

NEVADA IRRIGATION DISTRICT

BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

July 23, 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 23rd day of July 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/Treasurer; Chip Close, Operations Manager; Gary King, Engineering Manager; Brian Powell, Maintenance Manager; Keane Sommers, Hydroelectric Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

MINUTES – July 9, 2014 Regular Meeting

Approved the Minutes of the Board of Directors' regular meeting of July 9, 2014 as submitted. M/S/C Weber/Wilcox, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 26565 through 26602, inclusive; General Fund Revolving Account Nos. 65495 through 65641, inclusive; Recreation Fund Nos. 4444 through 4471, inclusive; and Payroll Direct Deposit and Warrant Nos. 70863 through 70878 and V1599 through V1767, inclusive. M/S/C Weber/Wilcox, unanimously approved

ALTA SIERRA - LAKE OF THE PINES INTERCONNECTOR PROJECT – Update

Rem Scherzinger, General Manager, reported that water will be in service on East Hacienda Drive prior to construction beginning on Pioneer Way.

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WATER SUMMIT

Rem Scherzinger, General Manager, announced that the Water Summit will be held on July 24, 2014 between 6:00 p.m. and 8:00 p.m. at Nevada Union High School – Don Baggett Theater.

Director Miller asked what the expectations are of the Summit.

Mr. Scherzinger explained that President Drew and Mr. Scherzinger will provide opening remarks. Chip Close, Operations Manager, will provide an overview of water supply and operations. Jeff Meith, District Counsel, will speak about issues involving District water rights and how other water agencies are responding the State Water Resources Control Board's recent actions. Mr. Scherzinger will provide a summary, and outlook for the future, and ask for a call to action. The public will then be invited to comment and/or ask questions. Comment cards will be provided so that everyone will have the opportunity to provide input.

Director Weber stated that she is proud that the District will be utilizing 'You Tube' to show the Water Summit event. She is glad that the District is providing information this early to the community, and she encouraged the Board to consider the community as a whole when dealing with these water issues.

Lily-Marie Mora, District customer, suggested that those individuals that complete a comment card be encouraged to provide a solution, not just a complaint.

Director Weber reported that she and Ms. Mora provided interviews to the KVMR and KNCO radio stations regarding the Water Summit. She added that the Summit will be broadcast live on KVMR.

STATE WATER RESOURCES CONTROL BOARD – Update on Regulations

Rem Scherzinger, General Manager, reported that the State Water Resources Control Board (SWRCB) is in the process of adopting Section 10 of the SWRCB Regulations directing water agencies/districts to preclude watering hardscapes, washing vehicles without a stop nozzle, etc. The SWRCB will authorize imposing fines up to \$500 for those wasting water. The regulations will go into effect August 1, 2014.

Mr. Scherzinger stated that he has reached out to the City of Grass Valley, the City of Nevada City, the City of Lincoln and the Town of Truckee to offer support to these municipalities.

Director Wilcox asked if the rulemaking by the SWRCB is permanent.

Mr. Scherzinger responded affirmatively.

Director Weber asked if there is any action regarding watering lawns.

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Mr. Scherzinger stated that there is no specific action regarding watering lawns; however, the SWRCB is prohibiting watering between the hours of 10:00 a.m. and 6:00 p.m.

Director Wilcox asked how fines will be imposed for those water users that are wasting water.

Jeff Meith, District Counsel, stated that the entity with authority will be responsible for imposing fines.

Director Wilcox asked if Staff is pursuing another Proposition 218 notice (for third tier pricing).

Mr. Scherzinger responded affirmatively. He pointed out that the second tier seems to be working. There are other components that will be necessary to add to the Proposition 218 notice, and Staff is working with the consultant on this matter.

Director Wilcox stated that currently the District does not have the ability to recover the cost for purchasing additional water from Pacific Gas & Electric Company (PG&E). He would like to encourage Staff to continue working on developing a new Proposition 218 notice so that these costs may be recovered.

Mr. Scherzinger stated that Staff will continue to work on this matter.

Mr. Scherzinger pointed out that he is proud of the conservation efforts being made by District customers. This year, compared to last year at this time, customers have conserved 16 percent. The Governor's request is for Californians to conserve 20 percent.

PUBLIC RECORDS ACT REQUEST – State Water Resources Control Board

Rem Scherzinger, General Manager, reported that he has submitted a Public Records Act Request to the State Water Resources Control Board (SWRCB). He is requesting that the SWRCB identify senior water right holders along the Middle Yuba, South Yuba, Bear, Deer Creek and Auburn Ravine water ways. In addition, he requested that the SWRCB identify those water right holders who have not filed for certification regarding curtailment notices.

