

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS

MINUTES

April 11, 2012

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 11th day of April, 2012 at 9:00 a.m.

Present were Nick Wilcox, President; Jim Bachman, Vice-President; Nancy Weber and John H. Drew, Directors.

Director W. Scott Miller was absent.

Staff members present included Ron Nelson, General Manager; Tim Crough, Assistant General Manager, Gary King, Chief Engineer; Bill Morrow, Hydroelectric Manager; Peggy Davidson, Recreation Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

EMPLOYEE RELATIONS – New Employee Introduction, Caldwell

Peggy Davidson, Recreation Manager, introduced Caden Caldwell, Sr. Customer Account Assistant. Mr. Caldwell is a new addition to the Recreation Department. However, he has been working as a temporary employee at Scotts Flat for the past four years. Mr. Caldwell is currently pursuing a degree in Wildlife Science. His ultimate goal was to be a game warden, but there are not many jobs available. Mr. Caldwell is also taking classes to be Peace Officers Standards and Training (POST) certified. He will continue with law enforcement under the reserve program with the Department of Fish and Game or the Sheriff's Department. Mr. Caldwell's hobbies include softball, bowling, and he loves to cook.

The Board and staff welcomed Mr. Caldwell to the District.

April 11, 2012

MINUTES – March 28, 2012 Meeting

Director Weber made a motion to approve the Minutes of the Board of Directors' regular meeting of March 28, 2012 as submitted. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

DISPOSAL OF SCRAP AND OBSOLETE MATERIALS AND EQUIPMENT

Director Weber made a motion to authorize the disposal of scrap and obsolete materials and equipment. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

LOWER CASCADE CANAL / BANNER CASCADE PIPELINE PROJECT – Well Testing Program

Director Weber made a motion to approve amendment to well testing contract with Peters' Drilling and Pump Service for an additional three years of well testing, not to exceed \$82,000. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

LOWER CASCADE CANAL / BANNER CASCADE PIPELINE PROJECT – Fiber Optic Line

President Wilcox asked for this item to be pulled from the consent agenda because he would like an explanation for the basis of why the Fiber Optic Line Project is proposed to be exempt from the California Environmental Quality Act (CEQA).

April 11, 2012

Gary King, Chief Engineer, stated that during the later phases of the Lower Cascade Canal / Banner Cascade Pipeline Project, it was indicated that existing communications up to the head works at the Deer Creek and the water treatment plant need to be improved. As part of the Project, fiber optic lines will be installed at the terminus of the existing Project up to the Deer Creek head works. There is 26,000 feet of conduit to the control station, and there is another segment of conduit that is an old pipeline (approximately 4,700 feet). If work is being done in a public right-of-way of less than one mile, the project can be filed as a Statutory Exemption. There is 1,800 feet in public right-of-way that meets the statutory criteria. The remaining 5,000 feet of fiber optic line can be installed pursuant to the Environmental Impact Report that was completed for the Upper Cascade Project.

Director Drew made a motion to file a Categorical Exemption for the installation of 1,800 feet of fiber optic line in the public right-of-way for the Lower Cascade Canal / Banner Cascade Pipeline Project. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

ADDING ITEM TO THE AGENDA – Amendment to CalPERS Retirement Contract

Jeff Meith, District Counsel, asked the Board to consider adding an item to the agenda regarding an amendment the CalPERS Retirement Contract. The information came to Staff's attention on April 5, 2012, after the posting of the Board Agenda. The recommended action is to consider adopting Resolution No. 2012-11, a resolution of intention to approve an amendment to the contract between CalPERS and the District for a second tier retirement benefit.

Director Weber made a motion to add an item to the agenda regarding an amendment to the CalPERS retirement contract for a second tier retirement benefit. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

WARRANTS

Director Weber made a motion to approve the following warrants: Yuba-Bear Revolving Fund Nos. 24501 through 24536, inclusive; General Fund Revolving Account Nos. 57482 through 57615, No. 54383 being void; Recreation Fund Nos. 3192 through 3197, inclusive; and Payroll Direct Deposit and Warrant Nos. 62701 through 62860, inclusive. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Health Benefits Authority (Res. No. 2012-10)

Ron Nelson, General Manager, reported that there have been internal changes within ACWA's health care program. ACWA is asking for the member agencies to vote on the reorganization from a Health Benefits Authority to the ACWA Joint Powers Insurance Authority. He is not aware of any changes in coverage for vision and dental insurance. Active employees stand a chance of losing vision and dental benefits if Resolution No. 2012-10 is not adopted at this time.

