

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

October 23, 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 23rd day of October 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). Division IV Director seat is currently vacant.

Staff members present included Jennifer Hanson, General Manager; Greg Jones, Assistant General Manager; Doug Roderick, Director of Engineering; Chip Close, Director of Water Operations; Peter Wade, Director of Power Systems; Sandra Dunlap, Director of Finance; Monica Reyes, Director of Recreation; Naomi Schmitt, Director of Human Resources; Dustin Cooper, District Counsel; and Joanne Phillips, Administrative Analyst.

**STANDING ORDERS**

- Call to Order: President Johansen called the meeting to order
- President Johansen led the Pledge of Allegiance
- Roll Call: 4 Members Present – Division IV seat is currently Vacant

**PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

- Emerson Pachaud, member of the public, addressed the Board regarding the landslide on Wet Hill Road in Nevada City, expressed concerns about losing the Red Hill Canal if not addressed, and inquired about the District’s plans to repair

**CONSENT AGENDA**

Public Comment: None

**MINUTES OF THE REGULAR MEETING ON OCTOBER 9, 2024**

**Approved as submitted. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

<b>Heck, Division 1</b>	<b>Aye</b>
<b>Bierwagen, Division 2</b>	<b>Aye</b>
<b>Hull, Division 3</b>	<b>Aye</b>
<b>Johansen, Division 5</b>	<b>Aye</b>
<b>Division 4</b>	<b>Vacant</b>

MINUTES OF THE SPECIAL MEETING ON OCTOBER 15, 2024

**Approved as submitted. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Johansen, Division 5	Aye
Division 4	Vacant

SECURITY ACCESS CONTROL AND CAMERA SYSTEM

**Awarded a contract with AMS.NET for a contract not to exceed \$301,400 to upgrade the security cameras and replace all current door and gate access control systems and authorized the General Manager to execute the appropriate documents. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Johansen, Division 5	Aye
Division 4	Vacant

AMERICANS WITH DISABILITIES ACT (ADA) TRANSITION PLAN (PROJECT #2687) CONSULTING SERVICES AGREEMENT FOR SELF-EVALUATION AND TRANSITION PLAN

**Awarded a Consulting Services Agreement with Bureau Veritas in the amount of \$107,141 for consulting services for the ADA Transition Plan Project and authorized the General Manager to execute the necessary documents. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Johansen, Division 5	Aye
Division 4	Vacant

SOLE-SOURCE CONTRACT FOR SYSTEM-WIDE SITE-SPECIFIC SEISMIC HAZARD ASSESSMENT

**Approved a sole-source agreement with Gannett Fleming, Inc. in the amount of \$306,820.00, and authorized the General Manager to execute the appropriate documents. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Johansen, Division 5	Aye
Division 4	Vacant

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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 September 28th through October 12th, 2024. M/S/C Hull/Heck.**

**Motion passed on the following roll call vote:**

Heck, Division 1	Aye
Bierwagen, Division 2	Aye
Hull, Division 3	Aye
Johansen, Division 5	Aye
Division 4	Vacant

**WORKSHOP ITEM**

**PG&E UPDATE**

President Johansen introduced Seth Perez, Strategic Agreement Consultant, with PG&E, who provided an update.

Board discussion ensued regarding the following:

- Clarification about bearings and cause
- Requested clarification regarding memo from PG&E to FERC that contradicts PG&E's report to the District made the prior day, including:
  - Additional work needed not reported to District
  - PG&E's request to FERC to delay until December of 2025 for PG&E to release final construction reports
  - Bypass testing has not yet occurred
  - Damaged concrete columns update
- Request made that PG&E notify and include the District when there is any additional work needed that impacts the system functioning with 100% completion
- Treating the District as a partner with full-disclosure and improving the flow of information
- Expecting contribution from the District without sharing why the failures occurred
- Thanked Mr. Perez for attending the meeting and requested PG&E attend the next meeting
- Requested notification of when testing on bypass will occur, flows and results

Jennifer Hanson, General Manager, commented on the following:

