

NEVADA IRRIGATION DISTRICT  
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

February 26, 2014

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 26th day of February 2014 at 9:00 a.m.

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

Staff members present included Remleh Scherzinger, General Manager; Tim Crough, Assistant General Manager; Jim Malberg, Finance Manager; Gary King, Engineering Manager; Chip Close, Operations Manager; Brian Powell, Maintenance Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – February 12, 2014 Regular Meeting

**Approved the Minutes of the Board of Directors' regular meeting of February 12, 2014 as submitted. M/S/C Bachman/Wilcox, unanimously approved**

WARRANTS

**Approved the following warrants: Yuba-Bear Revolving Fund Nos. 26182 through 26216, inclusive; General Fund Revolving Account Nos. 64007 through 64132, inclusive; Recreation Fund Nos. 4264 through 4271, inclusive; and Payroll Direct Deposit and Warrant Nos. 70725 through 70728, Nos. 70729 through 70739 and V157 through V316 being void. M/S/C Bachman/Wilcox, unanimously approved**

DISTRICT BUSINESS CENTER – Master Gardeners Demonstration Garden

**Approved Amendment No. 1 to the Occupancy Agreement with the Master Gardeners for the Demonstration Garden, and authorized the General Manager to execute the necessary documents. M/S/C Bachman/Wilcox, unanimously approved**

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BOWMAN LOW LEVEL OUTLET REPAIR PROJECT – Award of Purchase Contract for Phase II

**Awarded and approved purchase contract with JM Squared Associates, Inc. in the amount of \$659,426, and authorized the General Manager to execute the necessary documents. M/S/C Bachman/Wilcox, unanimously approved**

LOMA RICA HYDRO FACILITY – Contract for Phase I of Engineering Services

**Awarded and approved contract with Brown & Caldwell in the amount of \$245,297, approved the associated budget amendment, and authorized the General Manager to execute the necessary documents. M/S/C Bachman/Wilcox, unanimously approved**

CUNNINGHAM SIPHON REALIGNMENT PROJECT – Contract for Construction

**Awarded and approved contract with T&S Construction in the amount of \$1,068,258, and authorized the General Manager to execute the necessary documents. M/S/C Bachman/Wilcox, unanimously approved**

DISTRICT'S ENGINEERING STANDARD DETAILS – Encroachments

**Accepted the District's Engineering Standard Details pertaining to Encroachments. M/S/C Bachman/Wilcox, unanimously approved**

LAKE OF THE PINES INTERCONNECTION BACKBONE EXTENSION PROJECT – Preliminary Review & Initial Study (Res. No. 2014-08)

Adrian Schneider, Senior Engineer, presented the Preliminary Review and Initial Study for the Lake of the Pines Interconnection Backbone Extension Project:

*Project Background:*

- Transmission Main to connect two water systems
  - Lake of the Pines system
  - Alta Sierra system
- Expanding water supply for community
- Enhancing water service reliability by interconnecting two water systems
- Route approved through Engineering Committee on August 20, 2013
- Route part of Backbone Extension Program (BEP)
- Extending the Initial Study/Mitigated Negative Declaration from the Rancho Group (December 2009)

*Project Specifics:*

- Four miles of new 12-inch pipe
- Construction on or adjacent to paved road

Mr. Schneider described the photographs indicating the route of the Project.