Director Weber asked if each active employee is required to be covered for vision and/or dental insurance in order for the District to participate in the ACWA Joint Powers Insurance Authority plan.

Jeff Meith, District Counsel, stated that he would have to research this further in order to answer Director Weber's question.

Director Weber made a motion to adopt Resolution No. 2012-10 (Approving Membership in the ACWA Joint Powers Insurance Authority, Consenting to Join the Health Benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board of Directors to Terminate the Health Benefits Authority Joint Powers Agreement, and Directing the Nevada Irrigation District to Execute all Necessary Documents). Director Bachman seconded the motion.

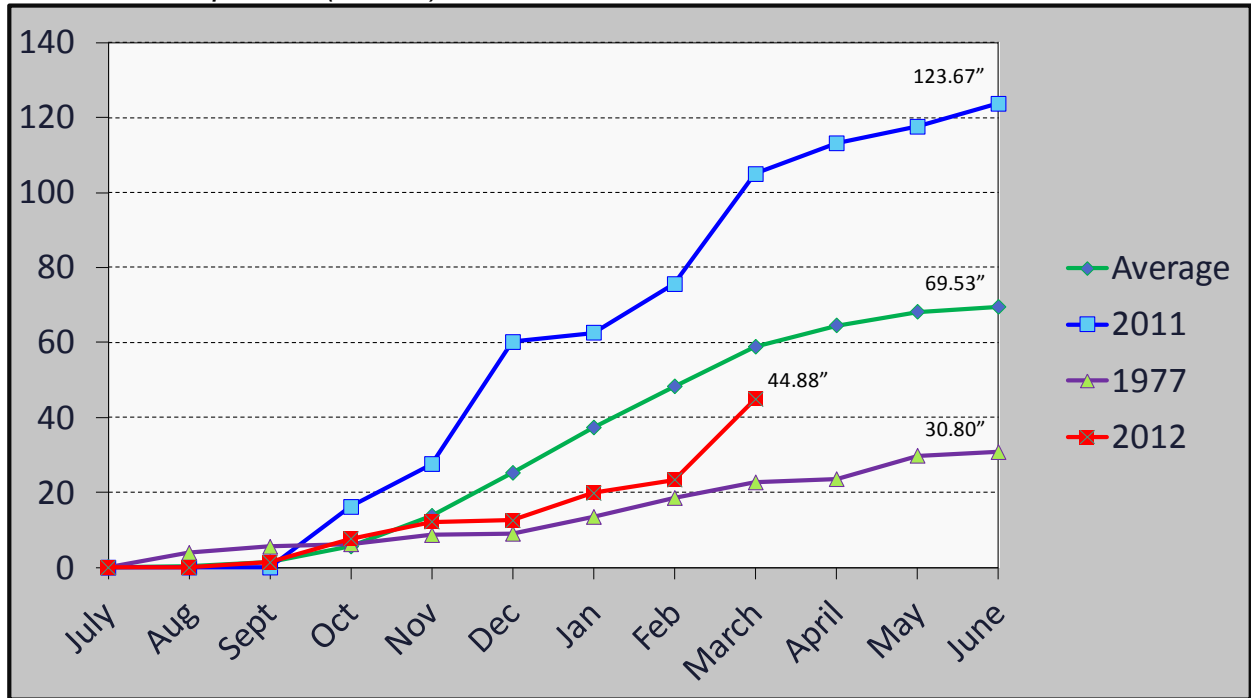
Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

