

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

September 25, 2024

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 25th day of September 2024, at 9 a.m.

Present were Rich Johansen, President (Division V), Ricki Heck, Vice President (Division I); and Directors Chris Bierwagen, (Division II); Karen Hull, (Division III) and Trevor Caulder (Division IV).

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Doug Roderick, Director of Engineering; Chip Close, Director of Water Operations; Steve Prosser, Director of Maintenance; Sandra Dunlap, Director of Finance; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Kris Stepanian, Board Secretary.

STANDING ORDERS

- Call to Order: Vice President Heck called the meeting to order
- Vice President Heck led the Pledge of Allegiance
- Roll Call: 5 Members Present

President Johansen requested the Board to approve that he attends the meeting remotely via Zoom using the just cause exception, due to unexpected illness.

Public Comment: None

Director Hull made a motion to authorize the just cause exception and allow President Johansen to attend the meeting remotely via Zoom and authorize Vice President Heck to Chair the meeting. Director Bierwagen seconded the motion, and it was unanimously approved.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

- None

CONSENT AGENDA

Public Comment: None

MINUTES OF THE REGULAR MEETING ON SEPTEMBER 11, 2024
M/S/C Hull/Bierwagen unanimously approved as submitted.

WARRANTS, PROJECT AND FACILITY REPORT, AND INVESTMENT REPORT

Ratified the issuance of warrants by receiving and filing the check registers, the Project and Facility Report, and the Investment Transaction Report for the period August 31st through September 13th. M/S/C Hull/Bierwagen, unanimously approved.

WORKSHOP ITEM

PG&E UPDATE

Vice President Heck welcomed Tyler Covich and Seth Perez with PG&E, who provided an update.

Board discussion ensued regarding the following:

- Temporary bypass and flow
- Bonfires around Island Lake and confirmed not owned by PG&E
- Confirmed March 1st is anticipated return to service date for Spaulding 2
- Confirmed 2nd horn repair of Spaulding 1 start date targeted for March 1st (weather dependent) with expected completion in July
- Outages and bypass solution clarified
- Requested PG&E provide the following:
 - Evaluation of cause and analysis of repairs for PRV discharge horns
 - Failure analysis of stainless-steel liner in Spaulding Powerhouse 1 and the pressure release valve (root cause evaluation)

Public Comment:

- Laura Peters, resident of Division 3 and former NID Board member:
 - Commented on old HDR reports and advised the Board to lighten up on their requests for reports from PG&E
 - Commented on bathymetry study done in 2020/2021 regarding Rollins Lake
- Don Coenen, resident of South County:
 - Inquired if compensation is being pursued from PG&E for revenue losses
- Michael Taylor, member of the public:
 - Commented on annual changes of Rollins Lake and digitally measuring how much it is filling in every year
- Stewart Feldman, member of the public:
 - Inquired if PG&E has changed its schedule for routine outages and maintenance of their canal system

GENERAL ORDERS

STORAGE ALTERNATIVES

Jennifer Hanson, General Manager, presented the item.

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Director Hull left the meeting at 9:30 a.m. and returned at 9:33 a.m.

Board discussion ensued regarding the following:

- Confirmed unmet demand modeling includes requirement for instream flows that have been negotiated under the FERC relicensing effort
- Clarified options of two Rollins Lake raises more beneficial than Centennial Reservoir option
- Baseline on assumptions
- New FERC instream flows
- Combining options to meet goals
- Analyzing water needs of Nevada and Placer County
- South Yuba Canal repairs needed
- Moving water from Rollins Reservoir to Scotts Flat Lake
- Inquiry if Centennial Reservoir could help free up more water for Scotts Flat to fill provided capacity issue on South Yuba Canal was solved and storage was available at Scotts Flat
- Funding options
- Federal commitments
- Average use per treated water customers
- State filed water rights
- Bond issuance and clarified paid by rate payers
- Water transfers
- State filed application for Centennial Reservoir and county of origin of need
- History of Centennial Reservoir (Parker Reservoir) from 1926
- Additional instream flows to consider if building either Centennial or Rollins Reservoir raise
- If pursuing Centennial Reservoir and possible accord as YWA accord 10:11
- Potential partnership participants
- Creating partnership with other agencies in California requiring building of conveyance
- What happens to land acquired for Centennial Reservoir if proposed resolution adopted
- Water purchased from PG&E
 - Average purchased by the District and cost
 - Comparison with other agencies
 - Costs in the valley
 - Cannot sell PG&E water
- Clarifications regarding COA
 - Effective until 2023
 - History of agreement
 - Likelihood of continuing the agreement
 - Planning to buy and not purchasing when not needed
- Confirmed all water goes through Spaulding Lake
- Capacity
- Extending water rights for both Rollins Lake raises
- CEQA requirements

