8.94 inches which is 61 percent of average. Treated water conservation in November reached 32 percent. Conservation since the State's Regulation was implemented is 31.1 percent.

Mr. Scherzinger also reported that the District is ready to implement its storm water action plan because rain in the amount of three inches is expected with this next storm.

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STATE WATER BOARD – Extension of Emergency Regulation

Rem Scherzinger, General Manager, reported that correspondence from the State Water Board was received informing the District that the State Water Board is in this process of extending its emergency regulation.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Fall Conference

Rem Scherzinger, General Manager, reported that he attended the ACWA Conference. He shared that the highest per acre foot for water was sold to Indio at \$6,400/acre foot. He also interacted with the Water Storage Group. This Group is bringing Sites, Temperence Flat and other reservoirs forward for Chapter 8 of the Water Bond. The District's Centennial Project will be included in this process.

President Miller complimented Mr. Scherzinger for making sure the District's Centennial Project is included in the Water Storage Group, and for representing the District so effectively at the ACWA Conference.

BUREAU OF LAND MANAGEMENT (BLM) – Correspondence

Rem Scherzinger, General Manager, reported that the District has received correspondence from BLM regarding BLM land in the proposed Centennial Project area. The letter came with no committal and merely discussed that the only person that can make any commitment from BLM is the Secretary. They outlined the process of the transfer regardless of whether or not the action can be handled through legislation. It is his recommendation to continue to pursue legislation that would support a sale between BLM and the District.

CERTIFICATION OF TRANSPARENCY – Special District Leadership Foundation

Rem Scherzinger, General Manager, announced that the District has received a Certificate of Transparency from the Special District Leadership Foundation. This is the second time the District has earned this recognition.

LEAGUE OF WOMEN VOTERS – Recreation Study

Director Weber reported that the League of Women Voters is conducting a comprehensive study on recreation facilities in Nevada County. She was interviewed last week. They will also be interviewing Peggy Davidson, Recreation Manager. The study will be published and copies will be available in the local libraries.

Director Drew asked if the League is aware that the District is the largest recreation provider in the region.

Director Weber stated that she mentioned this during her interview.

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ORCHARD SPRINGS – Observation

Director Drew stated that Orchard Springs is as tidy as it could be. She thanked Peggy Davidson, Recreation Manager, for her efforts.

COSUMNES, AMERICAN, BEAR AND YUBA (CABY) RIVER WATERSHED – Meeting

Director Morebeck reported that he will be attending the CABY meeting today, time permitting.

SIERRA COLLEGE – Lecture Series

Director Wilcox reported that he has been invited to provide a presentation to the Sierra College Science Lecture Series on February 9, 2016. He will be “tag teaming” with Otis Wollan, former director of Placer County Water Agency.

SOUTH YUBA RIVER CITIZENS LEAGUE – Film Festival

Director Wilcox reported that he and the General Manager have been invited to speak about the District’s Centennial Project at the South Yuba River Citizens League Film Festival.

UTILIZATION OF TECHNOLOGY

President Miller stated that he would like to push for the utilization of technology at the District. He highlighted the difference between the size of the CD and the paper copy of the environmental document for the Regional Water Supply Project.

SEASONAL HOLIDAY

President Miller stated that he has enjoyed being the President during 2015. Five years ago, when he served as President, the economy was in the midst of difficult times. Now, the economy has improved. Staff has continued to do an amazing job. He is impressed with the financial efficiency measures that Staff has implemented. As his last act as President, he would like to grant to all of the employees a seasonal holiday not to be banked, as defined as an 8 hour day off to spend with friends and family. This offer of an 8 hour day off will expire on March 1, 2016.

REORGANIZATION OF THE BOARD

Motion was made by Director Miller to nominate Director Weber for President of the Nevada Irrigation District Board of Directors and Nevada Irrigation District Joint Powers Authority. The motion was seconded by Director Drew. Motion was made by Director Miller to nominate Director Wilcox for Vice-President of the Nevada Irrigation District and Nevada Irrigation District Joint Powers Authority. The motion was seconded by Director Morebeck. Hearing no other nominations, the vote was unanimous to elect Director Weber as President and Director Wilcox as Vice-President.

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Appointed Lisa Francis Tassone as Secretary to the Board and Joint Powers Authority for 2016. M/S/C Miller/Drew, unanimously approved

CLOSED SESSION was declared at 11:28 a.m. pursuant to Government Code Section 54956.9(d)(1) to confer with Legal Counsel – Existing Litigation: Bay-Delta proceedings, including the California WaterFix, the associated environmental document and change petition pending before the State Water Resources Control Board, and the planned update to the Bay-Delta Water Quality Control Plan.

CLOSED SESSION was declared at 11:28 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators: Property – Water; Negotiators – Scherzinger and/or District Counsel; Negotiating Parties – Public agency buyer(s) located in-basin and out-of-basin; Under Negotiation – Price, terms of payment, and other conditions of a potential 2016 temporary water transfer.

CLOSED SESSION was declared at 11:28 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger, Sommers, Sindt and/or Meith 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.

MEETING RECONVENED in regular session at 12:52 p.m.

MEETING ADJOURNED at 12:52 p.m. to reconvene in regular session on January 13, 2016, 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.

December 9, 2015

Director
Division I

Division II

Division III

Division IV

Division V

DRAFT