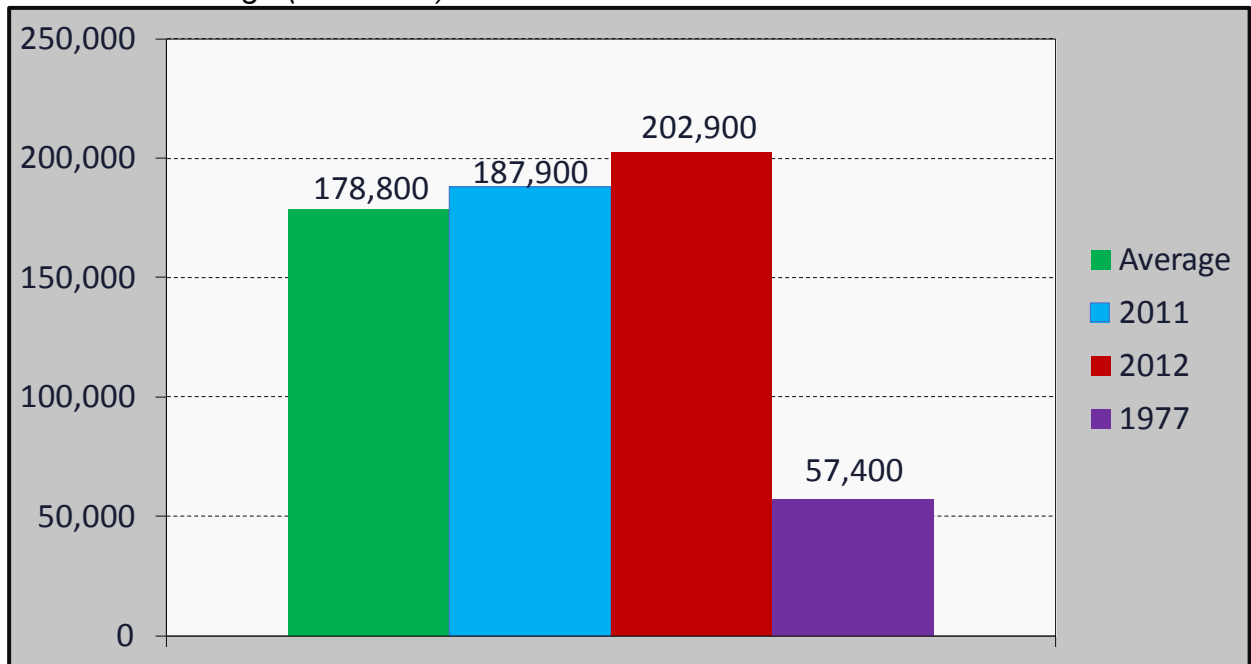
WATER SUPPLY CONDITIONS - Update

Sue Sindt, Operations Supervisor, provided the following presentation on the District's water supply conditions:

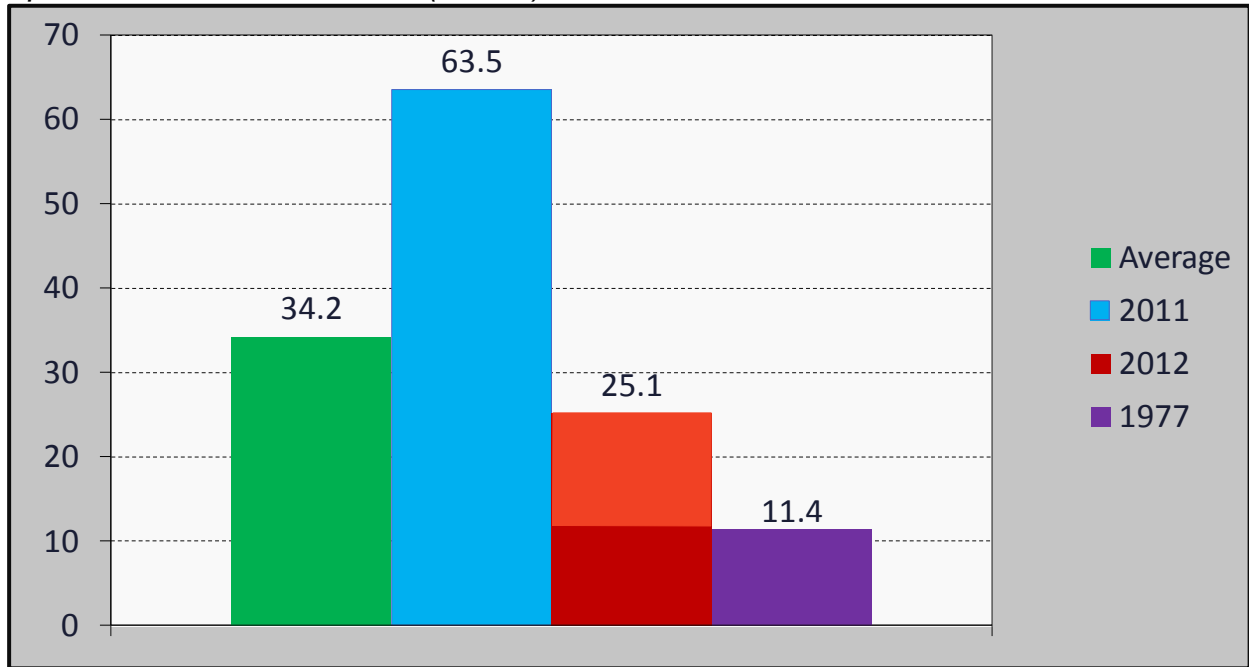
Bowman Precipitation (Inches)