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- Changes in water rights and risk, if any, if Board goes with Rollins raise and withdraws Centennial Reservoir application simultaneously
- Cost to proceed with Centennial Reservoir water right should the Board decide not to withdraw application
 - Unable to delay without starting CEQA process
- Extension and timing for a Rollins Reservoir 50,000 raise
- Maintaining county of origin priority claim should District withdraw water right application for Centennial Reservoir and possible risks
- Science and modeling from Plan for Water solutions provide districtwide benefits
- Centennial Reservoir Option:
 - Possible Proposition 218 problem if moving project forward
 - Cannot afford debt service
 - Potential catastrophic impact, especially on raw water users
 - Need to create adequate storage for the future and not hurt ag community
- Rollins Reservoir raise options of 10,000- and 50,000-acre feet
- Appreciation expressed to staff, stakeholders and representatives from Nevada County Farm Bureau and Nevada County Contractors Association for their participation in the Plan for Water process
- Board members summarized their positions

Public Comment:

- Lorraine Webb, resident of Nevada City
 - Thanked the Board for their service
 - Impressed by the modeling done
 - Commented on geological studies submitted years ago to the District, inquired if they were included in any of the modeling, and recommended those studies be looked at moving forward
 - Commented on South Yuba Canal infrastructure maintenance
 - Sorry to hear President Johansen was not feeling well
 - Spoke in support of withdrawing application for Centennial Reservoir, which will also relieve existing property owners in that area
- Otis Wollan, resident of Colfax
 - Appreciated level of discussion between the Board and Staff
 - Reported 3-4 water sales occurred when he served on the Board for PCWA
 - Warned against selling water to any Southern California agency
 - Environmental challenges on raising Rollins Reservoir
 - Commented on recent news pertaining to the Los Vaqueros Reservoir Expansion Project being called off
 - Congratulated District on work it has done and continues to do
- Amanda Hixson, Farm Institute Director with Sierra Harvest
 - Inquired about State Application file 5634
 - Requested clarification regarding estimated cost for raw water customers for both Rollins Reservoir raises

Dustin Cooper, District Counsel provided a brief history of state filed rights.

- Debora Totoonchie, Manager of the Nevada County Farm Bureau
 - Nevada County Farm Bureau has supported the Centennial Reservoir for many years
 - Appreciates opportunity to contribute and participate in Plan for Water
 - Concerned that Rollins Reservoir raise of 10,000-acre feet is not enough
 - Urged the Board to postpone adoption of resolution proposed until more studies are completed, including:
 - Centennial Reservoir feasibility
 - Raising of Rollins studies from 1986 need to be updated
 - Flows – unimpaired vs. in-stream with new construction vs. old construction
 - Map of unmet demand for both Nevada County and Placer County for each project
 - Additional studies on raising Rollins preferably 50,000-acre feet, as 10,000-acre feet is not enough
 - Inquired about withdrawing of Application 5634, and confirmed that once application is withdrawn, anyone, including NID, could re-apply
 - Asked about water right and any protections NID has due to county of origin
- Joy Waite, resident of Grass Valley
 - Happy to hear information today
 - Spoke in support of repairs to the South Yuba Canal
 - Support of hiring consultants to work on creating redundant systems for local water security, localizing California Waters and hiring of consultant from Watershed Progressive
- Brad Fowler, rancher and resident of Division III
 - Appreciates discussion
 - Commented on Los Vaqueros Reservoir Expansion being called off, and concerns raising Rollins Reservoir may have similar issues or uncertainties
 - Spoke in support of keeping water right application for Centennial Reservoir
 - Encouraged the Board to keep the options open
- Michael Taylor, member of the public
 - Thanked the Board for the open communication
 - Recommended not withdrawing Centennial Reservoir water right application at this time, and to keep all options open
 - Inquired why the District took control and responsibility of the flume to Scotts Flat Lake
 - Inquired about cost for the two Rollins Reservoir raises proposed
 - Inquired about Rollins Reservoir sediment build-up since it was built