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*Project Timeline - 2013:*

- July 22 - Field reconnaissance level biological and cultural surveys conducted
- September 10 – Native American Consultation initiated by requesting search
- September 16 – Field survey conducted in Area of Potential Effects for Native American items

*Project Timeline - 2014:*

- January 13 – 30-day review period started for California Environmental Quality Act (Initial Study/Mitigated Negative Declaration) – advertised in The Union
- January 16 – Letter sent to all property owners adjacent and associated with alignment
- January 22 – Communications with Vivian Kee, 17082 Brewer Road (Biologist); observed hummingbird and heard about Western Pond Turtle siting
- January 27 – Communications with United Auburn Indian Community of the Auburn Rancheria
- February 4 – Communications with David Colemyer, 18420 Brewer Road; had no issue as long as pipe is installed in a responsible way with minimal impact within the roadway
- February 5 – California Department of Public Health – Amended water supply permit for expansion greater than 20 percent
- February 12 – 30-day review period ended for CEQA document
- February 26 – Board meeting – Resolution to adopt CEQA document

*Mitigation Measures:*

- Air Quality (AIR-1):
  - Implementation of Northern Sierra Air Quality Management District (NSAQMD) recommended Construction Control Practices
    - Dust control implemented timely and effective
    - Dust control plan approved by NSAQMD
    - Compliance with Best Management Practices within NSAQMD Rule 226
    - If there is visible dust > 20 percent opacity for > 3 minutes in any one hour, grading operations will cease
    - Adjacent paved streets swept or washed at the end of each day
- Biological Resources (BIO-1 through 6):
  - Environmental awareness training to avoid sensitive resources, wildlife and plant species by qualified biologist
  - Special-Status Plant Survey, preconstruction: May through June
  - Relocate Western Pond Turtle if encountered or allow to pass
  - Preconstruction Raptor/Special-Status Bird Survey
  - Avoidance of riparian habitat
  - Clean Water Act permitting and Fish and Wildlife compliance
- Cultural Resources (CULT-1):
  - If archaeological, paleontological, or human remains are found, work will stop; areas isolated and regulatory agencies contacted to clear area for future work; “Hop” method will be incorporated to allow work to continue outside of the immediate area of concern as cleared by qualified archaeologist
- Geology, Soils and Seismicity (GEO-1):

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- If slopes greater than 25 percent encountered in Project, a geotechnical investigation will be conducted for the potential of landslides, expansive soils or unstable soils
- The pipeline design shall incorporate the effects of adverse geotechnical conditions
- Hazards and Hazardous Materials (HAZ-1):
  - Fire prevention and control measures
    - Prepare and implement Fire Suppression Control Plan
- Hydrology/Water Quality (HYD-1):
  - Develop a dewatering plan for diverting flows around construction area; submitted for approval as part of the Streambed Alteration Agreement permit
- Noise (NZ-1):
  - Limits from 7:00 a.m. to 7:00 p.m. weekdays
  - Weekend work avoided when practical
  - Sound control on equipment
  - Idling equipment to five or fewer minutes at one time

President Drew opened the public hearing.

Hearing no testimony, President Drew closed the public hearing.

The Board Secretary stated that the District did not receive any additional correspondence.

Director Wilcox observed that the Project Description that Mr. Schneider provided in his presentation is different from the Project Description in the Preliminary Review and Initial Study. Mr. Schneider excluded in his Project Description the Hacienda and the Pioneer Way portion of the Project. The map in the document shows the entire alignment. The document should describe the proposed Project in the Project Description and it does not. He referenced Page 8 of the Study.

Mr. Schneider explained that the bottom portion of the map is the Ranchero Project and the CEQA has been completed for that Project.

Director Wilcox asked if there is a statement in the document indicating that the Project is in the upper portion of the map and not the entire map.

Rem Scherzinger, General Manager, stated that the legend on the map depicts the differentiation between the two Projects.

Director Wilcox asked if the Study describes what the CEQA document that the bottom portion of the map relies on.

Janelle Nolan, Consultant, explained that the Project being covered is what is described in the Project Description. The map does show a segment of the alignment that is covered under another CEQA document. The other CEQA document is not referenced or described in the CEQA document for this Project.

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Director Wilcox stated that it would be better to describe what CEQA document each portion of a Project is relying on. Project Descriptions are very important and should describe the Project very accurately.

Ms. Nolan stated that the Lake of the Pines Interconnect Backbone Extension Project is a stand-alone Project, and the Rancho Project was a stand-alone Project. She stated that the map in the Study should only have depicted the Project being discussed under this Study.