March 31st Storage (Acre Feet)



April 1st Snow Water Content (Inches)



Run-Off Forecast



Department of Water Resources
California Cooperative Snow Surveys

April 1, 2012 FORECAST
OF UNIMPAIRED RUNOFF
(in thousands of acre-feet)

April-July Forecast

	April thru July	Percent of Average	80% Probability Range
SACRAMENTO RIVER			
Total inflow to Shasta Lake	1460	81%	1110 - 2160
Sacramento River above Bend Bridge	1900	76%	1500 - 3020
Feather River at Oroville	1040	59%	800 - 1890
Yuba River at Smartsville	660	66%	490 - 1060
American River below Folsom Lake	680	55%	480 - 1330

April 11, 2012

April 1st Availability and Projected End of Month Storage (Total Acre Feet)

April 1 Availability w/65% Runoff ¹	284.4
Contingency Plan Stage	I

	APR	MAY	JUN	JUL	AUG	SEP	OCT ²	NOV	DEC
Projected EOM Storage	212.5	231.7	226.8	204.1	178.5	155.3	142.5	140.9	143.4

¹ Does not include any PG&E purchased water

² Average EOM October = 148.6 TAF

Board Action from March 14, 2012:

- Declare Stage II
- Target Carryover Storage of 100,000 to 110,000 Acre Feet
- Purchase all Available Water from PG&E
- Request Voluntary Conservation with a Reduction Goal of 10 to 15 percent
 - Domestic – Education, Workshops, Site Visits
 - Municipal – Education
 - Agricultural – Education, Workshops, Site Visits
 - Request Reduction by April 15 and Assure Customer that Purchase Amount will be Reset to the 2011 Amount Prior to the 2013 Season
- No Increases in Agricultural Amounts
- Limit New Agricultural Customers to ½ Miners Inch Purchase for this Season
- No Surplus Sales
- Form Drought Hardship Committee
- By Mid-April, Determine if Further Actions are Necessary

Recommended Actions:

- Declare Stage I – Normal Operation
- Target a Carryover Storage of 140,000 to 145,000 Acre Feet
- Purchase PG&E Water (12,000 Acre Feet Available)
- Give Customers that Voluntarily Reduced the Opportunity to Resume Normal Service
- Accept Increases in Agricultural Amounts (Subject to Existing Canal Capacity Constraints)
- No Restriction on New Agricultural Customers (Subject to Existing Canal Capacity Constraints)
- Disband the Drought Hardship Committee
- Declare Surplus Water

President Wilcox stated that the response from 182 customers who agreed to voluntarily conserve water is encouraging, and that voluntary conservation may be a viable tool to use during potential future drought conditions.

Director Drew made a motion to adopt the recommended actions (see above) regarding water supply conditions. Director Weber seconded the motion.

April 11, 2012

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

CalPERS Retirement – Amendment to Contract (Res. No. 2012-11)

Tim Crough, Assistant General Manager, stated that this matter involves the implementation of the second tier retirement benefit for new hires (2 percent at 55 with a three year final compensation calculation). This is the first of two Resolutions (the second Resolution will be placed on the May 9, 2012 Board agenda). The first Resolution indicates the Board's intention to amend the CalPERS retirement contract. After the second Resolution is adopted the implementation of the amendment would become effective May 10, 2012.

Mr. Crough read the following statements into the record: The Board by taking this action will decrease the employer rate as employees are hired into the second tier. The local miscellaneous member contributions under the new second tier program will be seven percent of reportable earnings for those miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of the amendment to the contract. He pointed out that the Retirement Contract can only be amended once every three years. Staff will prepare the necessary certifications that the District is in compliance with Section 20475 and Section 7507 of the Government Code.

Director Weber made a motion to Adopt Resolution No. 2012-11 (Resolution of Intent to Approve an Amendment to Contract between CalPERS and the District) to implement a second tier retirement plan (2 percent at 55 with a three year final compensation calculation) for new hires. Director Drew seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

FEDERAL ENERGY REGULATORY COMMISSION (FERC) – Relicensing Update

Ron Nelson, General Manager, reported that he had a discussion with the member agencies and they have agreed to continue working with the District to come to agreement on various flows. He is encouraged that additional progress will be made.

April 11, 2012

President Wilcox asked if the flow discussion will take place concurrently with discussions involving recreation and monitoring.