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- Suggested also looking at options to remove material from Rollins Reservoir and purchase water
- Eric Zettler-Mann, Executive Director of South Yuba River Citizens League
 - Acknowledged the Board and recognized the work done by the District and Plan for Water process
 - Commented on PG&E's situation replicating what modeling said – lessons learned
 - AB1827 just signed, creating opportunities for more equitable and variable water pricing
 - Spoke about working together to find better and more sustainable solutions, balancing water use as we begin to feel full impact of climate change
 - Encouraged the Board to approve the resolution as presented
- Don Coenan, resident of South County
 - Stated that Centennial Reservoir seemed doomed from the start
 - Spoke in support of raising Rollins Reservoir 50,000-acre feet
 - Commented on value lands purchased for Centennial Reservoir, and using sale proceeds from those lands to offset cost to raise Rollins Reservoir
 - Rollins Reservoir tends to spill 9 out of 10 years
 - Asked if Rollins Reservoir expansion could also benefit by including hydroelectric operations
- Jeff Litton, member of the public
 - Thanked the Board and shared it has been a long road
 - Commented on cost of Centennial Reservoir and burden placed on many
 - Suggested property owners who sold to NID be given the opportunity to buy property back
 - Benefits of withdrawing application include opportunities along Bear River, including development of parks, trails, fire access and fuel break areas
 - Spoke in favor of adoption of resolution as presented
- Chris Shutes, Executive Director of California Sportfishing Protection Alliance
 - Thanked the Board
 - Spoke in favor of adopting resolution as presented
 - Commented on how important this was to Allan Eberhart and how much work he put into building a coalition to search for alternatives
 - Encouraged the Board to make a decision to end the Centennial Reservoir effort today
 - Looks forward to working with the District in more productive ways in the future
- Diana Gamzon, Executive Director with Nevada County Cannabis Alliance
 - Expressed appreciation for thoroughness of research, the process and transparency with the public

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- Shared her gratitude for making decisions that ensure the longevity of water availability for our farming community
- Michael Ross, member of the public
 - Thanked the Board for the meeting
 - Commented on the Technical Memorandum for the Plan for Water, and shared he will be submitting written comments
 - Inquired if part of the Raw Water Master Planning
 - Asked if consultant document has been formally adopted
 - Commented on making decisions about particular projects and the Plan for Water
 - Commented on water right application and priority of right held by the state
 - Definition of demand in memorandum and water transfers
 - Commented on separate project water alternatives that meet an unmet demand in a planning document are additive
 - Stated that choices by NID continue to aggregate rather than disaggregate raw water customers, treating demand on purchases rather than actual use
 - Understanding how water is used to achieve water use efficiency
 - Commented on CEQA and changing preferred project to meet unmet demand
- Laura Peters, resident of Division III and former NID Board Member
 - Commented on conception and beginning of Centennial Reservoir project and why previous NID General Manager encouraged filing an application
 - Spoke in support of adopting resolution as presented
 - Encouraged the Board to revoke the application
- Dianna Suarez, resident of Colfax
 - Recognized others who cared deeply about the Bear River and have passed away during this long process: Don Ryberg, Allan Eberhart and Steve Prout
 - Congratulated the District for meeting its demand all of these years
 - Spoke on water rights the District already has
- Kurt Lorenz, South Yuba River Citizens League Board Member and former County Planning Commissioner
 - Commented on storing unusable water
 - Parker Dam (Centennial Reservoir) site is too low in elevation
 - Spoke in support to approve resolution as presented and remove the Centennial Reservoir application

Director Hull made a motion to adopted Resolution No. 2024-36:

- **Authorizing Filing an Amended Petition for Extension of Time on Permit 11626**
- **Withdrawing Application for Assignment of State-Filed Right 5634**

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- **Discontinuing all Feasibility, Environmental and Other Analyses in Support of the Proposed Centennial Reservoir Project**

Director Bierwagen seconded the motion.