Director Weber asked if there are any private roads within the Project.

Mr. Schneider stated that a small portion of the Project is on a private road.

Director Weber asked if Staff has been in contact with the property owners in the private road association.

Mr. Schneider stated that a letter was sent on January 16, 2014, and there has been no contact with the private road association.

Director Weber stated that it is important that private road associations be treated as well as those properties along public roads.

Mr. Schneider stated that a private road association would be treated the same as those properties along public roads.

Director Weber asked with regard to dust control if trucks will be hauling soil.

Mr. Schneider explained that hauling would be covered under the Dust Control Plan.

President Drew stated that if material is being hauled off-site, the loads are to be wetted, and the trucks washed down in a rock area that serves as a transition between dirt roads and paved roads.

Mr. Scherzinger pointed out that as part of AIR-1, adequate dust control measures are required and are to be implemented in a timely and effective manner during all phases of construction, and the Dust Control Plan will be submitted and approved by the NSAQMD.

Mr. Schneider stated that all material transported off-site will be either sufficiently watered or securely covered to prevent a public nuisance.

Director Miller stated that he is thrilled on behalf of his constituents that the District is working on this Project. He applauded Staff for their efforts to get this Project where it is at this time.

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President Drew stated that as a result of this Project, there is increased water reliability and security. Water quality will be increased, and this Project provides the District the opportunity to have redundancy in the system.

Cara Rogers (sp?), resident on Brewer Road, asked what the timeline is for the Project. She also asked what the financial impact to property owners will be as a result of this Project.

President Drew referred Ms. Rogers to Staff for answers to her questions.

Director Miller explained that property owners are impacted financially only if they connect to the District's system.

**Adopted Resolution No. 2014-08 (Adopting a Mitigated Negative Declaration, and Approving the Project and Mitigation Monitoring and Reporting Program – Lake of the Pines Interconnection Backbone Extension Project). M/S/C Miller/Weber, unanimously approved**

#### WATER STORAGE AND SUPPLY – Update

Chip Close, Operations Manager, stated that the District has every intention of keeping customers informed at the earliest time possible of what drought stage the District would be in. Staff was intending to declare a drought stage at this meeting; however, due to recent storms and the immediate forecast for the next two weeks, the water supply outlook has the potential to change. With this in mind, the District has every interest in getting the most possible water to the customers while still meeting carryover targets. Staff will reassess the situation on an on-going basis with a drought stage proposed to be declared in March 2014. During this process, Staff will make every effort to keep customers informed of the status and where the District is heading as it pertains to the drought.

Director Miller complimented Mr. Close on the proactive nature the District is taking with regard to the drought. He has heard from several customers that they are happy the District is taking an aggressive and proactive approach.

Sue Sindt, Operations Administrator, provided the following presentation:

*Bowman Precipitation as of February 24, 2014:*

- 26.66 inches which is 55 percent of average

Ms. Sindt stated that the current weather forecast predicts approximately three inches of precipitation from the next series of storms starting February 26. There is also precipitation in the forecast for the first part of March.

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*March 1 Snow Survey Results (Water Content in Inches):*

	Bowman Lake	Findley Peak	English Mountain	Webber Peak	Webber Lake
2014	0.3	1.8	7.6	9.7	6.8
Average	20.1	27.5	37.6	33.4	28.4

The average for the five courses is 5.2 inches of water content which is 18 percent of the March 1 average of 29.4 inches.