- Schedule for completion of work at Spaulding 2 and the 2<sup>nd</sup> horn
- Request for Root-Cause Analysis
- Letter received from PG&E dated 10/21/2024
  - Cost of repairs and seeking contribution from NID
  - PG&E's statement that repairs are being done as a benefit for NID and its customers
  - Clarification of statement by PG&E that it expects NID to honor its contribution and obligations going forward
  - Requested a conversation with PG&E about the letter

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- NID's expectation from the Coordinated Operating Agreement is that PG&E maintains their facilities to reasonable utility practices, and it does not seem that was done with four separate issues happening at the same location at the same time

Public Comment:

- Michael Taylor, member of the public:
  - Inquired why PG&E has not provided NID with detailed updated schedules
  - PG&E excluding NID from important information and not treating them as a partner and expecting contribution from NID
  - Troubling to watch unfold

### **GENERAL ORDERS**

#### **PARTICIPATION IN THE CALIFORNIA EMPLOYERS' PENSION PREFUND TRUST**

Jennifer Hanson, General Manager, presented the item and introduced Darren Lathrop with CalPERS, who provided a presentation.

Board discussion ensued regarding the following:

- Investment market, term limits and requirements
- CalPERS Investment policies
- Public agencies are unable to invest in open market
- Pension Cost Consideration - Unfunded Accrued Liability of 6.8% interest
- Unfunded liability and typical unfunded liability for organizations wanting to minimize their interest payment
- Fresh Start Program
- Savings, benefits, flexibility and options
- Trust management and performance
- Funds are irrevocably dedicated (restricted) once put into the trust
- Confirmed no hidden penalties
- Discussed normal cost payments and unfunded liability payments
- Factoring in geo-political events
- Discussed active and passive management
- Longer-term investments
- Support services included
- Importance of offsetting interest payment
- Impacts from fluctuation of full-time employees and salary increases

Public Comment:

- Michael Taylor, member of the public:
  - Inquired what may have contributed to coverage swing from 71% to 62%
  - Inquired about any impact from payroll increases
  - PEPRAs employees and long-term obligations

**Director Heck made a motion to adopt Resolution No. 2024-41:**

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- **Authorizing participation in the Section 115 California Employers' Pension Prefunding Trust (CEPPT)**
- **Authorizing the General Manager or designee to execute all documents necessary for participation in the CEPPT**
- **Authorizing the initial CEPPT contribution of \$2,000,000 million**
- **Re-Amortize Unfunded Accrued Liability (UAL) to 15 years, currently 20-year amortization**

**Director Bierwagen seconded the motion.**

**Motion passed on the following roll call vote:**

<b>Heck, Division 1</b>	<b>Aye</b>
<b>Bierwagen, Division 2</b>	<b>Aye</b>
<b>Hull, Division 3</b>	<b>Aye</b>
<b>Johansen, Division 5</b>	<b>Aye</b>
<b>Division 4</b>	<b>Vacant</b>

**CONTRACT AND BUDGET AMENDMENT FOR THE MABEN CANAL PHASE IV PROJECT (PROJECT #8099-4)**

Doug Roderick, Director of Engineering, presented the item.

Board Discussion:

- 30-year moratorium
- Hughes Road
- Anticipate new connections would have access by the 2025 irrigation season
- Process to inform customers that access is available
- Waiting list
- New capacity
- Similar quotes

Public Comment: None

**Director Hull made a motion to adopt Resolution No. 2024-42 approving:**

- **Amendment to the 2024 Budget for the Maben Canal Phase IV Project (Project #8099-4) to increase the Budget by \$404,750**
- **Reduction of the 2024 Budget for the Hughes Road Pipeline Replacement Project (Project #2690) by \$404,750, resulting in a net zero budget amendment**
- **Award a construction contract with Lafleur Engineering in the amount of \$857,780 plus a 10% contingency totaling \$943,558 for the rehabilitation of the Maben Canal (fourth phase) and authorize the General Manager to execute the necessary documents and any contract change order within the contingency amount**

**Director Heck seconded the motion.**

**Motion passed on the following roll call vote:**

<b>Heck, Division 1</b>	<b>Aye</b>
<b>Bierwagen, Division 2</b>	<b>Aye</b>
<b>Hull, Division 3</b>	<b>Aye</b>
<b>Johansen, Division 5</b>	<b>Aye</b>
<b>Division 4</b>	<b>Vacant</b>

**BUDGET AMENDMENT FOR THE NORTH AUBURN WATER TREATMENT PLANT UPGRADES PROJECT (PROJECT #2376)**

Doug Roderick, Director of Engineering, presented the item.