Mr. Nelson stated that the monitoring discussion will begin in the next day or so. Discussions involving recreation have been on-going during the past year, and will continue for several more months. Progress has been made in this area, but he does not know if full agreement can be reached.

COSUMNES, AMERICAN, BEAR AND YUBA (CABY) – Regional Water Management Group (Reimbursement)

Ron Nelson, General Manager, reported that the District has received a letter from CABY regarding a reimbursement from the CABY Regional Water Management Group in the amount of \$12,000.

CORRESPONDENCE WITH ASSEMBLYMAN DAN LOGUE – Requesting Support for Legislation regarding Health Care Vesting

Ron Nelson, General Manager, reported that as requested by the Board, Staff has sent a letter to Assemblyman Dan Logue asking him to support legislation regarding relief with CalPERS health care program vesting.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) 2012 CLAIR HILL AWARD - Nomination

Ron Nelson, General Manager, announced that the District has been nominated to receive the Association of California Water Agencies' 2012 Clair Hill award for the District's Auburn Ravine Fish Passage Project. The award will be presented to the finalist at the Spring ACWA Conference.

FINANCIAL SUMMARY

Director Weber stated that she had requested on March 28, 2012 that a financial summary be presented to the Board of Directors at today's meeting.

Ron Nelson, General Manager, stated that the District will be performing a cash audit, and this information will be provided to the Board as soon as the information becomes available.

IRRIGATION SEMINAR – Hosted by Director Bachman

Director Bachman reported that he and his wife hosted an irrigation seminar on April 7, 2012. There were 30 participants. Lesa Osterholm, Water Efficiency Coordinator, and Keith Crabtree, Consultant, facilitated the seminar, and Director Bachman provided lunch.

President Wilcox stated that he has offered to host a similar seminar at his property and has discussed this with Mr. Crabtree.

April 11, 2012

ORCHARD SPRINGS – Easter Egg Hunt

Director Drew stated that he was at Orchard Springs on Sunday, April 8 and observed half a dozen campers participating in an Easter Egg Hunt.

SOUTH YUBA CANAL – Outage Update

Ron Nelson, General Manager, reported that a Pacific Gas & Electric outage was scheduled for three weeks this year for improvements to the South Yuba Canal and Spaulding Reservoir. The District has taken advantage of the outage by tying in the new Clipper Creek Siphon for the Lower Cascade Canal / Banner Cascade Pipeline Project. Gary King, Chief Engineer, and Brian Powell, Senior Associate Engineer, have done a great job coordinating this effort. During the outage, Sue Sindt, Operations Supervisor, and Nathan Wasley, Water Superintendent, and the Operations Department had to make provisions to deliver water to the Cascade Shores Treatment Plant and to customers on the Lower Cascade Canal. Because of the rain, the District was able to put water into Deer Creek and deliver water to Cascade Shores without having to pump or haul water. He commended Staff's efforts.

LAFCo BALLOT FOR SPECIAL DISTRICT MEMBER

Director Drew made a motion to cast a ballot for Local Agency Formation Commission (LAFCo) Special District Member – Nick Wilcox, Nevada Irrigation District. Director Weber seconded the motion.

Motion passed on the following roll call vote:

Division I	Aye
Division II	Aye
Division III	Absent
Division IV	Aye
Division V	Aye

GENERAL MANAGER'S EVALUATION

Director Weber requested that the General Manager's Evaluation be rescheduled to a Board meeting when all Board members are present.

President Wilcox concurred and postponed the General Manager's Evaluation to the Board meeting of April 25, 2012.

CLOSED SESSION was declared at 9:49 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Nelson, Morrow, Sindt and 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)

April 11, 2012

- 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.

CLOSED SESSION was declared at 9:49 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Nelson and Davidson regarding price and terms of payment, for purchase of leasehold interests and other assets at Long Ravine Campground and Peninsula Campground; Negotiations to be conducted with Russ Engelstad (Long Ravine Campground, Placer County Assessor's Parcel No. 99-050-002) and Gary and Chris Unitt (Peninsula Campground, Nevada County Assessor's Parcel No. 28-170-10).

CLOSED SESSION was declared at 9:49 a.m. pursuant to Government Code Section 54957.6 to provide direction to the District's designated bargaining representatives – Weber, Miller and District Counsel – regarding 2012 salary/benefit/working conditions.

MEETING RECONVENED in regular session at 12:16 p.m.

MEETING ADJOURNED at 12:16 p.m. to reconvene in regular session on April 25, 2012, 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