*Department of Water Resources – Water Supply Forecast:*

Yuba River at Smartsville	Feb 1 %Avg	Feb 11 %Avg	Feb 18 %Avg
90% Exceedance	170 17%	200 20%	170 17%
50% Exceedance	350 35%	440 44%	400 40%
10% Exceedance	850 85%	920 92%	870 87%

*Reservoir Storage as of February 24, 2014:*

- 174,470 Acre Feet which is 102 percent of average and 70 percent of capacity

Mr. Close provided the following presentation:

*What does this improvement mean?*

- April 1 availability approaching 200,000 AF
- Now nearing Stage III in the Drought Contingency Plan (15 percent to 25 percent reduction)
- To finalize declaration:
  - Need to complete Water Supply forecast
  - Need to get a sense of March's weather

*Future Actions:*

- Declare a drought stage in March
- March 13 – Agriculture customer billings for 2014 season mailed
- Purchase PG&E water to help meet carryover target
- Finish Proposition 218 Notice process for drought related pricing tier to cover additional costs
- Continue to utilize media outlets to inform both agriculture and treated water customers on status

Director Miller asked if the carryover target will change based on the drought stage.

Mr. Close stated that within the Drought Contingency Plan, the one constant factor is that the District will have a carryover of 78,000 acre feet. This target has been changed in the past, but the target of 78,000 acre feet sets the District up for the next year to meet minimum allotments.

Director Wilcox stated that he has received feedback from some of his agriculture constituents. They are uncomfortable with the 78,000 acre feet carryover storage

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target, and would like to see the target reviewed. He informed the constituents that the carryover storage target is a balancing act. The District can designate a higher level of carryover storage, but this would mean that drought contingency planning would be triggered on a more frequent basis.

Mr. Close stated that the carryover storage target is reviewed every five years, if not sooner. The current situation allows Staff to review the target and make changes as necessary.

Director Wilcox stated that he is not suggesting that any changes be made this year, but would suggest that the District enter into an informed dialogue about the adequacy of carryover storage and the ramifications associated with a storage target.

Roger Ingram, University of California Cooperative Extension Farm Advisor, stated that it is good to see that the storage is improving and the rains are coming. He wants to point out that if there is a dry spring, there will be more pressure for agriculture customers to need water "right away" on April 15. If the season is shortened on the back end, and he will speak to irrigated pastures, the perennials in those pastures will survive.

President Drew stated that the Board has the authority to adjust the irrigation season as necessary, but it is a huge logistical concern.

Joe Fisher, Rancher in Placer County, asked about a survey that was recently mailed to agriculture customers asking them to consider opting out of their water purchase without losing their water purchase in the future. He asked if the drought stage could be affected if customers are opting out or reducing their purchase.

Mr. Close stated that unfortunately there have not been many customers wanting to give up their water purchase for this year. However, if there were customers opting out, the drought stage would be adjusted accordingly.

Mike Powell, District Customer, stated that he acquired a ranch that is served only one Miners Inch. He asked if the District will cut the 1 Miners Inch customers by 25 percent.

Mr. Close stated that if the District declares a Stage III drought level, there will be a 15 to 25 percent reduction in water. Re-orificing irrigation boxes becomes a problem because those numbers are not achievable with a standard orifice. Staff is looking at all options, and at this time, it appears that there will be some variation of shortening the irrigation season. If there is a 20 percent reduction, this would equate to a month off of the season. Staff would need to figure out the best way to shorten the season. It could be a week at the beginning at the season if it is wet, or a full month at the end of the season. Shortening the season at the end provides Staff with flexibility because there may be more storage by the end of the season, and releases could be made so that the season might not be shortened by a full month. It all depends on water storage levels and what the carryover target is.



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Nancy Fowler-Johnson, Fowler Nurseries, stated that if the season is shortened, whether it is at the beginning or the end, she might as well disk her fields now and put 100 people out of work. She has a \$5 million crop, and she only has one option as far as harvesting because it is field grown. She needs the water all season long. She understands the District has Mother Nature issues, but she wants the Board to understand where she is coming from.

Director Bachman stated that he attended the Placer County Municipal Advisory Committee. Placer County Water Agency was in attendance, and stated that there will be water available to Zone 5, but the water will be expensive. This may be an option for Ms. Fowler-Johnson.

