

NEVADA IRRIGATION DISTRICT
BOARD OF DIRECTORS / JOINT POWERS AUTHORITY

MINUTES

August 13, 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 13th day of August 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; Jim Malberg, Finance Manager/Treasurer; Chip Close, Operations Manager; Gary King, Engineering Manager; Brian Powell, Maintenance Manager; Keane Sommers, Hydroelectric Manager; Karen Gillespie, Interim Human Resources Manager; Jeff Meith, District Counsel; and Lisa Francis Tassone, Board Secretary.

ANTICIPATED LITIGATION – Closed Session (Adding Item to Agenda)

President Drew stated that Staff would like to add a closed session item to the agenda pursuant to Government Code Section 54956.9(4)(d) to discuss anticipated litigation - one potential case.

Added a closed session item to the agenda to confer with District Counsel regarding anticipated litigation – one potential case. M/S/C Miller/Weber, unanimously approved

EMPLOYEE RELATIONS – New Employee Introduction, Bass

Brian Powell, Maintenance Manager, introduced Heather Bass, Office Assistant. Ms. Bass was born in Okinawa, Japan. Her father was in the Air Force and the family was relocated to Vandenberg Air Force Base where she was raised. She moved to the Nevada County area while she was in high school. After high school she left the area to see the country. She returned to the Grass Valley area several years ago, and recently married her high school sweetheart. Ms. Bass brings a good skill set with her to the District and is very personable.

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The Board and Staff welcomed Ms. Bass to the District.

EMPLOYEE RELATIONS – New Employee Introduction, Page

Brian Powell, Maintenance Manager, introduced Michael Page, Utility Worker. Mr. Page was born and raised in Grass Valley and graduated from Nevada Union High School. He has one son. He was recently employed with Romero Construction where he gained good experience. He has also worked for the District as a temporary employee for six months in the Vegetation Control section.

The Board and Staff welcomed Mr. Page to the District.

EMPLOYEE RELATIONS – New Employee Introduction, Parks

Brian Powell, Maintenance Manager, introduced Evan Parks, Utility Worker. Mr. Parks was born in Grass Valley, raised in the Cedar Ridge area and he graduated from Nevada Union High School. He is married and has two sons. He was recently employed with the Railroad Contractor for a number of years and traveled the country performing this work. Mr. Parks is happy to be employed by the District because he can now spend more time with his family.

The Board and Staff welcomed Mr. Parks to the District.

MINUTES – July 23, 2014 Regular Meeting and July 24, 2014 Special Meeting

Approved the Minutes of the Board of Directors' regular meeting of July 23, 2014 and the Minutes of the Board of Directors' special meeting of July 24, 2014, as submitted. M/S/C Weber/Miller, unanimously approved

WARRANTS

Approved the following warrants: Yuba-Bear Revolving Fund Nos. 26603 through 26679, inclusive; General Fund Revolving Account Nos. 65642 through 65850, Nos. 64863, 65354, 65494 and 65803 being void; Recreation Fund Nos. 4472 through 4528, inclusive; and Payroll Direct Deposit and Warrant Nos. 70879 through 70905 and V1768 through V2094, inclusive. M/S/C Weber/Miller, unanimously approved

CASCADE CROSSING SUBDIVISION PHASE III WATERLINE EXTENSION –
Conveyance Agreement

Approved Conveyance Agreement with HBT of Saddle Ridge, LLC, for the Cascade Crossing Subdivision Phase III Waterline Extension for the installation of approximately 875 feet of 8-inch pipe, 624 feet of 4-inch pipe, two fire hydrants and all appurtenances to serve Nevada County Assessor's Parcel No. 57-141-94, which will be subdivided into 39 lots. M/S/C Weber/Miller, unanimously approved

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MAINTENANCE DEPARTMENT – Presentation on Maintenance Department Activities

Brian Powell, Maintenance Manager, stated that a presentation was recently provided to the Maintenance and Resource Management Committee, and the General Manager felt it would be a good idea to provide a presentation to the Board of Directors. Jeff Brady and Bob MacDonald, Maintenance Department Superintendents, explained a number of photographs depicting activities performed by crews in the Maintenance Department on the District's treated and raw water systems.

BOWMAN SWITCH GEAR UPGRADE PROJECT – Award of Design-Build Contract

Tonia Tabucchi Herrera, Associate Engineer, is asking the Board to award a design-build contract to Schweitzer Engineering Laboratories (SEL) in the amount of \$586,281.25 and to approve the associated budget amendment. The Project is necessary due to the maintenance and technology issues at the Bowman Powerhouse. The Project is part of a larger Project to upgrade the Bowman Powerhouse. There is a new governor that will be installed, California Independent System Operator (CAISO) meters to be installed and an upgrade to the communications from the Powerhouse to the Hydroelectric Office. A Request for Proposals (RFPs) for the Switch Gear Upgrade Project was sent out to four businesses. The District received one Proposal from SEL in the amount of \$586,281.25. This will cover the cost of the new control panels required for the Project, the design of those new panels and installation. A budget amendment is required. She pointed out an error in the Staff Report. The funds will be transferred from the Chicago Park Power System Stabilization Project, not the Combie Scour Project.

President Drew asked what the nature is of the Chicago Park Project that is being deferred.

Keane Sommers, Hydroelectric Manager, explained that the Chicago Park Project is a power system stabilizer. Staff has worked through issues, and determined that a power system stabilizer is not necessary to install at this location.