TAX SHARING AGREEMENT – Placer County

Rem Scherzinger, General Manager, reported that he will be meeting with representatives of Placer County to discuss a tax sharing agreement. He informed the Board that he thinks an agreement will be in place by the end of the year.

SPEAKING ENGAGEMENTS

Rem Scherzinger, General Manager, reported that he has conducted speaking engagements for Nevada City Rotary, 49'er Breakfast Rotary and the California

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Association of Business, Property and Resources Owners. He has shared the some of the same information with these groups that he will share at the Water Summit on July 24, 2014.

Director Wilcox reported that he provided a presentation to the Grass Valley Rotary and will be making a presentation to the Grass Valley Kiwanis Club on July 24, 2014.

NORTH STATE WATER ALLIANCE – Meeting

Rem Scherzinger, General Manager, reported that he met with Bill Mueller with the North State Water Alliance (NSWA) of which the District is a member. NSWA appears to be focused on the Water Bond and the Bay Delta Conservation Plan.

LOFTUS v. NEVADA IRRIGATION DISTRICT – Settlement

Rem Scherzinger, General Manager, reported that the Settlement Agreement with George Loftus has been fully executed.

2014 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) DROUGHT GRANT

Rem Scherzinger, General Manager, reported that a grant request in the amount of \$5.6 million was submitted by the Cosumnes, American, Bear and Yuba Watershed Group to the Department of Water Resources. Of the \$5.6 million, the District would receive approximately \$2 million for the Rock Creek Siphon Project.

PUBLIC COMMENT – Ivy

Bruce Ivy, Bruce Ivy Construction, stated that he is a General Contractor and he performed the repair work that was done at the District's Business Center. The project was unique and one of a kind. Gary King, Engineering Manager, was diligent by ensuring the project was done quickly due to safety and health concerns. Mr. Ivy reviewed the worst case and best case scenarios with Staff, and ended up doing neither. The work he did was professional and done correctly. During the project, there was a need for upgrades. He met regularly with Brian Powell, Maintenance Manager. Staff made good decisions. There were surprises on a daily and/or weekly basis and these issues had to be addressed. His crews were limited to working in the evening and they were required to coordinate their efforts with the Master Gardeners. In the end, the costs for the work came in higher. He stands by the work that was done and the decisions that were made. The District dealt with the project correctly. He appreciates the efforts that Staff put in to auditing the project in order to save the District money.

President Drew thanked Mr. Ivy for his comments.

CLOSED SESSION was declared at 9:42 a.m. pursuant to Government Code Section 54956.9(b) to confer with Legal Counsel – Anticipated Litigation; significant exposure to litigation – one case; Potential Plaintiff – Bruce Ivy Construction et al; Subject Matter – construction contract dispute.

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MEETING RECONVENED in regular session at 9:56 a.m.

BUSINESS CENTER – Construction Change Order and Budget Amendment

Approved Change Order from Bruce Ivy Construction in the amount of \$80,409.69 and the associated Budget Amendment for construction work at the District's Business Center, and authorized the General Manager to execute the necessary documents. M/S/C Wilcox/Weber, unanimously approved

CLOSED SESSION was declared at 10:00 a.m. pursuant to Government Code Section 54957: Public Employee Performance Evaluation - General Manager.

MEETING RECONVENED in regular session at 11:03 a.m.

GENERAL MANAGER – Performance Evaluation and Salary Increase

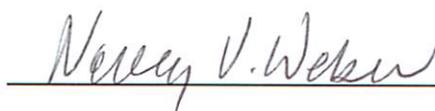
Authorized President to execute the General Manager's Performance Evaluation and the associated Personnel Action Form. M/S/C Wilcox/Weber, unanimously approved

Approved salary increase for the General Manager in the amount of five percent. M/S/C Wilcox/Weber, unanimously approved

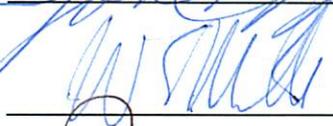
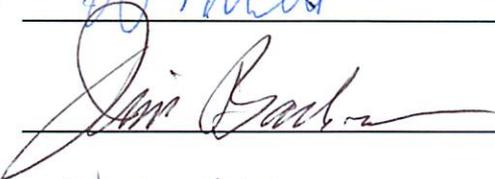
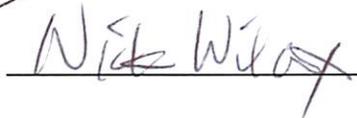
MEETING ADJOURNED at 11:05 a.m. to reconvene in special session on July 24, 2014, at 6:00 p.m. at Nevada Union High School - Don Baggett Theater located at 11761 Ridge Road, Grass Valley, California.


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

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|  | Division II |
|  | Division III |
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|  | Division V |