Mr. Close stated that he appreciates the input from those who have spoken on this matter. He pointed out that the District has a Drought Hardship Committee and these cases can be reviewed in order to make delivery adjustments as necessary. Further, the District has the opportunity to purchase water from Pacific Gas & Electric Company (PG&E) at a higher cost and this water can be sold to District customers at a higher price.

Rem Scherzinger, General Manager, summarized what Mr. Close stated. The District is considering shortening the season (at the end of the season). If there is precipitation in the coming months, the length of time that the season will be shortened may change. If the season is shortened, the District will purchase water from PG&E at a higher cost. This water allows the District to provide bridge water to those individuals that need the water. Also, the Drought Hardship Committee is poised to work with those individuals that can define a need for assistance.

Director Wilcox stated that it seems to him that in select cases, such as Ms. Fowler-Johnson's situation, re-orificing individual boxes may be an option.

Director Miller asked how practical it would be to rotate or dewater a canal for a 24 or 36 hour period.

Mr. Close stated that this would be another tool in the toolbox. It is hard to find canals that can be rotated, and dewatering and then wetting a canal takes more water. He reiterated that Staff is evaluating all options at this point.

#### DEPARTMENT OF WATER RESOURCES – Proposition 84 Grant to the Sierra Fund

Rem Scherzinger, General Manager, reported that the Sierra Fund has received a letter confirming an award of a grant from the Department of Water Resources as part of the Cosumnes, American, Bear and Yuba (CABY) Integrated Regional Watershed Management Program (IRWMP) process, in the amount of just under \$1 million. The grant funds will be used for the District's mercury removal equipment lease, some canal lining and gauging station projects, conservation education and some intertie projects with Placer County Water Agency.

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Tim Crough, Assistant General Manager, explained that the entire grant is approximately \$5.5 million with about \$1.5 million for the District's and Placer County Water Agency's portion, including the mercury removal equipment. Placer County Water Agency's portion of the grant covers canal lining and an intertie between the District and Placer County Water Agency's water systems at Mt. Vernon Road. The District has the intertie project at Locksley Lane, which is a smaller project.

Director Weber pointed out that if the District did not participate in CABY, these funds would not be available to the District.

#### GENERAL MANAGER – Luncheon Meeting

Rem Scherzinger, General Manager, reported that he attended a luncheon meeting with the General Managers from El Dorado Irrigation District and Placer County Water Agency to discuss drought related issues, and to tie the three water agencies/districts together. The District and Placer County Water Agency are on the same track with regard to when a drought declaration will be made. He noted that El Dorado Irrigation District is planning on proposing a 30 percent mandatory cutback.

#### NEWTOWN CANAL – Update on Easement Acquisitions

Rem Scherzinger, General Manager, reported that Sharon de Mattos has signed the right-of-way documents needed, which leaves Staff with two remaining property owners to negotiate with. He applauded the Right-of-Way section for their efforts on obtaining the necessary easements.

#### NEVADA COUNTY RESOURCE CONSERVATION DISTRICT (NCRCD) – Annual Dinner

Rem Scherzinger, General Manager, reported that he attended the Annual NCRCD Dinner. The event was well attended and he enjoyed the many discussions that took place.

President Drew stated that he also attended the dinner. A good portion of the event was to honor Darlene Moberg. She has contributed many years to the community and has mentored countless numbers of children on agriculture. Her honor is so richly deserved.

#### SOUTH YUBA RIVER CITIZENS LEAGUE (SYRCL) – Conservation Education

Rem Scherzinger, General Manager, reported that SYRCL's Conservation Education Program has started in local schools. Lesa Osterholm, Water Efficiency Coordinator, has attended the pilot, and shared positive feedback about the Program.

#### ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – Region 3 Spokesperson for the Drought Action Group

Rem Scherzinger, General Manager, reported that he has been named as ACWA's Region 3 spokesperson for the Drought Action Group.