Director Wilcox asked when the CAISO meters and other components of the Project will be installed.

Ms. Herrera stated that those Projects are ongoing at this time. The Fixed Cone Valve Project is currently in design. The CAISO Meter Project is also in design.

Mr. Sommers stated that funds for the first half of the other Projects are coming from funds he had budgeted for upgrades necessary to meet the Power Purchase Agreement (PPA) or budgeted for the low level outlet. The funds will be included in next year's Budget as well. All of the Projects at Bowman should be completed by mid to late June or early July of 2015.

Director Wilcox pointed out that the upgrades are necessary so that when the Bowman Powerhouse is included in the PPA, the District is not faced with downtime.

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Mr. Sommers agreed and stated that at this time, the District is having significant reliability problems at the Bowman Powerhouse that need to be dealt with before this facility is included in the PPA.

Director Bachman asked if SEL will be installing the control panels.

Ms. Herrera stated that SEL will be installing the control panels and conducting the testing for the Project.

Director Bachman asked if the control panels will be installed in a building.

Ms. Herrera responded affirmatively.

Awarded a design-build contract to Schweitzer Engineering Laboratories (SEL) in the amount of \$586,281.25 for the design and construction of the Bowman Switchgear Upgrade Project, approved the associated budget amendment and authorized the General Manager to execute the necessary documents. M/S/C Miller/Weber, unanimously approved

FAIR BOOTH – Nevada County

Rem Scherzinger, General Manager, commended the 2014 Fair Booth Committee and Staff for preparing a fabulous booth and staffing the booth this year. He worked a shift and stated that the public was very receptive.

The winners of the raffle prizes are:

- Jackie James – Landscape Package (8 yards of mulch, displayed plants, birch tree and bird house)
- Bonnie Elster – Season Pass (for one vehicle and a boat)
- Sarah Torkelson – Season Pass (for one vehicle and a boat)

Director Weber reported that she also volunteered to work a shift. She worked with Jim Malberg, Finance Manager, and they answered questions and gave away a number of cups.

Director Weber stated that she received a telephone call from Lily-Marie Mora thanking the District for the efforts made towards the fair booth.

2015 BUDGET – Update

Rem Scherzinger, General Manager, reported that Staff is currently working on the 2015 Budget, and will be presenting portions of the preliminary Budget to the respective Committees during the month of September. The entire Budget will be presented to the Board of Directors in October.

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CAROLINE LANE / WINTER MOON WAY DISTRICT FINANCED WATERLINE EXTENSION PROJECT – Update

Rem Scherzinger, General Manager, reported that the Caroline Lane / Winter Moon Way District Financed Waterline Extension Project will be going out for bid.

DISTRICT EMPLOYEES – Threats of Violence

Rem Scherzinger, General Manager, reported that there have been several incidents of District employees being threatened by the public in a violent manner. Police reports are being filed, and he is looking into executing restraining orders. These threats will not be tolerated.

DUTCH FLAT FOREBAY – Access

Rem Scherzinger, General Manager, reported that the District will be precluding access to certain areas of the Dutch Flat Forebay facility because there have been a number of trespassing violations and the danger for fire.

FEDERATION OF NEIGHBORHOOD ASSOCIATIONS – Speaking Engagement

Director Weber reported that she provided a presentation to the Federation of Neighborhood Associations regarding the drought and recent curtailment orders issued by the State Water Resources Control Board.

WATER SUMMIT

Director Weber reported that she received a telephone call from Lily-Marie Mora thanking the District for hosting the 2014 Water Summit.

CLOSED SESSION was declared at 9:57 a.m. pursuant to Government Code Section 54956.9(a) to confer with District Counsel regarding Pending Litigation - Yuba County Water Agency v. National Marine Fisheries Services et al; NID as intervenor.

CLOSED SESSION was declared at 9:57 a.m. pursuant to Government Code Section 54956.9(4)(d) to confer with District Counsel regarding anticipated litigation - one potential case.

MEETING RECONVENED in regular session at 10:30 a.m.

APPLICATION FOR WATER RIGHTS – Bear River (Res. No. 2014-43)

Adopted Resolution No. 2014-43 (Authorizing Application for the Water Rights for Diversion, Storage and Use of Water of the Bear River). M/S/C Miller/Weber, unanimously approved

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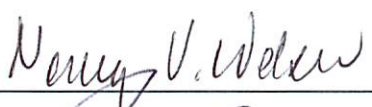


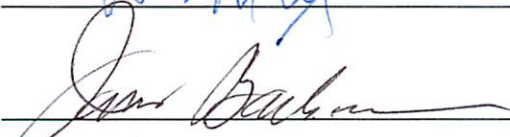
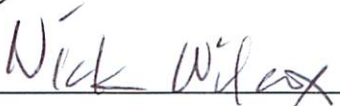
CLOSED SESSION was declared at 10:32 a.m. pursuant to Government Code Section 54956.9(b) to confer with District Counsel regarding anticipated litigation - potential appeal of adverse listing and function assignment to the North American Reliability Corporation Compliance Registry.

MEETING RECONVENED in regular session at 10:57 a.m.

MEETING ADJOURNED at 10:57 a.m. to reconvene in regular session on August 27, 2014, 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.

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|  | Director Division I |
|  | Division II |
|  | Division III |
|  | Division IV |
|  | Division V |