**Board Discussion:**

- Budget for project is the same
- Shifting planned expenditures between 2023 and 2024

Public Comment: None

**Director Bierwagen made a motion to adopt Resolution No. 2024-43 - Approving an Amendment to the 2024 Capital Budget for the North Auburn Water Treatment Plant Upgrades Project (Project #2376) to increase the Budget by \$724,320. Director Hull seconded the motion.**

**Motion passed on the following roll call vote:**

<b>Heck, Division 1</b>	<b>Aye</b>
<b>Bierwagen, Division 2</b>	<b>Aye</b>
<b>Hull, Division 3</b>	<b>Aye</b>
<b>Johansen, Division 5</b>	<b>Aye</b>
<b>Division 4</b>	<b>Vacant</b>

**GENERAL MANAGER EMPLOYMENT AGREEMENT AMENDMENT**

**Board discussion:**

- Vacation accrual by pay-period
- In support of salary increase and contract amendment
- Process began about a year ago
- Concerns when process takes so long setting competitive salaries back
- Ad hoc committee
- All other positions are on a step-salary schedule
- Discuss development of a process to avoid getting behind
- Salary comparisons show NID General Manager as lowest paid
- First raise since hired and retroactive to January 1, 2024
- The Board commended Jennifer Hanson for her many contributions to the District, including handling the duties of Director of Finance when the position was vacant
- Considering total compensation (including bonuses) when comparing with other General Managers
- 10% raise is not adequate

Public Comment:

- Michael Taylor, member of the public:
  - Commented on the additional workload the NID General Manager has had to take on due to PG&E and commended her on a great job

**Director Heck made a motion to adopt Resolution No. 2024-44 Approving Amendment to the General Manager’s Employment Agreement and adopt a resolution updating the 2024 Salary Schedule. Director Bierwagen seconded the motion.**

**Motion passed on the following roll call vote:**

<b>Heck, Division 1</b>	<b>Aye</b>
<b>Bierwagen, Division 2</b>	<b>Aye</b>
<b>Hull, Division 3</b>	<b>Aye</b>
<b>Johansen, Division 5</b>	<b>Aye</b>
<b>Division 4</b>	<b>Vacant</b>

The meeting recessed at 10:55 a.m. and reconvened at 11:08 a.m.

**WORKSHOP ITEMS**

**EMPLOYEE ENGAGEMENT**

Naomi Schmitt, Director of Human Resources, provided a presentation

Board discussion ensued regarding communication.

**CONSERVATION PROGRAM UPDATE**

Kaycee Strong, Water Efficiency Technician, presented the item.

**Board Discussion:**

- Inquired how data gets to customer service
- Including Placer county in outreach
- Information/research on how often to water to keep grass green
- Map of Badger meters
- Auburn/Cascade Shores
- Bill inserts / Messages in larger font
- Badger meters and communication
- Water theft

**GENERAL MANAGER’S REPORT**

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

- No report

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BOARD OF DIRECTORS' ITEMS / REPORT

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

- Requested a copy of PG&E Letter
- Attended LAFCO conference in Yosemite and shared highlights
- Requested an agenda item to discuss Centennial properties
- Will be attending Nevada County Farm Bureau

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

- No report
- Very busy with pumpkins

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

- Met with group from Christian Valley, she refers to Christian Valley Wildlife Protection Committee
- Provided a presentation for Soroptimist
- Attended Nevada County Contractor's Association meeting
- Will be attending the Nevada County Farm Bureau dinner

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

- Attending and presenting at Nevada County Community Leadership Institute – Land Use and Environment event
- Division IV Director vacancy
  - Statements of Interest due from candidates by October 25<sup>th</sup>
  - Interviews and appointment at a special Board meeting on November 6<sup>th</sup>
  - Preparing interview questions for the meeting
- Farm tour with Garden Goddesses at his farm – comedian unable to attend

MEETING ADJOURNED at 12:25 p.m., to reconvene in regular session on Wednesday, November 13, 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