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CalPERS – Rate Increase

Rem Scherzinger, General Manager, reported that CalPERS has agreed to begin implementing a rate increase for employees. More information is forthcoming, but at this time, Staff does not know what the impact will be.

RETIREMENTS

Rem Scherzinger, General Manager, reported that to date, there have been six retirement notices received by the District from the following employees: Peggy Davidson, Warren Hart, Tim Nunnink, Jeff Huey, Jim Ford and Cindy Kincheloe.

PLANNING AND CONSERVATION LEAGUE – Conference

Director Weber reported that she attended the Planning and Conservation League Conference in Davis on February 1. One of the panels discussed the water bonds. The Assembly Plan is \$6.5 billion which includes \$1 billion for safe and clean drinking water, \$1.5 billion for infrastructure, \$1 billion for integrated regional watershed management plans, \$1 billion for the Delta and \$1.5 billion for storage. There was emphasis on start-up projects and the importance of regionally balanced projects. Senator Lois Wolk is asking for additional funds for the Delta. Her emphasis is drinking water, conservation, groundwater, stormwater, watershed protection and removing sediment from reservoirs.

There was a poll taker from the Bay Area who conducted a survey on the understanding of watersheds. The results were as follows: 47 percent did not know what a watershed is; 27 percent stated that watersheds are probably a place to store water; and 23 percent did not know where their water came from. Another part of a poll that was conducted indicated that while many people feel favorable about this Legislature and Governor in terms of dealing with water, they feel most positive about small water agencies and individual water agencies and the effectiveness that they display.

GOLDEN OAKS ROAD ASSOCIATION – Meeting

Director Miller reported that he will be attending a meeting with the Golden Oaks Road Association on March 15, 2014 to discuss the Lake of the Pines Interconnection Backbone Extension Program Project. Adrian Schneider will also be attending.

REGIONAL WATER SUPPLY PROJECT – Open House

Director Bachman reported that he attended the Open House in Lincoln for the Regional Water Supply Project. It was well attended and Staff did a good job displaying information about the Project.

PLACER COUNTY – Lincoln Municipal Advisory Committee (MAC) Meeting

Director Bachman reported that he attended the Lincoln MAC meeting. Placer County Water Agency gave a presentation, and he will be happy to share information about the presentation with Board members if interested.

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SAVE AUBURN RAVINE SALMON AND STEELHEAD (SARSAS) – Meeting

Director Bachman reported that he attended the SARSAS meeting where Rem Scherzinger, NID General Manager, was a guest speaker. He did a terrific job.

MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION (MCWRA) – Meeting

Director Weber announced that the next MCWRA meeting is scheduled for March 11, and is being held in Auburn at the Ridge Country Club.

CLOSED SESSION was declared at 10:16 a.m. pursuant to Government Code Section 54956.8 to confer with Real Property Negotiators Scherzinger, Malberg, 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.

CLOSED SESSION was declared at 10:16 a.m. pursuant to Government Code Section 54956.9(a) to confer with Legal Counsel – Existing Litigation – Loftus v. Nevada Irrigation District; Nevada County Case No. CU13-079800.

CLOSED SESSION was declared at 10:16 a.m. pursuant to Government Code Section 54957.6 to provide direction to the District's designated bargaining representatives – Scherzinger and/or District Counsel – regarding 2014 salary/benefit/working conditions.

MEETING RECONVENED in regular session at 2:03 p.m.

MEETING ADJOURNED at 10:49 a.m. to reconvene in regular session on March 12, 2014, at 9:00 a.m. at the District's main office located at 1036 W. Main Street, Grass Valley, California.

  
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Board Secretary

Attest a true record of actions  
had and taken at the above and  
foregoing meeting our presence  
thereat and our consent thereto.

  
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Director  
Division I

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Division II

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Division III

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Absent

Division IV

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Nick Wilcox

Division V