Motion passed on the following roll call vote:

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Caulder, Division 4	No
Johansen, Division 5	Aye

The meeting recessed at 12:07 p.m. and reconvened at 12:16 p.m.

WORKSHOP ITEMS

2024 CAPITAL IMPROVEMENT PROGRAM MID-YEAR PROJECT STATUS UPDATE

Jennifer Hanson, General Manager, introduced the item and Doug Roderick, Director of Engineering, provided a presentation.

Board discussion ensued regarding the following:

- Pet Hill Extension update
- South Yuba Pipeline and 2025 repairs
- Hazardous tree removal, selective logging, targeted areas, estimated cost and revenue

Public Comment: None

2025 OPERATING BUDGET WORKSHOP

Jennifer Hanson, General Manager, and Sandra Dunlap, Director of Finance, presented the item.

Board discussion ensued regarding the following:

- Recreation loss in revenue
- Full-time employees
- Reserve balances
- Revenue/expense projections on 2025 Fund Balance Summary
- Hydro FERC Reserves
- Prepaid Capacity fees
- Appreciation of financial/budget process
- DS Canal – damage from high flows
- Status of onboarding new Director of Power Systems
- Timing to integrate Plan for Water information into Tyler once established – focus is initially on Finance
- Plan for Water Policy
- Water Operations staffing

Director Caulder left the meeting at 12:51 p.m. and returned at 12:53 p.m.

- Public Comment: None

GENERAL MANAGER'S REPORT

Jennifer Hanson, General Manager, reported on the following items:

- River Clean-up on September 26th at 9 a.m. along the Bear River at Dog Bar Bridge

BOARD OF DIRECTORS' ITEMS / REPORTS

Director Johansen, Division V, reported on the following items:

- Thanked everyone for their hard work
- Shared that new directional microphones work when users speak into them
- Shared news that 3rd District Court of Appeal found Sites Reservoir Project Environmental Review fully complies with CEQA

Director Caulder, Division IV, reported on the following items:

- Announced his resignation effective Sept. 26th due to a major, yet positive change
 - Recognized support received from Congressman Kevin Kiley, Assemblyman Joe Patterson and Supervisor Shanti Langdon, and others in Placer County
 - Thanked the Nevada County and Placer County Farm Bureaus for their support
 - Expressed appreciation to NID Board members and staff for dedication and kindness to him during his time on the Board
 - Supporting the Board's effort to identify a person for appointment
- Lincoln High School's Commitment to Corduroy event on September 28th

Dustin Cooper, Legal Counsel, briefly explained the process to fill a vacancy on the Board and requirements for candidates.

Director Hull, Division III, reported on the following items:

- Recently rode bike 550 miles from Munich, Germany to Siena, Italy
- Attended Lake of the Pines Pinesmen BBQ and heard many compliments about NID, primarily about customer service and early leak detection

Director Bierwagen, Division II, reported on the following items:

- Thanked Director Caulder for his contribution to the District
- Received 1st constituent call for the year regarding today's meeting
- Received a call from a friend from Placer County Water Agency, complimenting the District on its Plan for Water

Director Heck, Division I, reported on the following items:

- Received a constituent call reporting two workers in hazmat suits on her property
- Shared her positive experience working with NID customer service

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MEETING ADJOURNED at 1:24 p.m., to reconvene in regular session on Wednesday, October 9, 2024, at 9:00 a.m. at the District's Business Center located at 1036 West Main Street, Grass Valley, California.

Submitted By

Kris Stepanian, Board Secretary

DRAFT